



## PROSPECTUS

This prospectus (the “Prospectus”) relates to (i) the offering to the public in Greece of no fewer than 130,000,000 and no more than 150,000,000 new ordinary registered, voting, dematerialised shares with a nominal value of €2.48 per share (the “New Shares”) to be issued by Public Power Corporation S.A. (“PPC” or the “Issuer”), (the “Public Offering”) and (ii) the admission to trading of the New Shares on the Main Market of the Regulated Securities Market of the Athens Exchange (the “ATHEX”).

The Extraordinary General Meeting of PPC’s shareholders, held on 19 October 2021, approved, among others, the raising of funds through a share capital increase pursuant to Article 24, paragraph 1(b) of Law 4548/2018, the disapplication of the preemption rights of PPC’s existing shareholders, in the context of the said share capital increase and authorised the Board of Directors to resolve, in particular, the nominal share capital increase of up to an amount not exceeding the amount equal to the paid-up share capital of PPC as at the date of the granting of the authorisation, namely up to the amount of €575,360,000 through payment in cash, and to determine the more specific terms and timeline of such share capital increase. By virtue of the authority given to it by the Extraordinary General Meeting, the Board of Directors of PPC, at its meeting held on 29 October 2021, approved, among others, the increase of the nominal share capital of PPC by an amount that shall not be lower than €322,400,000 or higher than €372,000,000 (the “Share Capital Increase”), by issuance of New Shares at a minimum offer price of €8.50 and a maximum offer price of €9.00. There is no subscription guarantee for the New Shares. If the Share Capital Increase is not fully subscribed for, the Issuer’s share capital will be increased up to the amount actually subscribed and paid for, in accordance with Article 28, paragraph 1 of Law 4548/2018.

The New Shares will also be offered to qualified, institutional and other eligible investors outside of Greece, pursuant to a private placement bookbuilding process, in reliance upon the exemptions from the requirement to publish a prospectus under the Prospectus Regulation (as defined below) and other applicable laws (the “Institutional Offering,” and together with the Public Offering, the “Combined Offering”). This Prospectus does not relate to the Institutional Offering.

The Combined Offering will run in parallel from 2 November 2021 to 4 November 2021. The offering price for each New Share, which may not be lower than €8.50 or higher than €9.00 per New Share, is expected to be determined by the Board of Directors after the closing of the book building period for the Institutional Offering on 4 November 2021 in agreement with the joint global coordinators of the Institutional Offering (the “Joint Global Coordinators”) and will be identical in the Combined Offering. After the completion of the Combined Offering an application will be made to the ATHEX for the admission to trading and listing of the New Shares on the Main Market of the Regulated Securities Market of the ATHEX. It is expected that the New Shares will be delivered to subscribers in the Combined Offering on or around 15 November 2021, but no assurance can be given that such issue and delivery will not be delayed.

This Prospectus has been prepared in accordance with Regulation (EU) 2017/1129, as amended (the “Prospectus Regulation”), the applicable provisions of Law 4706/2020 and the enabling relevant decisions of the Hellenic Capital Market Commission (the “HCMC”), under the simplified disclosure regime for secondary issuances pursuant to Article 14 of the Prospectus Regulation and Annex 3 and Annex 12 of the Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended and in force, as well as the Delegated Regulation (EU) 2019/979 of 14 March 2019, as amended and in force (together the “Delegated Regulations”).

The Board of Directors of the HCMC has approved the Prospectus only in connection with the information furnished to investors, as required under the Prospectus Regulation and the Delegated Regulations.

***Investing in the New Shares involves risks. Prospective investors should read the entire document and, in particular, the “Risk Factors” beginning on page 40 when considering an investment in PPC.***

This Prospectus will be valid for a period of twelve (12) months from its approval by the Board of Directors of the HCMC. In the event of any significant new factor, material mistake, or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the New Shares and which arises or is noted between the time when this Prospectus is approved and the closing of the Public Offering or the delivery of the New Shares, whichever occurs first, a supplement to this Prospectus shall be published in accordance with Article 23 of the Prospectus Regulation, without undue delay, in accordance with at least the same arrangements made for the publication of this Prospectus. If a supplement to this Prospectus is published, investors will have the right to withdraw their subscription for New Shares made prior to the publication of the supplement within the time period set forth in the supplement (which shall not be shorter than three business days after publication of the supplement).

In making an investment decision, prospective investors must rely upon their own examination, analysis of, and enquiry into, the New Shares and the terms of the Public Offering, including the merits and risks involved.

The approval of this Prospectus by the HCMC shall not be considered as an endorsement of PPC or of the quality of the New Shares that are the subject of this Prospectus. Prospective investors should make their own assessment as to the suitability of investing in the New Shares.

### *The Lead Underwriters*



PIRAEUS BANK



### *Underwriter*



### *Issue Advisor of the Public Offering*



**The date of this Prospectus is 1 November 2021**

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## GLOSSARY

### Glossary

Certain of the terms set out below are also defined in Greek solely for the purpose of facilitating the investors' review of the Greek version of the Summary included in this Prospectus.

3rd EU Energy Package .....	It consists of two EU directives and three regulations, namely the 3rd EU Electricity Directive, the 3rd EU Natural Gas Directive and the Electricity Regulations.
Alpha Bank bond loan .....	The unsecured, common bond loan structured as a revolving credit facility dated 12 August 2021, for an aggregate principal amount of up to €300.0 million entered into by and among PPC, Alpha Bank S.A. as underwriter initial mandated lead arranger, paying agent, initial bondholder and bondholder agent, and Eurobank S.A as mandated lead arranger and initial bondholder.
Ancillary Services .....	Services necessary for the operation of a transmission or distribution system, such as voltage adjustment, frequency adjustment, provision of reserve power, provision of idle power, restarting of transmission system following an outage and monitoring of load fluctuations.
Anti-Trust Case .....	Case in connection with Commission Decision of 5 March 2008 on the granting or maintaining in force by the Hellenic Republic of rights in favour of PPC for extraction of lignite.
APMs .....	Alternative Performance Measures.
Articles of Association .....	The articles of association of PPC, as amended and currently in force.
ATHEX .....	Athens Exchange.
ATHEXCSD .....	Hellenic Central Securities Depository S.A.
ATHEXCSD Rulebook .....	The rule book (regulation) of the ATHEXCSD approved pursuant to decision no. 6/904/26.2.2021 of the HCMC.
Balancing Capacity Market .....	Services necessary for the open market in which capacity is offered to cover the System's reserve requirements, which (capacity) is maintained by the participants for a predetermined time.
Balancing Energy Market .....	The market in which the participants offer electricity, used by IPTO to maintain the System frequency within a predetermined range, <i>i.e.</i> to maintain the smooth operation of the System, as well as the balance between electricity generation and demand, while observing the electricity exchange programmes with neighbouring countries.
Balancing Market .....	The market which includes the Balancing Capacity Market, the Balancing Energy Market and the Imbalances Settlement.
Base Charge .....	The single ETMEAR charge, which is imposed on all electricity consumers on the electricity consumed, in accordance with Article 143 of Law 4001/2011 as currently in force.
base load .....	The amount of power required to meet minimum demands based on reasonable expectations of customer requirements.

Board of Directors or Board . . . . .	The board of directors of PPC or any other legal person, entity or institution, the management body of which consists of a board of directors.
BSTDB . . . . .	Black Sea Trade and Development Bank.
CAGR . . . . .	Compound annual growth rate.
CHP . . . . .	High efficiency cogeneration of heat and power and refers to the concurrent production of electricity and useful thermal energy (heating and/or cooling) from a single source of energy.
CO <sub>2</sub> . . . . .	Carbon dioxide.
Cold Reserve Units . . . . .	The power plants remaining in a special stand-by status, on the basis of a contract with IPTO that is approved by RAE, reserving power for the provision of additional energy required to avoid emergency situations in the Transmission System.
Combined Cycle Gas Turbine or CCGT . . . . .	The combination of a gas turbine and steam turbine in a configuration that enables electricity to be generated directly from a generator driven by the gas turbine and, by using exhaust gases from the gas turbine to produce steam, a steam turbine coupled to the same generator or another generator.
Combined Offering . . . . .	The Public Offering and the Institutional Offering.
Commission . . . . .	The European Commission.
Cornerstone Investor . . . . .	CVC.
Corporate PPA . . . . .	The standard agreement for the purchase of power generated by a Renewables or high efficiency CHP power plant.
COVID-19 . . . . .	The coronavirus disease 2019 caused by the SARS-CoV-2 virus.
CSDR . . . . .	Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, as amended and in force.
CVC . . . . .	Selath Holdings S.à r.l., a limited liability company, incorporated under the laws of the Grand Duchy of Luxembourg, having its registered address at 20 Avenue Monterey L-2163 Luxembourg, Grand Duchy of Luxembourg and which is owned by funds advised by CVC Advisers Greece S.M.S.A. and/or its affiliates.
CVC Cornerstone Investment Agreement . . . . .	The investor commitment letter between PPC and Selath Holdings S.à r.l., dated 26 October 2021.
DAPEEP . . . . .	Operator of RES & Guaranties of Origin S.A., which is the former HEMO.

Day-Ahead Electricity Market or Pool .....	The daily wholesale electricity market which operated as a mandatory pool for daily electricity transactions in accordance with the provisions of the Energy Markets Law, before the implementation of the EU Target Model.
Day-Ahead Market or DAM .....	The market in which trades of electricity purchase and sale are carried out, with a physical delivery obligation on the following day (Delivery Day D), and to which the trades carried out on energy financial instruments with physical delivery are declared.
Delegated Regulations .....	Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended and in force, and Delegated Regulation (EU) 2019/979 of 14 March 2019, as amended and in force.
DEPA .....	National Gas Corporation, S.A., the state-controlled natural gas trading and supply corporation of Greece.
DG Competition .....	The Directorate-General for Competition of the European Commission.
Dispatch Day .....	A 24-hour period coinciding with a calendar day.
Dispatch Period .....	An hour of Dispatch Day, before the implementation of the EU Target Model.
Distribution Network .....	The electricity distribution network located in Greece and belonging to PPC, installed in the Interconnected System and the Non-Interconnected Islands and comprising high-voltage, medium-voltage and low-voltage electrical lines and electricity distribution equipment integrated into this network. The Distribution Network, excluding the autonomous electricity distribution networks of the Non-Interconnected Islands, is connected to the Transmission System via high-voltage and medium-voltage substations.
Distribution Use of Network Charges .....	Charges payable for the use of the Distribution Network to the competent operator.
DSCR .....	Debt service coverage ratio.
DSS .....	The Dematerialised Securities System, which operates as a system for securities settlement pursuant to Law 2789/2000, book-entry registry and maintaining of securities accounts for the purposes of CSDR and is administered by the ATHEXCSD in its capacity as provider of Depository Services (within the meaning of the ATHEXCSD Rulebook).
DSS Participants .....	Means “Participants” as defined in Section I Part I (92) of the ATHEXCSD Rulebook.
EBRD loan .....	This term has the meaning ascribed to it under “ <i>Material Contracts—EBRD loan.</i> ”
ECA Covered Syndicated Loan ...	The bond purchase programme agreement, programme and term facilities agreement for an aggregate principal amount of €739.0 million entered into by and among, <i>inter alios</i> , PPC, KfW IPEX Bank GmbH as mandated lead arranger, ECA agent/

bondholder (as applicable) and facility agent, Unicredit Bank AG–Athens Branch, as bondholder and security agent, and a consortium of other banks.

ECB .....	European Central Bank.
EEA .....	European Economic Area.
EEX .....	European Energy Market.
EFKA .....	Unified Social Security Fund.
EIB .....	European Investment Bank.
EIB Loans .....	This term has the meaning ascribed to it under “ <i>Material Contracts—EIB Loans.</i> ”
EIB PPC Renewables financing ...	The secured financing agreement dated 20 December 2017, for an aggregate principal amount of €85.0 million entered into by and among PPC and EIB.
Electricity Directives .....	Directive 1996/92/EC of the European Parliament and the Council concerning common rules for the internal electricity market (“1st EU Electricity Directive”), Directive 2003/54/EC of the European Parliament and the Council concerning common rules for the internal electricity market, enabling new electricity suppliers to enter EU member states’ markets and allowing customers to choose their electricity supplier and repealing Directive 1996/92/EC (2nd EU Electricity Directive), and Directive 2009/72/EC of the European Parliament and the Council concerning common rules for the internal electricity market, which further liberalised the market by unbundling supply, generation and networks, providing market access to third parties and increasing the transparency of retail markets and repealing Directive 2003/54/EC (“3rd EU Electricity Directive”) replaced by Directive (EU) 2019/944 of the European Parliament and of the Council on common rules for the internal market for electricity and amending Directive 2012/27/EU.
Electricity Regulations .....	Regulation 713/2009/EC establishing an agency for the cooperation of energy regulators, Regulation 714/2009/EC on conditions for access to the network for cross-border exchanges in electricity and Regulation 715/2009/EC on conditions for access to the natural gas transmission networks forming part of the 3rd EU Energy Package.
Electricity Supply Code .....	The ministerial decision no. 29/2013 (Government Gazette, Issue B’ 832/09.04.2013), as amended by the ministerial decision no. 177367/2016 (Government Gazette, Issue B’ 1463/24.05.2016) and in force.
Eligible customers .....	Customers who are entitled to select a supplier or to directly purchase electricity.
EMAS .....	Eco-Management and Audit Scheme.
Energy Derivatives Market .....	The market in which energy financial instruments are traded, as these are defined in Law 4514/2018 transposing the MiFID II Directive in the Greek national law.



Energy Markets Law .....	Law 4001/2011 which transposed the rules of the 3rd EU Electricity Directive and 2009/73/EC Directive concerning common rules for the internal natural gas market into Greek legislation (“3rd EU Natural Gas Directive”), as amended and in force.
Environmental Terms Approval ...	The decision issued by the competent authority by which the environmental terms and conditions in relation to a RES project are approved.
EPC .....	Engineering, procurement and construction.
ESG .....	Environmental, social and governance.
ESM .....	European Stability Mechanism.
ETMEAR .....	The Renewables special levy paid by customers.
EU .....	The European Union.
EU ETS .....	The European Union Emissions Trading System.
EU Just Transition Mechanism ....	The programme under which the EU will provide financial support and technical assistance to help those that are most affected by the move towards a green economy. This is underpinned by Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund COM/2020/22.
EU Target Model .....	EU regulatory framework for achieving energy market integration in the EU as laid out in Directive (EU) 2009/72 and subsequent EU legislation.
Euler Hermes Guarantee .....	The guarantee by which the Federal Republic of Germany, as represented by Euler Hermes Deutschland AG, guarantees 95.0% of the ECA Covered Syndicated Loan.
euro, EUR or € .....	The common currency of the member states of the EU participating in the third stage of the Economic and Monetary Union pursuant to the Treaty on the Functioning of the EU, as amended or supplemented from time to time.
European Energy Exchange .....	European Energy Exchange AG. The central European electric power and related commodities exchange located in Leipzig, Germany, which develops, operates and connects secure, liquid and transparent markets for energy and related products, including power derivative contracts, emission allowances, agricultural and freight products.
Eurozone .....	The euro area, being the Economic and Monetary Union of the member states of the European Union which have adopted the euro currency as their sole legal tender.
Extraordinary General Meeting ...	The extraordinary general meeting of the shareholders of PPC or of any other <i>société anonyme</i> incorporated under Greek law.
Feed-in Premium .....	The operational aid in the form of a Feed-in Premium added to the wholesale market price, so as to reach a Reference Tariff (as defined herein), which from 2017 onwards was determined mostly through the competitive procedures organised and implemented by the RAE.

Feed-in Tariffs . . . . .	The guaranteed electricity tariffs payable to renewable energy producers that have entered into a power purchase agreement with the competent market operator.
Final Grid Connection Offer . . . . .	A final offer for an agreement to be entered into between a RES producer and the competent grid operator for the connection to the transmission system.
Forward Power Market . . . . .	The market in electricity forwards, which was established in March 2020 following the reform of the Greek electricity market in accordance with the implementation of the EU Target Model.
FOSE . . . . .	The natural or legal entity undertaking the representation of power generation stations from RES and CHP in the electricity markets in accordance with Article 2 of Law 4414/2016.
GDP . . . . .	Gross Domestic Product.
GDPR . . . . .	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
General Meeting . . . . .	The general meeting of the shareholders, whether ordinary or extraordinary, of PPC or of any other <i>société anonyme</i> incorporated under Greek law.
GHG Protocol . . . . .	The World Resources Institute and the World Business Council for Sustainable Development's Greenhouse Gas Protocols, both dated March 2004.
Greece or Greek State . . . . .	Hellenic Republic.
Greek Corporate Law . . . . .	Law 4548/2018, as amended and in force.
Green Deal . . . . .	The European Union's policy as described in Communication COM/2019/640.
Grid Code . . . . .	The Code for the management of the Hellenic System of Transmission of Electricity as such has been approved by virtue of RAE's decision no. 1412/2020 published in Government Gazette, Issue B' 4658/22.10.2020.
Grid Connection Agreement . . . . .	The agreement entered into between the RES producer and the competent grid operator for the connection of the project to the Transmission System.
Group . . . . .	Public Power Corporation S.A. and its consolidated subsidiaries.
GW . . . . .	Gigawatt (one GW equals 1,000 MW).
GWh . . . . .	Gigawatt hours (one GWh equals 1,000 MWh).
HCAP . . . . .	Hellenic Corporation of Assets and Participations S.A., a <i>société anonyme</i> incorporated under the laws of Greece, whose sole shareholder is the Hellenic Republic.
HCMC . . . . .	The Hellenic Capital Market Commission.

HEC .....	High Efficiency Generation.
HEDNO or HEDNO S.A. (in Greek, “DEDDIE”) .....	The Hellenic Electricity Distribution Network Operator S.A., PPC’s wholly-owned subsidiary, responsible for the operation, maintenance and development of the Distribution Network.
HEMO (in Greek, “LAGIE”) .....	The former independent company Hellenic Electricity Market Operator S.A., a company which was wholly owned by the Hellenic Republic and responsible for the operation and settlement of the energy market in Greece as well as the Day-Ahead Electricity Market scheduling. Following HEMO’s spin-off pursuant to Articles 117B <i>et seq.</i> of the Energy Markets Law, and its subsequent contribution to HEnEx (as defined herein), HEMO was renamed as Operator of RES & Guaranties of Origin S.A. (in Greek, “DAPEEP”), pursuant to Article 118 of the Energy Markets Law, as amended and in force.
HEnEx .....	Hellenic Energy Exchange S.A.
High Voltage customers .....	Large industrial companies invoiced at the end of each calendar month.
High Voltage tariffs .....	Tariffs paid by High Voltage customers.
Hive-Down .....	The transfer of all of the assets and liabilities comprising the Distribution Network (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) from PPC to HEDNO by way of a hive-down in accordance with Articles 4, 54, 57-73, 83-87 of Law 4601/2019 and the Legislative Decree 1297/1972.
household customers .....	Customers purchasing electricity for their own household consumption, excluding commercial or professional activities.
HRADF (in Greek, “TAIPED”) ...	The Hellenic Republic Asset Development Fund S.A., a <i>société anonyme</i> incorporated under the laws of Greece, whose sole shareholder is HCAP.
HSBC overdraft facility agreement .....	The interest-bearing overdraft facility agreement dated 2 June 2011, for an aggregate principal amount of €30.0 million entered into by and among PPC and HSBC Bank plc.
IAS .....	International Accounting Standards.
IFRS .....	International Financial Reporting Standards as adopted by the European Union and modified from time to time.
Imbalances Settlement .....	A financial settlement mechanism for charging or paying balance responsible parties for their imbalances.
IMF .....	International Monetary Fund.
Income Tax Code or ITC .....	Law 4172/2013, as amended and in force.

Institutional Offering . . . . .	The offering of New Shares outside of Greece, pursuant to a private placement bookbuilding process, which is not a public offer in the meaning of the Prospectus Regulation, (i) to investors in member states of the EEA and the UK who are “professional clients” and/or other “eligible counterparties,” each as defined in Directive 2014/65/EU, as amended, and the applicable regulations of the UK, and (ii) to eligible investors outside the United States in offshore transactions in reliance on Regulation S, and within the United States only to “qualified institutional buyers,” as defined in Rule 144A under the U.S. Securities Act of 1933, as amended, in reliance upon an exemption from the registration requirements of such act.
Interconnected Islands . . . . .	The Greek islands which are connected to and covered by the Interconnected System.
Interconnected System . . . . .	The electricity system that consists of the Transmission System and the part of the Distribution Network that is connected to the Transmission System, currently covering all mainland Greece and the Interconnected Islands.
Intercontinental Exchange . . . . .	Intercontinental Exchange, Inc.
intermediate load . . . . .	The amount of power required when demand exceeds the minimum demand but has not reached a level of high demand.
Intra-Day Market or IDM . . . . .	The market in which trades of electricity purchase and sale are carried out, with a physical delivery obligation upon the expiry of the deadline for order submission in the DAM concerning the Delivery Date D.
Investor Share . . . . .	Means the “Share,” as defined in Section 1 Part 1 (59) of the ATHEXCSD Rulebook that the investor holds in the DSS.
IPTO or IPTO S.A. (in Greek, “ADMIE”) . . . . .	Independent Power Transmission Operator S.A., PPC’s former wholly-owned subsidiary, which currently owns, operates, maintains and develops the Transmission System. The full ownership unbundling of IPTO was completed on 20 June 2017.
Issue Advisor or Issue Advisor of the Public Offering . . . . .	NBG.
IT . . . . .	Information technology.
JIS . . . . .	Joint Investor Shares.
Joint Global Coordinators . . . . .	The joint global coordinators of the Institutional Offering.
kVA . . . . .	Kilovolt ampere (1,000 volt amperes).
KWh . . . . .	Kilowatt hours (a watt hour is the amount of energy used by a one-watt load drawing power for one hour. The kilowatt hour (KWh) is 1,000 times larger than a watt hour and is a useful size for measuring the energy use of households and small businesses and also for the production of energy by small power plants.
Last Resort RES Aggregator . . . . .	The entity undertaking the representation of power generation stations in the electricity markets in case their representation by

a RES Aggregator is impossible on a temporary basis in accordance with the provisions of Law 4414/2016 (Article 2, paragraph 23).

Lead Underwriters .....	National Bank of Greece S.A., Alpha Bank S.A., Eurobank S.A., Piraeus Bank S.A. and Euroxx Securities S.A., which are providing the investment services of underwriting and/or placing without a firm commitment basis of Annex I Section A (6) and (7) of MiFID II in connection with the Public Offering.
LEI .....	Legal Entity Identifier.
Liberalisation Law .....	Law 2773/1999, which transposed the rules of the 1st EU Electricity Directive into Greek legislation, as amended and in force.
Licensing Regulation .....	The licensing regulation for supply and trading, issued by the Minister of Environment, Energy and Climate Change in November 2012 following an opinion from RAE (ministerial decision no. D5-HL/B/F.1.20/543/OIK.20506/ Government Gazette, Issue B' 2940/05.11.2012).
Lignite Subsidiaries .....	Lignitiki Megalopolis S.A. and Lignitiki Melitis S.A., which are wholly-owned subsidiaries of PPC.
LNG .....	Liquified natural gas.
Low Voltage customers .....	Households and small commercial customers billed every four months on the basis of actual meter readings.
Low Voltage tariffs .....	Tariffs paid by Low Voltage customers.
MAM .....	Macquarie Asset Management.
Market Rulebooks .....	The Day-Ahead, Intra-Day, Balancing and Energy Derivatives Market Rulebooks.
Master Plan .....	The Just Transition Development Plan of lignite areas of the Greek government as at 11 December 2020.
Medium Voltage customers .....	Industrial and commercial companies billed monthly on the basis of actual meter readings.
Medium Voltage tariffs .....	Tariffs paid by Medium Voltage customers.
Micro Isolated Systems .....	Electricity systems in the Non-Interconnected Islands with total annual consumption of less than 500 GWh, as measured in the year 1996, where there is no connection with other systems, in accordance with Article 2(27) of the 3rd EU Electricity Directive and Article 2, paragraph 3(d) of the Energy Markets Law.
MiFID II .....	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended and in force.
Mt .....	Megatonnes (one Mt equals one million tonnes).

MW .....	Megawatts (one MW equals 1,000 kilowatts or one million watts).
MWh .....	Megawatt Hours. A watt hour is the amount of energy used by a one—watt load drawing power for one hour. The MWh is 1,000 times larger than the KWh and is used for measuring the energy output of large power plants.
Natural Gas Suppliers .....	The licensed suppliers of natural gas.
NBG .....	National Bank of Greece S.A.
NBG Loan .....	The bond loan agreement dated 11 October 2011, for an aggregate principal amount of up to €160.0 million entered into by and among PPC and NBG as bondholder agent, facility agent and bondholder.
NECP .....	The ten-year Greek National Energy and Climate Plan (2020-2030) setting out national targets for reducing greenhouse gas emissions that are not covered by the EU Emissions Trading System (ETS).
New Shares .....	No fewer than 130,000,000 and no more than 150,000,000 new ordinary registered, voting, dematerialised shares with a nominal value of €2.48 per share, to be issued by PPC pursuant to the Share Capital Increase and offered for subscription in the Combined Offering.
NNGTS .....	The National Natural Gas Transmission System.
NNGTS Code .....	The National Natural Gas Transmission System Code.
NNGTS User’s Regulation .....	The Regulation for the Register of Users of NNGTS, which has been approved by virtue of ministerial decision no. Δ1/A/5816/2010 (Government Gazette, Issue B’ 451/16.4.2010).
NOME .....	The mechanism for the auctioning of forward electricity products with physical delivery by PPC through the day ahead scheduling and with a regulated starting price to eligible electricity suppliers introduced by Law 4389/2016.
non-household customers .....	A natural or legal person who purchases electricity that is not for own household use, including wholesale customers and electricity producers in accordance with Article 2, paragraph η of Energy Markets Law.
Non-Interconnected Islands .....	Those Greek islands which are not connected to the Transmission System and therefore are not covered by the Interconnected System.
Non-Interconnected Islands Network .....	The electricity systems which are installed in the Non-Interconnected Islands as part of our Distribution Network and managed by HEDNO.
Non-Performing Receivables Securitisation .....	The asset backed conduit securitisation described under “ <i>Material Contracts—Non-Performing Receivables Securitisation.</i> ”

OCGT .....	An open cycle gas turbine, which is a combustion turbine fired by liquid fuel to turn a generator rotor that produces electricity. The residual heat is exhausted to the atmosphere.
Operating Aid Agreement .....	The contracts entered into between RES producers and DAPEEP for the granting of a Feed-in Premium.
Ordinary Shares .....	The ordinary registered voting shares issued by PPC from time to time, the nominal amount of which is expressed in euro.
Ownership Unbundling model ....	That the same person or persons are entitled neither (i) directly or indirectly to exercise control over an undertaking performing any of the functions of production or supply and, directly or indirectly, to exercise control or exercise any right over a transmission system operator or over a transmission system; nor (ii) directly or indirectly to exercise control over a transmission system operator or over a transmission system, and directly or indirectly to exercise control or exercise any right over an undertaking performing any of the functions of production or supply.
peak-load .....	The maximum demand for electricity during a specified high demand period.
Performing Receivables Securitisation .....	The asset backed conduit securitisation described under “ <i>Material Contracts—Performing Receivables Securitisation.</i> ”
Permanent (Long-Term) Power Capacity Compensation Mechanism .....	The regulatory mechanism established according to Article 15 of Law 4618/2019.
Permitted Group Guarantee .....	Under the ECA Covered Syndicated Loan, (i) a guarantee of the Company guaranteeing performance of a subsidiary under a bond issued by such subsidiary; provided that (a) such guarantee is limited to the liabilities under such bond and (b) the proceeds of that bond (net of any reasonable costs and expenses incurred by that subsidiary for the issuance of that bond) are paid by such subsidiary to the Company without undue delay in accordance with the standard administration procedure for such type of bond, or (ii) a guarantee of the Company given to secure financial indebtedness incurred by a member of the Group; provided that the aggregate amount of such guarantee (when aggregated with the amount of any Permitted Group Loan) does not exceed 10.0% of the total assets amount of the balance sheet as reflected in the Company’s latest audited consolidated financial statements).
Permitted Group Loan .....	Under the ECA Covered Syndicated Loan, any financial indebtedness made available by the Company to a member of the Group, provided that the aggregate amount of such financial indebtedness (when aggregated with the amount of any Permitted Group Guarantee) does not exceed 10.0% of the total assets of the balance sheet as reflected in the Company’s latest audited consolidated financial statements.
Pilot Auction .....	The pilot tender launched by RAE in December 2016 for the award of Feed-in Premium tariffs in two categories of photovoltaic installations (small scale PV ≤ 1 MW and large scale PV between 1 MW and 10 MW).

Piraeus Bank .....	Piraeus Bank S.A.
Placing Agreement .....	The agreement for the placing of the New Shares without a firm commitment basis within the meaning of Annex I, Section A (7) of MiFID II entered into on 1 November 2021 among PPC, the Lead Underwriters and the Underwriter.
PPC Renewables .....	The <i>société anonyme</i> with the corporate name PPC Renewables S.A., a wholly-owned subsidiary of PPC incorporated under the laws of Greece, with General Commercial Registry Number 003105201000 and registered seat at 3, Kapodistriou Street, 153 43 Agia Paraskevi, Attica, Greece. PPC Renewables is PPC's wholly-owned subsidiary and its renewable energy sources portfolio consists of wind farms, small-scale hydropower plants and photovoltaic parks.
PPC S.A. PIO .....	PPC S.A. Personnel Insurance Organisation.
PPC, PPC S.A., Issuer, Company, we, us or our .....	The <i>société anonyme</i> with the corporate name Public Power Corporation S.A., incorporated under the laws of Greece, with General Commercial Registry Number 786301000 and registered seat at 30, Chalkokondili Street, 104 32 Athens, Greece.
Preferential Allocation .....	The entitlement of a Priority Investor to a priority allocation of New Shares allocated in the Public Offering, which will be proportionate to the shareholding participation of such Priority Investor in PPC. The Preferential Allocation will be equal to each Priority Investor's shareholding participation in PPC's share capital on the Record Date, so that such Priority Investor maintains at least the same shareholding participation after the Share Capital Increase.
Price Range .....	A minimum of €8.50 and a maximum of €9.00 per New Share.
Priority Investors .....	Retail Investors and Qualified Investors who are registered shareholders of PPC in accordance with its shareholders' register electronically kept through the ATHEXCSD at the commencement of the trading of the Company's existing Ordinary Shares on the Main Market of the Regulated Securities Market of the ATHEX on the Record Date and subscribe for in the Public Offering.
Prospectus .....	This document prepared for the purpose of the Public Offering and the admission of the New Shares to trading on the Main Market of the Regulated Securities Market of the ATHEX, in accordance with the Prospectus Regulation, the Delegated Regulations, the applicable provisions of Law 4706/2020 and the implementing decisions of the HCMC, which was approved by the Board of Directors of the HCMC on 1 November 2021.
Prospectus Regulation .....	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended and currently in force.
Public Offering .....	The offering of the New Shares to the public in Greece pursuant to this Prospectus and in accordance with the



	Prospectus Regulation, the Delegated Regulations, the applicable provisions of Law 4706/2020 and the implementing decisions of the HCMC.
Public Enterprise . . . . .	A legal entity classified as a public enterprise within the meaning of Article 1 of Law 3429/2005, as amended and in force.
Public Enterprise (Chapter B) . . . . .	A Public Enterprise subject to Chapter B of Law 3429/2005, in accordance with Article 1 paragraph 5 of Law 3429/2005.
Public Service Obligations or PSOs . . . . .	PPC's and other electricity suppliers' obligation to provide electricity at reduced tariffs (for which all suppliers are entitled to compensation) to members of specific categories, such as (i) customers who meet the criteria for the social solidarity payment, and (ii) customers who meet concrete fiscal and income criteria and income thresholds, combined with cases of households with one or more individuals who are 67.0% or more disabled, or requiring mechanical support from medical devices or having additional minor members. PSOs also refers to our obligation to supply electricity to the Non-Interconnected Islands at the same tariffs as those in the Interconnected System. PSOs compensation is based on the relevant costs incurred in the prior year.
pumping . . . . .	The process of pumping water to be stored at a higher elevation and subsequently released to generate electricity.
Qualco . . . . .	Qualco S.A., a debt management, collections and recoveries company organised under the laws of Greece.
Qualified Investors . . . . .	Shall have the meaning ascribed to it in Article 2(e) of the Prospectus Regulation.
RAE . . . . .	Hellenic Republic Regulatory Authority for Energy.
Record Date . . . . .	Commencement of trading of the existing Ordinary Shares on 2 November 2021.
Reference Tariff . . . . .	The price in euro per MWh (€/MWh) on the basis of which the operating aid (either in the form of Feed-in Premium or in the form of fixed tariff) is calculated monthly. This price is determined per project and is subject to competitive bidding process.
Regulated Asset Base or RAB . . . . .	The regulated asset base as determined by RAE.
Regulator or RAE . . . . .	The Greek Regulatory Authority for Energy.
REMIT . . . . .	Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency.
Renewables or RES . . . . .	Renewable non-fossil energy sources defined in Article 2, paragraph 2 of Law 3468/2006 used for power generation purposes, such as wind, solar, ocean power, tidal power, biomass, landfill gas, sewage treatment plant gas, biogases, geothermal and hydropower (not exceeding 15 MW).

Renewables Special Account . . . . .	The account created by virtue of Article 40 of the Liberalisation Law and further regulated by Article 143 of the Energy Markets Law, as amended and replaced by Article 23 of Law 4414/2016 and in force, in order to cover the deficit related to Renewables, since the total income generated by the relevant Renewables account with HEMO did not cover the fixed Feed-in Tariff paid to Renewables producers. The Renewables Special Account is divided into (i) the Renewables Special Account of the Interconnected System, and (ii) the Renewables Special Account of the Non-Interconnected Islands.
RES Aggregator . . . . .	The natural or legal entity undertaking the representation of power generation stations from RES and CHP in the electricity markets in accordance with Article 2 of Law 4414/2016.
Restructuring and Privatisation Plan . . . . .	The restructuring and privatisation plan announced by the Hellenic Republic on 24 July 2013 and as further amended on 12 February 2014 by Law 4237/2014 and on 27 May 2016 by Law 4389/2016 with the intention of creating the appropriate conditions for fully liberalising the Greek electricity market and further increasing competition.
Retail Investors . . . . .	Investors who are not Qualified Investors.
SCI Account . . . . .	The special bank account that PPC has opened at Piraeus Bank S.A. for the purpose of the Share Capital Increase.
Scope 1 CO <sub>2</sub> emissions . . . . .	Emissions from fuel consumption of thermal power plants (Scope 1 direct emissions as per the GHG Protocol terminology).
Securities Account . . . . .	Shall have the meaning ascribed to it in the ATHEXCSD Rulebook.
Senior Notes due 2026 . . . . .	The Issuer's €775.0 million 3.875% Sustainability-Linked Senior Notes due 2026 issued under the indenture dated 18 March 2021, as supplemented by the first supplemental indenture dated 24 March 2021, by and among, <i>inter alios</i> , itself, as Issuer, HSBC Bank plc, as trustee, and HSBC Bank plc, as paying agent, authenticating agent, transfer agent and registrar.
Senior Notes due 2028 . . . . .	The Issuer's €500.0 million 3.375% Sustainability-Linked Senior Notes due 2028 issued under the indenture dated 21 July 2021 by and among, <i>inter alios</i> , itself, as Issuer, HSBC Bank plc, as trustee, and HSBC Bank plc, as paying agent, authenticating agent, transfer agent and registrar.
SHA . . . . .	Has the meaning ascribed to it under " <i>Material Contracts—Shareholders' agreement.</i> "
Share Capital Increase . . . . .	The increase of the nominal share capital of PPC by an amount that shall not be lower than €322,400,000 or higher than €372,000,000, through payment in cash, and the issuance of the New Shares approved by its Board of Directors on 29 October 2021, with the disapplication of the pre-emption rights of its existing shareholders, as approved by its Extraordinary General Meeting held on 19 October 2021.

Social Residential Tariff or SRT . .	The special discounted tariff provided to certain beneficiary groups determined by decisions of the Minister of Environment, Energy and Climate Change, such as: (i) customers who meet the criteria for the social solidarity payment and (ii) customers who meet concrete fiscal and income criteria and income thresholds, combined with cases of households with one or more individuals who are 67.0% or more disabled, or requiring mechanical support from medical devices or having additional minor members, subject to certain electricity consumption and income thresholds.
Social Security Institute (in Greek “IKA”) . . . . .	The main Greek public insurance institution of which the greater majority of salaried workers and other categories of assimilated employees were members. On 1 January 2017 it was absorbed by EFKA.
SPA . . . . .	Has the meaning ascribed to it under “ <i>Material Contracts—Share purchase agreement.</i> ”
SPV . . . . .	Special Purpose Vehicle.
Suitability Policy . . . . .	The suitability policy of the Company, which was prepared in accordance with the provisions of Article 3 of Law 4706/2020 and the HCMC Guidelines (Circular no. 60/18.9.2020), as approved by the Board of Directors on 13 May 2021 and the General Meeting on 4 June 2021 and is available at the Company’s website <a href="https://dei.gr/Documents2/ETAIRIKH%20DIAKYBERNISH/KANONISMOS_LEITOYRGIAS_2021/2%20%CE%A0%CE%91%CE%A1%CE%91%CE%A1%CE%A4%CE%97%CE%9C%CE%91%20%CE%92%20%CE%A0%CE%9F%CE%9B%CE%99%CE%A4%CE%99%CE%9A%CE%97%20%CE%9A%CE%91%CE%A4%CE%91%CE%9B%CE%9B%CE%97%CE%9B%CE%9F%CE%A4%CE%97%CE%A4%CE%91%CE%A3%20%CE%9C%CE%95%CE%9B%CE%A9%CE%9D%20%CE%94%CE%A3.pdf">https://dei.gr/Documents2/ETAIRIKH%20DIAKYBERNISH/KANONISMOS_LEITOYRGIAS_2021/2%20%CE%A0%CE%91%CE%A1%CE%91%CE%A1%CE%A4%CE%97%CE%9C%CE%91%20%CE%92%20%CE%A0%CE%9F%CE%9B%CE%99%CE%A4%CE%99%CE%9A%CE%97%20%CE%9A%CE%91%CE%A4%CE%91%CE%9B%CE%9B%CE%97%CE%9B%CE%9F%CE%A4%CE%97%CE%A4%CE%91%CE%A3%20%CE%9C%CE%95%CE%9B%CE%A9%CE%9D%20%CE%94%CE%A3.pdf</a> .
Supplemental MoU . . . . .	The memorandum of understanding dated as at 22 March 2018, entered into by the Hellenic Republic, the European Commission acting on behalf of the European Stability Mechanism and Bank of Greece.
Supplier . . . . .	The licensed electricity supplier who provides electricity to the customer.
Supplier of Last Resort . . . . .	Electricity and gas suppliers, who are obliged to act as suppliers to customers who are not being represented by a supplier due to a fault (in Greek, “υπατότητα”), attributed to that supplier. The Supplier of Last Resort is obliged to provide supply services to above customers temporarily and for no more than three months, within which period of time said customers ought to enter into a new supply agreement with a supplier of their choice.
Supply Contract . . . . .	The agreement between the Supplier and the customer, which sets out the general terms and conditions of supply, any special terms agreed, as well as the tariffs and prices.
Supply Division . . . . .	The supply business unit of PPC S.A.

Sustainability Performance Target .....	The CO <sub>2</sub> reduction target of PPC set forth in its Sustainability-Linked Bond Framework, which aims at a 57.0% reduction in Scope 1 CO <sub>2</sub> emissions by 31 December 2023, compared to the baseline of 23.15 Mt of CO <sub>2</sub> as at 31 December 2019. The baseline of 23.15 Mt of CO <sub>2</sub> was reported in PPC's annual Sustainable Development Report dated 5 February 2021 and has not been independently verified or audited by a third party.
Sustainability-Linked Bond Framework .....	The sustainability-linked bond framework adopted by the Issuer in February 2021, as complemented by the new Sustainability-Linked Bond Framework adopted in June 2021. The Sustainability-Linked Bond Framework can be found on our website at <a href="http://www.dei.gr">http://www.dei.gr</a> .
Syndicated Bond Loan A .....	The syndicated bond loan dated 5 October 2018, for an aggregate principal amount of €1,085.75 million entered into by and among PPC and National Bank of Greece S.A. (as paying agent and bondholder agent), Eurobank S.A., Alpha Bank S.A., Piraeus Bank S.A. and Attica Bank S.A. as mandated lead arrangers and initial bondholders.
Syndicated Bond Loan B .....	The syndicated bond loan dated 5 October 2018, for an aggregate principal amount of €175.0 million entered into by and among PPC and National Bank of Greece S.A. (as paying agent and bondholder agent), Eurobank S.A., Alpha Bank S.A., Piraeus Bank S.A. and Attica Bank S.A. as mandated lead arrangers and initial bondholders.
Syndicated Bond Loan C .....	The Syndicated Bond Loan C refers to the syndicated bond loan dated 15 April 2019, for an aggregate principal amount of €200.0 million entered into by and among PPC and National Bank of Greece S.A. (as paying agent and bondholder agent), Eurobank S.A., Alpha Bank S.A., Piraeus Bank S.A. and Attica Bank S.A. as mandated lead arrangers and initial bondholders.
System Marginal Price or SMP .....	The system marginal price at which all generators sell and all suppliers buy electricity to and from the wholesale electricity market for each Dispatch Period. The SMP generally reflects the short run marginal cost of generation for the last generating power plant in the merit order required to meet electricity demand in that Dispatch Period.
tariff .....	The energy charges and data used to calculate the total amount that a customer is charged by the Supplier according to the terms and conditions of the Supply Contract.
TFEU .....	Treaty on the Functioning of the European Union.
Third Economic Adjustment Programme .....	The third economic reform and financial assistance programme introduced by the IMF, the EU and the ECB in Greece in 2015.
Transitional National Emissions Reduction Plan or TNERP .....	The plan elaborated and officially submitted by Greece to the EU at the end of 2012 in accordance with the provisions of Article 32 of Directive 2010/75/EU.
Transmission System or System .....	The high voltage electrical lines installed within the Hellenic Republic, the country's electricity interconnections with third

countries, as well as all related facilities and installations, which are required for the smooth, safe and continuous transmission of electricity from a power plant to a substation, from a substation to another substation, or from or towards any interconnection. The System does not include the power plants, the high voltage electrical lines and any facilities which have been integrated into the Distribution Network, or the local electricity distribution networks of the Non-Interconnected Islands. The Transmission System is owned and operated by IPTO and is no longer part of the Group following the completion of the full unbundling of IPTO.

TWh .....	Terawatt hours (1 TWh equals 1,000 GWh).
Underwriter .....	Optima bank S.A., which is providing the investment services of underwriting and/or placing without a firm commitment basis of Annex I Section A (6) and (7) of MiFID II in connection with the Public Offering.
Unified Power Production Licence .....	Decision of the Minister of Development no. Δ5/Β/Φ1/οικ./1085/2401.2002 (Government Gazette Β' 92/31.01.2002) regarding terms and restrictions applying to the unified production licence granted to PPC by virtue of Article 42 of Law 2773/1999, as amended and currently in force.
Universal Service Provider .....	The capacity of certain electricity suppliers, including PPC, to act as supplier for a period of two years for household customers and small enterprises with connection capacity up to 25 kVA that either fail to exercise their right to select a supplier or are unable to find a supplier in the liberalised market on the same commercial terms as prior to liberalisation.
VAT .....	Value Added Tax.
Vulnerable customers .....	Consumers who come under the category of customers described in Article 52 of the Energy Markets Law.
WACC .....	Weighted average cost of capital.

ΑΕΠΟ (in English, “ΑΕΡΟ”).....	Απόφαση Έγκρισης Περιβαλλοντικών Όρων.
Ανάδοχος.....	Η Τράπεζα Optima bank A.E., η οποία παρέχει τις επενδυτικές υπηρεσίες της αναδοχής ή/και της τοποθέτησης χωρίς δέσμευση ανάληψης βάσει του Παραρτήματος Ι, Ενότητα Α(6) και (7) της MiFID II αναφορικά με τη Δημόσια Προσφορά.
Απόσχιση του Κλάδου Δικτύου Διανομής.....	Η μεταβίβαση του συνόλου των στοιχείων ενεργητικού και των υποχρεώσεων που περιλαμβάνει το Δίκτυο Διανομής (με εξαίρεση (i) το δίκτυο υψηλής τάσης της Κρήτης, το οποίο από την 1η Αυγούστου 2021 περιήλθε στην ιδιοκτησία του ΔΕΔΔΗΕ και (ii) το δικαίωμα πρόσβασης για την εγκατάσταση και λειτουργία του δικτύου οπτικών ινών, το οποίο θα παραμείνει στη ΔΕΗ) από τη ΔΕΗ στον ΔΕΔΔΗΕ μέσω απόσχισης σύμφωνα με τα Άρθρα 4, 54, 57-73, 83-87 του Ν. 4601/2019 και το νομοθετικό διάταγμα 1297/1972.
Αύξηση Μετοχικού Κεφαλαίου .....	Η αύξηση του ονομαστικού μετοχικού κεφαλαίου της ΔΕΗ κατά ποσό που δεν θα είναι κατώτερο των €322.400.000 ούτε υψηλότερο των €372.000.000, με την καταβολή μετρητών, την έκδοση των Νέων Μετοχών, η οποία εγκρίθηκε από το Διοικητικό Συμβούλιο στις 29 Οκτωβρίου 2021, και την κατάργηση των δικαιωμάτων προτίμησης των υφιστάμενων μετόχων της, η οποία αποφασίστηκε από τη Γενική Συνέλευση στις 19 Οκτωβρίου 2021.
Γενική Συνέλευση .....	Η τακτική ή έκτακτη γενική συνέλευση των μετόχων της ΔΕΗ, ή οποιασδήποτε άλλης ανώνυμης εταιρείας που έχει συσταθεί σύμφωνα με το ελληνικό δίκαιο.
Γενικοί Συντονιστές .....	Οι γενικοί συντονιστές της Διεθνούς Προσφοράς.
Cornerstone Επενδυτής .....	CVC.
CVC Cornerstone Επενδυτική Συμφωνία.....	Η επενδυτική επιστολή δέσμευσης μεταξύ της ΔΕΗ και της Selath Holdings S.à r.l., που υπεγράφη στις 26 Οκτωβρίου 2021.
ΔΕΗ, ΔΕΗ Α.Ε., Εκδότης, Εταιρεία, εμείς.....	Η Δημόσια Επιχείρηση Ηλεκτρισμού, ανώνυμη εταιρεία που έχει συσταθεί κατά το ελληνικό δίκαιο, με αριθμό Γενικού Εμπορικού Μητρώου 786301000 και έδρα στην Οδό Χαλκοκονδύλη αρ. 30, 104 32, Αθήνα, Ελλάδα.
ΔΕΔΔΗΕ .....	Η εταιρεία «Διαχειριστής Ελληνικού Δικτύου Διανομής Ηλεκτρικής Ενέργειας Α.Ε.», εξ ολοκλήρου θυγατρική της

	ΔΕΗ και υπεύθυνη για τη λειτουργία, συντήρηση και ανάπτυξη του Δικτύου Διανομής.
Δημόσια Προσφορά .....	Η προσφορά των Νέων Μετοχών προς το κοινό στην Ελλάδα, δυνάμει του παρόντος Ενημερωτικού Δελτίου και σύμφωνα με τον Κανονισμό για το Ενημερωτικό Δελτίο, τους Κατ' Εξουσιοδότηση Κανονισμούς, τις εφαρμοζόμενες διατάξεις του Ν. 4706/2020 και τις εκτελεστικές αποφάσεις της ΕΚ.
Διασυνδεδεμένα Νησιά .....	Τα νησιά της Ελλάδος που συνδέονται και καλύπτονται από το Διασυνδεδεμένο Σύστημα.
Διασυνδεδεμένο Σύστημα .....	Το σύστημα ηλεκτρικής ενέργειας που αποτελείται από το Σύστημα Μεταφοράς Ηλεκτρικής Ενέργειας και το τμήμα του Δικτύου Διανομής που είναι συνδεδεμένο με το Σύστημα Μεταφοράς Ηλεκτρικής Ενέργειας και καλύπτει όλη την ηπειρωτική Ελλάδα και τα Διασυνδεδεμένα Νησιά.
Διεθνής Προσφορά.....	Η προσφορά Νέων Μετοχών εκτός Ελλάδος, μέσω ιδιωτικής τοποθέτησης με τη διαδικασία διεθνούς βιβλίου προσφορών, η οποία δεν συνιστά δημόσια προσφορά κατά την έννοια του Κανονισμού για το Ενημερωτικό Δελτίο, (i) προς επενδυτές σε κράτη μέλη του ΕΟΧ και στο Ηνωμένο Βασίλειο, οι οποίοι είναι «επαγγελματίες πελάτες» ή/και λοιποί «επιλέξιμοι αντισυμβαλλόμενοι», κατά την έννοια της Οδηγίας 2014/65/ΕΕ, όπως τροποποιήθηκε, και των εφαρμοζόμενων κανονισμών του Ηνωμένου Βασιλείου, και (ii) προς επιλέξιμους επενδυτές εκτός των Ηνωμένων Πολιτειών σε υπεράκτιες συναλλαγές βάσει του Κανονισμού S, και εντός των Ηνωμένων Πολιτειών προς «ειδικούς θεσμικούς αγοραστές», όπως ορίζονται στον Κανόνα 144Α του Νόμου Περί Κινητών Αξιών των Η.Π.Α. του 1933, όπως τροποποιήθηκε, βάσει εξαίρεσης από τις υποχρεώσεις που απορρέουν από το εν λόγω νόμο.
Δίκτυο Διανομής .....	Το δίκτυο διανομής ηλεκτρικής ενέργειας που βρίσκεται στην Ελλάδα και ανήκει στη ΔΕΗ, είναι εγκατεστημένο στο Διασυνδεδεμένο Σύστημα και στα Μη Διασυνδεδεμένα Νησιά και περιλαμβάνει ηλεκτρικές γραμμές υψηλής, μέσης και χαμηλής τάσης και εξοπλισμό διανομής ηλεκτρικής ενέργειας που είναι ενσωματωμένος στο δίκτυο αυτό. Το Δίκτυο Διανομής, εξαιρουμένων των αυτόνομων δικτύων διανομής ηλεκτρικής ενέργειας των Μη Διασυνδεδεμένων Νησιών, συνδέεται με το Σύστημα Μεταφοράς Ηλεκτρικής Ενέργειας μέσω υποσταθμών υψηλής και μέσης τάσης.
Διοικητικό Συμβούλιο ή ΔΣ.....	Το διοικητικό συμβούλιο της ΔΕΗ ή οποιουδήποτε άλλου νομικού προσώπου, οντότητας ή θεσμού, το οποίο διοικείται από διοικητικό συμβούλιο.
Ειδικοί Επενδυτές.....	Θα έχει την έννοια που αποδίδεται σε αυτόν τον όρο στο Άρθρο 2(ε) του Κανονισμού για το Ενημερωτικό Δελτίο.
ΕΚ .....	Η Επιτροπή Κεφαλαιαγοράς.

ΕΛ.Κ.Α.Τ. ....	Η εταιρεία Ελληνικό Κεντρικό Αποθετήριο Τίτλων Α.Ε.
Ενημερωτικό Δελτίο.....	Το παρόν έγγραφο που καταρτίστηκε για τους σκοπούς της Δημόσιας Προσφοράς και της εισαγωγής των Νέων Μετοχών προς διαπραγμάτευση στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Αξιογράφων του Χ.Α., σύμφωνα με τον Κανονισμό για το Ενημερωτικό Δελτίο, τους Κατ' Εξουσιοδότηση Κανονισμούς, τις εφαρμοζόμενες διατάξεις του Ν. 4706/2020 και τις εκτελεστικές αποφάσεις της ΕΚ, το οποίο εγκρίθηκε από το Διοικητικό Συμβούλιο της ΕΚ στη 1 Νοεμβρίου 2021.
Εύρος Τιμής Διάθεσης .....	€8,50 κατ' ελάχιστον και €9,00 κατά το μέγιστο άνα Νέα Μετοχή.
Ημερομηνία Καταγραφής.....	Έναρξη διαπραγμάτευσης των υφιστάμενων Κοινών Μετοχών στις 2 Νοεμβρίου 2021.
Ιδιώτες Επενδυτές .....	Επενδυτές που δεν είναι Ειδικοί Επενδυτές.
Κανονισμός για το Ενημερωτικό Δελτίο.....	Ο Κανονισμός (ΕΕ) 2017/1129 του Ευρωπαϊκού Κοινοβουλίου και του Συμβουλίου, της 14ης Ιουνίου 2017, σχετικά με το ενημερωτικό δελτίο που πρέπει να δημοσιεύεται κατά τη δημόσια προσφορά κινητών αξιών ή κατά την εισαγωγή κινητών αξιών προς διαπραγμάτευση σε ρυθμιζόμενη αγορά και την κατάργηση της οδηγίας 2003/71/ΕΚ, όπως τροποποιήθηκε και ισχύει.
Κανονισμός ΕΛ.Κ.Α.Τ. ....	Ο κανονισμός λειτουργίας της ΕΛ.Κ.Α.Τ., που εγκρίθηκε με την υπ' αριθμ. 6/904/26.2.2021 απόφαση του Διοικητικού Συμβουλίου της ΕΚ.
Κατ' Εξουσιοδότηση Κανονισμοί.....	Ο Κατ' Εξουσιοδότηση Κανονισμός (ΕΕ) 2019/980 της 14 <sup>ης</sup> Μαρτίου 2019, όπως τροποποιήθηκε, και ο Κατ' Εξουσιοδότηση Κανονισμός (ΕΕ) 2019/979 της 14 <sup>ης</sup> Μαρτίου 2019, όπως τροποποιήθηκε.
Κατά Προτεραιότητα Επενδυτές .....	Ιδιώτες Επενδυτές και Ειδικοί Επενδυτές, που είναι γεγραμμένοι μέτοχοι της ΔΕΗ σύμφωνα με το μετοχολόγιό της που τηρείται ηλεκτρονικά μέσω της ΕΛΚΑΤ κατά την έναρξη διαπραγμάτευσης των υφιστάμενων Κοινών Μετοχών της Εταιρείας στη Κύρια Αγορά της Οργανωμένης Αγοράς Αξιών του Χρηματιστηρίου Αθηνών, κατά την Ημερομηνία Καταγραφής, και οι οποίοι εγγράφονται στη Δημόσια Προσφορά.
Καταστατικό.....	Το καταστατικό της ΔΕΗ, όπως έχει τροποποιηθεί και ισχύει.
Κοινές Μετοχές.....	Οι εκπεφρασμένες σε ευρώ κοινές ονομαστικές μετά ψήφου μετοχές, που έχει εκάστοτε εκδώσει η ΔΕΗ.
Κύριοι Ανάδοχοι .....	Η Εθνική Τράπεζα της Ελλάδος Α.Ε., η Alpha Τράπεζα Α.Ε., η Τράπεζα Eurobank Α.Ε., η Τράπεζα Πειραιώς Α.Ε. και η Euroxx Χρηματιστηριακή Α.Ε.Π.Ε.Υ., οι οποίες παρέχουν τις επενδυτικές υπηρεσίες της αναδοχής ή/και της τοποθέτησης χωρίς δέσμευση ανάληψης βάσει του Παραρτήματος Ι, Ενότητα Α(6) και (7) της MiFID II αναφορικώς με τη Δημόσια Προσφορά.



Λογαριασμός Αξιογράφων.....	Θα έχει την έννοια που αποδίδεται σε αυτόν τον όρο στον Κανονισμό ΕΛ.ΚΑ.Τ.
Λογαριασμός ΑΜΚ.....	Ο ειδικός τραπεζικός λογαριασμός που έχει ανοίξει η ΔΕΗ στην Τράπεζα Πειραιώς Α.Ε. προς το σκοπό της καταβολής της Αύξησης Μετοχικού Κεφαλαίου.
Μερίδα Επενδυτή.....	Νοείται η «Μερίδα» όπως ορίζεται στην Ενότητα 1 Μέρος 1 (59) του Κανονισμού της ΕΛ.Κ.Α.Τ., την οποία τηρεί ο επενδυτής στο Σ.Α.Τ.
Μη Διασυνδεδεμένα Νησιά.....	Τα ελληνικά νησιά που δεν είναι συνδεδεμένα με το Σύστημα Μεταφοράς Ηλεκτρικής Ενέργειας και συνεπώς δεν καλύπτονται από το Διασυνδεδεμένο Σύστημα.
Νέες Μετοχές.....	Νέες κοινές ονομαστικές μετά ψήφου μετοχές, ονομαστικής αξίας €2,48 ανά μετοχή, των οποίων ο αριθμός δεν θα είναι κατώτερος των 130.000.000 ούτε υψηλότερος των 150.000.000, που πρόκειται να εκδοθούν από τη Δημόσια Επιχείρηση Ηλεκτρισμού δυνάμει της Αύξησης Μετοχικού Κεφαλαίου και προσφέρονται στη Συνδυασμένη Προσφορά.
Όμιλος.....	Η Δημόσια Επιχείρηση Ηλεκτρισμού και οι ενοποιούμενες θυγατρικές της.
Προνομακή Κατανομή.....	Το δικαίωμα Κατά Προτεραιότητα Επενδυτή να του κατανεμηθούν κατά προτεραιότητα Νέες Μετοχές οι οποίες έχουν επιμεριστεί στη Δημόσια Προσφορά, κατά την αναλογία της μετοχικής συμμετοχής του εν λόγω Κατά Προτεραιότητα Επενδυτή στη ΔΕΗ. Η Προνομακή Κατανομή θα είναι τουλάχιστον ίση με το ποσοστό συμμετοχής των Κατά Προτεραιότητα Επενδυτών στο μετοχικό κεφάλαιο της ΔΕΗ, κατά την Ημερομηνία Καταγραφής, έτσι ώστε οι εν λόγω Κατά Προτεραιότητα Επενδυτές να διατηρήσουν τουλάχιστον το ίδιο ποσοστό συμμετοχής μετά την Αύξηση του Μετοχικού Κεφαλαίου.
Σ.Α.Τ. ....	Το Σύστημα Άυλων Τίτλων που λειτουργεί ως σύστημα διακανονισμού αξιογράφων σύμφωνα με το Νόμο 2789/2000, λογιστικής εγγραφής και τήρησης λογαριασμών αξιογράφων κατά τις έννοιες του CSDR, το οποίο διαχειρίζεται η ΕΛ.Κ.Α.Τ. στο πλαίσιο παροχής των Αποθετηριακών Υπηρεσιών (κατά την έννοια του Κανονισμού ΕΛ.Κ.Α.Τ.).
Συμμετέχοντες Σ.Α.Τ. ....	Νοούνται οι «Συμμετέχοντες», όπως ορίζονται στην Ενότητα Ι, Μέρος Ι, σημείο 92 του Κανονισμού ΕΛ.Κ.Α.Τ.
Συνδυασμένη Προσφορά.....	Η Δημόσια Προσφορά και η Διεθνής Προσφορά.
Σύστημα Μεταφοράς Ηλεκτρικής Ενέργειας.....	Οι ηλεκτρικές γραμμές υψηλής τάσης που είναι εγκατεστημένες εντός της Ελλάδας, οι ηλεκτρικές διασυνδέσεις της Ελλάδας με τρίτες χώρες, καθώς και όλες οι σχετικές υποδομές και εγκαταστάσεις, οι οποίες απαιτούνται

για την ομαλή, ασφαλή και συνεχή μεταφορά ηλεκτρικής ενέργειας από ένα σταθμό παραγωγής ηλεκτρικής ενέργειας σε έναν υποσταθμό, από έναν υποσταθμό σε έναν άλλο υποσταθμό ή από ή προς οποιαδήποτε διασύνδεση. Το Σύστημα Μεταφοράς Ηλεκτρικής Ενέργειας δεν περιλαμβάνει τους σταθμούς παραγωγής ηλεκτρικής ενέργειας, τις ηλεκτρικές γραμμές υψηλής τάσης και οποιεσδήποτε εγκαταστάσεις που έχουν ενσωματωθεί στο Δίκτυο Διανομής, ή τα τοπικά δίκτυα διανομής ηλεκτρικής ενέργειας των Μη Διασυνδεδεμένων Νησιών. Το Σύστημα Μεταφοράς Ηλεκτρικής Ενέργειας ανήκει και λειτουργεί από τον ΑΔΜΗΕ Α.Ε. και δεν αποτελεί πλέον μέρος του Ομίλου μετά την ολοκλήρωση της πλήρους απόσχισης του ΑΔΜΗΕ Α.Ε.

X.A. .... Χρηματιστήριο Αθηνών.

## **PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL**

### **General information**

This Prospectus relates to the Public Offering and admission to trading of the New Shares on the Main Market of the Regulated Securities Market of the ATHEX, as approved by the Board of Directors, at its meeting on 29 October 2021, by virtue of authorisation granted to it by the Extraordinary General Meeting of PPC's shareholders held on 19 October 2021.

The drafting and distribution of this Prospectus have been made in accordance with the provisions of the applicable laws. This Prospectus includes all information required by the Prospectus Regulation, the Delegated Regulations, the applicable provisions of Law 4706/2020 and the implementing relevant decisions of the HCMC, relevant to PPC, the Group and the Public Offering.

Prospective investors seeking additional information and clarifications related to this Prospectus may contact PPC's offices, during working days and hours, at 30 Chalkokondili Street, 104 32 Athens, Greece (Mr Ioannis Stefanos, Director, Investor Relations, +30 (210) 529 2153).

### **Approval by the competent authority**

This Prospectus was approved on 1 November 2021 by the Board of Directors of the HCMC (1 Kolokotroni & Stadiou, 105 62 Athens, Greece, telephone number: +30 210 3377100, <http://www.hcmc.gr/>), as competent authority pursuant to the Prospectus Regulation, as applicable, and Law 4706/2020. The Board of Directors of the HCMC approved this Prospectus only as meeting the standards of completeness, comprehensibility and consistency provided for in the Prospectus Regulation, and this approval shall not be considered as an endorsement of PPC or of the quality of the New Shares that are the subject of this Prospectus. In making an investment decision, prospective investors must rely upon their own examination and analysis as to their investment in the New Shares.

This Prospectus was prepared under the simplified disclosure regime for secondary issuances pursuant to Article 14 of the Prospectus Regulation, Annex 3 and Annex 12 of the Delegated Regulation (EU) 2019/980 and the Delegated Regulation (EU) 2019/979.

### **Persons responsible**

The natural person who is responsible for drawing up this Prospectus, on behalf of PPC, and is responsible for this Prospectus, as per the above, is Mr. Konstantinos Alexandridis, Chief Financial Officer.

The address of the above-listed natural person is the address of PPC: 30 Chalkokondili Street, 104 32 Athens, Greece.

PPC's Board of Directors meeting held on 29 October 2021 approved the Share Capital Increase and the contents of this Prospectus by a majority of votes, with two members, the representatives of the employees, dissenting. The dissenting members stated that their negative vote concerns their position against the decrease of the Hellenic Republic's shareholding percentage in the share capital of the Company, due to trade union, political and ideological reasons, and does not concern the process followed for the Share Capital Increase or the contents of this Prospectus.

PPC, the members of its Board of Directors, the natural person who is responsible for drawing up this Prospectus on its behalf, National Bank of Greece S.A. (86 Aiolou Street, 10232 Athens, Greece), Alpha Bank S.A. (40 Stadiou Street, Athens, 102 52 Greece), Eurobank S.A. (8 Othonos Street, Athens 10557, Greece), Piraeus Bank S.A. (4 Amerikis, 105 64 Athens, Greece) and Euroxx Securities S.A. (7 Paleologou, Halandri, 152 32 Athens, Greece)(the "Lead Underwriters"), Optima bank S.A. (32 Aigialeias & Paradissou Street, Maroussi, 151 25 Athens, Greece) (the "Underwriter") and the Issue Advisor are responsible for its contents pursuant to Article 60 of Law 4706/2020. PPC's Board of Directors, save for the dissenting members, and the natural person who is responsible for drawing up this Prospectus declare that they have been informed and agree with the content of this Prospectus and

certify that, after they exercised due care for this purpose, the information contained herein, to the best of their knowledge, is true, the Prospectus makes no omission likely to affect its import, and it has been drafted in accordance with the provisions of the Prospectus Regulation, the Delegated Regulations and the applicable provisions of Law 4706/2020. For further details on the composition of the members of our Board of Directors see “*Administrative, Management and Supervisory Bodies and Senior Management—Management and corporate governance of PPC—Members of our Board of Directors.*”

The Lead Underwriters and the Underwriter declare that they have been informed and agree with the content of this Prospectus and certify that, after they exercised due care for this purpose, the information contained herein, to the best of their knowledge, is true, the Prospectus makes no omission likely to affect its import, and it has been drafted in accordance with the provisions of the Prospectus Regulation, the Delegated Regulations and the applicable provisions of Law 4706/2020.

PPC and the members of its Board of Directors are responsible for its audited consolidated financial statements as at and for the year ended 31 December 2020 and its unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021 that have been published in PPC’s website, are included in PPC’s annual report for 2020 and half-year report for 2021, respectively, and are incorporated by reference in, and form part of, this Prospectus.

The Lead Underwriters, the Underwriter and the Issue Advisor declare that they meet all the requirements of paragraph 1(c) of Article 60 of Law 4706/2020, namely that they are authorised to provide the investment service of underwriting and/or placing of financial instruments on or without a firm commitment basis in accordance with items 6 and 7, respectively, of Section A of Annex I of Law 4514/2018, as in force.

### **Third-party information**

Information included in this Prospectus deriving from third-party sources is marked with a footnote, which identifies the source of any such information that has been reproduced accurately and, so far as PPC is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The market data and certain economic and industry data and forecasts used in this Prospectus were obtained from governmental and other publicly available information. In addition to the foregoing, certain information regarding markets, market size, market share, market position and other industry data pertaining to us contained in this Prospectus were based on estimates prepared by management based on certain assumptions and management’s knowledge of the industry in which we operate. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market related analyses and estimates, requiring us to rely on our own internally developed estimates regarding the energy industry, our position in the industry, our market share and the market shares of various industry participants based on management’s experience, management’s own investigation of market conditions and management’s review of industry publications, including information made available to the public by our competitors. Our estimates involve risks and uncertainties and are subject to change based on various factors. Market research, publicly available information and industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. PPC accepts responsibility for accurately extracting and reproducing the same, but accepts no further or other responsibility in respect of the accuracy or completeness of such information.

### **Distribution of this Prospectus**

This Prospectus will be made available to investors, in accordance with Article 21, paragraph 2 of the Prospectus Regulation, in electronic form on the following websites:

- ATHEX: <http://www.helex.gr/el/web/guest/company-prospectus>
- HCMC: [http://www.hcmc.gr/el\\_GR/web/portal/elib/deltia](http://www.hcmc.gr/el_GR/web/portal/elib/deltia)
- PPC: <https://www.dei.gr/el/i-dei/enimerwsi-ependutwn/share-capital-increase-2021/prospectus>

- NBG: <https://www.nbg.gr/el/retail/investment-products/enimerotika-deltia/deltia-epihirisewn>
- Alpha Bank S.A.: <https://www.alpha.gr/el/idiotes/ependuseis/xrimatistiriakes-upiresies/enimerotika-deltia>
- Eurobank S.A.: <https://www.eurobank.gr/el/omilos/enimerosi-ependuton/enimerotika-deltia/enimerotika-deltia-sumboulos-anadoxos-trapeza-eurobank-ergasias-ae>
- Piraeus Bank S.A.: <https://www.piraeusholdings.gr/dei>
- Euroxx Securities S.A.: <https://www.euroxx.gr/gr/content/article/PPC>
- Optima bank S.A.: <https://www.optimabank.gr/business/investment-banking/enimerotika-pliroforiaka-deltia>

In addition, printed copies of this Prospectus will be made available to investors at no extra cost, if requested, at the premises of PPC at 30 Chalkokondili Street, 104 32 Athens, Greece, as well as the branch network of the Lead Undewriters and the Underwriter in Greece.

## SUMMARY

*Capitalised terms not defined in this Summary shall have the meaning ascribed to them in this Prospectus.*

### Introduction

This Summary should be read as an introduction to the Prospectus. Any decision to invest in the New Shares should be based on a consideration of the Prospectus as a whole by investors. Investors could lose all or part of the capital invested in New Shares. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the New Shares. The issuer of the New Shares is Public Power Corporation S.A., registered in Greece (General Commercial Registry number 786301000) with its registered office at 30 Chalkokondili Street, Athens 104 32, Greece ("PPC"). Its telephone number is +30 (210) 529 3254 or +30 (210) 529 3048, its website is <http://www.dei.gr> and its LEI (Legal Entity Identifier) is 213800T9Y5XCOVRZ4Y57. PPC is a *société anonyme* operating, in such capacity, under Law 4548/2018. This website address is included in this Prospectus as an inactive textual reference only. The information and other content appearing on such website are not part of this Prospectus. The shares issued by PPC are ordinary, dematerialised, registered shares with voting rights, the nominal amount of which is expressed in euro. The Ordinary Shares are dematerialised, listed on the ATHEX and trade in Euro in the Main Market of the Regulated Securities Market of the ATHEX under ISIN (International Security Identification Number), GRS434003000. The New Shares are ordinary registered and dematerialised shares with voting rights, the nominal amount of which is expressed in euro.

The HCMC is the competent authority to approve this Prospectus (1 Kolokotroni & Stadiou, zip code 105 62 Athens, phone number: 210 3377100, <http://www.hcmc.gr/>). This Prospectus was approved on 1 November 2021.

### Key information on the Issuer

#### *Who is the Issuer of the New Shares?*

The issuer of the New Shares is PPC, incorporated in Greece under the corporate name Public Power Corporation S.A. on 7 August 1950 pursuant to the laws of the Hellenic Republic. The ordinary shares of PPC have been listed on the ATHEX since December 2001. PPC is registered in Greece (General Commercial Registry number 786301000) and has its registered office at 30 Chalkokondili Street, Athens 104 32, Greece. Its LEI (Legal Entity Identifier) is 213800T9Y5XCOVRZ4Y57.

We are the largest generator and supplier of electricity in Greece,<sup>1</sup> as well as the sole electricity Distribution Network owner and operator (through HEDNO), providing electricity to approximately 5.9 million end-customers as at 30 June 2021. Pursuant to a share purchase agreement entered into on 1 October 2021, we agreed to sell 49.0% of the shares in HEDNO to MSCIF Dynami BidCo Single Member S.A., a member of MAM. The Extraordinary General Meeting held on 19 October 2021 resolved to transfer the ownership of the assets comprising the Distribution Network along with related liabilities (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) to HEDNO through the Hive-Down.

The table below sets out PPC's shareholding structure as at 25 October 2021:

<u>Shareholders</u>	<u>Number of shares</u>	<u>% percentage of share capital</u>
Hellenic Corporation of Assets and Participations S.A. (HCAP) .....	79,165,114	34.12%
Hellenic Republic Asset Development Fund S.A. (HRADF) .....	39,440,000	17.00%
Helikon Long Short Equity Fund Master ICAV .....	11,342,281	4.89%
Institutional investors and general public <sup>(1)</sup> .....	102,052,605	43.99%
<b>Total</b> .....	<b>232,000,000</b>	<b>100.00%</b>

Source: Shareholders' register.

<sup>(1)</sup> The institutional investors include the Electronic National Social Security Fund (e-EFKA) and TAYTEKO/TEAPAP PPC, which hold 9,124,243 of our Ordinary Shares, or 3.93% of our share capital and voting rights. On 6 March 2018, the transfer of shares of the integrated insurance agencies to the Electronic National Social Security Fund (e-EFKA) was completed.

<sup>1</sup> Source: IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

To the knowledge of PPC, based on the announcements received up to the date of this Prospectus pursuant to Regulation (EU) No. 596/2014 and Law 3556/2007, other than the Greek State (which holds indirectly through HCAP and HRADF Ordinary Shares representing 51.12% of the total voting rights of PPC), there is no natural person or legal entity that holds, directly or indirectly, Ordinary Shares representing 5.0% or more of the total voting rights in PPC.

The notifications that have been received up to date of this Prospectus are the following:

1. Notification of important changes concerning voting rights under Law 3556/2007 (21 March 2018): *“Public Power Corporation (PPC) S.A. announces that, pursuant to L. 3556/2007 and following relevant notification received on March 21, 2018, a transfer of 79,165,114 PPC shares (namely 34.123%) by the Greek State to the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.) was completed on March 20, 2018, by law and without consideration, according to para. 20, article 380 of L. 4512/2018, as amended para. 1 of article 197 of L. 4389/2016. It is noted that, following the above change, the HCAP S.A. participates directly with 34.123% in PPC’s share capital and indirectly with 17% through the Hellenic Republic Asset Development Fund (HRADF). The total voting rights of HCAP S.A. amount to 51.123%. The Greek State owns 100% of voting rights in HCAP S.A. The total percentage of the Hellenic Republic remains indirectly, as mentioned above, at 51.123%.”*

As such, at the date of this Prospectus, PPC is indirectly controlled by the Hellenic Republic.

2. Notification of important changes concerning voting rights under Law 3556/2007 (30 September 2021): *“PPC S.A. announces that, according to L. 3556/2007 and following the relevant notification, received on 29.9.2021 from “Helikon Investments Limited”, in its capacity as investment manager for its client “Helikon Long Short Equity Fund Master ICAV”, on 13.9.2021 the aforementioned held: 11,458,124 voting rights (or 4.9388%) attached to shares from 11,634,068 (or 5.01%) on 8.10.2020 and 3,575,981 voting rights (or 1.54%) attached to financial instruments (Cash Settled Equity Swap) with similar economic effect, according to article 11 par 1.b) of L. 3556/2007, as in force, from 0 (or 0%) on 8.10.2020. Hence, the total holdings of “Helikon Long Short Equity Fund Master ICAV” of PPC’s voting rights (i.e. the total of voting rights attached to shares and voting rights through financial instruments) amounted on 13.9.2021 to 15,034,105 (or 6.48%) from 11,634,068 (or 5.01%) on 8.10.2020.”*

The current composition of our Board of Directors is as follows:

Full Name	Capacity
Georgios Stassis	Chairman of the Board of Directors, Chief Executive Officer—Executive Member
Pyrros Papadimitriou	Vice-Chairman of the Board of Directors—Independent Non-Executive Member
Georgios Karakousis	Deputy Chief Executive Officer—Executive Member
Alexandros Paterakis	Deputy Chief Executive Officer—Executive Member
Georgios Venieris	Independent Non-Executive Member
Despina Doxaki	Independent Non-Executive Member
Stefanos Theodoridis	Independent Non-Executive Member
Stefanos Kardamakis	Independent Non-Executive Member
Michalis Panagiotakis	Independent Non-Executive Member
Pantelis Karaleftheris	Non-Executive Member—Representative of Employees
Nikolaos Fotopoulos	Non-Executive Member—Representative of Employees

Our consolidated financial statements as at and for the year ended 31 December 2020 have been audited by independent auditor, Mr. Vassilios Kaminaris (Statutory Auditor, SOEL Registration Number 20411) of Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. (SOEL Registration Number 107), as stated in their audit report.

Our unaudited interim condensed consolidated financial statements as at 30 June 2021 and for the six-month period then ended have been reviewed by independent auditor, Mr. Vassilios Kaminaris (Statutory Auditor, SOEL Registration Number 20411) of Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. (SOEL Registration Number 107), as stated in their review report.

#### **What is the key financial information regarding the Issuer?**

On 20 April 2021, PPC published its audited consolidated financial statements as at and for the year ended 31 December 2020 and on 23 September 2021, PPC published its unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

The tables below set forth the key financial information for the financial years ended 31 December 2019 and 2020, which have been extracted or derived from our audited consolidated financial statements as at and for the year ended 31 December 2020, as well as for the six months ended 30 June

2020 and 2021, which have been derived from the unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021. The information has been presented in accordance with Annex I of the Delegated Regulation (EU) 2019/979.

### Consolidated income statement data

(€ in millions)	Year ended 31 December		Six months ended 30 June	
	2019	2020	2020	2021
	(audited)	(audited)	(unaudited)	(unaudited)
Revenues .....	4,931.6	4,649.4	2,249.6	2,193.4
Profit/(Loss) before Tax .....	(2,057.9)	67.0	51.2	13.7
<b>Profit/(Loss) after Tax .....</b>	<b>(1,685.7)</b>	<b>35.2</b>	<b>29.3</b>	<b>26.9</b>
Earnings/(Losses) per Share .....	(7.27)	0.15	0.13	0.12

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

### Consolidated balance sheet data

(€ in millions)	As at 31 December		As at 30 June	
	2019	2020	2020	2021
	(audited)	(audited)	(unaudited)	(unaudited)
<b>Total Assets .....</b>	<b>13,572.5</b>	<b>13,685.6</b>	<b>13,529.9</b>	<b>14,368.9</b>
<b>Total Equity .....</b>	<b>3,040.6</b>	<b>3,085.2</b>	<b>3,070.7</b>	<b>3,319.3</b>
Net Debt .....	3,688.4	3,281.9	3,450.3	2,902.9

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

### Consolidated cash flows data

(€ in millions)	Year ended 31 December		Six months ended 30 June	
	2019	2020	2020	2021
	(audited)	(audited)	(unaudited)	(unaudited)
Net Cash from Operating Activities .....	623.1	884.4	485.0	624.6
Net Cash used in Investing Activities .....	(408.9)	(278.9)	(140.7)	(141.3)
Net Cash used in Financing Activities .....	(178.3)	(76.8)	(97.2)	(112.4)

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

### What are the key risks that are specific to the Issuer?

The key risks specific to the Issuer are the following:

1. We may not be able to successfully implement our key strategies and we may fail to achieve our operational targets and this could have a material adverse effect on our business, financial condition and results of operations.
2. Our targets for medium- to long-term financial performance could differ materially from our actual results of operations.
3. We are exposed to risks related to the fluctuations of fuel, CO<sub>2</sub> emission rights and electricity prices, which may materially impact our operating expenses and liquidity, thus, negatively affecting our business prospects and results of operations.
4. We may be subject to intensifying competition in the wholesale and supply markets.
5. We operate in a capital-intensive business sector, and a significant increase in capital costs could have a material adverse effect on our business, financial condition, prospects or results of operations. No assurance can be given that we will be able to generate and/or raise the financing required for our planned capital expenditure on acceptable terms or at all.
6. Uncertain or unexpected decisions of governmental or regulatory authorities could have a material adverse impact on our business, results of operations and financial condition.
7. Despite the liberalisation of tariffs, we may face difficulties in increasing our tariffs.
8. We may not be able to raise the entire amount of the Share Capital Increase through the Combined Offering and this may have an adverse impact on our planned transformation and business plan, our business, financial condition and results of operations.
9. We are subject to sustainability-related obligations and have sustainability targets. Fulfilling these may be cumbersome and deviating from these may adversely affect our business, financial position and results of operation.



10. Adverse developments in the global and Greek economy have had, and are likely to continue to have, material and adverse effects on our business, results of operations and financial condition.
11. We are subject to regulatory interventions and/or proceedings relevant to our position and share in a formerly monopolistic market.

#### **Key information on the securities**

##### ***What are the main features of the securities?***

The New Shares will be ordinary registered and dematerialised shares with voting rights, each having a nominal value of €2.48. The existing Ordinary Shares are and, when issued, the New Shares will be, dematerialised, listed on the ATHEX and trade in Euro in the Main Market of the Regulated Securities Market of the ATHEX under ISIN (International Security Identification Number), GRS434003000. The number of the New Shares which will be issued pursuant to the Share Capital Increase shall not be lower than 130,000,000 or higher than 150,000,000. Each existing Ordinary Share, carries and, when issued, each New Share will carry, all the rights and obligations pursuant to Law 4548/2018 and the Articles of Association, the provisions of which are generally not stricter than those of Law 4548/2018. The existing Ordinary Shares are and, when issued, the New Shares will be, freely transferable with no restrictions.

Articles 158 to 163 of Law 4548/2018 and Article 31 of the Articles of Association apply in relation to the distribution of profits. In addition, our ability to distribute profits to our shareholders may be restricted as a result of legal, regulatory and other requirements by which PPC is bound. PPC has not distributed dividends in respect of the financial year ended 31 December 2020. We plan to propose a distribution of dividends in 2023. If our proposal is accepted, the dividends will become payable in 2024.

##### ***Where will the securities be traded?***

PPC will apply for the admission of the New Shares to trading on the Main Market of the Regulated Securities Market of the ATHEX.

##### ***What are the key risks that are specific to the securities?***

The key risks attached to the New Shares are the following:

1. We may not be able to pay dividends to our shareholders.
2. We may in future issue new Ordinary Shares, which may dilute shareholders' participation.
3. There may be limited liquidity in the Ordinary Shares resulting from the Greek State's share ownership.
4. The market price of our Ordinary Shares may be negatively affected by additional sales of Ordinary Shares by current shareholders or shareholders following the Public Offering.

#### **Key information on the offer of the securities to the public and admission to trading on a regulated market**

##### ***Under which conditions and timetable can I invest in this security?***

By virtue of the resolution of the Extraordinary General Meeting held on 19 October 2021, and of the decision of our Board of Directors, based on the authorisation granted by the Extraordinary General Meeting, at its meeting held on 29 October 2021, among other items, the following were approved:

1. The increase of the nominal share capital of PPC by an amount that shall not be lower than €322,400,000 or higher than €372,000,000, through payment in cash and the issuance of no fewer than 130,000,000 and no more than 150,000,000 new ordinary, voting, dematerialised, registered shares, each having a par value of €2.48. The total number of the New Shares will be equal to the quotient of the final amount of gross proceeds raised pursuant to the Combined Offering divided by the offering price for each New Share. No fractions of New Shares will be issued. The preemption rights of existing shareholders have been disapplied pursuant to the decision of the Extraordinary General Meeting dated 19 October 2021.
2. The Price Range, which shall be a minimum of €8.50 and a maximum of €9.00 per New Share.
3. That the final offering price for the New Shares within the Price Range will be determined by the Board of Directors of PPC after the closing of the book building period for the Institutional Offering in agreement with the Joint Global Coordinators and will be the same for all investors participating in the Combined Offering.
4. That the difference between the par value and the final offering price for the New Shares (if any), will be credited to the own funds account of PPC under the caption "issuance of shares above par."
5. That the New Shares will be offered:
  - (a) in Greece, to Retail Investors and Qualified Investors pursuant to the Public Offering; and

- (b) outside Greece, pursuant to the Institutional Offering.
6. That the New Shares will be admitted to trading on the Main Market of the Regulated Securities Market of the ATHEX.
  7. That if the Share Capital Increase is not fully subscribed for, the share capital of PPC will increase up to the amount actually raised, in accordance with Article 28 of Law 4548/2018.
  8. That the duration of the Public Offering will be three business days.

The Public Offering is addressed to both Retail Investors and Qualified Investors. The participation in the Public Offering by the same natural or legal person simultaneously under the capacity of both Retail Investor and Qualified Investor is prohibited, with the exception of subscriptions submitted through DSS Participants for the same omnibus securities' depository accounts in both categories of investors. Investors in the Public Offering shall subscribe for New Shares at the maximum price of the Price Range, namely at €9.00 per New Share. Each investor may subscribe for at least one New Share, and for integral multiples thereof, at the maximum price of the Price Range. The highest limit for subscription per investor is the total number of the New Shares offered in the Combined Offering, that is up to 150,000,000 New Shares, multiplied by the maximum price of the Price Range. Investors may subscribe for New Shares in the Public Offering from the first until 16:00, Greek time, of the last day of the Public Offering period as follows:

- (a) Retail Investors should submit a relevant subscription application during normal business days and hours through the branches of the Lead Underwriters, the Underwriter and their DSS Participants (investment firms or banks' custody) and either deposit or block an amount equal to their total subscription to any of their accounts held with, as applicable, the Lead Underwriters, the Underwriter, as well as the DSS Participants, of which they are beneficiaries or co-beneficiaries.
- (b) Qualified Investors should submit a relevant subscription application exclusively through the Lead Underwriters and the Underwriter and make available to them, in accordance with their instructions, an amount equal to their requested participation. During the Public Offering period, Qualified Investors shall be entitled to amend their subscriptions, and each subscription shall be deemed to cancel the preceding ones.

The final number of New Shares that will be allocated to investors participating in the Public Offering and Institutional Offering will be determined at the end of the Combined Offering, having regard to the demand expressed by such investors. 15.0% (corresponding to 19,500,000 of the New Shares, assuming that the minimum number of New Shares are issued, or 22,500,000 of the New Shares, assuming that the maximum number of New Shares are issued) and 85.0% (corresponding to 110,500,000 of the New Shares, assuming that the minimum number of New Shares are issued, or 127,500,000, assuming that the maximum number of New Shares are issued) has been initially allocated to investors subscribed in the Public Offering and the Institutional Offering, respectively. The Board of Directors of PPC may amend and finalise this allocation split at its discretion, based on the demand expressed in each part of the Combined Offering, without prejudice to the implementation of the Preferential Allocation. New Shares initially allocated to, but not subscribed for, in the Public Offering or the Institutional Offering, as applicable, may be reallocated to investors subscribed for in the other part of the Combined Offering, as long as the orders submitted in such other part exceed the above initial allocation and support this reallocation.

Priority Investors will be entitled to the Preferential Allocation, namely a priority allocation of New Shares allocated in the Public Offering, which will be proportionate to the shareholding participation of a Priority Investor in PPC as at the commencement of trading of the existing Ordinary Shares on the ATHEX on the Record Date. The Preferential Allocation in the Public Offering will be at least equal to the Priority Investors' shareholding participation in the share capital of PPC (based on the electronic records of ATHEXCSD) as at the commencement of trading of the existing Ordinary Shares on the ATHEX on the Record Date, so that such shareholders maintain at least the same shareholding participation after the Share Capital Increase. However, Priority Investors that subscribed in both the Public Offering and the Institutional Offering, as the case may be, will be deprived of their Preferential Allocation. If a Priority Investor's subscription in the Public Offering exceeds such investor's shareholding participation in the Company's share capital, only the portion corresponding to such shareholding participation of such Priority Investor in the Company's share capital will be subject to the Preferential Allocation. Following the Preferential Allocation, subscriptions for New Shares made by Priority Investors that have not been satisfied will be added to the subscriptions made by new subscribing investors and will be satisfied proportionately, to the extent unsubscribed New Shares are still available. If subscriptions for New Shares made by Retail Investors or Qualified Investors are higher than the total number of New Shares allocated to them, such subscriptions will be satisfied *pro rata*. After the above calculation, the number of New Shares that will be allocated to each investor will be rounded down to the nearest integer number of shares. If, as a result of such rounding per investor, New Shares remain unallocated, one additional New Share will be allocated to the investors, having, per investor, the highest unsatisfied fractional shares. If the Public Offering is subscribed for in part, Retail Investors and Qualified Investors will be allocated all (100.0%) New Shares subscribed for by them.

The Cornerstone Investor has agreed to acquire, pursuant to the terms of the Institutional Offering and subject to customary terms and conditions of a firm “cornerstone” commitment of this nature, and PPC has agreed to allocate to the Cornerstone Investor, New Shares at the offer price of the Combined Offering, subject to the maximum price of €9.00, for a total investment amount not exceeding €395.0 million, so that immediately after the completion of the Share Capital Increase it will hold at least 10.0% of the total outstanding voting share capital of PPC.

On 30 October 2021, HCAP communicated to PPC its support for the Share Capital Increase and its intention to subscribe for the acquisition of such number of New Shares, through its participation in the Institutional Offering, that will result, following the completion of the Share Capital Increase, in HCAP having a holding, directly and indirectly (including the stake of HCAP’s subsidiary, HRADF), of 34.123% of the total number of ordinary voting shares of PPC.

Set out below is the expected indicative timetable for the Share Capital Increase and the admission of the New Shares to trading on the Main Market of the Regulated Securities Market of the ATHEX:

Date	Event
1 November 2021	HCMC approval of the Prospectus.
1 November 2021	Publication of the Prospectus on the Issuer’s, Lead Underwriters’, Underwriter’s, HCMC’s and ATHEX’s website.
1 November 2021	Publication of announcement regarding the availability of the Prospectus in the Daily Statistical Bulletin of the ATHEX and on the Issuer’s website.
1 November 2021	Publication of the announcement for the invitation of the investors and the commencement of the Public Offering.
2 November 2021	Commencement of the Public Offering.
4 November 2021	End of the Public Offering.
5 November 2021	Publication of the announcement regarding the final offering price in the Daily Statistical Bulletin of the ATHEX and on the Issuer’s website.
10 November 2021	Publication of a detailed announcement concerning the outcome of the Public Offering in the Daily Statistical Bulletin of the ATHEX and on the Issuer’s website.
12 November 2021	ATHEX approval regarding the admission of the New Shares to trading.*
12 November 2021	Publication of the announcement stating the trading commencement date of the New Shares in the Daily Statistical Bulletin of the ATHEX and on the Issuer’s website.
16 November 2021	Commencement of trading of the New Shares.

Investors should note that the above timetable is indicative and subject to change, in which case PPC will duly and timely inform the investors pursuant to a public announcement.

\* Subject to the competent ATHEX committee meeting on that date.

The table below sets out PPC’s shareholding structure as at 25 October 2021 before the Share Capital Increase:

Shareholders <sup>(1)</sup>	Number of shares <sup>(2)</sup>	% percentage of share capital
Hellenic Corporation of Assets and Participations S.A. (HCAP) .....	79,165,114	34.12%
Hellenic Republic Asset Development Fund S.A. (HRADF) .....	39,440,000	17.00%
Institutional investors and general public <sup>(3)</sup> .....	113,394,886	48.88%
<b>Total</b> .....	<b>232,000,000</b>	<b>100.00%</b>

<sup>(1)</sup> Refers to shareholders’ register.

<sup>(2)</sup> One Ordinary Share corresponds to one voting right.

<sup>(3)</sup> Including Helikon Long Short Equity Fund Master ICAV.

The table below sets out PPC’s shareholding structure after the Share Capital Increase, assuming that (a) HCAP participates in the Share Capital Increase so that they retain, directly and indirectly through HRADF, a 34.123% stake, (b) CVC participates in the Institutional Offering according to the CVC Cornerstone Investment Agreement so that it holds a 10.0% stake after the completion of the Share Capital Increase and (c) Pre-Share Capital Increase shareholders (< 5.0%) do not subscribe in the Combined Offering.

Shareholders <sup>(1)</sup>	Minimum number of New Shares		Maximum number of New Shares	
	Number of shares <sup>(2)</sup>	% percentage	Number of shares <sup>(2)</sup>	% percentage
Hellenic Corporation of Assets and Participations S.A. (HCAP) .....	84,085,260	23.2%	90,909,860	23.8%
Hellenic Republic Asset Development Fund S.A. (HRADF) .....	39,440,000	10.9%	39,440,000	10.3%
Pre-Share Capital Increase Shareholders < 5.0% <sup>(3)</sup> .....	113,394,886	31.3%	113,394,886	29.7%
CVC .....	36,200,000	10.0%	38,200,000	10.0%
Share Capital Increase Shareholders .....	88,879,854	24.6%	100,055,254	26.2%
<b>Total</b> .....	<b>362,000,000</b>	<b>100.00%</b>	<b>382,000,000</b>	<b>100.0%</b>

<sup>(1)</sup> Refers to shareholders’ register as at 25 October 2021.

<sup>(2)</sup> One Ordinary Share corresponds to one voting right.

<sup>(3)</sup> Including Helikon Long Short Equity Fund Master ICAV.

The above scenarios are hypothetical and based on assumptions that may not be verified. No costs will be charged to investors for subscribing in the Public Offering by PPC.

### ***Why is this Prospectus being produced?***

This Prospectus is being produced for (i) the Public Offering, and (ii) the admission to trading of the New Shares on the Main Market of the Regulated Securities Market of the ATHEX.

#### *Reasons for the Share Capital Increase and use of proceeds*

We plan to raise capital of up to approximately €1,350.0 million through the Share Capital Increase. The vast majority of the net proceeds from the Combined Offering, estimated at €1,294.6 million (*i.e.* the total amount to be raised pursuant to the Share Capital Increase less the issuance expenses), assuming that the final offering price for the New Shares will be the maximum price of the Price Range, will be applied to facilitate the execution of our transformation and business strategy. Such net proceeds, which we presently intend to deploy by 2024, will provide us with sufficient liquidity to commit financing to high value projects and enable us to achieve our operational targets. In particular, the net proceeds of the Combined Offering are intended to be used between 2022 and 2024 by PPC and/or other Group companies or our existing or future joint ventures to provide a portion of the €5.0 billion of capital expenditures we have budgeted for certain projects from 2022-2024 (which excludes approximately €1.0 billion of capital expenditures budgeted for HEDNO's distribution network during this period, which are expected to be directly funded by cash generated by, or debt incurred by, HEDNO) and for general corporate purposes, including:

- (a) to provide a portion of the approximately €3.2 billion we have budgeted for capital expenditures on renewable energy projects through 2024, including hydroelectric power generation and projects in adjacent markets, aiming to reach an installed RES capacity of 7.2 GW by 2024;
- (b) to provide a portion of the approximately €1.7 billion we have budgeted for capital expenditures through 2024 on conventional power generation, our supply business unit, the construction of a waste-to-energy plant, digitalisation, 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.

In relation to capital expenditures described in paragraphs (a) and (b) above, the net proceeds from the Share Capital Increase are intended to be deployed to the relevant projects in the chronological order that the relevant projects are implemented at our discretion following the completion of the Share Capital Increase.

In the event that net proceeds are allocated to the above through a Group company (other than PPC), a joint venture or a special purpose vehicle, such allocation will be made via an equity contribution (either at formation or through a subsequent share capital increase) to any such entity by PPC.

Pending final application in accordance with the use of proceeds set forth above, we may opt to use proceeds to engage in customary treasury, hedging and cash management operations in the ordinary course of business or make temporary investments in cash equivalents, time deposits, commercial paper, government securities or other highly rated instruments.

In the event of under-subscription to the Combined Offering, we will fund the relevant proportion of our planned capital expenditure not covered by the Share Capital Increase through alternative sources.

The Public Offering is not subject to an underwriting agreement and/or placing agreements on a firm commitment basis. Provided that the Combined Offering is successful and that all the New Shares are subscribed for and issued, the expected amount of gross proceeds of the Combined Offering will be €1,350 million, assuming that the final offering price for the New Shares will be the maximum price of the Price Range. Expenses directly related to the Combined Offering are estimated to be approximately €55.4 million, therefore, the net proceeds of the Combined Offering are expected to be approximately €1,294.6 million on the basis of the same assumption.

Each Lead Underwriter and the Underwriter declare that each of them does not have any conflicting interests or interests that are material to the Public Offering, taking into consideration any form of compensation previously received from PPC as well as the following criteria based on the ESMA guidelines: (i) whether it holds equity securities of PPC or its subsidiaries; (ii) whether it has a direct or indirect economic interest that depends on the success of the Public Offering; or (iii) whether it has any understanding or arrangement with major shareholders of PPC.

## ΠΕΡΙΛΗΠΤΙΚΟ ΣΗΜΕΙΩΜΑ

Όροι που εμφανίζονται με κεφαλαίο το πρώτο τους γράμμα και δεν ορίζονται στο Περιληπτικό Σημείωμα, έχουν την έννοια που τους αποδίδεται στο παρόν Ενημερωτικό Δελτίο.

### Εισαγωγή

Το παρόν Περιληπτικό Σημείωμα πρέπει να εκλαμβάνεται ως εισαγωγή στο Ενημερωτικό Δελτίο. Οι επενδυτές πρέπει να στηρίζουν οποιαδήποτε επενδυτική απόφασή τους σχετικά με τις Νέες Μετοχές στην εξέταση του Ενημερωτικού Δελτίου συνολικά. Είναι δυνατόν οι επενδυτές να απολέσουν το σύνολο ή μέρος του επενδεδυμένου σε Νέες Μετοχές κεφαλαίου. Εφόσον αξίωση σχετική με πληροφορίες που περιέχονται στο παρόν Ενημερωτικό Δελτίο προβληθεί ενώπιον δικαστηρίου, ο ενάγων επενδυτής ενδέχεται, σύμφωνα με την εθνική νομοθεσία, να επωμιστεί τα έξοδα μετάφρασης του Ενημερωτικού Δελτίου πριν από την έναρξη της δίκης. Αστική ευθύνη υπέχουν αποκλειστικά τα πρόσωπα που υπέβαλαν το περιληπτικό σημείωμα, περιλαμβανομένης οποιασδήποτε μετάφρασής του, αλλά μόνο εφόσον το περιληπτικό σημείωμα είναι παραπλανητικό, ανακριβές ή αντιφατικό, λαμβανομένων υπόψη των άλλων εννοιών του Ενημερωτικού Δελτίου, ή δεν παρέχει, σε συνδυασμό με τα άλλα μέρη του Ενημερωτικού Δελτίου, βασικές πληροφορίες ως βοήθεια στους επενδυτές που εξετάζουν το ενδεχόμενο να επενδύσουν στις Νέες Μετοχές. Εκδότες των Νέων Μετοχών είναι η ΔΗΜΟΣΙΑ ΕΠΙΧΕΙΡΗΣΗ ΗΛΕΚΤΡΙΣΜΟΥ Α.Ε., εδρεύουσα στην Ελλάδα (αριθμός Γενικού Εμπορικού Μητρώου 786301000), επί της οδού Χαλκοκονδύλη 30, Αθήνα 104 32, Ελλάδα («ΔΕΗ»). Ο αριθμός τηλεφώνου της είναι +30 (210) 529 3254 ή +30 (210) 529 3048, ο ιστότοπός της είναι <http://www.dei.gr> και ο κωδικός της LEI (Legal Entity Identifier) είναι 213800T9Y5XCOVRZ4Y57. Η ΔΕΗ είναι ανώνυμη εταιρεία, η λειτουργία της οποίας διέπεται από το Ν. 4548/2018. Η διεύθυνση του ιστοτόπου της περιλαμβάνεται στο παρόν Ενημερωτικό Δελτίο ως ανενεργός σύνδεσμος αναφοράς και μόνον. Οι πληροφορίες και κάθε είδους περιεχόμενο που εμφανίζεται στον εν λόγω ιστότοπο δεν αποτελούν τμήμα του παρόντος Ενημερωτικού Δελτίου. Οι μετοχές εκδόσεως της ΔΕΗ είναι κοινές, ονομαστικές, άυλες και μετά ψήφου, η ονομαστική αξία των οποίων είναι εκπεφρασμένη σε ευρώ. Οι Κοινές Μετοχές είναι άυλες, εισηγμένες στο Χρηματιστήριο Αθηνών και αποτελούν αντικείμενο διαπραγμάτευσης σε ευρώ στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Αξιών του Χρηματιστηρίου Αθηνών με κωδικό ISIN (International Security Identification Number/Διεθνής Αριθμός Αναγνώρισης Τίτλων) GRS434003000. Οι Νέες Μετοχές είναι κοινές, ονομαστικές, άυλες μετοχές μετά ψήφου, η δε ονομαστική τους αξία είναι εκπεφρασμένη σε ευρώ.

Αρμόδια αρχή για την έγκριση του Ενημερωτικού Δελτίου είναι η Επιτροπή Κεφαλαιαγοράς (Κολοκοτρώνη 1 & Σταδίου, Τ.Κ. 105 62 Αθήνα, τηλεφωνικό κέντρο: 210 3377100, <http://www.hcmc.gr/>). Η ημερομηνία έγκρισης του Ενημερωτικού Δελτίου είναι η 1 Νοεμβρίου 2021.

### Βασικές πληροφορίες για τον Εκδότη

#### Ποιος είναι ο Εκδότης των κινητών αξιών;

Εκδότης των Νέων Μετοχών είναι η ΔΕΗ, η οποία συστάθηκε στην Ελλάδα με την επωνυμία ΔΗΜΟΣΙΑ ΕΠΙΧΕΙΡΗΣΗ ΗΛΕΚΤΡΙΣΜΟΥ Α.Ε. στις 7 Αυγούστου 1950, σύμφωνα με τους νόμους της Ελληνικής Δημοκρατίας. Οι κοινές μετοχές της ΔΕΗ είναι εισηγμένες στο Χρηματιστήριο Αθηνών από τον Δεκέμβριο 2001. Η ΔΕΗ εδρεύει στην Ελλάδα (αριθμός Γενικού Εμπορικού Μητρώου 786301000), επί της οδού Χαλκοκονδύλη 30, Αθήνα 104 32, Ελλάδα. Ο κωδικός της LEI (Legal Entity Identifier) είναι 213800T9Y5XCOVRZ4Y57.

Είμαστε ο μεγαλύτερος παραγωγός και προμηθευτής ηλεκτρικής ενέργειας στην Ελλάδα, καθώς και ο μοναδικός ιδιοκτήτης και διαχειριστής του Δικτύου Διανομής (μέσω του ΔΕΔΔΗΕ), παρέχοντας ηλεκτρική ενέργεια σε περίπου 5,9 εκατομμύρια τελικούς πελάτες στις 30 Ιουνίου 2021<sup>2</sup>. Βάσει σύμβασης αγοράς μετοχών που καταρτίστηκε την 1η Οκτωβρίου 2021 συμφωνήσαμε να πωλήσουμε το 49,0% των μετοχών του ΔΕΔΔΗΕ στην MSCIF Dynami BidCo Μονοπρόσωπη Α.Ε., μέλος της ΜΑΜ. Στην Έκτακτη Γενική Συνέλευση που πραγματοποιήθηκε στις 19 Οκτωβρίου 2021 αποφασίστηκε η μεταβίβαση της κυριότητας των περιουσιακών στοιχείων που απαρτίζουν το Δίκτυο Διανομής μαζί με τις σχετικές υποχρεώσεις (με εξαίρεση (i) το δίκτυο υψηλής τάσης της Κρήτης, το οποίο από την 1η Αυγούστου 2021 περιήλθε στην ιδιοκτησία του ΔΕΔΔΗΕ και (ii) το δικαίωμα πρόσβασης για την εγκατάσταση και λειτουργία του δικτύου οπτικών ινών, το οποίο θα παραμείνει στη ΔΕΗ) στον ΔΕΔΔΗΕ μέσω της Απόσχισης του Κλάδου Δικτύου Διανομής.

Στον κάτωθι πίνακα παρατίθεται η μετοχική σύνθεση της ΔΕΗ στις 25 Οκτωβρίου 2021:

Μέτοχοι	Αριθμός Μετοχών	% ποσοστό του μετοχικού κεφαλαίου
Ελληνική Εταιρεία Συμμετοχών και Περιουσίας Α.Ε. (ΕΕΣΥΠ).....	79.165.114	34,12%
Ταμείο Αξιοποίησης Ιδιωτικής Περιουσίας του Δημοσίου Α.Ε. (ΤΑΙΠΕΔ) <sup>(1)</sup> .....	39.440.000	17,00%
Helikon Long Short Equity Fund Master ICAV.....	11.342.281	4,89%
Θεσμικοί επενδυτές και ευρύ επενδυτικό κοινό <sup>(1)</sup> .....	102.052.605	43,99%
<b>Σύνολο.....</b>	<b>232.000.000</b>	<b>100,00%</b>

Πηγή: Μετοχολόγιο.

(1) Στους θεσμικούς επενδυτές περιλαμβάνονται ο Ηλεκτρονικός Εθνικός Φορέας Κοινωνικής Ασφάλισης (e-EFKA) και ο ΤΑΥΤΕΚΩ/ΤΕΑΠΑΠ-ΔΕΗ, οι οποίοι κατέχουν 9.124.243 Κοινές Μετοχές, ή 3,93% του μετοχικού μας κεφαλαίου και των δικαιωμάτων ψήφου της ΔΕΗ. Στις 6 Μαρτίου 2018, ολοκληρώθηκε η μεταβίβαση μετοχών των ενταχθέντων στον Ηλεκτρονικό Εθνικό Φορέα Κοινωνικής Ασφάλισης ασφαλιστικών φορέων.

<sup>2</sup> Πηγή: ΑΔΜΗΕ, Μηνιαία Έκθεση Ενέργειας (Ιούνιος 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

Εξ όσων γνωρίζει η ΔΕΗ, βάσει των ανακοινώσεων που ελήφθησαν μέχρι την ημερομηνία του Ενημερωτικού Δελτίου, σύμφωνα με τον Κανονισμό (ΕΕ) 596/2014 και τον Ν. 3556/20017, εκτός από το Ελληνικό Δημόσιο (που στις 25 Οκτωβρίου 2021 κατείχε έμμεσα συνολικά Κοινές Μετοχές που αντιστοιχούν στο 51,12% των συνολικών δικαιωμάτων ψήφου στη ΔΕΗ), δεν υπάρχει φυσικό πρόσωπο ή νομική οντότητα που κατέχει, άμεσα ή έμμεσα, Κοινές Μετοχές που να αντιστοιχούν στο 5,0% ή πλέον των δικαιωμάτων ψήφου στη ΔΕΗ.

Οι ανακοινώσεις που έχουν ληφθεί μέχρι την ημερομηνία του παρόντος Ενημερωτικού Δελτίου είναι οι ακόλουθες:

1. Ανακοίνωση σημαντικής αλλαγής σχετικής με τα δικαιώματα ψήφου κατά το Ν. 3556/2007 (21 Μαρτίου 2018): «*Η Δημόσια Επιχείρηση Ηλεκτρισμού (ΔΕΗ) Α.Ε. ανακοινώνει ότι, σύμφωνα με τον Ν.3556/2007 και κατόπιν σχετικής γνωστοποίησης που έλαβε στις 21 Μαρτίου 2018 ολοκληρώθηκε στις 20.3.2018 η αυτοδίκαιη και χωρίς αντάλλαγμα μεταβίβαση από το Ελληνικό Δημόσιο 79.165.114 μετοχών ΔΕΗ (ποσοστό 34,123%) στην Ελληνική Εταιρεία Συμμετοχών και Περιουσίας (ΕΕΣΥΠ) Α.Ε., σε εκτέλεση των διατάξεων της παρ. 20 του άρθρου 380 του Ν.4512/2018, όπως τροποποιήθηκε η παρ. 1 του άρθρου 197 του Ν. 4389/2016. Σημειώνεται ότι, μετά την ως άνω μεταβολή, η ΕΕΣΥΠ ΑΕ κατέχει άμεσα το 34,123% των μετοχών της ΔΕΗ και έμμεσα το 17% μέσω ΤΑΠΠΕΔ. Το συνολικό ποσοστό δικαιωμάτων ψήφου της ΕΕΣΥΠ Α.Ε. ανέρχεται σε 51,123%. Το Ελληνικό Δημόσιο κατέχει το 100% των δικαιωμάτων ψήφου της ΕΕΣΥΠ ΑΕ. Το σύνολο, των ποσοστών του Ελληνικού Δημοσίου, παραμένει εμμέσως, κατά τα ανωτέρω 51,123%.*»

Ως εκ τούτου, κατά την ημερομηνία του παρόντος Ενημερωτικού Δελτίου, η ΔΕΗ ελέγχεται εμμέσως από το Ελληνικό Δημόσιο.

2. Ανακοίνωση σημαντικής αλλαγής σχετικής με τα δικαιώματα ψήφου κατά το Ν. 3556/2007 (30 Σεπτεμβρίου 2021): «*Η ΔΕΗ ανακοινώνει ότι, σύμφωνα με τον ν. 3556/2007, και κατόπιν σχετικής γνωστοποίησης που έλαβε στις 29.9.2021 από την εταιρεία «Helikon Investments Limited» υπό την ιδιότητά της ως διαχειριστή επενδύσεων για τον πελάτη της «Helikon Long Short Equity Fund Master ICAV», στις 13.9.2021 η τελευταία κατείχε: 11.458.124 δικαιώματα ψήφου (ή 4,9388%) που ενσωματώνονται σε μετοχές, από 11.634.068 (ή 5,01%) στις 8.10.2020 και 3.575.981 δικαιώματα ψήφου (ή 1,54%) προερχόμενα από χρηματοπιστωτικά μέσα (Cash Settled Equity Swap) με αντίστοιχη οικονομική επίπτωση σύμφωνα με το αρ.11 παρ. 1β) του ν. 3556/2007, ως ισχύει, από 0 (ή 0%) στις 8.10.2020. Ως εκ τούτου, η συνολική συμμετοχή της «Helikon Long Short Equity Fund Master ICAV» στα δικαιώματα ψήφου της ΔΕΗ Α.Ε. (ήτοι, το άθροισμα των δικαιωμάτων ψήφου που ενσωματώνονται σε μετοχές και των δικαιωμάτων ψήφου που προέρχονται από χρηματοπιστωτικά μέσα) διαμορφώθηκε στις 13.09.2021 σε 15.034.105 (ή 6,48%) από 11.634.068 (ή 5,01%) στις 8.10.2020.»*

Η υφιστάμενη σύνθεση του Διοικητικού μας Συμβουλίου έχει ως εξής:

<b>Πλήρες Όνομα</b>	<b>Ιδιότητα</b>
Γεώργιος Στάσισης.....	Πρόεδρος του Διοικητικού Συμβουλίου, Διευθύνων Σύμβουλος – Εκτελεστικό Μέλος
Πύρρος Παπαδημητρίου.....	Αντιπρόεδρος του Διοικητικού Συμβουλίου – Ανεξάρτητο Μη Εκτελεστικό Μέλος
Γεώργιος Καρακούσης.....	Αναπληρωτής Διευθύνων Σύμβουλος – Εκτελεστικό Μέλος
Αλέξανδρος Πατεράκης.....	Αναπληρωτής Διευθύνων Σύμβουλος – Εκτελεστικό Μέλος
Γεώργιος Βενιέρης.....	Ανεξάρτητο Μη Εκτελεστικό Μέλος
Δέσποινα Δοξάκη.....	Ανεξάρτητο Μη Εκτελεστικό Μέλος
Στέφανος Θεοδορίδης.....	Ανεξάρτητο Μη Εκτελεστικό Μέλος
Στέφανος Καρδαμάκης.....	Ανεξάρτητο Μη Εκτελεστικό Μέλος
Μιγάλης Παναγιωτάκης.....	Ανεξάρτητο Μη Εκτελεστικό Μέλος
Παντελής Καραλευθέρης.....	Μη Εκτελεστικό Μέλος – Εκπρόσωπος Εργαζομένων
Νικόλαος Φωτόπουλος.....	Μη Εκτελεστικό Μέλος – Εκπρόσωπος Εργαζομένων

Ο έλεγχος των ενοποιημένων χρηματοοικονομικών καταστάσεων για τη χρήση που έληξε στις 31 Δεκεμβρίου 2020 διενεργήθηκε από τον κ. Βασίλειο Καμινάρη (Α.Μ. ΣΟΕΛ 20411) της Ernst & Young (Ελλάς) – Ορκωτοί Ελεγκτές – Λογιστές Α.Ε. (Α.Μ. ΣΟΕΛ 107), ανεξάρτητο ελεγκτή, όπως αναφέρεται στην έκθεσή τους.

Οι μη ελεγμένες ενδιάμεσες συνοπτικές ενοποιημένες χρηματοοικονομικές καταστάσεις κατά την 30ή Ιουνίου 2021 και για την εξαμηνιαία περίοδο που έληξε κατά την προαναφερθείσα ημερομηνία, έχουν επισκοπηθεί από τον κ. Βασίλειο Καμινάρη (Α.Μ. ΣΟΕΛ 20411) της Ernst & Young (Ελλάς) – Ορκωτοί Ελεγκτές – Λογιστές Α.Ε. (Α.Μ. ΣΟΕΛ 107), ανεξάρτητο ελεγκτή, όπως αναφέρεται στην έκθεσή τους.

**Ποιες είναι οι βασικές χρηματοοικονομικές πληροφορίες σχετικά με τον Εκδότη;**

Στις 20 Απριλίου 2021, η ΔΕΗ δημοσίευσε τις ετήσιες ελεγμένες ενοποιημένες χρηματοοικονομικές καταστάσεις της για τη χρήση που έληξε στις 31 Δεκεμβρίου 2020 και στις 23 Σεπτεμβρίου 2021, η ΔΕΗ δημοσίευσε τις ενδιάμεσες μη ελεγμένες ενοποιημένες χρηματοοικονομικές καταστάσεις της για το εξάμηνο που έληξε στις 30 Ιουνίου 2021.

Στους κάτωθι πίνακες παρατίθενται οι βασικές χρηματοοικονομικές πληροφορίες για τις χρήσεις που έληξαν στις 31 Δεκεμβρίου 2019 και 2020, οι οποίες έχουν εξαχθεί ή προέρχονται από τις ετήσιες ελεγμένες ενοποιημένες χρηματοοικονομικές καταστάσεις της χρήσεως που έληξε στις 31 Δεκεμβρίου 2020, όπως επίσης και για τα εξάμηνα που έληξαν στις 30 Ιουνίου 2020 και 2021, οι οποίες προέρχονται από τις ενδιάμεσες μη ελεγμένες ενοποιημένες χρηματοοικονομικές καταστάσεις του εξαμήνου που έληξε στις 30 Ιουνίου 2021. Οι πληροφορίες έχουν παρουσιαστεί σύμφωνα με το Παράρτημα Ι του Κατ' Εξουσιοδότηση Κανονισμού (ΕΕ) 2019/979.

**Στοιχεία Ενοποιημένης Κατάστασης Αποτελεσμάτων Χρήσης**

(€ σε εκατομμύρια)	Χρήση που έληξε την 31η Δεκεμβρίου		Εξάμηνο που έληξε την 30ή Ιουνίου	
	2019 (ελεγμένα)	2020 (ελεγμένα)	2020 (μη ελεγμένα)	2021 (μη ελεγμένα)
Έσοδα .....	4.931,6	4.649,4	2.249,6	2.193,4
<b>Κέρδος/(Ζημία) προ Φόρων .....</b>	<b>(2.057,9)</b>	<b>67,0</b>	<b>51,2</b>	<b>13,7</b>
<b>Κέρδος/(Ζημία) μετά από Φόρους .....</b>	<b>(1.685,7)</b>	<b>35,2</b>	<b>29,3</b>	<b>26,9</b>
Κέρδη/(Ζημίες) ανά Μετοχή .....	(7,27)	0,15	0,13	0,12

Πηγή: Ελεγμένες ενοποιημένες χρηματοοικονομικές καταστάσεις για τη χρήση που έληξε στις 31 Δεκεμβρίου 2020 και ενδιάμεσες μη ελεγμένες ενοποιημένες συνοπτικές χρηματοοικονομικές καταστάσεις για το εξάμηνο που έληξε στις 30 Ιουνίου 2021.

#### Στοιχεία Ενοποιημένης Κατάστασης Χρηματοοικονομικής Θέσης

(€ σε εκατομμύρια)	Στις 31 Δεκεμβρίου		Στις 30 Ιουνίου	
	2019 (ελεγμένα)	2020 (ελεγμένα)	2020 (μη ελεγμένα)	2021 (μη ελεγμένα)
<b>Σύνολο Ενεργητικού .....</b>	<b>13.572,5</b>	<b>13.685,6</b>	<b>13.529,9</b>	<b>14.368,9</b>
<b>Σύνολο Καθαρής Θέσης .....</b>	<b>3.040,6</b>	<b>3.085,2</b>	<b>3.070,7</b>	<b>3.319,3</b>
Καθαρό Χρέος .....	3.688,4	3.281,9	3.450,3	2.902,9

Πηγή: Ελεγμένες ενοποιημένες χρηματοοικονομικές καταστάσεις για τη χρήση που έληξε στις 31 Δεκεμβρίου 2020 και ενδιάμεσες μη ελεγμένες ενοποιημένες συνοπτικές χρηματοοικονομικές καταστάσεις για το εξάμηνο που έληξε στις 30 Ιουνίου 2021.

#### Στοιχεία Ενοποιημένων Ταμειακών Ροών

(€ σε εκατομμύρια)	Χρήση που έληξε 31 Δεκεμβρίου		Εξάμηνο που έληξε 30 Ιουνίου	
	2019 (ελεγμένα)	2020 (ελεγμένα)	2020 (μη ελεγμένα)	2021 (μη ελεγμένα)
Καθαρές Ταμειακές Ροές από Λειτουργικές Δραστηριότητες .....	623,1	884,4	485,0	624,6
Καθαρές Ταμειακές Ροές που χρησιμοποιούνται σε Επενδυτικές Δραστηριότητες .....	(408,9)	(278,9)	(140,7)	(141,3)
Καθαρές Ταμειακές Ροές που χρησιμοποιούνται σε Χρηματοδοτικές Δραστηριότητες .....	(178,3)	(76,8)	(97,2)	(112,4)

Πηγή: Ελεγμένες ενοποιημένες χρηματοοικονομικές καταστάσεις για τη χρήση που έληξε στις 31 Δεκεμβρίου 2020 και ενδιάμεσες μη ελεγμένες ενοποιημένες συνοπτικές χρηματοοικονομικές καταστάσεις για το εξάμηνο που έληξε στις 30 Ιουνίου 2021.

#### Ποιοι είναι οι βασικοί κίνδυνοι που αφορούν ειδικά τον Εκδότη;

Οι βασικοί κίνδυνοι που αφορούν ειδικά τον Εκδότη είναι οι ακόλουθοι:

1. Ενδέχεται να μην μπορέσουμε να υλοποιήσουμε επιτυχώς τις βασικές στρατηγικές μας και να επιτύχουμε τους λειτουργικούς μας στόχους, γεγονός το οποίο ενδέχεται να έχει δυσμενή επίπτωση στην επιχειρηματική δραστηριότητα, στην οικονομική κατάσταση, και στα λειτουργικά αποτελέσματά μας.
2. Οι στόχοι μας για τη μεσοπρόθεσμη έως τη μακροπρόθεσμη χρηματοοικονομική επίδοση ενδέχεται να διαφέρουν ουσιαδώς από τα πραγματικά λειτουργικά μας αποτελέσματα.
3. Είμαστε εκτεθειμένοι σε κινδύνους σχετικά με τις διακυμάνσεις στις τιμές των καυσίμων, των δικαιωμάτων εκπομπών διοξειδίου του άνθρακα και της ηλεκτρικής ενέργειας, γεγονός το οποίο ενδέχεται να επηρεάσει σημαντικά τα λειτουργικά μας έξοδα και τη ρευστότητά μας, έχοντας έτσι αρνητική επίπτωση στις επιχειρηματικές μας προοπτικές και στα λειτουργικά μας αποτελέσματα.
4. Ενδέχεται να εκτεθούμε σε εντονότερο ανταγωνισμό στις αγορές χονδρικής και λιανικής.
5. Λειτουργούμε σε έναν επιχειρηματικό τομέα έντασης κεφαλαίου, ώστε σημαντική αύξηση του κόστους κεφαλαίου μπορεί να έχει ουσιαδώς δυσμενή επίπτωση στην επιχειρηματική μας δραστηριότητα, στην οικονομική κατάσταση, στις προοπτικές ή στα λειτουργικά αποτελέσματά μας. Δεν μπορούμε να εγγυηθούμε ότι θα είμαστε σε θέση να εξασφαλίσουμε και/ή να αντλήσουμε τη χρηματοδότηση που απαιτείται για τις σχεδιαζόμενες κεφαλαιακές δαπάνες, είτε με ικανοποιητικούς όρους είτε εν γένει.
6. Αβέβαιες ή απροσδόκητες αποφάσεις των κυβερνητικών ή ρυθμιστικών αρχών θα μπορούσαν να έχουν σημαντικές αρνητικές επιπτώσεις στην επιχείρησή μας, τα αποτελέσματά των δραστηριοτήτων μας και την οικονομική μας κατάσταση.
7. Παρά την απελευθέρωση των τιμολογίων, ενδέχεται να αντιμετωπίσουμε δυσκολίες στην αύξηση των τιμολογίων μας.
8. Μπορεί να αποτύχουμε να αντλήσουμε ολόκληρο το ποσό της Αύξησης Μετοχικού Κεφαλαίου μέσω της Συνδυασμένης Προσφοράς, γεγονός το οποίο ενδέχεται να έχει δυσμενή επίπτωση στο σχεδιαζόμενο μετασχηματισμό και στο επιχειρηματικό σχέδιο, στην επιχειρηματική δραστηριότητα, στην οικονομική κατάσταση, και στα λειτουργικά αποτελέσματά μας.
9. Υποκείμεθα σε υποχρεώσεις που σχετίζονται με τη βιωσιμότητα και έχουμε αντίστοιχους στόχους. Η εκπλήρωσή τους μπορεί να είναι επαχθής και η απόκλιση από αυτούς μπορεί να επηρεάσει δυσμενώς την επιχειρηματική μας δραστηριότητα, την οικονομική μας θέση και τα λειτουργικά μας αποτελέσματα.

10. Οι δυσμενείς εξελίξεις στην παγκόσμια και ελληνική οικονομία είχαν, και ενδέχεται να συνεχίσουν να έχουν, ουσιώδεις και δυσμενείς επιπτώσεις στην επιχειρηματική δραστηριότητα, στα λειτουργικά αποτελέσματα και στην οικονομική κατάστασή μας.
11. Υποκειμεθα σε ρυθμιστικές παρεμβάσεις και/ή διαδικασίες που ασκούν επιρροή στη θέση και στο μερίδιό μας σε μια πρώην μονοπωλιακή αγορά.

#### **Βασικές πληροφορίες για τις κινητές αξίες**

##### ***Ποια είναι τα κύρια χαρακτηριστικά των κινητών αξιών;***

Οι Νέες Μετοχές θα είναι κοινές ονομαστικές άυλες μετοχές μετά ψήφου, εκάστης με ονομαστική αξία €2,48. Οι υπάρχουσες Κοινές Μετοχές είναι και, όταν εκδοθούν, οι Νέες Μετοχές θα είναι άυλες, εισηγμένες στο Χρηματιστήριο Αθηνών και θα τελούν υπό διαπραγμάτευση σε ευρώ στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Αξιών του Χρηματιστηρίου Αθηνών με κωδικό ISIN (International Security Identification Number) GRS434003000. Συνολικά θα εκδοθούν Νέες Μετοχές δυνάμει της Αύξησης Μετοχικού Κεφαλαίου των οποίων ο αριθμός δεν θα είναι κατώτερος των 130.000.000 ούτε υψηλότερος των 150.000.000. Από εκάστη υπάρχουσα Κοινή Μετοχή απορρέουν και, όταν εκδοθούν, από κάθε Νέα Μετοχή, θα απορρέουν όλα τα δικαιώματα και οι υποχρεώσεις που προβλέπονται στον Ν.4548/2018 και στο Καταστατικό, το οποίο γενικά δεν περιέχει διατάξεις αυστηρότερες από αυτές του Ν.4548/2018. Δεν υφίστανται περιορισμοί στην ελεύθερη μεταβίβαση των υπάρχουσών Κοινών Μετοχών και, όταν εκδοθούν, των Νέων Μετοχών.

Τα Άρθρα 158 και 163 του Νόμου 4548/2018 και το Άρθρο 31 του Καταστατικού εφαρμόζονται σε σχέση με τη διανομή των κερδών. Επιπρόσθετα, η δυνατότητά μας να διανείμουμε κέρδη στους μετόχους μας μπορεί να περιοριστεί ως αποτέλεσμα νομικών, ρυθμιστικών και άλλων απαιτήσεων που ισχύουν για τη ΔΕΗ. Η ΔΕΗ δεν έχει διανείμει μερίσματα για το οικονομικό έτος που έληξε στις 31 Δεκεμβρίου 2020. Σχεδιάζουμε να προτείνουμε διανομή μερισμάτων το 2023. Αν η πρότασή μας γίνει δεκτή, τα μερίσματα θα καταβληθούν το 2024.

##### ***Πού πραγματοποιείται η διαπραγμάτευση των κινητών αξιών;***

Η ΔΕΗ θα αιτηθεί την εισαγωγή προς διαπραγμάτευση των Νέων Μετοχών στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Αξιογράφων του Χ.Α.

##### ***Ποιοι είναι οι βασικοί κίνδυνοι που αφορούν ειδικά τις κινητές αξίες;***

Οι βασικοί κίνδυνοι που αφορούν ειδικά τις Νέες Μετοχές είναι οι ακόλουθοι:

1. Ενδέχεται να μην είμαστε σε θέση να καταβάλλουμε μέρισμα στους μετόχους μας.
2. Μελλοντικά μπορεί να εκδώσουμε νέες Κοινές Μετοχές, πράγμα που ενδέχεται να έχει ως αποτέλεσμα τη μείωση του ποσοστού συμμετοχής των μετόχων.
3. Ενδέχεται να υπάρχει περιορισμένη ρευστότητα στις Κοινές Μετοχές, ως συνέπεια της συμμετοχής του Ελληνικού Δημοσίου στο μετοχικό μας κεφάλαιο.
4. Η τιμή αγοράς των Κοινών Μετοχών μας μπορεί να επηρεαστεί αρνητικά από επιπλέον πωλήσεις Κοινών Μετοχών από τους υφισταμένους μετόχους ή τους μετόχους μετά τη Δημόσια Προσφορά.

#### **Βασικές πληροφορίες για τη Δημόσια Προσφορά των κινητών αξιών και την εισαγωγή προς διαπραγμάτευση σε ρυθμιζόμενη αγορά**

##### ***Υπό ποιες προϋποθέσεις και με ποιο χρονοδιάγραμμα μπορώ να επενδύσω στην εν λόγω κινητή αξία;***

Με την απόφαση της Έκτακτης Γενικής Συνέλευσης που έλαβε χώρα στις 19 Οκτωβρίου 2021 και την απόφαση του Διοικητικού μας Συμβουλίου, δυνάμει της εξουσιοδότησης από την Έκτακτη Γενική Συνέλευση, κατά τη συνεδρίασή του που έλαβε χώρα στις 29 Οκτωβρίου 2021, εγκρίθηκαν, μεταξύ άλλων, τα ακόλουθα:

1. Η αύξηση του ονομαστικού μετοχικού κεφαλαίου της ΔΕΗ της οποίας το ποσό δε θα είναι κατώτερο των €322.400.000 ούτε υψηλότερο των €372.000.000, με καταβολή μετρητών και η έκδοση νέων κοινών, ονομαστικών με δικαίωμα ψήφου, άυλων μετοχών, εκάστης με ονομαστική αξία €2,48, των οποίων ο αριθμός δεν θα είναι κατώτερος των 130.000.000 ούτε υψηλότερος των 150.000.000. Ο συνολικός αριθμός των Νέων Μετοχών θα ισούται με το πηλίκιο της διαίρεσης του συνολικού ποσού των ακαθάριστων εσόδων που θα αντληθεί μέσω της Συνδυασμένης Προσφοράς με την τιμή διάθεσης κάθε Νέας Μετοχής. Δε θα εκδοθούν κλάσματα Νέων Μετοχών. Τα δικαιώματα προτίμησης των υφισταμένων μετόχων καταργήθηκαν με την απόφαση της Έκτακτης Γενικής Συνέλευσης της 19ης Οκτωβρίου 2021.
2. Το Εύρος Τιμών θα έχει κατώτατη τιμή €8,50 και ανώτατη τιμή €9,00.
3. Ότι η τελική τιμή διάθεσης των Νέων Μετοχών εντός του Εύρους Τιμών θα οριστεί από το Διοικητικό Συμβούλιο της ΔΕΗ, μετά το κλείσιμο του βιβλίου προσφορών για τη Διεθνή Προσφορά σε συμφωνία με τους Γενικούς Συντονιστές και θα είναι κοινή για το σύνολο των επενδυτών που θα συμμετάσχουν στη Συνδυασμένη Προσφορά.
4. Ότι η διαφορά μεταξύ της ονομαστικής αξίας και της τελικής τιμής διάθεσης των Νέων Μετοχών (αν υπάρξει) θα πιστωθεί στο λογαριασμό ιδίων κεφαλαίων της ΔΕΗ «διαφορά έκδοσης μετοχών υπέρ το άρτιο».
5. Ότι οι Νέες Μετοχές θα διατεθούν:
  - (α) στην Ελλάδα, σε Ιδιώτες και Ειδικούς Επενδυτές, μέσω της Δημόσιας Προσφοράς, και
  - (β) εκτός Ελλάδος, μέσω της Διεθνούς Προσφοράς.
6. Ότι οι Νέες Μετοχές θα εισαχθούν προς διαπραγμάτευση στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Αξιών του Χρηματιστηρίου Αθηνών.



7. Ότι αν η Αύξηση Μετοχικού Κεφαλαίου δεν καλυφθεί πλήρως, το μετοχικό κεφάλαιο της ΔΕΗ θα αυξηθεί μέχρι το καλυφθέν ποσό, σύμφωνα με το Άρθρο 28 του Ν. 4548/2018.

8. Ότι η διάρκεια της Δημόσιας Προσφοράς θα είναι τρεις εργάσιμες μέρες.

Η Δημόσια Προσφορά απευθύνεται τόσο σε Ιδιώτες Επενδυτές όσο και σε Ειδικούς Επενδυτές. Δεν επιτρέπεται η συμμετοχή στη Δημόσια Προσφορά από το ίδιο φυσικό ή νομικό πρόσωπο ταυτόχρονα με την ιδιότητα του Ιδιώτη Επενδυτή και του Ειδικού Επενδυτή, εξαιρουμένων των εγγραφών μέσω Συμμετεχόντων Σ.Α.Τ. που εγγράφονται για τον ίδιο συλλογικό λογαριασμό αξιών (omnibus account) και στις δύο κατηγορίες επενδυτών. Οι επενδυτές στην Δημόσια Προσφορά θα εγγράφονται για τις Νέες Μετοχές στην ανώτατη τιμή του Εύρους Τιμών, ήτοι €9,00 ανά Νέα Μετοχή. Κάθε επενδυτής μπορεί να εγγράφεται για μία τουλάχιστον Νέα Μετοχή και για ακέραια πολλαπλάσια αυτής, στην ανώτατη τιμή του Εύρους Τιμών. Ανώτατο όριο εγγραφής για κάθε επενδυτή είναι το σύνολο των Νέων Μετοχών που προσφέρονται στη Συνδυασμένη Προσφορά, δηλαδή έως και 150.000.000 μετοχές πολλαπλασιασμένο με την ανώτατη τιμή του Εύρους Τιμών. Επενδυτές μπορούν να εγγράφονται για Νέες Μετοχές στη Δημόσια Προσφορά από την πρώτη μέχρι και τις 16:00, ώρα Ελλάδος, της τελευταίας ημέρας της περιόδου της Δημόσιας Προσφοράς ως εξής:

- (α) Οι Ιδιώτες Επενδυτές πρέπει να υποβάλουν την σχετική αίτηση εγγραφής κατά τις εργάσιμες μέρες και ώρες μέσω των υποκαταστημάτων των Κυρίων Αναδόχων και της Αναδόχου, καθώς και μέσω των Συμμετεχόντων Σ.Α.Τ. (επιχειρήσεις επενδύσεων ή θεματοφυλακή τράπεζας) και να καταθέσουν ή να δεσμεύσουν ποσό ίσο με τη συνολική εγγραφή τους σε οποιοδήποτε από τους λογαριασμούς που τηρούν, κατά περίπτωση, στους Κύριους Αναδόχους, στον Ανάδοχο, καθώς και στους Συμμετέχοντες Σ.Α.Τ., και των οποίων είναι δικαιούχοι ή συνδικαιούχοι.
- (β) Οι Ειδικοί Επενδυτές πρέπει να υποβάλουν την σχετική αίτηση εγγραφής αποκλειστικά μέσω των Κυρίων Αναδόχων και του Αναδόχου και να θέσουν στη διάθεσή τους, σύμφωνα με τις οδηγίες τους, ποσό ίσο με τη ζητούμενη συμμετοχή τους. Κατά την διάρκεια της Δημόσιας Προσφοράς, οι Ειδικοί Επενδυτές θα μπορούν να τροποποιούν τις εγγραφές τους και κάθε νέα εγγραφή θα ακυρώνει τις προηγούμενες.

Ο τελικός αριθμός των Νέων Μετοχών που θα καταναμηθεί σε επενδυτές που θα συμμετάσχουν στη Δημόσια Προσφορά και στη Διεθνή Προσφορά θα οριστεί στο τέλος της Συνδυασμένης Προσφοράς. Ποσοστό 15,0% (που αντιστοιχεί σε 19.500.000 εκ των Νέων Μετοχών, υποθέτοντας ότι θα εκδοθεί ο ελάχιστος αριθμός Νέων Μετοχών, ή σε 22.500.000 εκ των Νέων Μετοχών, υποθέτοντας ότι θα εκδοθεί ο μέγιστος αριθμός Νέων Μετοχών) και ποσοστό 85,0% (που αντιστοιχεί σε 110.500.000 εκ των Νέων Μετοχών, υποθέτοντας ότι θα εκδοθεί ο ελάχιστος αριθμός Νέων Μετοχών, ή σε 127.500.000 εκ των Νέων Μετοχών, υποθέτοντας ότι θα εκδοθεί ο μέγιστος αριθμός Νέων Μετοχών) έχει κατ' αρχάς επιμεριστεί στους επενδυτές που εγγράφονται στη Δημόσια Προσφορά και στη Διεθνή Προσφορά, αντίστοιχα. Το Διοικητικό Συμβούλιο της ΔΕΗ δύναται να μεταβάλει και να οριστικοποιήσει αυτήν την κατανομή κατά την κρίση του, με βάση τη ζήτηση που θα εκδηλωθεί σε κάθε σκέλος της Συνδυασμένης Προσφοράς, με την επιφύλαξη της υλοποίησης της Προνομιακής Κατανομής. Νέες Μετοχές που επιμερίστηκαν αρχικώς, κατά περίπτωση, στη Δημόσια Προσφορά ή στη Διεθνή Προσφορά, αλλά δεν αναλήφθηκαν, δύνανται να ανακατανομηθούν σε επενδυτές που θα έχουν εγγραφεί στο έτερο σκέλος της Συνδυασμένης Προσφοράς, στο μέτρο που οι εντολές που θα έχουν υποβληθεί σε αυτό το έτερο σκέλος υπερβαίνουν την ανωτέρω αρχική κατανομή και η εν λόγω ανακατανομή είναι εφικτή.

Οι Κατά Προτεραιότητα Επενδυτές θα δικαιούνται Προνομιακή Κατανομή, δηλαδή κατά προτεραιότητα κατανομή επί των Νέων Μετοχών που έχουν επιμεριστεί στη Δημόσια Προσφορά κατά την αναλογία του ποσοστού συμμετοχής του Κατά Προτεραιότητα Επενδυτή στο μετοχικό κεφάλαιο της ΔΕΗ ως έχει κατά την έναρξη διαπραγμάτευσης των Κοινών Μετοχών της στο Χρηματιστήριο Αθηνών την Ημερομηνία Καταγραφής. Η Προνομιακή Κατανομή θα είναι τουλάχιστον ίση με το ποσοστό συμμετοχής των Κατά Προτεραιότητα Επενδυτών στο μετοχικό κεφάλαιο της Εταιρείας (βάσει των ηλεκτρονικών αρχείων της ΕΛ.Κ.Α.Τ. Α.Ε.) κατά την έναρξη διαπραγμάτευσης των Κοινών Μετοχών της στο Χρηματιστήριο Αθηνών την Ημερομηνία Καταγραφής, έτσι ώστε οι εν λόγω Κατά Προτεραιότητα Επενδυτές να διατηρήσουν τουλάχιστον το ίδιο ποσοστό συμμετοχής μετά την Αύξηση του Μετοχικού Κεφαλαίου. Εντούτοις, Κατά Προτεραιότητα Επενδυτές που εγγράφονται τόσο στη Δημόσια Προσφορά όσο και στη Διεθνή Προσφορά, κατά περίπτωση, δεν θα δικαιούνται Προνομιακή Κατανομή. Εάν η εγγραφή του Κατά Προτεραιότητα Επενδυτή στη Δημόσια Προσφορά υπερβαίνει το ποσοστό συμμετοχής του στο μετοχικό κεφάλαιο της Εταιρείας, ο Κατά Προτεραιότητα Επενδυτής θα δικαιούται Προνομιακή Κατανομή μόνο κατά το μέρος που αντιστοιχεί στο εν λόγω ποσοστό συμμετοχής του στο μετοχικό κεφάλαιο της Εταιρείας. Μετά την Προνομιακή Κατανομή, εγγραφές για Νέες Μετοχές από Κατά Προτεραιότητα Επενδυτές οι οποίες δεν έχουν ικανοποιηθεί, θα προστίθενται στις εγγραφές των νέων εγγραφόμενων επενδυτών και θα ικανοποιούνται συμμετρως, υπό την προϋπόθεση ότι θα εξακολουθούν να υφίστανται αδιάθετες Νέες Μετοχές. Εάν οι εγγραφές για Νέες Μετοχές από Ιδιώτες Επενδυτές ή Ειδικούς Επενδυτές υπερβαίνουν το συνολικό αριθμό Νέων Μετοχών που θα τους έχει καταναμηθεί, οι εγγραφές αυτές θα ικανοποιηθούν αναλογικά (pro rata). Μετά τον παραπάνω υπολογισμό, ο αριθμός των Νέων Μετοχών που θα καταναμηθεί σε κάθε επενδυτή θα στρογγυλοποιηθεί στον κατώτερο ακέραιο αριθμό μετοχών. Εάν, συνεπεία αυτής της στρογγυλοποίησης ανά επενδυτή, προκύπτουν Νέες Μετοχές που παραμένουν εκτός κατανομής, θα καταναμηθεί από μια επιπλέον Νέα Μετοχή στους επενδυτές που θα έχουν τα μεγαλύτερα ανικανοποίητα κλάσματα εγγραφής ανά επενδυτή. Σε περίπτωση μερικής κάλυψης της Δημόσιας Προσφοράς, θα καταναμηθεί στους Ιδιώτες Επενδυτές και στους Ειδικούς Επενδυτές το (100,0%) των Νέων Μετοχών για τις οποίες θα έχουν εγγραφεί.

Ο Cornerstone Επενδυτής συμφώνησε να αποκτήσει, κατά τους όρους της Διεθνούς Προσφοράς και με την επιφύλαξη όρων και προϋποθέσεων που είναι συνήθεις σε περιπτώσεις παροχής ισχυρής «cornerstone» δέσμευσης αυτής της φύσεως, και η ΔΕΗ συμφώνησε να καταναμίσει στον Cornerstone Επενδυτή, Νέες Μετοχές στην τιμή διάθεσης της Συνδυασμένης Προσφοράς έναντι συνολικών κεφαλαίων που θα επενδύσει ο Cornerstone Επενδυτής τα οποία δεν θα ξεπερνούν το ποσό των €395,0 εκατομμυρίων, υπό την προϋπόθεση ότι η μέγιστη τιμή του Εύρους Τιμών δεν υπερβαίνει τα 9,00 ευρώ, έτσι ώστε αμέσως μετά την ολοκλήρωση της Αύξησης Μετοχικού Κεφαλαίου να κατέχει τουλάχιστον το 10,0% του συνολικού εκδοθέντος μετοχικού κεφαλαίου με δικαίωμα ψήφου της ΔΕΗ.

Στις 30 Οκτωβρίου 2021, η ΕΕΣΥΠ επικοινωνήθηκε στη ΔΕΗ την υποστήριξη της για την Αύξηση Μετοχικού Κεφαλαίου της και γνωστοποίησε την πρόθεσή της να εγγραφεί για την απόκτηση τέτοιου αριθμού Νέων Μετοχών, μέσω της συμμετοχής της στη Διεθνή Προσφορά, που θα έχει ως αποτέλεσμα, μετά την ολοκλήρωση της Αύξησης Μετοχικού Κεφαλαίου, η ΕΕΣΥΠ να κατέχει, άμεσα και έμμεσα (συμπεριλαμβανομένης της συμμετοχής της θυγατρικής της ΕΕΣΥΠ, ΤΑΠΠΕΔ), ποσοστό 34,123% του συνολικού αριθμού των Κοινών Μετοχών της ΔΕΗ.

Το ενδεικτικό αναμενόμενο χρονοδιάγραμμα για την Αύξηση Μετοχικού Κεφαλαίου και την εισαγωγή των Νέων Μετοχών προς διαπραγμάτευση στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Αξιών του Χ.Α. παρατίθεται, ως εξής:

Ημερομηνία	Γεγονός
1 Νοεμβρίου 2021	Έγκριση του Ενημερωτικού Δελτίου από την Επιτροπή Κεφαλαιαγοράς.
1 Νοεμβρίου 2021	Δημοσίευση του Ενημερωτικού Δελτίου στον ιστότοπο του Εκδότη, των Κύριων Αναδόχων και της Αναδόχου, της Επιτροπής Κεφαλαιαγοράς και του Χ.Α.
1 Νοεμβρίου 2021	Δημοσίευση ανακοίνωσης για τη διάθεση του Ενημερωτικού Δελτίου στο ΗΔΤ του Χ.Α. και στον ιστότοπο του Εκδότη.
1 Νοεμβρίου 2021	Δημοσίευση της ανακοίνωσης για την πρόσκληση προς το επενδυτικό κοινό και την έναρξη της Δημόσιας Προσφοράς.
2 Νοεμβρίου 2021	Έναρξη της Δημόσιας Προσφοράς.
4 Νοεμβρίου 2021	Λήξη της Δημόσιας Προσφοράς.
5 Νοεμβρίου 2021	Δημοσίευση της ανακοίνωσης σχετικά με την τελική τιμή διάθεσης των Νέων Μετοχών στο ΗΔΤ του Χ.Α. και στον ιστότοπο του Εκδότη.
10 Νοεμβρίου 2021	Δημοσίευση της αναλυτικής ανακοίνωσης σχετικά με την έκβαση της Δημόσιας Προσφοράς στο ΗΔΤ του Χ.Α. και στον ιστότοπο του Εκδότη.
12 Νοεμβρίου 2021	Έγκριση από το Χ.Α. της εισαγωγής προς διαπραγμάτευση των Νέων Μετοχών.*
12 Νοεμβρίου 2021	Δημοσίευση της ανακοίνωσης για την ημερομηνία έναρξης διαπραγμάτευσης των Νέων Μετοχών στο Η.Δ.Τ του Χ.Α. και στον ιστότοπο του Εκδότη.
16 Νοεμβρίου 2021	Έναρξη διαπραγμάτευσης των Νέων Μετοχών.

Οι επενδυτές πρέπει να λάβουν υπόψη ότι το παραπάνω χρονοδιάγραμμα είναι ενδεικτικό και ενδέχεται να μεταβληθεί, στην οποία περίπτωση η ΔΕΗ θα ενημερώσει δεόντως και εγκαίρως του επενδυτές με δημόσια ανακοίνωση.

\* Τελεί υπό την αίρεση της συνεδρίασης της αρμόδιας επιτροπής του Χ.Α. την ανωτέρω ημερομηνία.

Στον ακόλουθο πίνακα παρουσιάζεται η μετοχική σύνθεση της ΔΕΗ στις 25 Οκτωβρίου 2021 και πριν από την Αύξηση Μετοχικού Κεφαλαίου:

Μέτοχοι <sup>(1)</sup>	Αριθμός Μετοχών <sup>(2)</sup>	% ποσοστό του μετοχικού κεφαλαίου
Ελληνική Εταιρεία Συμμετοχών και Περιουσίας Α.Ε. (ΕΕΣΥΠ) .....	79.165.114	34,12%
Ταμείο Αξιοποίησης Ιδιωτικής Περιουσίας του Δημοσίου Α.Ε. (ΤΑΠΠΕΔ) .....	39.440.000	17,00%
Θεσμικοί επενδυτές και ευρύ επενδυτικό κοινό <sup>(3)</sup> .....	113.394.886	48,88%
<b>Σύνολο .....</b>	<b>232.000.000</b>	<b>100,00%</b>

- (1) Βασίζεται στο μετοχολόγιο στις 25 Οκτωβρίου 2021.
- (2) Μία Κοινή Μετοχή αντιστοιχεί σε ένα δικαίωμα ψήφου.
- (3) Συμπεριλαμβανομένου του Helikon Long Short Equity Fund Master ICAV.

Στον ακόλουθο πίνακα παρουσιάζεται η μετοχική σύνθεση της ΔΕΗ μετά την Αύξηση Μετοχικού Κεφαλαίου, υποθέτοντας ότι (α) η ΕΕΣΥΠ θα συμμετάσχει στην Αύξηση Μετοχικού Κεφαλαίου έτσι ώστε να διατηρήσει, άμεσα και έμμεσα μέσω του ΤΑΠΠΕΔ, μερίδιο 34,123%, (β) η CVC θα συμμετάσχει στη Διεθνή Προσφορά σύμφωνα με τη CVC Comerstone Επενδυτική Συμφωνία ώστε να κατέχει ποσοστό συμμετοχής 10,0% μετά την ολοκλήρωση της Αύξησης Μετοχικού Κεφαλαίου και (γ) οι Μέτοχοι πριν την Αύξηση Μετοχικού Κεφαλαίου (< 5,0%) δε θα εγγραφούν στη Συνδυασμένη Προσφορά.

Μέτοχοι <sup>(1)</sup>	Κατώτατος αριθμός Νέων Μετοχών		Μέγιστος αριθμός Νέων Μετοχών	
	Αριθμός μετοχών <sup>(2)</sup>	% ποσοστό του μετοχικού κεφαλαίου	Αριθμός μετοχών <sup>(2)</sup>	% ποσοστό του μετοχικού κεφαλαίου
Ελληνική Εταιρεία Συμμετοχών και Περιουσίας Α.Ε. (ΕΕΣΥΠ) ...	84.085.260	23,2%	90.909.860	23,8%
Ταμείο Αξιοποίησης Ιδιωτικής Περιουσίας του Δημοσίου Α.Ε. (ΤΑΠΠΕΔ) .....	39.440.000	10,9%	39.440.000	10,3%
Μέτοχοι πριν την Αύξηση Μετοχικού Κεφαλαίου < 5,0% <sup>(3)</sup> .....	113.394.886	31,3%	113.394.886	29,7%
CVC .....	36.200.000	10,0%	38.200.000	10,0%
Μέτοχοι της Αύξησης Μετοχικού Κεφαλαίου .....	88.879.854	24,6%	100.055.254	26,2%
<b>Σύνολο .....</b>	<b>362.000.000</b>	<b>100,00%</b>	<b>382.000.000</b>	<b>100,0%</b>

- (1) Βασίζεται στο μετοχολόγιο στις 25 Οκτωβρίου 2021.
- (2) Μία Κοινή Μετοχή αντιστοιχεί σε ένα δικαίωμα ψήφου.
- (3) Συμπεριλαμβανομένου του Helikon Long Short Equity Fund Master ICAV.

Η ανωτέρω εκδοχή είναι υποθετικής φύσεως και ερείδεται επί παραδοχών που ενδέχεται να μην επαληθευτούν. Η ΔΕΗ δεν χρεώνει έξοδα για τη συμμετοχή των επενδυτών στη Δημόσια Προσφορά.

#### Γιατί καταρτίζεται το παρόν Ενημερωτικό Δελτίο;

Το παρόν Ενημερωτικό Δελτίο καταρτίζεται για (i) τη Δημόσια Προσφορά και (ii) την εισαγωγή προς διαπραγμάτευση των Νέων Μετοχών στην Κύρια Αγορά της Ρυθμιζόμενης Αγοράς Αξιών του Χ.Α.

Λόγοι της Αύξησης Μετοχικού Κεφαλαίου και χρήση των εσόδων

Σκοπεύουμε να αντλήσουμε κεφάλαια ύψους μέχρι περίπου €1.350,0 εκατομμύρια, μέσω της Αύξησης Μετοχικού Κεφαλαίου. Η συντριπτική πλειονότητα των καθαρών εσόδων από την Συνδυασμένη Προσφορά, τα οποία υπολογίζονται στα €1.294,6 εκατομμύρια (δηλαδή το συνολικό ποσό των κεφαλαίων που θα αντληθούν μέσω της Αύξησης Μετοχικού Κεφαλαίου μείον τα έξοδα έκδοσης), εάν υποθεθεί ότι η τελική τιμή διάθεσης για τις Νέες Μετοχές θα ισούται με την ανώτατη τιμή εντός του Εύρους Τιμών, θα χρησιμοποιηθεί στην υλοποίηση του σχεδίου μετασχηματισμού και της επιχειρηματικής στρατηγικής μας. Αυτά τα καθαρά έσοδα, τα οποία σκοπεύουμε επί του παρόντος να αξιοποιήσουμε έως το 2024, θα μας παράσχουν επαρκή ρευστότητα για να δεσμεύσουμε χρηματοδότηση σε έργα υψηλής αξίας και θα μας επιτρέψουν να επιτύχουμε τους επιχειρησιακούς μας στόχους. Ειδικότερα, τα καθαρά έσοδα από την Συνδυασμένη Προσφορά πρόκειται να χρησιμοποιηθούν μεταξύ του 2022 και του 2024 από τη ΔΕΗ ή/και άλλες εταιρείες του Ομίλου ή από υφιστάμενες και μέλλουσες κοινοπραξίες μας για την παροχή μέρους των €5,0 δισεκατομμυρίων κεφαλαιουχικών δαπανών που έχουμε προϋπολογίσει για τα ακόλουθα έργα από το 2022 έως το 2024 (ποσό που δεν περιλαμβάνει το ποσό περίπου €1.0 δισεκατομμυρίου κεφαλαιουχικών δαπανών που έχουμε προϋπολογίσει για το δίκτυο διανομής του ΔΕΔΔΗΕ κατά την ως άνω περίοδο, το οποίο αναμένεται να χρηματοδοτηθεί απευθείας από ταμειακά διαθέσιμα του ΔΕΔΔΗΕ ή χρηματοδότηση που θα λάβει) και για γενικούς εταιρικούς σκοπούς, που συμπεριλαμβάνουν:

- (α) την παροχή μέρους του κατά προσέγγιση ποσού των €3,2 δισεκατομμυρίων που έχουμε προϋπολογίσει για κεφαλαιουχικές δαπάνες σε έργα ανανεώσιμων πηγών ενέργειας έως το 2024, συμπεριλαμβανομένης της παραγωγής υδροηλεκτρικής ενέργειας και έργων σε γειτονικές αγορές, με στόχο την επίτευξη εγκατεστημένης ισχύος ΑΠΕ 7,2 GW έως το 2024,
- (β) την παροχή μέρους του κατά προσέγγιση ποσού των €1,7 δισεκατομμυρίων που έχουμε προϋπολογίσει για κεφαλαιουχικές δαπάνες έως το 2024 για τη συμβατική παραγωγή ενέργειας, την επιχειρηματική μας μονάδα που είναι αρμόδια για τις προμήθειες, την κατασκευή μονάδας παραγωγής ενέργειας από απόβλητα, την ψηφιοποίηση, τις τηλεπικοινωνίες, τα σημεία φόρτισης ηλεκτρικών οχημάτων, και
- (γ) στο βαθμό που είναι ευλόγως αναγκαίο και μόνο έως ποσόν τα οποία δεν συνιστούν σημαντικά στοιχεία ως προς την οικονομική κατάσταση του Ομίλου, για άλλους γενικούς εταιρικούς και άλλους επενδυτικούς σκοπούς.

Σε σχέση με τις κεφαλαιουχικές δαπάνες που περιγράφονται στις παραγράφους (α) και (β) ανωτέρω, τα καθαρά έσοδα από την Αύξηση Μετοχικού Κεφαλαίου προορίζονται να διατεθούν στα σχετικά έργα με τη χρονολογική σειρά που τα σχετικά έργα θα υλοποιούνται κατά την κρίση μας κατόπιν της ολοκλήρωσης της Αύξησης Μετοχικού Κεφαλαίου.

Σε περίπτωση που τα καθαρά έσοδα διατεθούν τελικά για τους ανωτέρω σκοπούς μέσω μιας εταιρείας του Ομίλου (εκτός της ΔΕΗ), μίας κοινοπραξίας ή ενός οχήματος ειδικού σκοπού, αυτή η διάθεση θα πραγματοποιείται μέσω εισφοράς μετοχικού κεφαλαίου (είτε κατά τη σύσταση είτε μέσω μεταγενέστερης αύξησης του μετοχικού κεφαλαίου) στην εν λόγω οντότητα από τη ΔΕΗ.

Εν αναμονή της τελικής χρήσης των εσόδων που αναφέρεται ανωτέρω, ενδέχεται να επιλέξουμε να χρησιμοποιήσουμε τα έσοδα για να προβούμε σε συνήθεις πράξεις ταμειακής διαχείρισης, αντιστάθμισης κινδύνου και διαχείρισης μετρητών στο πλαίσιο της συνήθους επιχειρηματικής δραστηριότητας ή να πραγματοποιήσουμε προσωρινές επενδύσεις σε χρηματικά διαθέσιμα, προθεσμιακές καταθέσεις, εμπορικά χρεόγραφα, κρατικούς τίτλους ή άλλα χρηματοπιστωτικά μέσα υψηλής αξιολόγησης.

Σε περίπτωση μικρότερου αριθμού εγγραφών στη Συνδυασμένη Προσφορά, θα χρηματοδοτήσουμε το σχετικό ποσοστό των προγραμματισμένων κεφαλαιουχικών δαπανών μας που δεν καλύπτονται από την Αύξηση Μετοχικού Κεφαλαίου μέσω εναλλακτικών πηγών.

Η Δημόσια Προσφορά δεν αποτελεί αντικείμενο σύμβασης αναδοχής ή τοποθέτησης με δέσμευση ανάληψης. Υπό την προϋπόθεση ότι η Συνδυασμένη Προσφορά θα ευδοκιμήσει και το σύνολο των Νέων Μετοχών θα έχουν καλυφθεί και εκδοθεί, το αναμενόμενο ποσό των ακαθάριστων εσόδων της Συνδυασμένης Προσφοράς θα ισούται με €1.350 εκατομμύρια, εάν υποθεθεί ότι η τελική τιμή διάθεσης για τις Νέες Μετοχές θα ισούται με την ανώτατη τιμή εντός του Εύρους Τιμών. Τα άμεσα σχετιζόμενα με τη Συνδυασμένη Προσφορά έξοδα εκτιμάται ότι θα ανέλθουν σε περίπου €55,4 εκατομμύρια, και ως εκ τούτου, τα καθαρά έσοδα της Συνδυασμένης Προσφοράς αναμένεται να είναι περίπου €1.294,6 εκατομμύρια, εφόσον ισχύσει η προαναφερθείσα υπόθεση.

Έκαστος Κύριος Ανάδοχος και ο Ανάδοχος δηλώνουν ότι δεν τελούν σε σύγκρουση συμφερόντων, ούτε διαθέτουν ουσιώδη για τη Δημόσια Προσφορά συμφέροντα, λαμβάνοντας υπόψη ως κριτήριο την προηγούμενη λήψη οποιασδήποτε μορφής αμοιβής από τη ΔΕΗ, καθώς και τα εξής κριτήρια, κατά τις κατευθυντήριες γραμμές της ESMA: (i) την κατοχή μετοχικών τίτλων της ΔΕΗ ή θυγατρικών της, (ii) την ύπαρξη άμεσου ή έμμεσου οικονομικού συμφέροντος που εξαρτάται από την επιτυχία της Δημόσιας Προσφοράς, ή (iii) την ύπαρξη συνεννόησης ή συμφωνίας με κυρίου μετόχου της ΔΕΗ.

*This Prospectus includes forward-looking statements. Such items in this Prospectus include, but are not limited to, statements made under “Risk Factors,” “Financial Information Concerning the Issuer’s Assets and Liabilities, Financial Position and Profits, and Losses” and “Group’s Business Overview.” Such statements can be generally identified by the use of terms such as “believes,” “expects,” “may,” “will,” “should,” “would,” “could,” “plans,” “anticipates” and comparable terms and the negatives of such terms. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this Prospectus could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about PPC or the Group, including, (but not limited to), those set out under “Risk Factors.”*

*Except as otherwise required by applicable law or regulation, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Prospectus might not occur. Any statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Investors are cautioned not to place undue reliance on such forward-looking statements, which are based on facts known to us only as at the date of this Prospectus. According to our management, we have not made any profit forecasts for the current financial year. We, however, regularly inform the investment community of our financial performance or any other material event through regular or ad hoc press releases. Certain of our financial performance targets may be deemed to be profit forecasts under the Prospectus Regulation. For additional information on the preparation and presentation of our financial performance targets and other forward-looking statements that may be deemed to be profit forecasts under the Prospectus Regulation, see “Profit Forecasts.”*

## **1. RISK FACTORS**

*Investing in our New Shares involves a degree of risk. You should carefully consider the risk factors set out below and all other information contained in this Prospectus, including our financial statements and the related notes, before making an investment decision regarding our New Shares. The risks described below are those significant risk factors, currently known and specific to us or the industry in which we operate, that we believe are relevant to an investment in our New Shares and are presented, by category, based on the probability of their occurrence and the estimated negative impact that their occurrence may cause. If any of these risks materialises, our financial condition or results of operations could suffer, the price of our Ordinary Shares could decline, and you could lose part or all of your investment. Moreover, the risks and uncertainties described below may not be the only ones to which we may be subject. Additional risks, not currently known to us, or that we now deem immaterial, may also harm us and adversely affect your investment in our Ordinary Shares.*

The validity of this Prospectus is one (1) year from the date of its approval.

### **1.1. RISK FACTORS SPECIFIC TO THE ISSUER**

#### **1.1.1. Risks related to our business**

***We may not be able to successfully implement our key strategies and we may fail to achieve our operational targets and this could have a material adverse effect on our business, financial condition and results of operations.***

Our business is in the process of evolving from a vertically integrated incumbent company in the Greek electricity market to a more diversified and sustainable vertically integrated regional player. To this end, we are implementing our revised business plan to become a modern, customer-centric, sustainable utility provider. We also plan to digitalise most aspects of our product offerings, expand our operations to markets adjacent to Greece and establish a presence in the electric vehicle infrastructure and telecommunications markets. See “Group’s Business Overview—Our strategy.”

We face many risks that could adversely affect our ability to successfully implement the key strategies in our 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 we operate (or intend to expand into), political and economic developments affecting Europe and EU legal and regulatory requirements. We also face the risk of internal or political resistance against our key strategic initiatives by our employees, labour unions, local communities, political parties and/or other stakeholders. Following the enactment of Law 4643/2019 we started focusing on updating our corporate governance framework taking advantage of the flexibility that the new legislation provides us in order to (i) introduce incentives to attract executives from the market (enabling us to hire outside of PPC for senior executive positions), (ii) implement updated flexible hiring and salary setting processes, (iii) develop more appropriate procurement policies (and set up a fully revamped Audit Committee to oversee its application), and (iv) initiate adjustments to our organisational structure and Board of Directors' composition. Despite these recent changes, we may still fail to prioritise our actions and targets according to our double nature as a both private and currently state-controlled company. Any failure to successfully implement our key strategies within the targeted timeframe could have a material adverse effect on our business, results of operations and financial condition.

Our 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 our strategy. We have already obtained the necessary licences for a significant portion of our renewable energy project pipeline and a portion of which will be rolled out at our depleted lignite fields, largely in parallel with the decommissioning of all of our lignite-fired generation assets. We expect our total installed RES capacity to reach 9.5 GW (including (a) our existing 3.4 GW, which takes both our hydroelectric and RES capacity into account and (b) 1.1 GW of international renewables capacity) by the end of 2026. We expect approximately 3.0 GW of this pipeline will commence operating commercially by 2024, as the projects, which will generate this installed capacity, are to be rolled out on our own land and have guaranteed access to Greece's power distribution infrastructure. The majority of such new capacity is expected to be solar energy, with the remainder using wind, hydropower and other renewable technologies. To develop our renewable energy pipeline in line with our strategy set out in the Sustainability-Linked Bond Framework, we will have to fund the costs associated with construction and procurement of the necessary equipment through a combination of third-party and project financing. We also plan to use a portion of the proceeds from the sale of a 49.0% stake in HEDNO (see "*Trend Information—Sale of a 49.0% stake in HEDNO*") and a portion of the proceeds from the Share Capital Increase. If we are not able to fund our renewable energy projects at economically favourable prices or secure the necessary licences, there will be delays or even cancellations of certain of our 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 our renewable energy projects that are not contemplated to be developed on our owned land, we 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 our 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 which involves, but is not limited to, grid connection rules, subsidy and capacity market support rules and wider electricity market rules. There can be no guarantee that any renewable energy project will be completed in a timely manner or that an interested stakeholder will not challenge our compliance with such regimes. Any such risk could have a material adverse impact on our business operations, prospects, financial condition and results of operations.

In addition, we 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 our power plants, as well as measures to decrease our operational costs (such as wage cuts). These measures were implemented

with a view towards improving our competitiveness and profitability and reducing the total cost of our 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 we may not be in a position to capture the total benefit therefrom due to external factors over which we have little or no control. Such factors include general macroeconomic conditions in Greece, the level of competition in our industry, restrictions in hiring and retaining qualified personnel due to our current status as a state-controlled company, and the manner in which our profitability measures are viewed and accepted by our customers, our suppliers and our employees. See “—Risks related to macroeconomic conditions in Greece and the European Union—Adverse developments in the global and Greek economy have had, and are likely to continue to have, material and adverse effects on our business, results of operations and financial condition,” “—We may be subject to intensifying competition in the wholesale and supply markets,” “—We may have difficulty in hiring and retaining qualified personnel” and “Risks related to the regulatory and legal framework—We are subject to certain laws and regulations generally applicable to Public Enterprises in Greece, and the Greek State, as our indirect majority shareholder, has had, and may continue to have, an impact on our operations.”

Our business plan contains certain forward-looking statements of operating and financial targets, as well as our scheduled capital expenditure, for the period from 31 December 2020 to 2026. The assumptions upon which these targets are based are inherently subject to significant uncertainties and actual results may differ, perhaps materially, from those anticipated. We prepared these targets on the basis of management estimates and certain assumptions, some of which are outside of our control, that we believe to be reasonable, including our business plan, management’s observations of the most recent operating conditions, as well as management’s expectations for conditions and trends through 31 December 2026. For a discussion of our targets and our assumptions, see “Group’s Business Overview—Our transformation strategy and five-year business plan” and “Profit Forecasts.”

Our ability to implement our strategy depends on a variety of factors, some of which are outside our 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 we will be able to successfully implement our strategy and achieve our planned operational targets, including the goals we have 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 our business, financial condition and results of operations.

***Our targets for medium- to long-term financial performance could differ materially from our actual results of operations.***

We have established management targets for medium- and long-term financial performance, all of which assume, *inter alia*, the successful and timely execution of our transformation strategy and five-year business plan, which we announced on 23 September 2021 (see “Group’s Business Overview—Our transformation strategy and five-year business plan”). Our targets and the underlying assumptions discussed in “Profit Forecasts” were prepared in accordance with the provisions of delegated Regulation (EU) No. 2019/980 and the European Securities and Markets Authority (“ESMA”) recommendations on forecasts.

Pursuant to this plan, we have budgeted to make capital expenditure aggregating approximately €9.3 billion from 2022 to 2026, of which we intend to invest €6.0 billion during the next three years. Additionally, we are targeting Recurring EBITDA of €1.7 billion and a net leverage ratio in the range of 3.0x to 3.5x for the financial year ending 31 December 2026.

Our management has based these targets on a number of assumptions regarding, *inter alia*, the contemplated deployment of capital expenditure according to our five-year business plan, domestic and global economic and political developments, continuity in our regulatory, legal and tax environment, the completion of the sale of a 49.0% stake in HEDNO, our international expansion plans, the accuracy of our 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. For more information on our assumptions, see “Profit Forecasts—Assumptions.”

Such assumptions are inherently subject to significant business, operational, economic, financial and other risks, many of which are outside of our control. Accordingly, such assumptions may change or prove to be incorrect. Should one or more of the assumptions underlying our targets for financial performance prove to be incorrect, our actual medium- to long-term financial performance could differ materially from our targeted medium- to long-term financial performance. Such deviations from our financial targets may trigger our disclosure obligations as a public company and potentially render us liable towards our shareholders if we fail to meet these obligations, as well as negatively impact our share price and damage our reputation. For more information on the risks related to our key strategies, see “—*We may not be able to successfully implement our key strategies and we may fail to achieve our operational targets and this could have a material adverse effect on our business, financial condition and results of operations.*”

***We are exposed to risks related to the fluctuations of fuel, CO<sub>2</sub> emission rights and electricity prices, which may materially impact our operating expenses and liquidity, thus, negatively affecting our business prospects and results of operations.***

In the ordinary course of business, as a vertically integrated electricity company, we participate in the Greek energy wholesale market both as producer and as supplier of electricity, which exposes us to market price risk stemming from commodity price fluctuations. Our generation business is exposed to the fluctuations in the prices of natural gas, oil and CO<sub>2</sub> emission rights, which are traded in international commodity markets. As supplier of electricity, we are subject to exposure to increased Greek wholesale prices, which increases our cost for supplying energy to our customers. Our exposure to wholesale electricity market risk is determined by our net exposure, *i.e.* the quantity of energy needed to cover our supply needs that cannot be covered by own electricity production (*i.e.* our natural hedge) and therefore must be procured in the wholesale market. As a result, any change in both our commercial and generation portfolio results in a fluctuating net exposure and consequently, as our supply market share is larger than our generation market share (64.9%<sup>3</sup> versus 49.2%<sup>4</sup> in the whole of Greece, respectively, in the six-month period ended 30 June 2021), rising wholesale electricity prices might have a material adverse effect in our results of operations and financial condition.

The price of natural gas significantly affects our generation costs as well as the price at which we purchase wholesale electricity. During the first six months of 2021, approximately 37.3% of our net electricity production was generated by natural gas-fired power plants, accounting for 12.7% of our total operating expenses during that period. In addition, our energy purchases accounted for 23.1% of our total operating expenses. The COVID-19 pandemic resulted in decreased demand for fuels that are significant to our operations, such as oil and natural gas and, therefore, in reduced investments and expenditure in relation to their production and distribution. As restrictive measures began to be lifted, the global market experienced a sharp rebound in demand for such fuels, which has accelerated in the second half of 2021. These circumstances culminated in an inability to service the increased demand, leading to a significant rise, as well as volatility, in the prices of oil and natural gas. While we are currently in a position, in which the indexation of a significant portion of our Low Voltage tariffs with the System Marginal Price significantly reduces our exposure to the evolution of wholesale electricity market prices, no assurance can be given that we will be able to pass on any increases in fuel prices and/or wholesale power market prices to our customers by increasing tariffs.

While our CO<sub>2</sub> emissions have significantly decreased due to the lignite decommissioning plan in progress, thus also reducing our exposure to the price of CO<sub>2</sub> emission rights, we still need to purchase significant quantities of CO<sub>2</sub> emission rights every year and any upward movement of relevant prices could materially, directly or indirectly, affect our financial condition, results of operations and cash flows. Emission rights are acquired from European markets, either through exchange transactions or through bilateral agreements. We continuously monitor markets and developments in Europe as well as changes in the relevant regulatory framework and expect that CO<sub>2</sub> prices may be further influenced by the expected tightening in 2030 EU emission targets, which may be affected by the EU commitments under the Paris Agreement, the ongoing dialogue about the EU climate targets for 2050 and the EU Green Deal. Our exposure to the risk of increasing CO<sub>2</sub> emission rights prices is also linked to our ability to pass these increases on to customers in our electricity tariffs. While we have adopted an automatic mechanism (clause) for passing on increases in the cost of CO<sub>2</sub> emission allowances in certain Medium and High Voltage tariffs, the relevant may not be fully offset.

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<sup>3</sup> Source: Internal data.

<sup>4</sup> Source: Internal data.

In the following sensitivity analysis, we present the effect of a fluctuation in the price of liquid fuels, natural gas, CO<sub>2</sub> and system marginal price on the Group, as at and for the year ended 31 December 2020.

(€ in thousands)	Heavy fuel oil (tonnes)	Diesel (klit)	Natural gas (m <sup>3</sup> )	CO <sub>2</sub> (tonnes)	System Marginal Price (MW/h)
Change in unit price . . . . .	+1€ (+ one euro)	+1€ (+ one euro)	+0.01€ (+ one cent of euro)	+1€ (+ one euro)	+€1 (+ one euro)
Impact on expenditure . . . .	743.0	159.0	16,800.0	14,000.0	13,500.0

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020.

In order to limit our exposure to these market risks we 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, our exposure to these risks has not been eliminated and we may not manage to adequately hedge against volatility in natural gas prices and volatility in wholesale power market prices either because of low liquidity in the Forward Power Market recently established in Greece, or because of other reasons. In addition, hedging contracts for the price of electricity, gas and other commodities are available in the market only for limited forward periods, hence not protecting against adverse price movements in the medium-long term. Moreover, the execution of hedging activities through our participation in organised commodity exchanges is creating new needs for credit and cash settlement requirements, as well as for cash margining to cover adverse price movements or stop-loss procedures, which could result in significant liquidity needs. As a result of the above, despite our hedging activities, significant variations in fuel, CO<sub>2</sub> emission rights and electricity prices, and any relevant interruption in supplies, could still have a material adverse effect on our operating expenses and liquidity, thus negatively affecting our business prospects and results of operations.

***We may be subject to intensifying competition in the wholesale and supply markets.***

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

In addition, due to rising prices of CO<sub>2</sub> emission allowances and the rigid environmental regulatory framework, the competitiveness of our lignite production has been adversely affected. We are currently implementing an accelerated lignite decommissioning plan, which involves decommissioning all of our existing lignite-fired units by 2023 (see “Trend Information—De-lignification and transition to lower carbon generation technologies”). Until full lignite decommissioning has been achieved, the low competitiveness of our lignite production could have a significant adverse effect on our business, financial position and operating results. In addition, delays in our decommissioning schedule outside of our control (e.g. due to a request of the System operator, RAE or the Greek government following which we may have to keep some of our lignite units in operation or reserve without adequate remuneration) may also adversely affect our operating results and liquidity.

Law 4389/2016 set a target for us to decrease our supply market share in Greece to below 50.0%. We believe that large parts of the supply market will be unattractive to potential competitors due to low margins or challenging payment profiles. Accordingly, we anticipate that our existing and future competitors will attempt to “cherry-pick” our best customers, while we could be required to continue to supply electricity to less profitable customers with riskier credit profiles. This dynamic may put us in a competitive disadvantage. More generally, in our electricity supply business, we rely on our relationships with a number of large High Voltage customers. Nevertheless, our average profit margin is higher with Low and Medium Voltage customers. Therefore, the loss of a large number of our Low and Medium Voltage customers could have a greater net negative impact on our profitability than the loss of our High Voltage customers.



In the recent past, our obligation to supply our competitors with a substantial amount of wholesale electricity at below cost pursuant to NOME-type auctions had a detrimental impact on our 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 (as defined below) (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 (see “—Risks related to the regulatory and legal framework—We are subject to regulatory interventions and/or proceedings relevant to our position and share in a formerly monopolistic market”). 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, which strengthen the market position of our competitors, may have a negative impact on our results of operation and cash flows. The reduction of our 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 our results of operation and financial condition in future periods.

***We operate in a capital-intensive business sector, and a significant increase in capital costs could have a material adverse effect on our business, financial condition, prospects or results of operations. No assurance can be given that we will be able to generate and/or raise the financing required for our planned capital expenditure on acceptable terms or at all.***

We have significant construction and capital expenditure requirements, aiming to spend approximately €9.3 billion over the next five years to expand our renewable energy generation capacity, improve digitalisation and operational efficiency, refreshing our retail strategy to bring the customer front and centre, to support and improve our Distribution Network. We are also aiming to become the leading charge-point and electric vehicle service provider in Greece and we are exploring potential investments to further develop optical-fibre cable infrastructure to provide wholesale network services, which, if rolled out broadly, could entail significant capital expenditure. The recovery of our capital investment occurs over a substantial period of time. The capital investment required to develop and construct a power plant or electricity network generally varies based on the cost of the necessary fixed assets, such as equipment and civil engineer construction works. A significant increase in the costs of or delays in developing and constructing our power plants, electricity networks or associated energy facilities or delays occurring after capital has been committed, could have a material adverse effect on our ability to achieve our growth targets and our business, financial condition, prospects or results of operations. Even if further or more flexible funding to cover such increased costs or delays can be secured, there may nevertheless be impediments to our capacity to implement our capital expenditure programme on time and within our budget.

We expect to finance a substantial part of these capital expenditure out of the cash flows from our operating activities. If these sources are insufficient, however, we may have to finance certain of our planned capital expenditure from outside sources, including bank borrowing and offerings in the capital markets. Although we have entered into long-term financing agreements for major projects and, historically, the European Investment Bank has financed a major part of our generation and Distribution Network projects, no assurance can be given that we will be able to raise the financing required for our planned capital expenditure on acceptable terms or at all. If we are unable to raise such financing, we may have to reduce our planned capital expenditure. Any such reduction could have a material adverse effect on our long-term business, financial condition, prospects or results of operations. Additionally, we may be required to make investments requested by RAE in the Distribution Network, which may result in increased capital expenditure requirements and adversely impact our cash flows.

***We may not be able to raise the entire amount of the Share Capital Increase through the Combined Offering and this may have an adverse impact on our planned transformation and business plan, our business, financial condition and results of operations.***

The Share Capital Increase is intended to further strengthen our capital base and, if successfully completed, we believe that it will support us to successfully achieve our planned transformation into an environmentally sustainable, modern, cutting-edge utility provider. In particular, our business plan entails focusing our investments on low-risk, sustainable renewable energy and Distribution Network

activities, implementing operational efficiency and cost savings initiatives, addressing the core elements of our regulatory agenda, as well as repositioning our retail business to capitalise on market reforms (for a description of our transformation and business plan, see “*Essential Information—Reasons for the Share Capital Increase and use of proceeds*” and “*Group’s Business Overview—Our transformation strategy and five-year business plan*”).

However, it is uncertain whether we will be able to successfully complete the Share Capital Increase, as its execution depends on, among others, market conditions, investor appetite and support of our expansion strategy, risks and uncertainties, including market-related and commercial risks that are beyond our control. If the Share Capital Increase is not completed or is downsized, we may have to finance certain of our planned capital expenditure in different ways, including through debt financing, and on potentially less favourable terms for our business. If we fail to either obtain sufficient alternative financing or obtain such financing on acceptable terms, we may have to postpone or annul a portion of our planned capital expenditure. As a result, our ability to execute our proposed transformation and business plan could be adversely impacted, and our long-term business, financial condition, prospects and results of operations could be negatively affected to the extent that the completion of our transformation and business plan is necessary for our commercial viability in the future.

***Despite the liberalisation of tariffs, we may face difficulties in increasing our tariffs.***

Despite the deregulation of tariffs for all our customers, our ability to formulate our tariffs is limited by (i) current socioeconomic conditions in Greece, (ii) the ability of our 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 our customers, their ability or willingness to pay their electricity bills may be negatively impacted, which could in turn negatively affect the collectability of our bills. Moreover, if tariff increases provide alternative suppliers with a competitive advantage against us with respect to the tariff policy they apply, the potential implications could negatively influence our business, financial condition and results of operations.

In addition, we may face difficulties incorporating increased commodity costs through increased tariffs, as well as costs related to electricity and emission allowances in electricity bills. In this context, the Hellenic Republic or RAE may propose tariff policies to serve wider economic objectives. Such proposals may negatively affect our ability to freely determine tariffs based on our business needs and strategy and may have an adverse effect on our results of operations and financial performance in the near and long term. Additionally, RAE may affect our tariff policy indirectly, for instance through market incentivisation, institutional resistance or financial penalties.

Furthermore, a significant part of our revenue depends on regulated charges included within our tariffs, such as electricity distribution usage charges and PSOs. 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 our electricity distribution revenues and could have a material adverse effect on our business, results of operations and financial condition, as well as weaken our ability to raise equity or loans for funding our investment plans to a certain extent.

We 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 us to preserve our investment capacity while ensuring a fair return on the capital invested in our electricity generation, distribution and supply assets.

***Developments in our relationships with certain of our industrial customers and other counterparties may have a material adverse effect on our results of operations and financial condition.***

We 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 our business, financial condition and results of operations.

We may not successfully manage the risks associated with expanding our operations, integrating newly acquired subsidiaries or participating in joint venture projects where we have granted protective rights to minority holders, such as in connection with the announced HEDNO joint venture, or which we do not manage or otherwise control.

We continue to evaluate investment opportunities in the future, and we may expand our operations both domestically and in other countries or in new markets. Any failure to manage the risks and costs associated with expanding our operations and the integration of future acquisitions could have a material adverse effect on our business, results of operations and financial condition. We may also enter into joint venture arrangements where we grant protective rights to minority holders or otherwise hold interests in entities in which we own less than a majority of the equity or which we do not manage or otherwise control. We may be dependent on our joint venture partners to operate certain projects or entities and we may have limited influence and control over the performance and cost of operations of these entities.

While we 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 we cannot give any assurance that our acquisitions are not or will not become subject to liabilities of which we are unaware. While we ask to be provided with warranties and indemnities where practical and appropriate, we cannot give any assurance that we would be able to enforce our contractual or other rights against the relevant sellers or that any warranties and indemnities would be adequate to cover potential liabilities. The acquisition of businesses or assets may be connected to risks or liabilities of which we were or may be unaware, or which we may not have correctly assessed or assumed, or against which we have not obtained full legal protection.

As part of our ongoing transformation, we have begun the reorganisation of our Distribution Network assets and agreed to sell to MSCIF Dynami BidCo Single Member S.A., a member of MAM, a 49.0% non-controlling stake in our subsidiary, HEDNO, which operates the Distribution Network. Upon the closing of this transaction, we will enter into a shareholders' agreement with MSCIF Dynami BidCo Single Member S.A., which will regulate our relationship regarding the operation of HEDNO (see "*Trend Information—Sale of a 49.0% stake in HEDNO*" and "*Material Contracts—Shareholders' agreement*"). Entering into a joint venture arrangement such as this one inherently entails a degree of counterparty risk. We run the risk that our partners may be unable, or unwilling, to fulfil their obligations under the relevant joint venture agreements and shareholder agreements or may experience financial or other difficulties that may adversely impact our investment in a particular joint venture. Operating a business as a joint venture often requires additional organisational formalities as well as time-consuming procedures for sharing information and making decisions. In joint ventures we are required to foster our relationships with the co-owners as well as to promote the overall success of the joint venture, and if there is a significant change in the relationship (for example, if a co-owner changes or relationships deteriorate), our success in the joint venture may be materially adversely affected.

### ***Our activities are exposed to risks related to climate change.***

Climate change and the societal and political response to it may have a significant impact on our activities. According to the guidance issued by the "Task Force on Climate-related Financial Disclosures," the task force set up by the G20's financial stability board to develop a voluntary framework for companies to discuss the financial impact of climate related risks and opportunities, we 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 our operations and value of our thermal plants (see “—Risks related to the regulatory and the legal framework—We are subject to a regulatory framework in Greece and the EU that is complex and uncertain”). While we are actively implementing our delignification strategy, our renewable energy rollout is still in its nascent phase and we remain dependent on our conventional generation units for the bulk of our electricity production. We believe we have the largest renewable energy project pipeline in Greece, totalling approximately 10.0 GW, a portion of which will be rolled out at our depleted lignite fields, largely in parallel with the decommissioning of all of our lignite-fired generation assets. We expect approximately 3.0 GW of this pipeline will commence operating commercially by 2024, with our total RES capacity reaching 9.5 GW (including (a) our existing 3.4 GW, which takes both our hydroelectric and RES capacity into account and (b) 1.1 GW of international renewables capacity) by the end of 2026. The majority of this new capacity will be from solar energy, with the remainder from wind, hydropower and other renewable technologies. If we are not successful in the rollout of our renewable pipeline, we will face challenges from the anticipated hostile (vis-à-vis more traditional, carbon intensive utility providers) regulatory environment and strong competition from greener and more modern electricity producers. See “—We may not be able to successfully implement our key strategies and we may fail to achieve our operational targets and this could have a material adverse effect on our business, financial condition and results of operations.”

Risks related to the physical impacts of climate change include risks that are triggered by changes in mean temperatures, which could significantly impact electricity demand. They also include changes in hydrological conditions, affecting our hydroelectric generation and the cooling and efficiency of our thermal power plants, as well as changes in wind patterns and solar radiation, affecting wind and solar generation and revenues (see “—Our revenues and results of operations are subject to climate conditions and seasonal variations that are not within our control”). The increased incidence of extreme weather events caused by climate change could also significantly affect our conventional and renewable generation, as well as the resilience and performance of our Distribution Network. While we follow and regularly assess such risks and our response to them at both management and board level, we 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 our financial condition, business and results of operations.

***Our revenues and results of operations are subject to climate conditions and seasonal variations that are not within our control.***

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, such as droughts or heat waves, which can limit power generation due to requirements to observe specific flow requirements for rivers downstream of facilities in connection with the cooling of power plants or due to the speed and direction of winds or of the availability of sunshine for the generation of renewable energy. In very extreme cases climate conditions might also create problems in the supply of liquefied natural gas (“LNG”). Consequently, our income reflects the seasonal character of the demand for electricity and may be adversely affected by significant variations in climate conditions. We may need to compensate for a reduction in electricity generated by our 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 our business, results of operations and financial condition.

Weather conditions are outside of our control and, therefore, we cannot guarantee that our hydropower plants will be able to meet their anticipated generation levels, which could have a material adverse effect on our business, financial condition, prospects or results of operations. We are dependent upon hydrological conditions prevailing from time to time in the geographic regions where our 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 dry years we have to rely more heavily on thermal production and on electricity purchases from abroad and third parties for our marginal demand requirements, which results in increased operating expenses. If hydrological conditions result in droughts or other conditions that negatively affect our hydroelectric generation business, our results of operations could be materially adversely affected.

***We are subject to sustainability-related obligations and have sustainability targets. Fulfilling these may be cumbersome and deviating from these may adversely affect our business, financial position and results of operation.***

We take a sustainable approach to business. We recognise that climate change is one of the most important global challenges today and, thus, we are transforming our business model with the aim of reducing our carbon footprint. Sustainability, with a particular focus on climate change, is a growing source of regulatory intervention and pressure. Our 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, we have developed our "Green Deal" in power generation, with the aim of accelerating the decommissioning all of our lignite units and respective mines, expanding and establishing RES as our dominant energy generation technology and assisting in the advancement of electromobility in Greece. We are on track to reduce lignite generation, going from 10.4 TWh in 2019 to an expected 1.5 TWh in 2024, while increasing generation from renewable energy sources (in TWh) and curtailing CO<sub>2</sub> emissions (in tonnes) in the Interconnected System and the Non-Interconnected Islands from 23.1 Mt in 2019 to an expected 5.0 Mt in 2024. In addition, in accordance with our newly-established Sustainability Performance Target (adopted in February 2021), we aim to reduce our CO<sub>2</sub> emissions by 57.0% in Scope 1 CO<sub>2</sub> emissions by 31 December 2023, compared to the baseline as of 31 December 2019, throughout both the Interconnected System and the Non-Interconnected Islands.

Although we target increasing the proportion of our total installed capacity generated by renewable sources (see "*Group's Business Overview—Our transformation strategy and five-year business plan*") 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 we will be successful in doing so or that any future investments we make in furtherance of this target will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rule or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact. Adverse environmental or social impacts may occur during the design, construction and operation of any investments we make in furtherance of this target or such investments may become controversial, be criticised by activist groups or other stakeholders, which may cause harm to our reputation.

In addition, meeting our sustainability targets may limit the options available to us operationally and commercially, as not all potential courses of action in relation to investments and business opportunities will be in alignment with such targets. On occasion, this limitation may cause us to make decisions that are not as commercially favourable or are more onerous as they may have been absent such targets.

If we fail to meet our sustainability targets, this may impact our business negatively in certain respects. Specifically, such failure may harm our relationship with our 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, our inability or failure to meet such requirements could make it more difficult for us to obtain financing on favourable terms or trigger contingent obligations in any such financing arrangement, which we may enter into in the future. Additionally, to the extent that our sustainability targets overlap with regulatory requirements, we may be exposed to penalties in the event of non-compliance.

In light of the above, being subject to sustainability-related obligations may carry consequences, which could, in each case, have a material adverse effect on our business, financial position and results of operations.

***Our revenues are heavily dependent on the effective performance of the equipment we use in the operation of our power plants and electricity and natural gas distribution networks.***

Our business and ability to generate revenue depend on the availability and operating performance of the equipment necessary to operate our 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 our activities. Accordingly, any significant expenses incurred by failures, defects or accidents relating to our operating equipment and infrastructure could have a material adverse effect on our business, financial condition and results of operations.

In addition, we periodically shut down certain power plants or individual units in our power plants and incur expenses in connection with inspections, maintenance or repair activities. Furthermore, our power plants, our 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. We may have to unexpectedly shut down all or part of our power plants as a result of the occurrence of any of these events and any physical damage to our facilities may be costly to repair. In addition, our 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 our power plants to our 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 us from distributing electricity from our power plants to end-consumers, which in turn could have a material adverse effect on our business, results of operations and financial condition.

Any failure, breakdown or unplanned outages in our power plants or any failure or interruption in our transmission or distribution infrastructure could have a material adverse effect on our reputation, business, results of operations and financial condition. Due to the complexity of operating power stations, we are not able to eliminate the risk of unplanned outages and we 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 us will be fully effective in all cases, particularly in relation to external events that are not within our control, such as floods and other natural disasters. Our emergency response, disaster recovery and crisis management measures may not effectively protect us from these events. Any service disruption 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 our reputation, business, results of operations and financial condition.

***Default or delay by any of our counterparties, which include our partners, contractors, subcontractors and suppliers, as well as by financial institutions, may have a material adverse effect on our business, results of operations and financial condition.***

We have significant capital expenditure targets related to the modernisation, renewal and construction of our power plants, RES facilities, mining and Distribution Network assets and other strategic objectives amounting to approximately €6.0 billion from 2022 through 2024 from a total of approximately €9.3 billion from 2022 through 2026. For additional information on the preparation and presentation of our financial performance targets and other forward-looking statements that may be deemed to be profit forecasts under the Prospectus Regulation, see “*Profit Forecasts.*” We face the risk of potential default or delay by our counterparties, which include our partners, contractors, subcontractors and suppliers. Any default by our counterparties may affect the cost and completion of our projects, the quality of our services, or expose us 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 we would have to pay contractual penalties, find alternative counterparties or complete the respective projects ourselves, which could have a material adverse effect on our business, results of operations and financial condition.

Additionally, we are exposed to the risk that counterparties that owe us 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, we may be required to enter into alternative hedging arrangements or honour the underlying commitment at then-current market prices. In such an event, we may incur losses in addition to amounts, if any, already paid to the counterparties.

We rely on current and future relationships with major suppliers and service providers for the operation and growth of our business and will continue to be reliant on third parties for our further development. For example, we rely on external providers to regularly maintain and service our power plants, as well as on external suppliers for our liquid fuel and natural gas requirements.

Our dependence on these relationships may impact our ability to negotiate favourable contract terms with these counterparties, and there is no guarantee that we 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. If we are unable to negotiate favourable contracts with our suppliers or service providers, or such suppliers or service providers are unable to fulfil their obligations, or discontinue business with us, and we are unable to find other suitable replacements, our business, financial condition or operational results may be adversely affected.

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

***We may encounter problems and delays in constructing or connecting our electricity generation facilities.***

We face risks relating to the construction of our electricity generation units, including risks relating to the availability of equipment from our 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. We 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, our compliance with environmental laws and regulations.

Moreover, we may experience local opposition, which we 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 our development of such projects, which could have an adverse effect on our business, financial condition and results of operations.

***Our assets could be damaged by natural and man-made disasters, and we could face civil liabilities or other losses as a result.***

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 our 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 our ability to purchase liquid fuels, spare parts and materials and may increase our operating expenses.

Our operations are susceptible to industrial accidents, and our employees or third parties may suffer bodily injury or death as a result of such accidents. In particular, while we believe that our equipment has been well designed and manufactured and is subject to rigorous quality and assurance control tests, and although our power plants and facilities are in compliance with applicable health and safety standards and regulation, the design and manufacturing process is ultimately controlled by our equipment suppliers, manufacturers and engineering, procurement and construction (the “EPC”) contractors rather than us, 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 we operate, our 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 our power plants and facilities, requiring extensive repair or the replacement of costly equipment and may limit our 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 us and our 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. We 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.

We may also face civil liabilities or fines in the ordinary course of our business as a result of damages to third parties caused by the natural and/or man-made disasters mentioned above and in the past, we have paid civil liabilities to third parties due to such disasters. These liabilities may result in us 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 our business, financial condition and results of operations.

***Operation of power generation facilities involves significant risks and hazards, and we do not maintain insurance on our operating assets.***

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

Any severe damage to our key power plants, distribution assets or mining equipment could have a significant adverse impact on our business, financial condition or results of operations. For instance, considerable damage remediation was required following the landslide, which occurred on 10 June 2017 in the Amyntaio Mine and resulted in damage to mining equipment and the evacuation of the nearby Anargyroi village. 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 us. We can provide no assurance whether we will be able to repair or finance the restoration of potential damage to our 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 our business, financial condition and results of operations, as well as our reputation.

***We are exposed to risks relating to the operation, management and generation capacity of our Non-Interconnected Islands Network.***

Some of the Greek islands, in close proximity to the mainland, such as the Ionian Islands and certain Aegean islands, are connected to the mainland transmission system (forming the Interconnected System) through underwater cables. The remaining islands, which form our Non-Interconnected Islands Network, 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 Non-Interconnected Islands, especially during the summer months, when the influx of tourists results in increased electricity consumption, HEDNO, in its capacity as the operator of the Non-Interconnected Islands 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. We cannot guarantee that failures in our Non-Interconnected Islands Network will not occur in the future or that we will be able to cover demand in the event of such failures. Any such failures in our Non-Interconnected Islands Network may have an adverse effect on our business, financial condition and results of operations, as well as our reputation.

The NECP foresees the interconnection of almost all currently Non-Interconnected Islands with the Interconnected System by 2030. As the interconnections progress from island to island, the relevant thermal power plants owned by PPC will cease operations. Thermal power plants of newly-interconnected islands 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. During a transitional period, it may continue to be HEDNO's responsibility (at least partially), under a "hybrid" management scheme involving both IPTO and HEDNO. RAE recently announced that, among the two proposed hybrid models, the second one was selected to apply until the commencement of operation of the Crete-Attica interconnection line (for further information see "*Elements of Regulatory Framework—Hybrid model for the operation of the electricity market in Crete.*"). 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 will pass 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 we risk not recovering our unamortised capital costs. In particular, for the thermal power plants to be set at cold reserve, we have an additional risk of not recovering our operating expenses. At the same time, we cannot conclusively determine, at the date of this Prospectus, at which point in time IPTO will assume full management responsibility over Crete's high voltage grid system and power units dispatching. The above may have an adverse effect (especially in the case of large islands such as Crete and Rhodes) on our business, financial condition and results of operations.

***We may have difficulty in hiring and retaining qualified personnel.***

In order to maintain and expand our business, we need to recruit, train, develop, promote and maintain executive management and qualified technical personnel. The average age of our employees is 49 years, which is considerably higher than the optimal average age in industrial companies. In addition, we compete with many companies as well as various organisations and authorities for such personnel, and, consequently, we have encountered and may continue to encounter difficulties in attracting and retaining key qualified and highly specialised personnel across our business units. The inability in the future to attract or retain sufficient technical and managerial personnel could limit or delay our development efforts or negatively affect our operations, which could have an adverse effect on our business, financial condition, prospects or results of operations.

Experienced and capable personnel in the energy industry are in high demand and we face significant competition in our principal markets to recruit such personnel. Consequently, in cases where our experienced employees leave our business, we may have difficulty, and incur additional costs, in replacing them. In addition, the loss of any member of our senior management team may result in a loss of organisational focus, poor execution of our operations and corporate strategy and our inability to identify and execute potential strategic initiatives in the future, including strategies relating to the growth of our business. Our failure to hire, train or retain a sufficient number of experienced, capable and reliable personnel with appropriate professional qualifications, especially in senior and middle management positions, or to recruit skilled professional and technical staff at the same pace as our growth, could have a material adverse effect on our business, results of operations and financial condition.

Based on correspondence received from Hellenic Corporation of Assets and Participations S.A. (“HCAP”), pursuant to which HCAP communicated its support for the Share Capital Increase and its intention to subscribe for the acquisition of such number of New Shares, through its participation in the Institutional Offering, that will result, following the completion of the Share Capital Increase, in HCAP having a holding, directly and indirectly (including the stake of HCAP’s subsidiary, Hellenic Republic Asset Development Fund S.A. (“HRADF”)), of 34.123% of the total number of ordinary voting shares of PPC (see “*Major Shareholders*”), we expect the percentage of our share capital that is owned indirectly by the Hellenic Republic to fall below 50.0% as a result of the Combined Offering. Accordingly, PPC will no longer be included in the Greek public sector and certain special rules applicable to the Greek public sector, as a general matter, will not be applicable to PPC. However, certain special laws applicable to the Public Enterprises (Chapter B) will continue to apply and such laws may affect certain aspects of our employment policies, labour relations and other matters. Even though we expect the Hellenic Republic’s indirect participation to fall below 50.0% as a result of the Combined Offering, it will remain our largest shareholder. Moreover, PPC will continue to be subject to special laws that apply specifically to PPC, regardless of its shareholder composition. For example, we are and will continue to be subject to provisions regulating specifically the hiring and employment of the personnel of PPC, 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 our competitors, may continue to limit our ability to freely seek, attract and hire new personnel.

***Our employees’ labour unions are strong and influential.***

Almost all of our employees are members of labour unions. Although under Article 3 of Law 4643/2019, contracts of employment of indefinite duration concluded in accordance with its provisions are subject to labour legislation applicable to the relations between an employer and an employee in the private sector and to the terms of the relevant vacancy notice, by derogation from relevant enterprise collective labour agreement, PPC Staff Regulations and any other arrangement or usage at enterprise level. As at 30 June 2021, all of our permanent employees (*i.e.* employees employed by us through open-ended term employment contracts) were covered by our collective labour agreement, which covers the terms of all previous agreements and includes provisions that may compromise our ability to realise cost savings. Our unions are considered to be strong and politically

influential, but we believe that our relations with them are generally good despite certain claims of employees and pensioners against us and occasional strikes. We last experienced significant labour strikes in 2017 and 2018, when GENOP, our main labour union, conducted three 24-48 hour strikes to protest against the planned divestment of approximately 40.0% of our lignite-fired generation capacity. There can be no assurance that good relations will continue in the future. From time to time, our employees may engage in industrial action that may disrupt our operations, which may have a material adverse effect on our business, financial condition and results of operations.

***Our business is reliant on our IT infrastructure, and outages in, or any potential cyber-attacks to, our IT systems and networks could have an adverse effect on the results of our operations.***

A large portion of our operations is based on information systems and we 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, we take measures for the enhancement of our IT security, such as defining and continuously updating our IT security policies and standards and covering our IT systems by maintenance contracts.

We believe that we currently have adequate insurance policies in place to cover risks associated with the operation and maintenance of our IT infrastructure and perform regular audits of the security of our systems. However, there can be no assurances that we 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 our operations or harm our reputation and have a materially adverse effect on our business.

### **1.1.2. Risks related to macroeconomic conditions in Greece and the European Union**

***Adverse developments in the global and Greek economy have had, and are likely to continue to have, material and adverse effects on our business, results of operations and financial condition.***

Substantially all of our assets and operations are in Greece. As a result, macroeconomic developments and political conditions in Greece inevitably affect our business, results of operations, financial condition and prospects. From 2010 to 2020, there was a 22.1% decline in Greece's real GDP<sup>5</sup>, which resulted in significantly reduced disposable income, spending and debt repayment capacity in the Greek private sector. Since then the situation has improved as Greece implemented certain reforms designed to address the relevant risk and normalise liquidity conditions; however, there can be no assurance that these measures will continue to result in positive outcomes without further reforms as the consequences of the COVID-19 pandemic are becoming more entrenched in the Greek as well as the global economy. The Greek government has announced a series of measures to address COVID-19 pandemic, which added more than €24.0 billion to the annual state budget for 2021 approved by the Greek Parliament. The total cost of the measures taken within 2020 to address the COVID-19 pandemic amounted to €23.5 billion. These costs, although positive for the real economy, are expected to further increase the deficit in the primary fiscal balance and lead to an increase in public debt. These developments may negatively affect the sustainability of Greek public debt.

According to the Hellenic Statistical Authority, Greek GDP recorded an annual decline of 0.5% in 2016, mainly due to market uncertainty, significant external liquidity shortages and the need to implement new fiscal adjustment measures. Greece's GDP increased by 1.3% in 2017, 1.6% in 2018 and 1.9% in 2019 and decreased by 8.2% in 2020, as a result of the COVID-19 pandemic. In 2020, Greece had the highest unemployment rate in Europe at 16.3%<sup>6</sup>, as reported by the Hellenic Statistical Authority. The activation of the European Recovery and Resilience Facility has created prospects of an increase in fixed capital expenditure and accelerated growth. The Ministry of Finance in its Draft Budgetary Plan for 2021 is estimating a real GDP growth rate of 6.1% in 2021. Furthermore, according to the Summer 2021 Economic Forecast of the European Commission<sup>7</sup>, following a decline in 2020, real GDP is expected to partially rebound to 4.3% growth in 2021 and 6.0% in 2022. However, there can be no guarantee that these prospects will materialise or that these expectations will be met.

<sup>5</sup> Source: Hellenic Statistical Authority, [https://www.statistics.gr/documents/20181/17120175/greek\\_economy\\_24-09-2021.pdf/7c0f3092-a5ad-0282-932d-b9c69685ef81](https://www.statistics.gr/documents/20181/17120175/greek_economy_24-09-2021.pdf/7c0f3092-a5ad-0282-932d-b9c69685ef81).

<sup>6</sup> Source: Hellenic Statistical Authority, The Greek Economy (24 September 2021) p.10, [https://www.statistics.gr/documents/20181/17120175/greek\\_economy\\_24-09-2021.pdf/7c0f3092-a5ad-0282-932d-b9c69685ef81](https://www.statistics.gr/documents/20181/17120175/greek_economy_24-09-2021.pdf/7c0f3092-a5ad-0282-932d-b9c69685ef81).

<sup>7</sup> Source: Summer 2021 Economic Forecast: Reopening fuels recovery | European Commission (europa.eu).

Greece's economic situation is anticipated to be reflected in our business, given our exposure to Greece's economy. Besides the European economic support to Greece in the context of the European recovery plan to tackle the COVID-19 pandemic (Next Generation EU), the Greek economy continues to be affected by the credit risk of other countries in the EU and the repercussions arising from changes to the European institutional framework that may contribute to continuing or new investor fears regarding Greece's capacity to honour its sizeable financial commitments. Economic data and fundamentals even amidst the pandemic suggest that Greece has emerged from its previous downward trajectory in 2017. However, there is no guarantee that the Greek economy will continue its growth trajectory and be able to ease the medium-to long-term debt financing constraints on the country. Furthermore, there is a level of uncertainty as to whether the Greek government will be in a position to continue to implement the structural reforms required by its enhanced post-programme surveillance framework and its Recovery and Resilience Plan or to mitigate the consequences of the COVID-19 pandemic in full and in a timely manner. Any potential future deterioration in economic activity in Greece or failure to perform necessary structural reforms could adversely affect our business, financial condition and results of operations.

Our business activities and results of operations are highly dependent on residential and business demand for electricity in Greece, as well as our 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 our industrial and commercial customers. The financial crisis and prolonged recession resulted in a significant downturn in economic activity in Greece which affected the available income of our customers and, consequently, our business. The financial crisis also led to a material increase in delinquencies and defaults by our customers. More recently, the COVID-19 pandemic has also adversely affected economic activity. Any potential future deterioration in economic activity in Greece could result in a decrease in demand for the electricity we supply and/or generate an increase in unpaid and overdue bills and provisions for expected credit losses, which could adversely affect our business, financial condition and results of operations.

The Hellenic Republic still faces sizeable pressure on its public finances. The Greek economy has encountered and continues to face significant fiscal challenges and structural weaknesses. Although Greece successfully completed the three-year European Stability Mechanism (the "ESM") financial assistance programme (the "Third Economic Adjustment Programme") in August 2018, as at the date of this Prospectus, the current long-term credit ratings of Greece by Moody's Investors Service, S&P Global Inc., Fitch Ratings Inc., Scope Ratings GmbH and DBRS Morningstar are Ba3 (stable), BB (positive), BB (stable), BB+ (positive) and BB (positive) respectively, reflecting the challenging economic environment that the country has experienced since 2009. Any downgrades to the Hellenic Republic's credit ratings for domestic or international debt by such or similar international rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms under which such additional financing is available, which in turn could have a material adverse effect on our ability to borrow money and to expand our business. Any such revision may affect our financial position, business and results of operations.

***We may face 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. In response, many governments implemented policies designed to prevent or delay the spread of COVID-19, such as mandatory closure of businesses, restrictions on movement and social distancing, and these measures may remain in effect or be introduced for a significant period of time. The containment measures taken to tackle the COVID-19 pandemic significantly reduced, and may continue to reduce in the future, economic activity and a substantial or potential prolongation of such measures may result in further local, regional or national recessions. Although COVID-19 vaccination programmes are progressing, as at the date of this Prospectus, such measures continue to impact economic activity. It remains unclear how long these restrictions will be in place and what their ultimate impact will be on global, regional and national economies. There can also be no assurance that a potential tightening of liquidity conditions in the future as a result of, for example, further deterioration of public finances of certain European countries will not lead to new funding uncertainty,

resulting in increased volatility and widening credit spreads. Risks related to economic development in Europe have also had and, despite the recent periods of moderate stabilisation, may continue to have, a negative impact on global economic activity and the financial markets. If these conditions continue to persist, or should there be any further turbulence in these or other markets, this could have a material adverse effect on our business, results of operations, financial condition or prospects. There are no comparable recent events that can provide us with guidance as to the long-term effects of COVID-19 and the resulting global pandemic, and, consequently, the full impact of the COVID-19 pandemic or of any similar health pandemic is highly uncertain and subject to change.

Since mid-March 2020, in order to combat the uncertainty and the negative economic effects of these containment actions, the Greek government also announced several measures to alleviate the negative effects on the Greek economy, and particularly on businesses, professionals and employees, some of them in cooperation with EU institutions. For a more detailed discussion on the impact of the COVID-19 pandemic and its effects on our business, see “*Trends—Impact of the COVID-19 pandemic.*” The COVID-19 pandemic and the actions taken to reduce its spread have had and, to an extent, are likely to continue to have, certain negative impacts on our business, such as causing declines in electricity demand, delaying the development of several of our RES projects and/or increasing non-performing receivables due to reduced or lost business activity, disruptions in judicial procedures and limitations in our collections processes.

The degree to which the COVID-19 pandemic impacts our results of operations, liquidity, access to funding and financial position is outside of our 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. These developments may include, but are not limited to, the duration and spread of COVID-19, its severity, actions taken to contain it or mitigate its impact, the extent and effectiveness of economic stimuli taken to contain COVID-19 or mitigate its impact and how quickly, to what extent normal economic and business activity can resume and the possibility of experiencing further lockdown periods.

In response to the COVID-19 pandemic, we have prepared an operational plan to ensure the continuity of our activities. This plan is continuously supplemented and revised, taking into account the development of the COVID-19 pandemic and health and safety measures from governmental bodies. Given the uncertainty around the COVID-19 pandemic, no assurance can be provided that the measures taken will be adequate in protecting our staff and operations from the effects of the COVID-19 pandemic. See “*Trends—Impact of the COVID-19 pandemic.*”

Even after the COVID-19 pandemic has been contained, we may continue to face certain adverse impacts on our 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.

***We are exposed to risks related to European economic and political developments.***

In the ordinary course of our business we are exposed to the risk of a reduction in demand for our electricity, which may occur as a result of financial and economic uncertainty. The latest global crisis and sovereign debt crisis in Europe faced by several countries of the Eurozone over the past few years, including Greece, Italy, Cyprus, Ireland, Spain and Portugal, together with the risk of contagion to other, more stable countries, the refugee crisis in Europe and the Middle East and continuing concerns relating to the UK’s withdrawal from the European Union which occurred on 31 January 2020 and, even more importantly, the ongoing COVID-19 pandemic, have led to increased volatility in global debt and equity markets. Such uncertainties have in the past affected the stability of the European Monetary Union and threatened the reintroduction of national currencies in certain Eurozone countries. Political uncertainty in Europe and increased volatility in financial markets, including more protectionist policies in some advanced economies, could trigger confidence shocks, which could lead to a fall in demand and decline in economic activity in the European Union.

From time to time, the financial markets remain concerned about the ability of certain European countries, including Greece, to finance their deficits and service growing debt burdens amidst difficult

economic conditions, including as a consequence of the COVID-19 pandemic. The interdependencies among European economies and financial institutions have also exacerbated concerns regarding the integrity and stability of European financial markets generally. There is no assurance that any current or future assistance packages or measures granted to Eurozone countries will be available or, even if provided, that they will be provided at favourable terms or be sufficient to stabilise the affected countries and markets and secure their position in the Eurozone. These potential developments, or market perceptions concerning these and related issues, could materially adversely affect the value of our euro-denominated assets and obligations and our business, financial condition and results of operations generally.

In addition, the trade and other geopolitical tensions between the United States and China or, possibly, between the United States and the EU, could have material implications on the political and economic conditions and outlook of the European Union and its member states.

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 our business, results of operations and financial condition. Furthermore, a potential disruption in gas supply could have a material adverse effect on our business, as this could create an energy shortage and could result in the substitution of natural gas by diesel oil in some of our gas-fired units. This would result in significant increases in our operating costs, including large increases in fuel costs, transition costs related to adjusting our business units to substitute natural gas, operational costs associated with using diesel, and significantly increased costs in connection with repair and maintenance.

### **1.1.3. Risks related to the regulatory and legal framework**

*We are subject to a regulatory framework in Greece and the EU that is complex and uncertain.*

The laws, regulations and policies of the Hellenic Republic and the EU affect our 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 (see “*Elements of Regulatory Framework*” for details on the Greek energy regulatory framework and a summary of the principal EU and national laws and regulations affecting our business and industry). 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 (see “*Financial Information Concerning the Issuer’s Assets and Liabilities, Financial Position and Profits, and Losses—Legal proceedings*” for details of current litigation pertaining to these issues). 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. Any such action or changes by the European Commission may also lead to the withholding of certain benefits we had received in the past, such as immunity from enforcement proceedings or injunction measures against our assets or against our installations in relation to the performance of lignite mining, electricity generation, distribution, trading and supply activities. In addition, future changes in EU or Greek regulatory policies, including, for example, a determination that there is insufficient 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 our business driven by the regulatory framework, may have a material adverse effect on our 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, we 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 our business, financial position and operating results.

In particular the following are under discussion in the EU:

- *Implementation of the EU Green Deal plan:* In view of upgrading the EU 2030-target concerning the reduction of GHG emissions ambition in the context of the so-called “Green Deal,” the recently adopted EU legislation, including, *inter alia*, the Directives for Energy Efficiency, RES and the EU ETS, is under review. Potentially necessary revisions of the aforementioned legislation may affect our financial results and performance.
- *Energy Taxation:* Within the context of the ongoing initiative concerning the revision of the Energy Taxation Directive, additional taxation burdens may be imposed on energy products purchased or sold by the Company and the performance and financial results of the Company may be affected.
- *Provisions concerning the “Just Transition Fund”:* Depending on the outcome of the ongoing negotiations at European level on the regulation concerning the Just Transition Fund aimed at supporting EU regions most affected by the transition to a low carbon economy. In particular, the availability of financial support to companies like PPC in the implementation period of the Just Transition Fund budget, may have an impact on our business, financial position and operating results.
- *European Regulatory Framework on Sustainable Finance:* The recently introduced Regulations 2020/0852, 2019/2088 and 2019/2089, along with the delegated regulation (under development) setting the technical screening criteria for the environmental and social assessment of investments in the energy sector. Relevant environmental considerations may refer to climate change mitigation and adaptation, as well as the environment more broadly, such as the preservation of biodiversity, pollution prevention and sustainable economy. Social considerations may refer to issues of inequality, diversity, inclusiveness, labour relations, investment in human capital and communities, as well as human rights issues. All these issues are at the core of our transformation to a modern sustainable utility provider and, depending on our performance with respect to these goals, we expect to have easier or more difficult access to future financing, which could have a significant adverse effect on our business, financial position and operating results.

As an electricity utility company, we are subject to the regulatory framework and requirements prescribed by applicable regulatory and administrative authorities, such as RAE. In view of our role as an electricity utility company, our day-to-day operations inherently entail frequent communications and interaction with RAE for the purpose of ensuring our compliance with the regulatory regime applying to our 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 our business and our operations, we cannot give any assurances that we 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 our business, financial position and operating results.

***Uncertain or unexpected decisions of governmental or regulatory authorities could have a material adverse impact on our business, results of operations and financial condition.***

Our 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 our business, including the sources of our 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 our business, and any changes in law or regulation, or decisions by governmental bodies or regulators, including RAE, could negatively affect our business.

In particular, our 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, including (i) the NOME auctions, which resulted in us having to provide independent suppliers with electricity generated by lignite and hydropower generation assets at below cost, which had an adverse impact on our results of operations of €156.0 million in 2019, €228.0 million in 2018 and €96.6 million in 2017, (ii) the RES charge, which was imposed on electricity suppliers in order to cover the Renewables Special Account deficit with an adverse impact on our profitability over the period 2016-2019 of €479.0 million (€28.4 million in 2016, €353.5 million in 2017 and €196.3 million in 2018) and (iii) the special lignite fee of €2.0/MWh generated from lignite-fired units, which had been imposed since 2012 and amounted to €29.7 million for 2018. Although these special levies and fees have now been abolished, there is no assurance that additional levies and fees will not be imposed upon us in the future, which could have a significant adverse effect on our business, financial position and operating results. In fact, the Greek government has recently adopted additional measures to fund the Renewables Special Account, which recorded a deficit of €167.5 million in July 2021. According to DAPEEP's estimates, by the end of 2021, the Renewables Special Account will record a surplus of €265.74 million, after the subtraction of €70.0 million of the special insurance reserve for emergency expenses. For more information on these additional measures, see "*—There are risks associated with the deficit in the Renewables Special Account.*"

There are also inherent risks that governmental or regulatory authorities will interpret or apply laws and regulations in a manner we do not expect or agree with. We have in the past disputed adverse or unfavourable decisions of administrative, regulatory and judicial authorities, and we 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 our business and operations, which, in turn, could have a material adverse effect on our business, results of operations and financial condition.

***We are subject to regulatory interventions and/or proceedings relevant to our 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 we 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 our market share in the wholesale and supply electricity market and our 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 we were obliged to reduce our 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 we have achieved the targeted decrease in our generation market share within this timeframe, our share in the supply market remains at 64.9% (with our supply market share in the Interconnected System at 63.8%) as at 30 June 2021.<sup>8</sup> The European Commission has acknowledged, in Greece's increased surveillance report of November 2020, a continued downward trend in such share, however, we believe a substantial portion of the supply market could be practically impervious to opening up given the challenging profitability and payment profiles of certain segments of the retail market. Accordingly, there can be no assurance that we will be successful in reducing our supply market share to below 50.0% and we cannot preclude that we may be made subject to further structural, financial or other measures towards this and/or be imposed with fines if we were to be found to have failed in timely reducing our supply market share or complying with any such measures. If any such circumstance was to occur, our business, financial condition and results of operations could be adversely affected.

<sup>8</sup> Source: IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.



There have been several regulatory interventions with respect to our exclusive access to lignite. As a result of Greece's conviction regarding our lignite power exclusivity, which was until recently pending as of 2008 (the "Anti-Trust Case"), the Greek government has sought to procure our divestment from certain lignite power plants, which was abandoned on 18 July 2019. Further to discussions between the Greek Ministry of Environment and Energy and the European Commission in relation to the Anti-Trust Case remedies, it was announced in January 2021 that, following appropriate market testing, a new mechanism will be put in place for the next three years whereby we will be entering into bilateral contracts with suppliers for lignite-produced power against prices linked to the Day-Ahead Electricity Market. On 10 September 2021, the European Commission made legally binding, under the EU antitrust rules, the measures proposed by the Greek Ministry of Environment and Energy on 1 September 2021 to increase access to electricity for our competitors on a longer-term basis. The measures so proposed set out that:

- PPC will sell quarterly forward electricity products on the organised exchanges of the European Energy Exchange ("EEX") and/or the HEnEx, resulting in buyers obtaining electricity at a stable price every day during the quarter in question. This will enhance the ability of our competitors to source wholesale electricity on the forward market and hedge against price volatility.
- PPC will obtain a net seller position on EEX and/or HEnEx, meaning that our sales of the forward electricity products in question should exceed our purchases by a certain volume. This will ensure that sufficient volumes of wholesale electricity are made available to competitors. The volumes to be sold are calculated as a share of our lignite-fired generation. Therefore, our obligation decreases proportionally in line with our lignite-powered generation.
- PPC obligations in terms of the timing of the sales and of the deliveries will give our competitors the ability to hedge against price volatility for a sufficiently long period in advance.

The volumes that we are expected to sell to our competitors are directly linked to the amount of our lignite-fired generation but the remedies do not require us to fulfil the volumes we have to sell using lignite fired generation. We will have full discretion to fulfil these volumes with any of the generation assets in our portfolio, including gas-fired generation, hydropower or other renewables.

The European Commission has concluded that the proposed measures fully address the infringement identified by the European Commission in its 2008 and 2009 decisions (decisions C (2008) 824(3) and C (2009) 6244(4) of the EC), in light of the Greek plan to decommission all existing lignite-fired generation by 2023 in line with Greece's and the EU's environmental objectives. The remedies will lapse when existing lignite plants stop operating commercially (which is currently expected by 2023) or, at the latest, by 31 December 2024. In this context, Law 4843/2021, which was adopted by the Greek Parliament on 20 October 2021, and particularly Articles 44 to 49 thereof, implement the measures proposed by the Greek State to the European Commission on 1 September 2021 in relation to European Commission's Decision EC (2008) 824 in case COMP/AT.38.700. Although the main elements of these measures are in line with our expectations and are not expected to have a material impact on our financial condition and results of operation, there can be no assurance that the official decision of the European Commission will not have a material adverse effect on our business, financial condition and results of operations.

Furthermore, in February 2017, an investigation for possible abuse of our position in the wholesale power market was initiated by DG Competition under Article 102 TFEU and is currently under way. With respect to this investigation, DG Competition has sent three sets of official "Requests for Information" to PPC so far, one in January 2019, a second in November 2020 and a third in June 2021. The first two Requests for Information have both been duly and timely replied to by us, while the third one is in process and will be answered in a timely manner. No statement of objection has been notified to us. On 16 March 2021, DG Competition formally opened an investigation in this respect. In particular, the European Commission is concerned that we may have restricted competition in the Greek wholesale electricity markets with our bidding behaviour, namely by allegedly adopting predatory bidding strategies hindering the ability of our rivals to compete in the wholesale and related electricity markets. There has been no definitive indication as to the timing of this investigation, which could be concluded or discontinued at any time 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 we have breached competition law, then penalties and/or remedies may be imposed on us, which may have an adverse impact on our business, financial condition and results of operations.

***We are subject to certain laws and regulations generally applicable to Public Enterprises in Greece, and the Greek State, as our indirect majority shareholder, has had, and may continue to have, an impact on our operations.***

As long as the Greek State maintains an indirect participation in our share capital allowing the Greek State to exercise decisive influence on us (regarding the definition of Public Enterprise under Law 3429/2005 see “*Major Shareholders—Shareholding controlled by the Hellenic Republic*”), we will continue to be classified as a Public Enterprise (Chapter B), being potentially subject to certain Greek laws and regulations applicable to all or certain of the Public Enterprises, affecting some aspects of our business which do not apply and are not likely to apply to our competitors and which may have a material adverse impact on our operational flexibility. Moreover, we are subject to legal provisions regulating specifically certain corporate governance and operational issues of PPC, such as Chapter B of Law 4643/2019, as amended and in force, which are applicable, regardless of whether we classify as a Public Enterprise or not, unless they are amended or repealed pursuant to a law. Based on correspondence received from HCAP, pursuant to which HCAP communicated its support for the Share Capital Increase and its intention to subscribe for the acquisition of such number of New Shares, through its participation in the Institutional Offering, that will result, following the completion of the Share Capital Increase, in HCAP having a holding, directly and indirectly (including the stake of HCAP’s subsidiary, HRADF), of 34.123% of the total number of ordinary voting shares of PPC (see “*Major Shareholders*”), we expect the percentage of our share capital that is owned indirectly by the Hellenic Republic to fall below 50.0% as a result of the Combined Offering. Accordingly, PPC will no longer be included in the Greek public sector and certain special rules applicable to the Greek public sector, as a general matter, will not be applicable to PPC. However, certain special laws applicable to the Public Enterprises (Chapter B) will continue to apply and such laws may affect certain aspects of our employment policies, labour relations and other matters.

In addition, certain of our operations and some of our commercial decision-making have been and will likely continue being affected by the political and economic objectives of the Greek State, which participates in our share capital through HRADF and Hellenic Corporation of Assets and Participations S.A. (“HCAP”) with a combined shareholding of 51.12%. Even though we expect the Greek State’s indirect participation to fall below 50.0% as a result of the Combined Offering (see “*Major Shareholders*”), it will remain our largest shareholder. Being our largest indirect shareholder, the Greek government may determine our corporate governance and limit our operational flexibility. Despite the entry into force of Law 4643/2019, which removed certain operational constraints and allowed us more flexibility to design our own hiring policies, including the use of incentives to attract executives from the private sector, as well as to develop our separate procurement methods, and introduced new corporate governance safeguards (such as the reinforcement of the role of our Audit Committee), currently, the Greek State may still exercise its rights as the largest indirect shareholder to exert influence over us, which ultimately may limit our operational flexibility.

In particular, the Greek State, through its indirect participation in our share capital, exercises its rights as a shareholder in accordance with Greek corporate law and our Articles of Association (introduced pursuant to Presidential Decree 333/2000, as amended and in force). The Greek State exercises significant influence over us and is able to restrict our ability to undertake certain actions, including those which under Greek law and our Articles of Association require a qualified quorum and majority (see “*Share Capital*”), thus enabling HCAP and HRADF, and, indirectly, the Hellenic Republic, to resolve on such agenda issues.

Furthermore, the Minister of Finance has the right to nominate one of the members of our Board of Directors representing HCAP, and the other members are nominated by an HCAP nominating committee, which comprises members of the HCAP board of directors. The Greek State (in addition to the decisions referred to above) may also affect a number of important actions, including amendments to our Articles of Association.

As the Greek State, through HCAP and HRADF, currently exercises control over us and may continue to do so after the Combined Offering, there can be no assurance that we will not be subject to influence from the Greek State in the future to undertake obligations that reflect its policies. Complying with such policies could significantly affect our operating expenses and capital expenditure, which could in turn have a material adverse effect on our business, results of operations, financial condition, profitability and cash flows.

***We face certain risks relating to the licences and permits required in respect of our operations.***

Our mining, generation, distribution and supply of electricity operations require various administrative authorisations at local, regional and national levels (see “*Elements of Regulatory Framework—Overview of the Greek electricity market—Generation—General regime-Interconnected System*” and “*Elements of Regulatory Framework—Overview of the Greek electricity market—Supply and trading—Licensing-entry into market*”). The procedures for obtaining and renewing these authorisations can be protracted and complex. Furthermore, the conditions attached to obtaining these authorisations are subject to change and may not be entirely predictable. As a result, we may incur significant expenses in order to comply with the requirements for obtaining or renewing these authorisations. Additionally, any failure to obtain or renew the necessary licences and permits might result in interruptions to some of our operations, including also our ability to obtain funding for our activities.

Furthermore, these licences and permits, once granted, or the existing licences and permits, once renewed, may, for example, have more stringent environmental conditions that will require us to make additional and possibly unanticipated expenditures, which may have a material impact on financial performance and cash flow. Delays, high costs or the suspension of our industrial activities due to our inability to obtain, maintain, or renew authorisations, may also have a negative impact on our business activities and profitability. In addition, we often invest resources on projects or activities prior to obtaining the necessary permits and authorisations, particularly in connection with feasibility studies and environmental studies; it is possible, however, to cancel a project or withdraw from activities if we are unable to obtain the necessary licences and permits. Any failure to obtain, maintain, renew or extend all the administrative authorisations necessary for the operation of our business and execution of our strategy, could have a material adverse effect on our business, strategic and financial planning, results of operations, financial condition and cash flows. We are required to periodically to renew our existing licences for the operation of our generation units. In particular, the Unified Power Production Licence which currently covers most of our generation units (excluding RES) provides for different expiration dates for each plant (ranging from 2022 to 2080). Further, for all our existing power plants covered by the Unified Power Production Licence, as well as for our power plants licensed until 13 December 2019 (other than those for which a stand-alone operating licence had been issued), we were subsequently granted a temporary unified operation licence which is currently in force until 31 December 2021, by virtue of Article 32 of Law 4643/2019. We may not be able to obtain an extension of that unified operation licence or renewals of our existing licences. We may also face potential revocation of our exclusive rights and privileges, granted to us by operation of law, such as the exclusive right to operate hydropower plants.

In addition, the operations of PPC and HEDNO are regulated by the Energy Markets Law and require us 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 us 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 PPC and HEDNO and their obligations with respect to the Network, as well as their respective rights upon it. As a result, our ownership right (as defined in Licence 82/2018) is very limited. Judicial decisions have already ruled upon this limited right and have released us 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 our business, financial condition or results of operations.

***Our business is subject to numerous and increasingly stringent environmental, health and safety laws, regulations and policies.***

Our 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 our

business primarily relate to emissions, water pollution and waste disposal. The principal by-products and gases released by our electricity generation activities are sulphur dioxide (SO<sub>2</sub>), nitrogen oxide (NOx), carbon dioxide (CO<sub>2</sub>), and particulate matter. The primary focus of environmental regulations applicable to our business is to reduce such emissions.

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

Due to the nature of our operations, we 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 our business, results of operations and financial position, as well as our reputation.

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

Environmental and health and safety laws are complex, change frequently and tend to become more stringent over time. As a result, we may not at all times be in full compliance with all such applicable laws and regulations. While we have budgeted for future capital and operating expenditures in order to comply with current applicable environmental and health and safety laws, it is possible that any of these laws could change or become more stringent in the future or that new laws may be adopted (by way of example, new EU legislation may be adopted imposing additional capital expenditure requirements on our power plants), resulting in even more significant capital expenditure requirements including, but not limited to, complete shutdown of operations (for example, the recently adopted NECP legislation requires the closure of all lignite-based power generation activities). Therefore, our costs of complying with current and future applicable environmental laws and our obligations arising from past or future releases of, or exposure to, hazardous substances could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, we may incur increased costs in relation to the decommissioning of power plants and the closure and reclamation of our mines, the rehabilitation of any damages related to the operation or our mines and the decommissioning of mine equipment and facilities. Since we are involved in open pit mining operations, we are required by Greek law to remediate land affected by our 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, we 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 our business, results of operations, financial condition and cash flows.

***There are risks 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, including in 2020, 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. The primary sources of income for this account are the amounts that electricity providers pay for electricity generated from Renewables, the special renewables levy paid by customers (ETMEAR) (which may limit the ability of certain customers to make timely payments of their electricity bills) and various other smaller amounts according to the relevant legislation.

Several regulatory interventions for the period 2012-2016 (including, among others, the special solidarity levy and reduction of RES sales prices) sought to achieve a zero deficit for the Renewables Special Account, and in 2016 a new charge was imposed on electricity suppliers, which was intended to reduce the deficit of the Renewables Special Account to zero by the end of 2017. The above charge, which significantly burdened our financial results and cash flows for the years 2016, 2017 and 2018, with a total of €578.3 million payable for such years, was abolished as at 1 January 2019, since the increase in the marginal price and the CO<sub>2</sub> emission allowance prices led to a surplus on the Renewables Special Account.

However, in July 2021, the Renewables Special Account recorded a deficit of €167.5 million, mainly as a result of the COVID-19 pandemic and the impact that it had on the ability of consumers to pay their power bills (including the ETMEAR component thereof), the decline of the System Marginal Price (or "SMP"), which is the wholesale market price of electricity, and the price of CO<sub>2</sub> emission allowances. On 9 December 2020, by virtue of Law 4759/2020 (Government Gazette Issue A 245/09.12.2020) and, following that, of the ministerial decision no. YPEN/DKAPA/126440/2480 (Government Gazette Issue B' 5901/31.12.2020), the Greek government imposed additional measures to fund the account including, among others: (i) a one-off 6.0% contribution applied on the 2020 turnover of RES and CCHP projects operating before 2015, (ii) a one-time fee of €2.0/ MWh for 2021 (affecting our 2020 results of operation and cash flow for the year) to electricity suppliers and (iii) an increase in the percentage of the proceeds generated from the auctions for the sale of emission allowances from 65.0% to 78.0%. A new Renewables Special Account, a forthcoming addition to the existing account, shall be put in place to support projects operating since January 2021. There is uncertainty as to whether or to what extent such measures may adversely affect our results of operations and cash flows and we 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 our business, financial position and results of operations.

***Greece implemented the EU Target Model in the wholesale electricity market only recently and the impact from its implementation is yet to be crystallised.***

The EU Target Model went live in Greece on 1 November 2020 replacing the pre-existing mandatory pool system (the "Pool" or the "Day-Ahead Electricity Market"). The EU Target Model is the main regulatory vehicle for achieving energy market integration in the EU by way of establishing common rules on the use of cross-border capacity and encouraging harmonisation of European wholesale market arrangements with a focus on price coupling of the markets.

As with all regulatory reforms, and in line with the experience of EU Target Model roll-out in other EU jurisdictions, the impact on the market as a whole and/or on our business, market position and results of operations from the implementation of the model, or of any subsequent regulatory interventions that may seek to bring about technical or operational improvements on the model's implementation, is uncertain at this stage. Similarly, there is uncertainty as to the impact on our business and results of operations from the process towards market integration with the electricity markets in neighbouring countries and the competition we may face as a result of such integration.

***We are subject to Public Service Obligations (PSOs) as Supplier for which we may not be adequately compensated.***

The PSOs for which we and all other Suppliers are entitled to compensation relate to the supply of electricity (i) to customers located in the Non-Interconnected Islands at the same tariffs as those customers located in the Interconnected System, (ii) to Vulnerable customers who are eligible for receiving the Social Residential Tariff ("SRT"), including recipients of the social solidarity payment

and customers who meet the specific fiscal and income criteria and whom are subject to income thresholds, combined with cases of households with one or more individuals with a disability of 67.0% or above, and/or requiring mechanical support from medical devices and/or having minor members, and (iii) at special rates to public welfare entities. PSO compensation is based on the relevant costs incurred by us and other electricity suppliers providing PSOs and is calculated according to the methodology established by RAE.

Potential changes in compensation rights for the existing PSOs that we provide, or changes in the calculation methodology of such PSO compensation that may result in inability to fully recover our costs, or partial recovery of PSO compensation for previous years, or a potential introduction of new PSOs for which we may not be entitled to full compensation, may have an adverse effect on our costs, financial position, results of operations and cash flows.

***If we are found to be in non-compliance with the GDPR, we could become subject to substantial costs and/or other penalties and our business reputation could also suffer.***

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, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements and higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. Although we have taken such actions as required in order to be materially compliant with the data protection legislation, we operate in an industry in which we 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 we fail to maintain compliance with applicable data collection and privacy laws or other applicable data security standards, we 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 us, damage our reputation, and adversely affect our business.

***Our exposure to legal liability is significant.***

We are a defendant in a significant number of legal proceedings arising from our operations. While we have obtained judgments in our favour in the first instance and/or on the appeal level in some of the legal proceedings, we are not able to anticipate the ultimate outcomes, which may be unfavourable to us. We are also involved in certain litigation or other proceedings, including regulatory investigations (such as the investigation pending before the HCMC in relation to the restatement of relevant accounts for financial years 2015, 2016 and 2017, following the re-estimation of unbilled revenue and/or the recalculation of deferred tax on the lower electricity tariff provided to personnel and pensioners of the Group; see "*Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profits, and Losses—Legal Proceedings*"), which may result in reputational damage and/or the imposition of administrative sanctions on us and/or individuals, who, at the time an infringement has been committed, were members of our Board of Directors (being also exposed to potential criminal liability), including non-pecuniary fines (such as a reprimand) and/or administrative fines (either as a fixed amount or as percentage of our consolidated turnover) that are determined at the discretion of the competent regulator having regard to the factors set forth in the applicable law, such as the seriousness and consequences of the alleged infringement, and cannot be quantified by us with certainty, and which, if determined unfavourably, could either alone (such as in case of a significant administrative fine) or in aggregate have a material adverse effect on our business, financial condition or results of operations and/or reputation.

The aggregate amount we may be required to pay in respect of ongoing litigation matters is significant. As at 30 June 2021, we had made provisions of €350.0 million for litigation where we consider it probable that a claim will be resolved unfavourably and where we can reasonably estimate the potential loss involved. It is possible that these provisions will prove to be insufficient. Accordingly, any claims settled unfavourably in excess of these provisions could have a material

adverse effect on our business, financial condition and results of operations. Further, the complex and case-specific nature of certain of our ongoing proceedings, such as our disputes with the Interconnected System operator (IPTO) and the Distribution Network operator (HEDNO) or the Greek State with respect to PSO claims, combined with delays and backlog inherently relevant to Greek judicial procedure and courts, may result in protracted litigation proceedings and our being unable to timely receive payment of disputed amounts or crystallise our exposure to disputed claims. See also “*Financial Information Concerning the Issuer’s Assets and Liabilities, Financial Position and Profits, and Losses—Legal Proceedings.*”

In addition, we are subject to laws, rules and regulations designed to protect the public interest, such as public procurement or environmental protection, including on account of our majority indirect shareholder being the Hellenic Republic. Further, we are one of the largest listed industrial groups in Greece, with complex activities and operations across the country in heavily regulated industry sectors. Infringements of such statutory or regulatory provisions, entail, among others, administrative fines and criminal sanctions for the members of the Board of Directors, employees and utilities that are subject to those rules and we only recently introduced a central compliance department with a view to ensuring that our various operating units are in compliance with local, national and supranational laws and regulations. More particularly, due to the nature of our operations, we are involved in a number of environmental proceedings or proceedings against our installation, operation or other licences that arise in the ordinary course of business. Although such proceedings generally do not result in significant financial liabilities towards third parties or cause us to cancel or materially amend our planning of new project roll-outs or improvements on existing operations, we may face delays or additional costs as part of efforts to comply with the decisions or instructions of competent courts or regulatory authorities, as the case may be.

In the ordinary course of our business, from time to time, competitors, suppliers, customers, owners of property adjacent to our properties, the media, activists, and ordinary citizens raise complaints (including to public prosecutors) about our operations and activities, to the extent they feel that our 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 members of our management. In this context, reports involving complaints and accusations for allegedly unlawful acts of our executives usually involve their further investigation by the prosecuting authorities in the so-called preliminary investigation (in Greek, “προκαταρκτική εξέταση”), which usually ends up in the closing of the investigated case due to lack of conclusive evidence. As a result, we and the members of our Board of Directors have been 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 our 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 our reputation and cause us to incur significant legal fees, which could in turn have a material adverse effect on our business, financial condition or results of operations.

#### **1.1.4. Risks related to our financial condition, financial results and financing arrangements**

##### ***We might have difficulties collecting payments from our customers.***

With respect to customer payments, we have entered into settlement agreements providing for discounts to Low and Medium Voltage customers. Despite this, we continue 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 our customers. In particular, our 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, we may face additional difficulties or delays in collecting overdue bills from our Low and Medium Voltage customers as a consequence of the inclusion of additional charges in the invoices that we are legally obliged to collect in favour of third parties. Our collection enforcement mechanisms have been and may be further affected by legal or regulatory measures, including decisions and guidelines or further interventions by RAE. As at 30 June 2021, our provisions for expected credit losses from the overdue bills were €1.8 billion.

We have implemented a number of initiatives to improve collection techniques and reduce provisions for expected credit losses. We have also arranged for securitisations backed by performing and non-performing customer receivables (see “*Material Contracts—Performing Receivables Securitisation*” and “*Material Contracts—Non-Performing Receivables Securitisation*”). 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. Our customers’ inability to pay their bills on a timely basis combined with our difficulty in collecting the overdue payments may have a material adverse impact on our financial position, results of operations and cash flows.

***We may be exposed to liquidity risk as a result of increased working capital needs.***

We face liquidity risk, which may result in additional working capital requirements, due to a number of factors relating to our ability to timely collect from our customers, including:

- delays in the payment or non-payment of energy bills, which may increase if economic conditions in Greece deteriorate;
- our obligation to pay the Renewables special levy, the special consumption tax on electricity, as well as VAT when due, irrespective of whether we have collected the relevant amounts from our 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.

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

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

***We face risks relating to a potential downgrading of our credit ratings by international rating agencies.***

As at the date of this Prospectus, we have a credit rating of B+ with a positive outlook by Standard & Poor’s and BB- with a stable outlook by Fitch Ratings Inc. Our ratings reflect the respective rating agencies’ opinions of our financial strength, operating performance and ability to meet our debt obligations as they become due.

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

***Our results of operations may be adversely affected by potential changes in the current taxation regime in Greece.***

The taxation regime for corporations in Greece is frequently revised and we 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 us, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Even if the effect of these taxes and levies is passed onto our customers, such taxes and levies may impact collection rates for our 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 our cash flow. Conversely, if we do not increase our tariffs to match an increase in taxation, an adverse impact on our financial results and liquidity may follow. There may also be other new or increased taxes in the future that could increase our costs and/or reduce our turnover, thereby adversely impacting our business, financial condition and results of operations.

***We could incur significant pension liabilities in the future.***

Prior to 1 January 2000, we were required to provide pension, healthcare and welfare benefits for our employees and pensioners rather than participate in standard, state-sponsored social security programmes. Until that time, because of uncertainties regarding the level of our legal obligations arising from the pension, medical and other benefits of our employees and pensioners, we were accounting for such costs on a cash basis, rather than on an actuarially determined basis. Thus, no financial reserves were maintained to cover current or accrued pension liabilities.

As at 1 January 2000, PPC S.A. Personnel Insurance Organisation (“PPC S.A. PIO”) was established. PPC S.A. PIO was a public entity established for the purpose of operating a pension fund under the supervision of the Hellenic Republic for our employees under the Liberalisation Law and pursuant to collective agreements with our unions. PPC S.A. PIO was responsible for all pension benefits, healthcare insurance and other social security expenses for our employees and pensioners. Following PPC S.A. PIO’s establishment, we were no longer obliged to make any payments in respect of pensions or healthcare, and we had no pension liability except the annual ordinary contributions, generally determined for all employers in Greece, as a percentage of the employee’s salary. All employer, employee and pensioner contributions were paid to the PPC S.A. PIO.

Following the adoption of new social security legislation in Greece, as at 1 August 2008, PPC S.A. PIO has become part of the Social Security Institute (IKA, the main Social Security Organisation in Greece) as an independently operating section, assuming all the rights established in favour of PPC S.A. PIO. By virtue of Law 4387/2016, the Unified Social Security Fund (“EFKA”) was established and the Social Security Institute became an integral part of it.

Under the Liberalisation Law, which ratified the collective agreements with our unions, the Hellenic Republic assumed the obligation to meet any differences between the total income of PPC S.A. PIO and our payment obligations for pension and healthcare benefits. The Hellenic Republic’s payment obligation was assumed against the assets of our internal social security department established in 1966 and operated until the establishment of the PPC S.A. PIO, which are now integrated in our assets. Although we believe we have no obligation under existing laws to cover any future differences between the total income of EFKA and its payment obligations assumed by the Hellenic Republic, there can be no assurance that the existing social security laws will not change, or that we will not be required in the future, by law or otherwise, to contribute or provide significant additional funds or assets to EFKA.

***We are subject to interest rate risk and foreign currency risk.***

Our debt obligations consist of bank loans, bonds and overdrafts. It is our 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 our debt portfolio. As at 30 June 2021, approximately 36.0% of our indebtedness bore floating rate interest (24.0% after the issuance of the Senior Notes due 2028). We did not hedge for interest rate or currency risk related to our debt as at 30 June 2021. All of our indebtedness is denominated in euro.

Furthermore, the fluctuation of the euro against U.S. dollar exchange rate may adversely impact the prices of our 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, we are 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, we examine 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 hedging transactions that we undertake will provide full or adequate protection against these risks.

The following table presents the sensitivity analysis to pre-tax income from reasonable possible interest rate fluctuations with the other variables remaining fixed, through the effect on existing floating rate borrowing of the Group.

<u>(€ in millions)</u>	<u>For the year ended 31 December</u>			
	<u>2019</u>		<u>2020</u>	
Increase/Decrease in basis points . . . . .	0.5%	(0.5)%	0.5%	(0.5)%
Effect on profit before tax . . . . .	(10.4)	10.4	(10.8)	10.8

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020.

***We face risks relating to impairment of assets.***

We are exposed to risks related to the value of our participation in the share capital of subsidiaries and associates and the value of our property plant and equipment, including the effects from a significant change and/or non-recoverability of the value of our participation in the share capital of our 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.

At each reporting date, we assess whether there is an indication that an asset may be impaired. If any such indication exists, we estimate the asset's recoverable amount being the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. The recoverable amount is determined for each individual asset unless such asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Our income statement and statement of financial position for the year ended 31 December 2019 were affected by the decision of the immediate withdrawal plan for lignite units and mines following the NECP submitted by the Greek government to the European Commission. In particular, we proceeded to an impairment test of mines' land and construction in progress for individual assets and to an impairment test of the total cost of our 660 MW Ptolemaida V unit (lignite unit under construction) that resulted to an impairment loss of €515.5 million and €589.0 million, respectively. In the future, the value of our participation in the share capital of subsidiaries and associates and the value of our 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 our control.

***We are subject to covenants which limit our operating and financial flexibility and, if we default under our debt covenants, we may not be able to meet our payment obligations.***

Certain agreements governing our existing indebtedness contain covenants that impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;

- make certain investments or acquisitions, including participating in joint ventures;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to the Issuer or any restricted subsidiary;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis; and
- impair security interests for the benefit of our creditors.

All of these limitations are subject to significant exceptions and qualifications. These covenants could limit our ability to finance future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest. Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions.

The ECA Covered Syndicated Loan, certain of the EIB Loans, the Syndicated Bond Loan A and the EBRD loan will also require the Company to maintain specified financial ratios. The ability to meet these ratios could be affected by deterioration in our operating results, as well as by events beyond our control, including increases in raw materials prices and unfavourable economic conditions, and we cannot assure you that these ratios will be met. If a relevant event of 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, our assets may not be sufficient to repay in full that indebtedness and our other indebtedness then outstanding. See “*Material Contracts.*”

***Our significant leverage may make it difficult for us to operate our businesses.***

As at 30 June 2021, the Group had €4,135.5 million of outstanding indebtedness (excluding accrued interest and unamortised borrowing costs) and a net leverage ratio of 3.2x.

Our significant leverage could have important consequences for our business and operations, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect our debt liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund internal growth through working capital and capital expenditure and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or general economic or industry conditions;
- placing us at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than we have;
- limiting our flexibility in planning for or reacting to competition or changes in our business and industry;
- negatively impacting credit terms with our creditors;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and

- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations. Our ability to make payments on and refinance our indebtedness and to fund working capital expenditure and other expenses will depend on our future operating performance and ability to generate cash from operations. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control.

Any refinancing of our indebtedness could be at higher interest rates than our current debt and it may be required to comply with more onerous financial and other covenants, which could further restrict our business operations and may have a material adverse effect on our business, financial condition, results of operations and prospects.

We cannot assure you that we will be able to refinance our indebtedness as it comes due on commercially acceptable terms or at all and, in connection with the refinancing of our debt or otherwise, we may seek additional refinancing, dispose of certain assets, reduce or delay capital investments, or seek to raise additional capital.

We may be able to incur substantial additional debt in the future, including indebtedness in connection with any future acquisition. Although our financing agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our current debt levels, the risks that we now face could intensify. We may incur substantially more debt in the future, which may make it difficult for us to service our debt and impair our ability to operate our businesses.

Borrowings under debt instruments that contain cross-acceleration or cross-default provisions may, as a result, also be accelerated and become due and payable. We may be unable to pay these debts in such circumstances. The incurrence of additional debt would increase the leverage-related risks described above. In addition, our existing facilities do not prevent us from incurring obligations or entering other arrangements that do not constitute indebtedness under those agreements.

***The Share Capital Increase may dilute the indirect ownership share of the Hellenic Republic and this may potentially trigger change of control clauses, which may permit lenders to demand prepayment.***

We expect the Share Capital Increase to result in the dilution of the indirect ownership share of the Hellenic Republic so that it ceases to own indirectly a majority stake in PPC. Certain of the agreements and instruments governing our indebtedness, including the facilities agreements governing our EIB Loans, contain change of control clauses, which may be triggered if the Hellenic Republic ceases at any time to own, directly or indirectly, a defined proportion of the issued and outstanding shares in PPC.

With respect to the EIB Loans, such change of control clauses may, following a consultation period with PPC, permit EIB to demand prepayment of the relevant indebtedness, provided that certain of the EIB Loans require such change of control to be determined to be, in the opinion of EIB, materially adverse to PPC's ability to service the relevant loan in future (see "*Material Contracts—EIB Loans*"). The agreements governing certain of our other indebtedness contain similar change of control provisions, which may also permit lenders to demand prepayment upon a change of control.

We are in the process of requesting waivers or consent from the applicable lenders of their rights under these change of control clauses in connection with the Share Capital Increase. As at 30 June 2021, the total carrying amount of our material loan agreements, for which we are seeking waivers, was approximately €3.3 billion, or approximately 79.8% of total debt. In the event that we fail to obtain such waivers or consent, as applicable, the lenders may demand prepayment, thereby rendering all or a large part of our financial obligations due and payable earlier than anticipated, and adversely affecting our financial condition, results of operations, liquidity and business prospects. See "*Material Contracts*."

## 1.2. RISKS SPECIFIC TO THE NEW SHARES

*Our share price has been, and may continue to be, volatile.*

The market price of our Ordinary Shares has been subject to volatility in the past and could be subject to wide fluctuations in response to numerous factors, many of which are beyond our control. These factors include, among others, the following:

- the condition and the prospects of the Greek economy;
- political and social instability in the country;
- the perceived stability of the European Monetary Union;
- actual or anticipated fluctuations in our operating results;
- the results of operations of our competitors;
- the condition of the Eurozone countries;
- the potential or actual sales of large amounts of our Ordinary Shares into the market;
- our competitors' market positions;
- changes in financial estimates by equity research analysts;
- changes in our credit ratings;
- changes in the regulatory framework;
- conditions and trends in the power generation sector in Greece and abroad; and
- the general state of the securities markets (with particular emphasis on the ATHEX).

*The ATHEX is less liquid than other major exchanges.*

The trading venue for our Ordinary Shares is the Regulated Securities Market of the ATHEX. The Regulated Securities Market of the ATHEX is less liquid than other major stock markets in Western Europe and the United States. As a result, the holders of our Ordinary Shares may face difficulties engaging in share purchases and sales, especially if they wish to engage in large-volume transactions. We cannot make assurances about the future liquidity of the market for our Ordinary Shares.

In 2020, the average daily volume on the ATHEX was €72.8 million, compared to €67.4 million in 2019. On 30 June 2021, the total nominal value of all shares listed on the ATHEX amounted to approximately €575.4 million. Our market capitalisation as at 30 June 2021 amounted to €2,081.0 million corresponding to approximately 3.4% of the total market capitalisation of all companies listed on the ATHEX. We cannot provide any assurance regarding the future marketability of our Ordinary Shares in the market.

*We may not be able to pay dividends to our shareholders.*

If there are no distributable profits or distributable reserves, pursuant to the applicable provisions of law in force from time to time, we are not allowed to pay dividends, while our ability to distribute dividends may be limited under the terms of certain of our existing financing agreements. We plan to propose a distribution of dividends in 2023. If our proposal is accepted, the dividends will become payable in 2024. For more information on generally applicable restrictions under Greek corporate law, see “*Financial Information Concerning the Issuer’s Assets and Liabilities, Financial Position and Profits, and Losses—Dividends and dividend policy.*”

As at 30 June 2021, PPC S.A. had negative retained earnings of €1,610.1 million, which will need to be offset with profits or other available reserves prior to our Board of Directors being able to propose to our annual General Meeting of shareholders the declaration of any dividends on our Ordinary Shares.

Currently applicable legislation or legislation that may be enacted in the future and existing or future contractual arrangements may prohibit us or limit our ability to make profit distributions, including the payment of dividends on our Ordinary Shares in subsequent years.

***We may in future issue new Ordinary Shares, which may dilute shareholders' participation.***

If a further share capital increase is approved disapplying or restricting the pre-emption rights of existing shareholders, or with respect to a share capital increase with pre-emption rights, the existing shareholders choose not to subscribe for new Ordinary Shares or are unable due to other restrictions to subscribe, the issuance of such new Ordinary Shares may be dilutive to shareholders and could have an adverse effect on the market price of our Ordinary Shares.

***There may be limited liquidity in the Ordinary Shares resulting from the Greek State's share ownership.***

The Greek State is currently the largest indirect shareholder of PPC. This concentration of ownership, together with uncertainty as to whether market conditions will permit the Greek State to dispose of Ordinary Shares that it holds through HCAP and/or the HRADF (whether through HRADF's asset development plan or otherwise in line with its purpose, as defined in Law 3986/2011, as amended and applicable), may make it difficult for investors to sell or purchase our Ordinary Shares at the price or time of their choice, which may result in investors receiving a lower price, or paying a higher price, for our Ordinary Shares than the price if our Ordinary Shares were more actively traded on the ATHEX. We cannot assure investors that the trading venue of our Ordinary Shares will become more liquid in the future, or that the trading volume of our Ordinary Shares will not decrease further in the future.

Moreover, a disposal of Ordinary Shares held by HCAP and/or the HRADF (whether through HRADF's asset development plan or otherwise in line with its purpose, as defined in Law 3986/2011, as amended and applicable) may place a significant amount of downward pressure on the market price of our Ordinary Shares and have a material adverse effect on our capacity to raise additional capital. In addition, future issuances of new Ordinary Shares may be on a pre-emptive or non-pre-emptive basis. Such uncertainty may, under certain conditions, also place a significant amount of downward pressure on the market price of our Ordinary Shares and have a material adverse effect on our capacity to raise additional capital. Dilution of investors' shareholding might result from such transactions.

***The market price of our Ordinary Shares may be negatively affected by additional sales of Ordinary Shares by current shareholders or shareholders following the Combined Offering.***

The market price of our Ordinary Shares may be negatively affected by additional sales of Ordinary Shares following the Combined Offering.

The public trading market price of our Ordinary Shares may decline below the offering price. Should that occur investors will suffer an immediate unrealised loss as a result. We cannot assure investors that, after they subscribe for the New Shares, they shall be entitled to sell them at a price equal to or greater than the offering price. Moreover, until the New Shares are credited with the ATHEXCSD securities accounts designated in the relevant subscription forms upon completion of the Combined Offering, investors will be unable to sell New Shares at all.

The admission to listing and trading of the New Shares on the Regulated Securities Market of the ATHEX depends on the provision of certain documents by us, including the approval by the Ministry of Development and Investments of an amendment to our Articles of Association reflecting the increase of our share capital, and the review and approval of such documents by the Regulated Securities Market of the ATHEX. As a result, the admission of the New Shares to listing and trading on the ATHEX may not take place when anticipated.

The sale of a substantial number of the Ordinary Shares in the market before or after the Combined Offering, or the perception that such sales may occur, could negatively affect the market price of the Ordinary Shares.

## REGISTRATION DOCUMENT

### 2. INDEPENDENT AUDITORS

Our consolidated financial statements as at and for the year ended 31 December 2020 have been audited by independent auditor, Mr. Vassilios Kaminaris (Statutory Auditor, SOEL Registration Number 20411) of the audit firm Ernst & Young (Hellas)—Certified Auditors-Accountants S.A., as stated in their audit report appearing herein. Our consolidated financial statements as at and for the year ended 31 December 2020 were approved by the Board of Directors on 20 April 2021 and the General Meeting on 24 June 2021. The English translation of the audit report of Ernst & Young (Hellas)—Certified Auditors-Accountants S.A., independent auditors, on the English translation of these financial statements which form part thereof, and must be read in conjunction therewith, are available on our website: <https://www.dei.gr/Documents2/ANNUAL%20REPORT/AR-2020/ApologismosFinancial%202020-A4-ENG%2023062021.pdf>

Our unaudited interim condensed consolidated financial statements as at 30 June 2021 and for the six-month period then ended have been reviewed by independent auditor, Mr. Vassilios Kaminaris (Statutory Auditor, SOEL Registration Number 20411) of the audit firm Ernst & Young (Hellas)—Certified Auditors-Accountants S.A., as stated in their review report. The English translation of the review report of Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. on the English translation of these financial statements which form part thereof, and must be read in conjunction therewith, are available on our website: [https://www.dei.gr/Documents2/OIKONOMIKA%20APOTELESMATA%202021/H1%202021/FINANCIAL%20REPORT%206M%202021%20ENG\\_final.pdf](https://www.dei.gr/Documents2/OIKONOMIKA%20APOTELESMATA%202021/H1%202021/FINANCIAL%20REPORT%206M%202021%20ENG_final.pdf)

Ernst & Young (Hellas) Certified Auditors—Accountants S.A., independent auditors, with address Chimarras 8B, 151 25, Athens, Greece, is registered as a corporate body with the public register for company auditors-accountants kept with the Body of Certified Auditors—Accountants (SOEL) in Greece, with registration number 107.



### 3. EXPERT'S REPORTS

#### 3.1. Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.

Pursuant to a relevant mandate by the Issue Advisor, the Lead Underwriters and the Underwriter in the context of the Public Offering, the independent statutory auditor accountant Mr. Vassilios Kaminaris (Statutory Auditor, SOEL Registration Number 20411) of the audit firm Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. (SOEL Registration Number 107), Chimarras 8B, 151 25, Athens, Greece, performed certain procedures in order to provide us with the following:

- A. The report dated 1 November 2021 following the agreed upon procedures on specified financial information for the years ended 31 December 2019 and 2020, the six months ended 30 June 2021 and the period from 1 July to 25 October 2021, which are included in this Prospectus. The agreed upon procedures on specific financial data and information have been carried out in accordance with the International Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information.” These agreed upon procedures conducted by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A., as described in their report dated 1 November, did not result in findings.
- B. The report based on International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information with reasonable assurance regarding the compliance of PPC with Articles 14 (excluding paragraphs 3(j) and 4), 15 and 16 of Law 4706/2020 (excluding paragraphs 3 and 4), Article 44 (excluding paragraphs 2, 4(a), 5 and 6) of Law 4449/2017, as well as Article 4 of decision 5/204/14.11.2000 of the Board of Directors of HCMC. Based on the work of Ernst & Young (Hellas)—Certified Auditors-Accountants S.A., as described on their report dated 29 October 2021, in their opinion, PPC, as at 22 October 2021, has complied in all material respects with its obligations under Articles 14 (excluding paragraphs 3(j) and 4), 15 and 16 of Law 4706/2020 (excluding paragraphs 3 and 4), Article 44 (excluding paragraphs 2, 4(a), 5 and 6) of Law 4449/2017, as well as Article 4 of decision 5/204/14.11.2000 of the Board of Directors of HCMC.

PPC, taking into consideration the declarations made by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. based on the following criteria pursuant to ESMA guidelines on: (a) ownership of securities, (b) former employment or compensation, (c) membership, (d) connections to financial intermediaries involved in the Public Offering or listing of the securities, (e) direct or indirect economic interest that depends on the success of the Public Offering and (f) understanding or arrangement with major shareholders of PPC, declares that Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. does not have (i) a material interest in PPC, and (ii) any interests or conflicting interests that are material to the Public Offering.

The data and information of the aforementioned reports of the audit firm Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. are available to the public (see “*Documents Available*”), pursuant to the relevant consent of this audit firm.

#### 4. INFORMATION ABOUT THE ISSUER

Public Power Corporation S.A., which operates under the commercial name “PPC”, was incorporated in Greece on 7 August 1950 pursuant to the laws of the Hellenic Republic. For information on the legislative framework under which PPC operates, see “*Elements of Regulatory Framework.*” The ordinary shares of PPC have been listed on the ATHEX since 2001.

PPC is registered in Greece (General Commercial Registry number 786301000) and has its registered office at 30 Chalkokondili Street, 104 32 Athens, Greece. Its telephone number is +30 (210) 529 3254 or +30 (210) 529 3048, and its website is [https:// www.dei.gr](https://www.dei.gr) and its LEI (Legal Entity Identifier) is 213800T9Y5XCOVRZ4Y57. This website address is included in this Prospectus as an inactive textual reference only. The information and other content appearing on our website are not part of this Prospectus.

## 5. GROUP'S BUSINESS OVERVIEW

### 5.1. Business overview

We are the largest generator and supplier of electricity in Greece,<sup>9</sup> as well as the sole electricity Distribution Network owner and operator (through HEDNO), providing electricity to approximately 5.9 million end-customers as at 30 June 2021, which represented 64.9% of the total electricity supplied in Greece (including both the Interconnected System and the Non-Interconnected Islands) and 64.4% of the electricity supplied across the Interconnected System, in each case for the six months ended 30 June 2021.<sup>10</sup> We develop, manage and maintain the critical infrastructure of Greece's electricity network, including the power generation and distribution assets on the mainland and all of the inhabited islands. For more than 70 years, we have been at the forefront of Greece's power industry and an integral part of the country's process of electrification. Having delivered on our historic commitment to ensure the security of Greece's power supply, by leveraging local natural resources such as lignite, we are now transitioning into a modern, environmentally sustainable utility company, developing renewable energy facilities to harvest the country's substantial solar and wind energy resources and playing a critical role in helping Greece deliver a lower carbon economy. We are a vertically integrated utility provider with operations spanning the entire electricity value chain, including generation, distribution and supply of electricity to end-customers. Our generation portfolio consists of conventional thermal plants (lignite, gas and oil-fired) and the country's largest fleet of hydroelectric power plants, as well as RES generation facilities, which collectively accounted for approximately 48.6% of the total installed capacity in Greece as at 30 June 2021. Our power plant portfolio, as at 30 June 2021, consisted of 61 conventional thermal and hydropower plants, as well as renewable energy stations ("Renewables"), with a total installed capacity of 10.4 GW. In the six months ended 30 June 2021, we generated 49.2% of the electricity produced in Greece. We also currently own and operate 100.0% of the regulated Distribution Network in the Interconnected System and the Non-Interconnected Islands, which is comprised of 243,000 kilometres of high, medium and low-voltage distribution lines through which we deliver electricity to end-customers. Pursuant to a share purchase agreement entered into on 1 October 2021, we agreed to sell 49.0% of the shares in HEDNO to MSCIF Dynami BidCo Single Member S.A., a member of MAM. The Extraordinary General Meeting held on 19 October 2021 resolved to transfer the ownership of the assets comprising the Distribution Network along with related liabilities (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) to HEDNO through the Hive-Down.

Our senior management team is highly experienced, both in Greece and internationally, and our key employees possess extensive industry expertise in the key segments of the electricity sector. In particular, because of our history, our operating footprint across Greece and our position in the Greek electricity market, our employees are highly qualified and have market-leading knowledge in the planning, construction, operation and management of conventional thermal, hydropower and renewable energy assets in Greece and the broader operations of a vertically integrated power company that covers the entire value chain of power generation, distribution and supply.

We are also an integral part of Greece's climate change and environmental commitments. In accordance with the Greek National Energy and Climate Plan (the "NECP"), we are in the process of decommissioning all of our existing lignite-fired generation capacity by 2023 (see "*Trend Information—De-lignification and transition to lower carbon generation technologies*"), while substantially increasing our renewable energy generation capacity during the same period. We believe this represents the fastest lignite phase-out programme in Europe, which, together with substantial investments to develop renewable energy facilities and increase the thermal efficiency of our existing gas-fired generation plants, will significantly reduce our carbon footprint and CO<sub>2</sub> emissions costs. By 2026, we expect to have significantly transformed our generation capacity mix toward less carbon-intensive technologies, with approximately 62.5% of our power generation capacity anticipated to be derived from zero carbon emission technologies. We believe we are well-positioned to execute this ambitious plan, with several important competitive advantages already contributing to our progress to date, including our pre-existing portfolio of strategically important land and infrastructure owned and

<sup>9</sup> Source: IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

<sup>10</sup> Source: IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

ready to be deployed towards RES projects, a large existing project pipeline, required licences and several joint venture agreements with key market players for further developments.

We are one of the largest industrial groups in Greece by revenues and assets. For the six months ended 30 June 2021, we generated revenues of €2,193.4 million and Recurring EBITDA of €471.4 million. As at 30 June 2021, we had total assets of €14,368.9 million. We are publicly listed on the Main Market of the Regulated Securities Market of the ATHEX, formerly known as the Athens Stock Exchange, with a market capitalisation of €2,147.2 million as at 25 October 2021.

The following table shows selected operating data as at and for the years ended 31 December 2019 and 2020, as well as for the six months ended 30 June 2020 and 2021:

	As at and for the year ended 31 December		As at and for the six months ended 30 June	
	2019	2020	2020	2021
Installed Capacity (GW) .....	11.6	11.0	11.6	10.4
Percentage of Total Installed Capacity in Greece <sup>(1)</sup> .....	55.1%	51.4%	54.1%	48.6%
Net Annual Generation (TWh) <sup>(2)</sup> .....	25.8	21.3	9.1	12.0
Generation Market Share (average annual) <sup>(3)</sup> .....	53.7%	46.3%	42.7%	49.2%
Electricity Sold to End-Customers (TWh) <sup>(4)</sup> .....	38.4	32.9	15.9	14.7
Supply Market Share (average annual) <sup>(5)</sup> .....	75.8%	68.7%	69.9%	64.9%
Customers (in millions) .....	6.6	6.1	6.3	5.9
Number of Employees on Payroll .....	15,109	13,832	14,678	13,221

(1) Installed capacity of connected photovoltaic panels (PVs) household installations is included in the relevant figures.

(2) Net electricity generation equals gross generation of electricity less energy consumed internally during the generating process.

(3) Generation market share is defined as the percentage of the electricity generated by us over the total electricity generated in Greece each period presented.

(4) Includes domestic sales only (excludes exports).

(5) Supply market share is defined as the percentage of the electricity supplied by us to end-customers in Greece over the total electricity supplied to end-customers in Greece each period presented.

Source: Data based on our audited consolidated financial statements as at and for the year ended 31 December 2020 and on our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021; IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

## 5.2. Our business

We are Greece's largest electricity generator and supplier,<sup>11</sup> and the sole Distribution Network owner and operator (through HEDNO). We operate primarily through the following: our Generation business unit (which operates our conventional power generation facilities, including large hydropower plants), our subsidiary PPC Renewables (which owns and operates our solar, wind, small hydropower and other renewable energy assets), our Supply business unit (which operates our energy supply and other retail businesses) and our subsidiary HEDNO (which operates the Distribution Network in Greece). The following tables illustrate selected operating data for each of our business units and operating subsidiaries as at and for the six months ended 30 June 2021, as applicable:

<u>Generation</u>	As at and for the six months ended 30 June 2021
Installed Capacity (GW) .....	10.3
Lignite Installed Capacity (GW) .....	2.5
Hydroelectric Installed Capacity (GW) .....	3.2
Natural Gas Installed Capacity (GW) .....	2.7
Oil Installed Capacity (GW) .....	1.9
Production (TWh) .....	11.9

Source: Data based on our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

<sup>11</sup> Source: IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

<b>PPC Renewables</b>	<b>As at and for the six months ended 30 June 2021</b>
Operational Renewable Capacity (excluding participations in joint ventures) (GW) .....	0.1
Production (TWh) .....	0.2

Source: Data based on our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

<b>Supply</b>	<b>As at and for the six months ended 30 June 2021</b>
Electricity Sales (TWh) .....	14.7
Electricity Customers (millions) .....	5.9

Source: Data based on our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

<b>Distribution (including HEDNO)</b>	<b>As at 30 June 2021</b>
Network Length (thousand kilometres) .....	243
Regulated Asset Base (€ millions) <sup>(1)</sup> .....	3.0
Regulated Return (%) <sup>(2)</sup> .....	6.7%

(1) Refers to the Regulated Asset Base for the year ended 31 December 2020 pursuant to RAE's decision no. 1515/2020.

(2) Refers to the approved WACC for the period 2021 to 2024.

Source: Data based on our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

## Generation

Our generation business unit is responsible for electricity generation in the Interconnected System and the Non-Interconnected Islands. The Greek electricity system is comprised of the Interconnected System, which includes the mainland and certain interconnected Greek islands, and the Non-Interconnected Islands, which includes the remaining Greek islands that are not interconnected to the mainland.

As at 30 June 2021, we operated four lignite-fired power plants, 37 oil-fired power plants in the Interconnected and Non-Interconnected Islands, with four used as Cold Reserve Units to provide back-up capacity for the Interconnected Islands, four natural gas-fired power plants and 16 large hydropower plants. Two of our power plants are both oil and natural gas-fired. In the Non-Interconnected Islands, we own all of the thermal power plants. As at 30 June 2021, the total installed conventional generating capacity of our power plants was 10.3 GW, of which 24.6% was lignite-fired, 30.9% hydropower, 26.2% natural gas and 18.3% liquid-fuel based (primarily in the Non-Interconnected/Interconnected Islands). We also had an additional 0.1 GW of RES capacity (excluding PPC Renewables' participation in joint ventures), which we are in the process of significantly expanding. In accordance with the NECP, we are in the process of decommissioning nearly all of our existing lignite-fired generation capacity by 2023 (with only our highly-efficient Ptolemaida V facility, currently under construction, which will begin operations in 2022, operating on lignite initially before transitioning to a less carbon-intensive fuel source, such as natural gas, biomass, or a combination of low carbon-emitting fuels, by 2025, depending on market conditions, prices and regulations), while substantially increasing our renewable generation capacity during the same period. Our generation business unit generated Recurring EBITDA of €140.9 million and €20.4 million for the Group during the six-month period ended 30 June 2021 and 2020, respectively, mainly due to the sale of generated electricity at increased Market Clearing Prices that overall led to a decrease in our energy purchases by €190.8 million.

## PPC Renewables

Our wholly-owned subsidiary, PPC Renewables, is the vehicle for all of our renewable energy assets and operations (excluding large hydropower plants with capacity greater than 15 MW per plant, which are operated by our generation business unit), including wind farms, small hydropower plants,

photovoltaic parks, solar thermal electricity generators, geothermal power plants and various other Renewables technologies. As at 30 June 2021, we had operational renewable energy facilities with a total installed capacity of 127 MW (excluding PPC Renewables' participation in joint ventures with an aggregate capacity of 63 MW), located across more than 50 locations throughout Greece, from which we generated approximately 0.2 TWh of electricity as at and for the six months ended 30 June 2021. PPC Renewables generated Recurring EBITDA of €7.8 million for the Group during the six-month period ended 30 June 2021 and €8.9 million during the six-month period ended 30 June 2020.

We believe we have the largest renewable energy project pipeline in Greece, totalling more than 10.0 GW, a portion of which will be rolled out at our depleted lignite fields, largely in parallel with the decommissioning of all of our lignite-fired generation assets. We expect approximately 3.0 GW of this pipeline will commence commercial operations by 2024, with our total RES capacity reaching 9.5 GW (including (a) our existing 3.4 GW, which takes both our hydroelectric and RES capacity into account and (b) 1.1 GW of international renewables capacity) by the end of 2026. The majority of this new capacity will be from solar energy, with the remainder using wind, hydropower and other renewable technologies. For more details on our RES pipeline, please see “*Groups’ Business Overview—Our business units—PPC Renewables.*”

### ***Distribution (including HEDNO)***

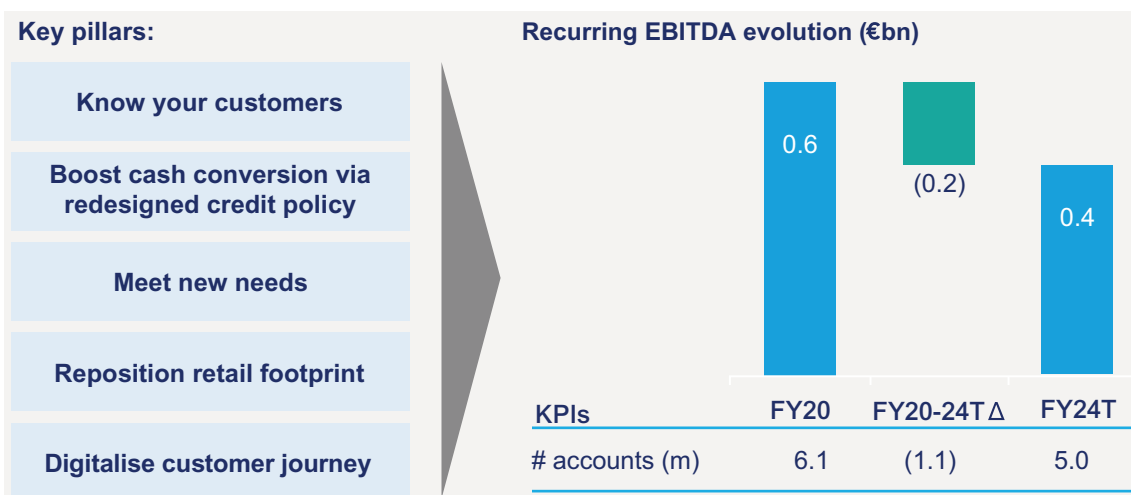
Our distribution business unit owns 100.0% of the Distribution Network, which is comprised of 243,000 kilometres, consisting of 128,000 kilometres of low voltage lines, 114,000 kilometres of medium voltage lines in the Interconnected System and the Non-Interconnected Islands, as well as approximately 1,000 kilometres of high voltage lines in Attica and in the Non-Interconnected Islands (including Crete). Substantially all of the assets relating to the Distribution Network are currently owned directly by PPC. The Distribution Network is managed by our currently wholly-owned subsidiary, HEDNO, which is the regulated entity responsible for its operation, maintenance and development.

The distribution of electricity is a fully regulated activity in the Greek electricity market. With a RAB of approximately €2.9 billion as at 31 December 2020 (which is used as the basis for calculating our regulated return (which is 6.7% of WACC for the period 2021-2024)), our distribution business generates stable, annuity-like returns with limited price or volume risk. Our distribution business unit and HEDNO generated aggregate Recurring EBITDA of €203.9 million (of which €169.6 million was attributable to our distribution business unit (which owns the assets relating to the Distribution Network) and €34.3 million was attributable to our subsidiary, HEDNO, which operates the Distribution Network) during the six-month period ended 30 June 2021, compared to Recurring EBITDA of €207.3 million (of which €190.9 million was attributable to our distribution business unit and €16.4 million was attributable to HEDNO) during the six-month period ended 30 June 2020.

As part of our ongoing transformation, we commenced the sale process for HEDNO in December 2020 with the publication of a request for expressions of interest from bidders and in September 2021 four binding offers were submitted. Following evaluation of the offers submitted, Spear WTE Investments S.à r.l., a member of MAM, was declared as preferred bidder with a consideration of €2,116 million, including *pro rata* net debt of €804 million. On 1 October 2021, we entered into a share purchase agreement with MSCIF Dynami BidCo Single Member S.A., a wholly-owned subsidiary of Spear WTE Investments S.à r.l., for the sale of 49.0% of HEDNO's share capital and the Extraordinary General Meeting held on 19 October 2021 approved the transaction. The initial purchase price of €1,312 million is subject to a completion accounts price adjustment mechanism (see “*Material Contracts—Share purchase agreement*”). Upon completion of these transactions, HEDNO will own all of the assets comprising the Distribution Network (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) and will continue to operate, maintain and develop the Distribution Network. We believe the contemplated sale will be credit accretive and will establish a market valuation benchmark for a significant asset underpinning a public market valuation for PPC as a whole. Furthermore, we believe monetising our distribution asset will allow for innovation and efficiency increases in the grid network. The proceeds from the minority stake sale will be used for the repayment of certain of our existing indebtedness and for capital expenditure to develop our renewable energy pipeline. Subject to further approvals, we anticipate the sale to be completed by the end of 2021. However, there can be no assurance that we will complete the sale in this timeframe or at all.

## Supply

Our supply business unit manages our supply of electricity, which amounted to 64.9%<sup>12</sup> of the total electricity supplied in Greece in the six months ended 30 June 2021, as well as our other retail offerings of energy products and services. Our customers are classified into High Voltage customers, Medium Voltage customers and Low Voltage customers. Our supply business unit generated Recurring EBITDA of €240.3 million during the six-month period ended 30 June 2021, compared to €329.5 million during the six-month period ended 30 June 2020, a decrease mainly attributed to the reduction of electricity sales to Medium Voltage and Low Voltage customers and the increase of purchases of energy expenses due to the increase of Market Clearing Prices from €41.4/MWh in the six-month period ended 30 June 2020 to €61.9/MWh in the six-month period ended 30 June 2021, partially offset by a part of the reversal of the provision for expected credit losses. The following illustration outlines our three-year targets for our supply business. For additional information on the preparation and presentation of our financial performance targets and other forward-looking statements that may be deemed to be profit forecasts under the Prospectus Regulation, see “*Profit Forecasts.*”



## Overview of the Greek Electricity Market

The Greek electricity system had 21.4 GW of total installed capacity as at 30 June 2021 and is divided into the Interconnected System and the Non-Interconnected Islands.

The Interconnected System includes the Greek mainland and certain of the islands in close proximity thereto and had a total installed capacity of 19.0 GW as at 30 June 2021. Generation and Supply in the Interconnected System are both liberalised, and electricity is generated from thermal power plants, including lignite, natural gas, large-scale hydropower plants, as well as Renewables.

The Non-Interconnected Islands include the Greek islands that are not connected to the Interconnected System. The Non-Interconnected Islands incorporate autonomous distribution networks, which, in the case of Rhodes and Lesvos, also include a limited high voltage network. The Non-Interconnected Islands had a total installed capacity of 2.3 GW as at 30 June 2021, which included both oil-fired thermal power plants and Renewables plants. We own all of the thermal power plants in the Non-Interconnected Islands. The autonomous islands are subject to a separate regulatory regime, with both Generation and Supply having been liberalised since 1999.

Both the Interconnected System and the Non-Interconnected Islands incorporate distribution networks consisting of 243,000 kilometres of medium and low voltage distribution lines, which are owned by PPC and managed by HEDNO, our currently wholly-owned subsidiary responsible for the operation, maintenance and development of the Distribution Network. An additional 1,000 kilometres of high voltage network in Attica and the Non-Interconnected Islands (including Crete) are also currently owned by PPC and managed by HEDNO. The Transmission System, which is owned and operated by our former subsidiary, IPTO, consists of approximately 12,000 kilometres of overland, underground and submarine high voltage lines.

<sup>12</sup> IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

In March 2020, the EU Target Model was launched in Greece, beginning with the implementation of the Forward Power Market, and followed, in November 2020 with the implementation of the Day-Ahead Market, the Intra-Day Market and the Balancing Market. The EU Target Model is designed to increase competition and market participation by enabling members to participate directly in the energy markets and manage their risks more effectively. It may also provide additional sources of revenue. For more detailed information on the EU Target Model and its implementation in Greece, see “*Elements of Regulatory Framework—Recent developments in the Greek electricity market—Implementation of the EU Target Model.*”

### **5.3. Our competitive strengths**

#### **Competitive strengths**

We believe that the following strengths characterise our business and will help us realise our strategic goals and reinforce our competitive position:

#### ***We are the largest utility provider in Greece***

We are the largest generator and supplier of electricity in Greece,<sup>13</sup> as well as the currently sole shareholder, and, post completion of the sale of a 49.0% stake in HEDNO, the controlling shareholder of the sole owner and operator of the Distribution Network. We brought electricity to Greek cities, towns and villages almost 70 years ago through the first programme of national electrification and since then, and despite many challenges, we have remained one of the most recognised corporate brands in the country and are highly recognised in Greece for our role in energy generation, distribution and supply. In the six-month period ended 30 June 2021, we supplied electricity to 64.9%<sup>14</sup> of end-customers in Greece, while producing 49.2%<sup>15</sup> of all electricity generated in the country. Our subsidiary, HEDNO, operates and, following completion of the Hive-Down of our distribution assets to HEDNO, will own 100.0% of the Greek medium and low voltage Distribution Network, with approximately 243,000 kilometres of high, medium and low voltage distribution lines that provide electricity throughout the country. We believe our leading market position, as well as our unique role as the largest vertically integrated electric utility provider in Greece, provide us with key competitive advantages vis-à-vis existing and potential competitors across the electricity value chain.

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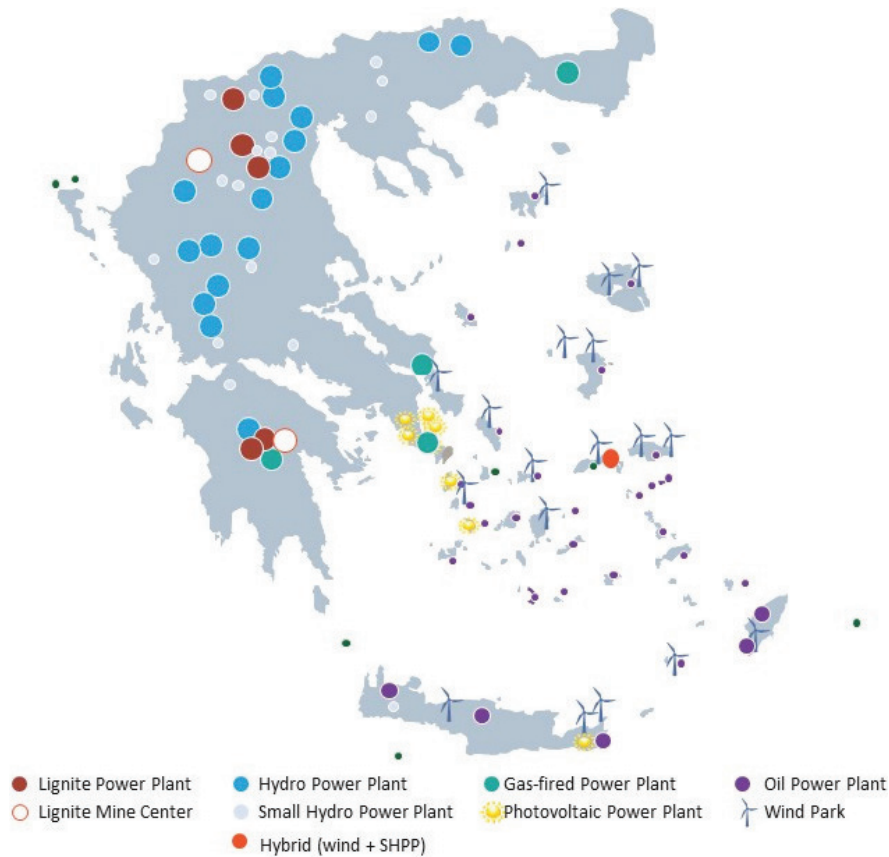
<sup>13</sup> Source: IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

<sup>14</sup> Source: Internal data.

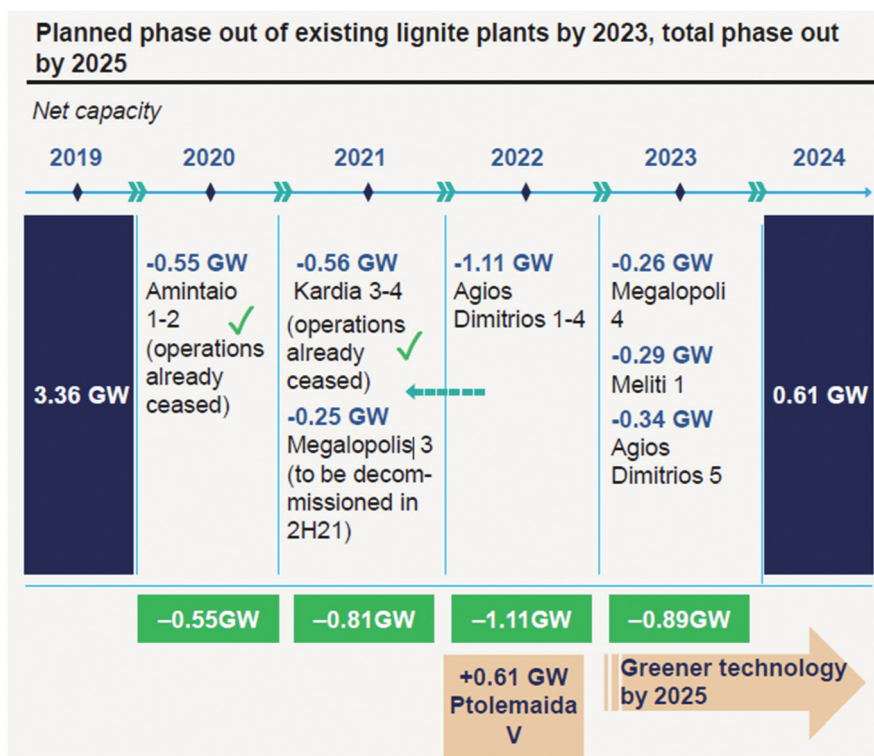
<sup>15</sup> Source: Internal data.



Our generation business consists of a diverse portfolio of conventional lignite-fired (2.5 GW), gas-fired (2.7 GW) and oil-fired (1.9 GW) thermal power plants, hydroelectric power plants (3.2 GW) and renewable energy facilities (0.1 GW (excluding PPC Renewables' participation in joint ventures)), accounting for 48.6% of the total installed capacity in Greece as at 30 June 2021. Our current power plant portfolio consists of 61 conventional thermal and hydropower plants and 64 renewable energy stations, with a total installed capacity of 10.4 GW as at 30 June 2021, which produced 12.0 TWh for the six months ended 30 June 2021. While we have the largest generation asset base in the country with a well-diversified energy mix, we are now also focusing on energy efficiency and carbon footprint reduction. The following map illustrates the geographic locations in which we operate thermal, hydropower and renewable energy plants in Greece.



We have embarked on an accelerated lignite decommissioning plan, aiming to shut down all of our existing lignite plants by 2023, with a complete exit envisaged by 2025. We believe this is the fastest lignite phase-out programme in Europe and the plan is critical to the Greek government’s vision set out in the NECP, ratified by the Greek government and officially submitted to the European Commission in December 2019. Concurrently with the closure of all of our existing lignite units, we will commence a gradual shut down of all of our mines by 2023, except the South Field mine which will continue to serve Ptolemaida V until 2025. We envisage that the Ptolemaida V plant will be converted from lignite to a less carbon-intensive technology (such as natural gas, biomass, or a combination of low carbon-emitting fuels) by 2025 depending on market conditions, prices and regulation. The table below illustrates the timeline of our decommissioning plan for our lignite-fired units.



Source: Internal data.

In addition to our accelerated lignite decommissioning plan, as shown in the table above, we also have a strong pipeline for building out our renewable energy capacity, which we believe is the fastest growing renewable generation platform in Greece. We believe we have a competitive advantage compared to other domestic and international market participants due to (i) our ability to use our existing infrastructure, (ii) our vast existing land ownership that is well-suited for wind and photovoltaic projects and (iii) our strong local platform, enabling procurement and administrative synergies. Furthermore, we have been successful in recent photovoltaic capacity auctions, securing highly competitive tariffs.

Our supply business provided electricity to approximately 5.9 million end-customers as at 30 June 2021 and we enjoy a 63.8% market share in the retail power market across the Interconnected System, with the next largest competitor, Mytilineos (through Protergia), at a 8.2% market share.<sup>16</sup> Our customer base is diverse, consisting of customers of various load and demand profiles and differing consumption characteristics, located throughout the Greek mainland and islands. We believe our large, diverse customer base is a strategic benefit, limiting our customer concentration risk, which further increases our competitiveness in the electricity supply market. In addition, our market position as both the largest generator and the largest supplier of electricity<sup>17</sup> provides a natural hedge against market volatility and, therefore, stability to our cash flows. Additionally, as we are no longer the Supplier of Last Resort, a role which was assigned to Elpedison as at 29 September 2020, we can operate with greater flexibility and target the most profitable segments and customers.

<sup>16</sup> Source: Hellenic Energy Exchange, Monthly Report, June 2021, *Day Ahead & Intraday Electricity Markets – Greek Bidding Zone*; p. 23, <http://www.enxgroup.gr>.

<sup>17</sup> Source: IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

Our distribution business complements our generation and supply operations, delivering attractive regulated returns that provide us with stable annual revenues and EBITDA. We currently own and operate (through HEDNO) all of the distribution lines in the Interconnected System and the Non-Interconnected Islands, comprising the Distribution Network, excluding the Crete high voltage network with an exclusive licence covering all future extensions, as well as the right of access for the installation and operation of the optical-fibre network. Our distribution business had a RAB of approximately €2.9 billion as at 31 December 2020, which, in the past, provided regulated returns at 7.0% annually (and has been approved to provide regulated returns of 6.7% annually from 2021 to 2024). As part of our ongoing transformation, we completed the bidding process for the sale of 49.0% of HEDNO's share capital as announced on 3 September 2021. Spear WTE Investments S.à r.l., member of MAM, was the highest bidder with an offer that values 49.0% of HEDNO's Enterprise Value at €2,116 million (including *pro rata* net debt of €804 million). On 1 October 2021, we entered into a share purchase agreement with MSCIF Dynami BidCo Single Member S.A., a wholly-owned subsidiary of Spear WTE Investments S.à r.l., for the sale of 49.0% of HEDNO's share capital and the Extraordinary General Meeting held on 19 October 2021 approved the transaction. As a condition precedent to the completion of the sale of 49.0% in HEDNO, we plan to transfer substantially all of our Distribution Network assets from PPC to HEDNO by way of the Hive-Down. Upon completion of the Hive-Down, HEDNO will own all of the assets and liabilities comprising the Distribution Network (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) and will continue operating the Distribution Network. HEDNO will remain our majority-owned subsidiary consolidated in our results of operations and financial accounts. We believe our distribution assets will continue to provide us with steady, attractive returns as we seek to continue growing our RAB through focused investments.

***We play a critical role in supporting Greece's energy needs and transition to a lower carbon economy***

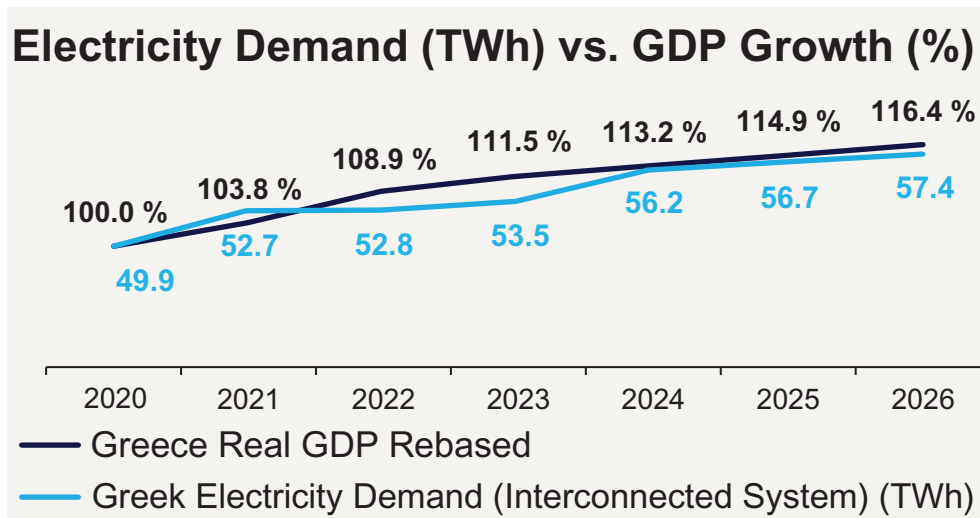
Given our clear market leading positions in generation, distribution and supply in Greece, we play a critical role in enabling Greece's delivery of a lower-carbon economy while maintaining system integrity to meet expected increased demand. The NECP was adopted by the Greek government in 2019 and sets out 2030 targets for renewable energy penetration and electrification. In particular, 2030 targets include: 55.0% of gross electricity consumption to be derived from renewables, 10.0% electrification in passenger cars, 35.0% reduction in final energy consumption versus current projections, and 63.0% reduction in GHG emissions (versus 2005). Furthermore, although our renewable energy currently represents only 0.1 GW of our capacity (excluding PPC Renewables' participation in joint ventures), as the country is targeting 19 GW by 2030,<sup>18</sup> we believe we can acquire significant market share given our accelerated RES pipeline. Greece is a net importer of electricity and over the last ten years, despite the severe drop of Greece's GDP, domestic electricity demand has proved resilient. Furthermore, the implementation of major interconnection projects will require additional renewable energy capacity and higher utilisation of gas plants, while the enhancement of cross-border interconnections and the implementation of the EU Target Model will allow for gradual price convergence with EU markets. Growing demand projections, improvements in technology, cost reduction in renewable energy projects and decommissioning of conventional generation units, such as lignite, will significantly increase the requirement for additional renewable energy capacity, storage facilities and more efficient and lower carbon-emitting gas-fired capacity, which are expected to balance the system.

We believe that Greece has large untapped potential. Notwithstanding the impact of the COVID-19 pandemic, as the economy recovers, demand for electricity is expected to consistently increase. While for the year ended 31 December 2020 electricity demand in the Interconnected System totalled 49.9 TWh, this is expected to grow to 56.2 TWh for the year ending 31 December 2024 and 57.4 TWh for the year ending 31 December 2026.<sup>19</sup> Increased demand is expected to be driven by a growth in GDP, the Cyclades interconnection and the completion of Phase I and II of the Crete connection. Additionally, by 2030 electricity demand is expected to grow by approximately 15-20% due to the

<sup>18</sup> Source: National Energy and Climate Plan (NECP) (December 2019), [https://ec.europa.eu/energy/sites/default/files/el\\_final\\_necp\\_main\\_en.pdf](https://ec.europa.eu/energy/sites/default/files/el_final_necp_main_en.pdf)

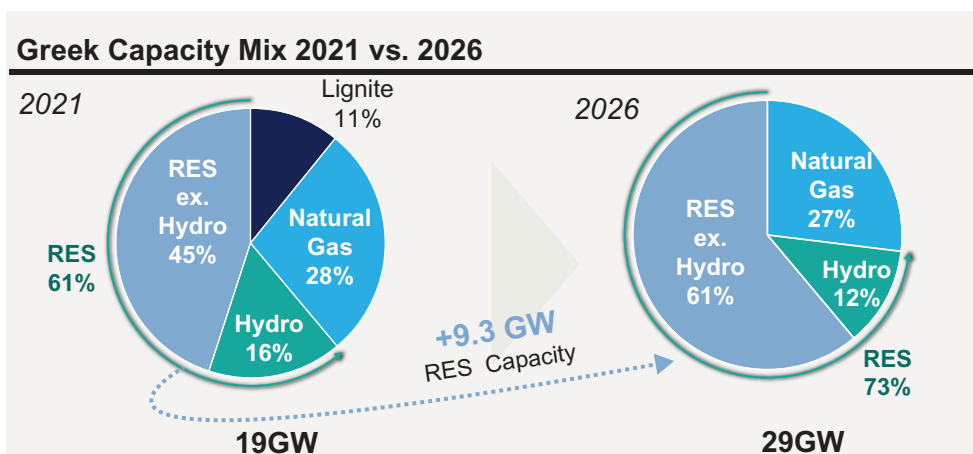
<sup>19</sup> Source: Internal data.

accelerated energy transition, which will entail higher industrial use and more widespread adoption of electric vehicles. Greece’s potential is, furthermore, underpinned by a favourable climate for renewable power generation. Such favourable conditions are especially pronounced in Greece’s potential for photovoltaic power generation and high wind speeds in certain regions.



Source: Internal data.

As Greece moves towards lower carbon electricity generation, investments in renewable energy supply, which are expected to be mainly solar, wind (both onshore and offshore), and storage facilities, as well as the increasing penetration of more efficient natural gas-fired generation, will be the key drivers for meeting the country’s targets. Photovoltaics, in particular, are expected to reach 41.0% of total renewable energy supply capacity by 2030, comprising the majority of the renewable energy supply roll-out. We believe our position as the leading Greek utility provider, including, in particular, our ability to rapidly decommission our lignite plants, to improve the efficiency of our existing thermal capacity, and to develop substantial renewable energy generation capacity, will be critical to Greece’s efforts to meet its energy generation and climate change targets. The chart below depicts the anticipated shift in capacity and generation mix for the Interconnected System from 2021 to 2026.



Source: Internal data.

As the renewable energy market in Greece is fragmented, we believe we can capture significant market share given our ambitious renewable energy growth programme of adding approximately 4.9 GW of renewable energy capacity by 2026, strong general market position, unique infrastructure base, and having been successful in securing licences and favourable tariffs in recent photovoltaic auctions.

***We are well-positioned to benefit from positive policy, regulatory and macroeconomic developments, which are already contributing to increased profitability and an improved balance sheet***

Substantially all of our business is in Greece and, as a result, Greek macroeconomic developments and political conditions directly and significantly affect our business, results of operations and

financial condition. The implementation of reform measures in recent years have promoted stability and facilitated a gradual return to economic growth, culminating in Greece's exit from the Third Economic Adjustment Programme in August 2018. Greece's economy was well positioned going into the COVID-19 pandemic, having experienced real GDP growth of approximately 1.9% per annum in 2018 and 2019. While a contraction in 2020 due to the global pandemic was in line with the European Union average, it is expected that GDP will rebound relatively quickly by 5.9% in 2021 and approximately 4.5% between 2022 and 2024. Greece is one of the largest beneficiaries of the EU recovery fund with €30.5 billion of new funding that is expected to support a strong GDP bounce-back from 2021 onwards (in addition to €40.0 billion from the EU cohesion fund). This positive trend is further illustrated by the steady decline of Greece's unemployment figures since 2013 and the Greek government's low sovereign bond yield. We believe our business is well-positioned to benefit from the substantial improvements in macroeconomic conditions and market fundamentals in recent years, despite the short-term effects of the COVID-19 pandemic.

In addition, our business and results of operations have benefitted from a number of recent regulatory and other developments and renewed support for the industry from the government since July 2019, including: (i) streamlining electricity tariffs and increasing collection efforts, (ii) repayment of outstanding PSOs charges, (iii) prepayment of the 2020 Greek State's electricity bill, (iv) our de-carbonisation plan, (v) abolition of the NOME auctions, (vi) a new regulatory framework for the Distribution Network and (vii) no longer being mandated to be the Supplier of Last Resort. We have outlined selected recent developments, including regulatory matters, many of which have been immediately EBITDA-accretive with potential further upside to improve our near- and medium-term profitability:

- *New energy supply tariffs:* As of September 2019, we were able to adjust our Low Voltage and Medium Voltage tariffs upwards in order to reflect the higher cost of electricity generation and energy purchases due to rising CO<sub>2</sub> prices. These new tariffs incorporated (i) pass-through of CO<sub>2</sub> costs to Low-Voltage customers, (ii) increased pricing for Low Voltage and Medium Voltage customers (the impact of which, to customers, was offset by lower VAT and the renewables levy charges legislated by the Greek government), and (iii) a reduced discount for timely payments (from 10.0% to 5.0%). As of 5 August 2021 our Low Voltage tariffs are indexed to the wholesale market price (replacing the CO<sub>2</sub> index currently in force), which is expected to safeguard our supply business against wholesale market price volatility. Moreover, as of 5 August 2021, we offer 30.0% discount in tariffs, provided the Market Clearing Price of the DAM is below a certain level. For more information on the recent tariff adjustments, please see *“Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses—Legal Proceedings—RAE's questions regarding low-voltage tariff adjustment mechanism.”*
- *Abolition of NOME auctions:* With Greece's contemplated transition towards the EU Target Model for the wholesale electricity market, NOME auctions were introduced in 2016 to enhance competition and reduce our market share in the supply market. The NOME auctions resulted in us having to provide independent suppliers with electricity generated by lignite and hydropower generation assets at prices below cost, which had an adverse impact on our results of operations of €156.0 million in 2019, €228.0 million in 2018 and €96.6 million in 2017. NOME auctions were abolished in October 2019.
- *Abolition of the RES charge:* At the end of 2016, an additional charge was imposed on electricity suppliers in order to cover the Renewables Special Account deficit. This had an adverse impact on our profitability over the period 2016-2019 of €479.0 million. The RES charge was abolished in January 2019. However, the Greek government has recently adopted additional measures to fund the Renewables Special Account, which recorded a deficit of €430.0 million in November 2020. Those measures resulted to additional charges of €74.3 million in 2020. For more information on these additional measures, please see *“Risk Factors—Risks related to our business—There are risks associated with the deficit in the Renewables Special Account.”*
- *Abolition of the special lignite fee:* The special lignite fee of €2.0/MWh generated from lignite-fired units, which had been imposed since 2012 and amounted to €29.7 million for 2018, was abolished as at 1 January 2019. In addition, the lignite levy of 0.5% of our annual turnover has

been abolished and replaced with a lower lignite levy of €1.4/MWh generated from lignite-fired units, the purpose of which is to support local communities in areas where lignite is extracted.

- *Implementation of EU Target Model:* In accordance with the EU Directive for domestic wholesale electricity market reform, the Greek wholesale electricity market has now transitioned to the EU Target Model as at 1 November 2020. We believe the EU Target Model will positively impact our business in several ways, including better management of our portfolio in the Day-Ahead and Intra-Day Market, improved ability to hedge customer long position, additional hedging opportunities through the Forward Market and additional revenues for units offering balancing services in the context of the Balancing Market operation. In addition, we will have more flexible trading opportunities as well as the ability to enter into bilateral power purchase agreements (“Corporate PPAs”), capitalising further on the natural hedge between generation and supply.
- *Decision no. 632/2021:* The RAE introduced certain measures that are beneficial to our distribution business unit. These include, among others, the introduction of (i) a pluriannual regulatory period (3-5 years), which creates regulatory and financial security and allows for better optimisation and planning of operations, (ii) additional premiums for projects found eligible as “projects of major importance,” a factor which encourages us to undertake long-term strategic projects, (iii) efficiency incentives for controllable operating expenses, (iv) incentives to reduce network losses, and (vii) incentives to improve the quality of service and supply standards. See “—Our business units—Distribution.”

### ***We benefit from a resilient and vertically integrated business model***

We believe the underlying strengths of our business, together with our strong competitive position in the Greek electricity market, have enabled us to achieve stable, resilient financial results, despite historical regulatory headwinds and a challenging economic environment in Greece in the past.

We are the sole distributor of electricity in Greece, covering all five regions of the country, including the islands. Our distribution business is operated by HEDNO, currently being a wholly-owned subsidiary of PPC, which is responsible for the management, operation, development and maintenance of the Distribution Network. We generate a significant portion of our EBITDA from our regulated distribution assets, which deliver stable and predictable results (which generated approximately €400.0 million Recurring EBITDA annually over 2015-2020), and contribute to the resilience of our business and the stability of our cash flows across business cycles. Specifically, our distribution business recorded a revenue CAGR of 5.8% and Recurring EBITDA CAGR of 4.5% from 2015 to 2020. Our Distribution Network assets provide an attractive return established by the RAE, approved at 6.7% for the period from 2021 through 2024 on our regulated asset base of approximately €2.9 billion. The new incentive-based regulatory framework, which came into effect in January 2021, will improve cash flow visibility via the introduction of four-year regulatory periods (2021-2024 and 2025-2028). Moreover, the currently approved return is higher than that of certain Western European Distribution System Operators. Furthermore, the new regulatory framework, will give HEDNO significant control over the submission of its proposal for allowed revenue. We believe there are opportunities to further improve the returns on our distribution assets through targeted investments. The strong growth drivers are underpinned by planned capex catering to network modernisation, smart meters, investments required to facilitate the NECP’s objectives (including renewable energy supply and new energy solutions), and electric vehicles charging station needs.

As part of our ongoing transformation, we have successfully led the reorganisation of our Distribution Network assets and the completion of the bidding process for the sale of 49.0% of HEDNO’s share capital, our wholly-owned subsidiary that operates our Distribution Network. Spear WTE Investments S.à r.l., a member of MAM, was the highest bidder with an offer that values 49.0% of HEDNO’s Enterprise Value at €2,116 million (including *pro rata* net debt of €804 million). On 1 October 2021, we entered into a share purchase agreement with MSCIF Dynami BidCo Single Member S.A., a wholly-owned subsidiary of Spear WTE Investments S.à r.l., for the sale of 49.0% of HEDNO’s share capital and the Extraordinary General Meeting held on 19 October 2021 approved the transaction. The initial purchase price of €1,312 million is subject to a completion accounts price adjustment mechanism (see “*Material Contracts—Share purchase agreement*”). The offer reflects a

valuation to RAB of 151%. The sale process was launched in December 2020 with the publication of a request for expressions of interest from bidders. Notwithstanding, HEDNO will remain a subsidiary of PPC. As we will retain the majority stake, we will continue consolidating HEDNO into our accounts, while HEDNO will continue to control its operations and make capital structure decisions after consultation with the joint venture partner. For further information on the impact of this transaction on our financial reporting, see “*Trend Information—Sale of a 49.0% stake in HEDNO.*”

Given the vertical integration of generation and supply, we are naturally hedged in that we generate electricity on one side that will be delivered to cover customer demand on the other side. While we are still subject to Article 135 of Law 4389/2016, which provides that NOME is purported to reduce our supply market share to less than 50.0%, by the end of 2019, significant progress has been made toward achieving this target. Our generation market share has been reduced, also pursuant to EU regulations and Greek legislation, more quickly than our supply market share in the past, leaving us with a short position in generation and a long position in supply. We actively manage our supply market share reduction in order to minimise our exposure to wholesale market price volatility. With the implementation of the EU Target Model, we are now able to use bilateral agreements and other market tools in order to hedge our long position in supply, which we believe will enable us to more effectively manage our transition into a more competitive market participant for both electricity supply and generation. Additionally, as we are no longer the Supplier of Last Resort in Greece since 29 September 2020, we have more flexibility in focusing on higher margin customers with customer management and retention levers in place while further being able to reduce our supply market share in a controlled manner.

Overall, we have experienced a relatively limited impact from the COVID-19 pandemic on our operations due to the vertically integrated nature of our business. First and foremost, we made our workers’ and customers’ safety a top priority. With respect to personnel, we fully adopted and implemented the Greek government’s guidelines to safeguard the health and safety of employees. We also made a provision for personal protective equipment and took actions to enable disinfection of the workplace, among other things. We accelerated the rollout of digital transformation related projects (such as video conferencing, digital signing, and VPN access for employees) to increase the capacity of remote work. In order to guarantee the power supply, our power plants and mines have been operating with the minimum personnel required. With respect to customers, we promoted and expanded electronic and phone services. We also took tariff measures for the financial relief of customers, especially vulnerable customers. Since the beginning of the pandemic in March 2020, we continued to see resilience in our business, not least through experiencing a positive impact on our cost base from lower liquefied natural gas (“LNG”) prices and lower wholesale market prices. We have also seen a gradual correction since mid-April 2020 of the collections of receivables slowdown recorded in March 2020 due to the COVID-19 pandemic and on 29 June 2021, we proceeded to the closing of the securitisation facility of 90 days past due receivables. Finally, we enjoyed the continued support of our banking partners, even during the COVID-19 pandemic. On 31 July 2020, we secured a €160.0 million loan facility from the EBRD to support our operations and signed a new EIB loan for distribution capital expenditure, both of which underscore our strong banking relationships and our business as usual focus on further development.

***We are an experienced market player, with a strong senior management team and highly qualified personnel***

We are the largest vertically integrated utility provider operating throughout the electricity value chain in Greece with operations in both the mainland and the Non-Interconnected Islands.<sup>18</sup> Consequently, our senior management team and our key employees possess extensive expertise in all segments of the electricity sector, and have developed skills, systems and procedures for the management of a complex, integrated utility company. In particular, because of our history, our operating footprint across Greece and our position in the Greek electricity market, our employees are highly qualified and have valuable expertise in the planning, construction, operation and management of conventional generation, such as lignite, gas, oil and hydropower assets, and renewable generation assets in Greece. A senior management team with extensive experience at European and global organisations, led by Georgios Stassis (Chairman and CEO), has been in place since August 2019 and has put a strong emphasis on profitability and transforming PPC into a sustainable and modern utility

<sup>18</sup> Source: IPTO, Monthly Energy Report (June 2021), <https://www.admie.gr/agora/enimerotika-deltia/miniaia-deltia-energeias>.

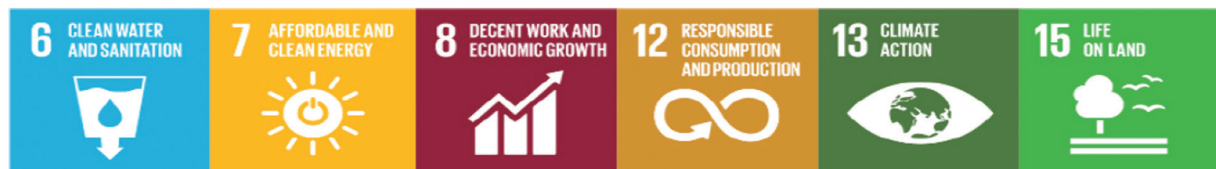
provider. Coupled with enhanced corporate governance, our strong, refreshed industry-leading team, with a wealth of experience both within PPC and across the market, is well-positioned to successfully implement our revamped strategy initially unveiled in December 2019.

### ***We have a strong commitment to ESG principles***

We were one of the first Greek market participants to branch into renewable energy generation in 1998. However, for the past 20 years, we focused on security of power supply and moving Greece towards energy self-sufficiency through leveraging local and, at the time, cheaper natural resources such as lignite, rather than pursuing further RES development. Since the announcement of our strategic plan in late 2019, we have been focusing on our transition into an environmentally sustainable utility provider by leveraging renewable energy supply technology and the nation's bountiful solar and wind energy resources.

We are pursuing a sustainable growth business model that will generate value for all stakeholders. With that in mind, climate action is at the heart of our transformation. We are on track to reduce lignite generation going from 10.4 TWh in 2019 to 1.5 TWh in 2024, while increasing generation from renewable energy sources (in TWh) and curtailing CO<sub>2</sub> emissions (in tonnes) in the Interconnected System and the Non-Interconnected Islands from 23.1 Mt in 2019 to 5.0 Mt in 2024. In addition, in accordance with our Sustainability Performance Target, we aim to reduce our Scope 1 CO<sub>2</sub> emissions by 40.0% by 31 December 2022 and by 57.0% by 31 December 2023, compared to the baseline as at 31 December 2019, throughout both the Interconnected System and the Non-Interconnected Islands.

Additionally, we are following six major sustainable development goals:



In this regard, we have contributed 1.803km<sup>3</sup> of clean water for irrigation, 3.2 GW installed capacity through hydroelectric plants, 0.2 GW of installed capacity for RES and restored 45,550 acres of land in the Ptolemaida and Amyntaio mines, while 93.0% of our total electricity output is generated from power plants with certified environmental management systems and we have reduced our CO<sub>2</sub> emissions by 29.2% since 1990. Furthermore, we have contributed to inclusive economic development by maintaining a (non-technical and labour) workforce that consists of 51% women, and have provided 51,677 hours of training. Additionally, we have contributed to responsible consumption by educating 18,266 children on sustainable energy and environmental protection and by providing approximately 6,000,000 of our customers with leaflets on how to save energy.

We are executing a clear plan to become a modern, green power utility provider. We are not only helping via increased renewable energy production but also by educating our workforce and the Greek population to move towards a more sustainable ecosystem. Our contribution across the sustainable development goals is as follows:

- focusing on health and safety issues;
- contributing to our community well-being;
- putting emphasis on our employees' training and professional development;
- promoting innovation, digitalisation and quality for our customers;
- investing in our network to reduce losses, improving penetration of renewables and smart metering;
- encouraging the development of e-mobility in Greece; and
- improving governance and transparency for our stakeholders.



We have also focused on updating our corporate governance. Law 4643/2019, which was enacted at the end of 2019, allowed us to partly disengage ourselves from the Greek State to a considerable extent, providing greater operational flexibility. This new law led to (i) the introduction of incentives to attract executives from the market (enabling us to hire outside of PPC for senior executive positions), (ii) more flexible hiring and salary setting processes, (iii) greater flexibility in procurement, and (iv) the reinforcement of the Audit Committee, which is also responsible for the monitoring of our procurement policy. With that, we initiated adjustments to our organisational structure and Board of Directors. Our executive governance and key processes, including strategic planning, budgeting and procurement, are on track to be in line with international best practices.

#### **5.4. Our strategy**

On 23 September 2021, we announced our updated strategic business plan to transform PPC into an environmentally sustainable, modern, and cutting-edge utility provider, which was further revised on 29 October 2021 as set forth in this Prospectus. Our key strategic objectives per this updated plan are the following:

##### ***Focus on becoming an environmentally sustainable, modern utility provider while retaining our leading role in the Greek energy market***

Our strategic business plan aims to transform PPC into an environmentally sustainable, modern and cutting edge utility provider, while safeguarding the resilience of our generation assets and Distribution Network and retaining our leading role in the Greek energy market through an €9.3 billion capital expenditure plan through 2026, and a parallel reduction in conventional generation capital expenditure, which we estimate will decrease from €218.4 million in the year ending 31 December 2021 to approximately €23.0 million in the year ending 31 December 2026. By contrast, we estimate that capital expenditure relating to the development of our RES pipeline in Greece will reach approximately €2,300.0 million for the period 2022-2024, and €3,878.0 million for the period 2022-2026. We further estimate that capital expenditure relating to the development of RES projects internationally will reach approximately €920.0 million for the period 2022-2024, and €1,210.0 million for the period 2022-2026. To that end, we have revamped our strategy to focus our near to medium-term capital investments on low-risk, sustainable activities, including in particular accelerating the phase-out of our lignite fired units, expanding our renewable energy generation capacity, improving digitalisation and operational efficiency, refreshing our retail strategy to bring customers front and centre, and supporting and improving our Distribution Network.

As lignite is becoming less relevant, both for Greece and for our business, renewable energy sources are becoming more cost-competitive and supplanting conventional energy sources. The Greek renewable energy industry is highly fragmented, with no clear market leader. We aim to exploit this opportunity and take advantage of our position as the fastest growing renewables platform in Greece. We intend to implement our “Green-Deal” in generation and increase our renewable energy capacity by adding approximately 1.3 GW and 1.1 GW of incremental renewable energy by 2024 and 2025, respectively.

European regulations and incentives have spurred considerable growth in renewable energy capacity. This, in turn, has contributed to a significant reduction in construction costs for new-build renewable projects. As a result, renewable energy is expected to become the most cost-competitive technology for new generation capacity in the near term. We intend to capitalise on the opportunities presented by these developments by aggressively expanding our generation capacity, mainly through new construction of wind parks and photovoltaic sites. Our strong pipeline allows for doubling our installed capacity within 18 months. We have a competitive advantage in that we can leverage existing sites and have projects under development in areas with existing interconnection infrastructure. We may also strategically pursue opportunities to reduce or share up-front capital expenditure and development costs, including joint ventures and the allocation of properties that we already own for future development or regeneration. We have signed Memoranda of Understanding with important global market participants such as RWE AG, EDP Renovaveis, Masdar and Taaleri, and will be participating in upcoming capacity auctions. Expanding our renewable generation capacity will not only enable us to generate stable and sustainable cash flow from these assets, but will also help us to satisfy climate change targets and reduce CO<sub>2</sub> emissions.

Outside of Greece, there is an opportunity for PPC to undertake a strategic expansion in adjacent markets from which PPC is already importing, and would otherwise continue to do so. Greece is a net importer of electricity, with NECP projections indicating that Greece is likely to remain a net importer, but at significantly lower amounts than in the recent past. RES capacity across Europe has grown by approximately 7% annually in the last decade, from approximately 290 GW in 2007 to approximately 580 GW in 2017, primarily driven by the most mature western countries. RES capacity in south eastern Europe is expected to follow a similar trend by 2030, driven by energy transition targets and remuneration schemes, which presents an opportunity for PPC. Key markets, such as Bulgaria and Romania, also benefit from attractive interconnections with Greece.

PPC will also explore opportunities in new activities, including electric vehicles and telecommunications. Significant growth is expected in electric vehicles penetration per the NECP, with electric vehicles sales to represent more than 30.0% of total passenger car sales by 2030. PPC will target to become the leading full-fledged charge point operator and electric vehicles services provider in Greece, and to have established more than 10,000 charging stations across the country in the medium term. In addition, PPC will aim to invest in optical-fibre cable business, targeting to create a base of approximately 1.0 million customers with revenues of approximately €120.0 million by 2030.

***Invest in digitalisation and operational efficiency initiatives to further increase profitability and strengthen our balance sheet***

We intend to capture cost and revenue efficiencies by applying new technologies across all areas, especially in grids, to enhance the return of our investments. In addition, we continue to focus on receivables collection efforts with targeted campaigns, settlements and securitisation facilities.

In addition to accelerating the phase-out of our lignite generation assets, we are also exploring opportunities for cost savings and efficiencies with further operational improvements. We plan to improve profitability and cash flow generation by actively managing our existing power plant portfolio, achieving additional efficiencies in our cost base and exploring opportunities to monetise non-core assets. We expect to do so by focusing on increasing thermal efficiency, decreasing fuel costs, and decreasing carbon emissions and relevant costs by upgrading older gas-fired plants, exploring conversion from lignite to gas, digitalisation, and centralisation of procurement for cost reductions. In particular, we expect the accelerated decommissioning of our lignite portfolio will increase profitability rapidly given the lack of competitiveness of our existing lignite portfolio.

Improving and supporting our Distribution Network is another key part of our strategic plan. Our distribution assets generate stable, regulated returns that improve our cash flow visibility and add stability to our results. We see an opportunity to leverage these network assets to generate incremental EBITDA. Identified capital projects include network quality enhancements, grid enhancement for higher renewable capacity penetration, satisfying demand for private lines and accelerating the roll-out of smart metering, which we expect could contribute to EBITDA growth through a combination of operating expense savings and incremental revenue streams. Smart meters are also expected to help combat future payment delays and track non-paying customers in an automated manner.

The development plan for our Distribution Network, which includes €1,880.0 million in capital expenditure from 2022 to 2026, is expected to provide an EBITDA uplift by the end of the same period. Furthermore, we are targeting to achieve operating expense efficiencies across the HEDNO cost base by 2028, including payroll, repairs and maintenance, and materials and consumables. The capital expenditure at HEDNO are expected to be self-funded with cash from operations (including through customer contributions) and debt incurred by HEDNO. We believe these strategic investments in HEDNO will increase the RAB to approximately €3.3 billion by 2026. See “—Our transformation strategy and five-year business plan” and “Profit Forecasts.”

The Greek economic crisis and prolonged recession earlier in the last decade negatively affected our ability to collect electricity bills in a timely manner, with our stock of arrears more than doubling between 2013 and 2017, reaching a high point in 2017 at €3.1 billion. We have implemented a series of initiatives, including settlement programmes, discounts for timely payment and prepaid accounts, which, together with improving macroeconomic conditions, have begun to stabilise and steadily improve our collection efforts. We have intensified and expanded our collections and settlement efforts, including the development of a long-term strategy to better monitor, manage and settle unpaid bills going forward.

We have engaged external advice and support, as well as developed in-house expertise, focusing on the following key elements of our collections strategy: behavioural segmentation and advanced analytics (to improve our ability to identify and monitor our customers' payment histories and payment abilities); product design (to tailor payment plans, down payments and payment schedules appropriately for each customer segment); contact strategy (to define specific strategies and scripts for communicating with each customer segment); developing targets, monitoring techniques and incentive schemes (to provide regular performance indicators and incentivise payment and settlement); and developing a communications strategy. In connection with these efforts, we engaged Qualco to develop a debt management strategy, to design a programme for managing unpaid and overdue bills, to study financing opportunities, to design an implementation framework and to take over the management of a selected customer segment with overdue debts.

On 6 August 2020, we established an asset-backed conduit securitisation in respect of our performing consumer and corporate energy receivables up to 60 days past due. See "*Material Contracts—Performing Receivables Securitisation*." On 9 April 2021, we also established an asset-backed securitisation in respect of our non-performing consumer and corporate energy receivables over 90 days past due. As at 30 June 2021, our securitised non-performing receivables after expected credit losses in respect of our receivables over 90 days past due from Low Voltage customers equal to €161.7 million. Both transactions are inherently complex, and we believe their successful implementation underscores the confidence of all investors in our strategy and its execution, especially with respect to receivables collection.

Finally, we are also reviewing our central and support functions with a view toward streamlining and modernising our organisational structure and corporate overhead. We estimate that operational efficiencies in central and support functions could enable us to achieve significant operating expense savings, while at the same time modernising our organisational structure and support functions. We also expect to deliver cost savings by reducing our payroll through natural attrition and by giving incentives for early retirement to our employees. We have already implemented two voluntary exit programmes and we are currently in the process of implementing a third voluntary exit programme, for exits to be effected at the end of 2021.

To this end, we have also appointed two dedicated board members/deputy-CEOs, George Karakousis and Alexander Paterakis, to oversee the supply and digital division transformations, respectively.

***Execute our refreshed go-to-market strategy, with a focus on customer-centricity, service and profitability***

We are pursuing areas of additional growth through "customer-centricity" with the repositioning of our supply retail business. We are redefining our go-to-market approach, focusing on our high-value customers and further expanding our product portfolio with the introduction of new value-added services and new business areas, such as e-mobility.

As part of this effort, we are breaking down customers into target segments, focusing on retaining higher priority customer segments, while de-prioritising less attractive segments. We are also repositioning and modernising our brand, emphasising our reliability and social responsibility as a critical player in the Greek electricity market and the country and on 5 October 2020, we presented our new corporate identity. In order to retain or attract high value customers, we are exploring partnerships to sell new and complementary products, including energy efficiency services, smart heating and loyalty cards, while also modernising our physical branches. We are, furthermore, expanding our retail appeal by including a natural gas offering together with electricity. Currently, we are participating as a member of a consortium in the public tender for the 100.0% stake sale in DEPA Commercial, which is the largest gas supply company in the country (currently jointly owned by the Hellenic Republic through the HRADF and Hellenic Petroleum). Additionally, as part of our digitalisation effort, we are seeking to enhance our customer care by offering higher priority to customers in more attractive market segments, as well as by increasing the usage of electronic invoices. The latter of the above is envisaged to serve a dual purpose, as, besides improving customer experience, the migration of transactions from physical to digital channels also improves our organisational efficiency.

## *Explore opportunities in new activities by investing in the electric vehicle and optical-fibre cable markets*

We see significant opportunities in the increased electrification in the effort to decarbonise the overall economy. E-mobility constitutes a top priority with a medium term target to have established more than 10,000 charging stations across the country. We are at the forefront of this ambitious project. We are also exploring the use of our infrastructure and assets to expand into complementary lines of business, including telecommunications. We are evaluating the further development of our existing optical-fibre cable infrastructure on the Distribution Network (which will remain under the ownership of PPC and carved out from our transfer of the Distribution Network to HEDNO as part of the Hive-Down). In executing this investment, we would make use of our existing easements and rights of way, with a view toward developing a wholesale network service offering. We are currently planning a pilot project during the second half of 2021, which, if successful, could lead to a more extensive network roll-out beginning in 2022.

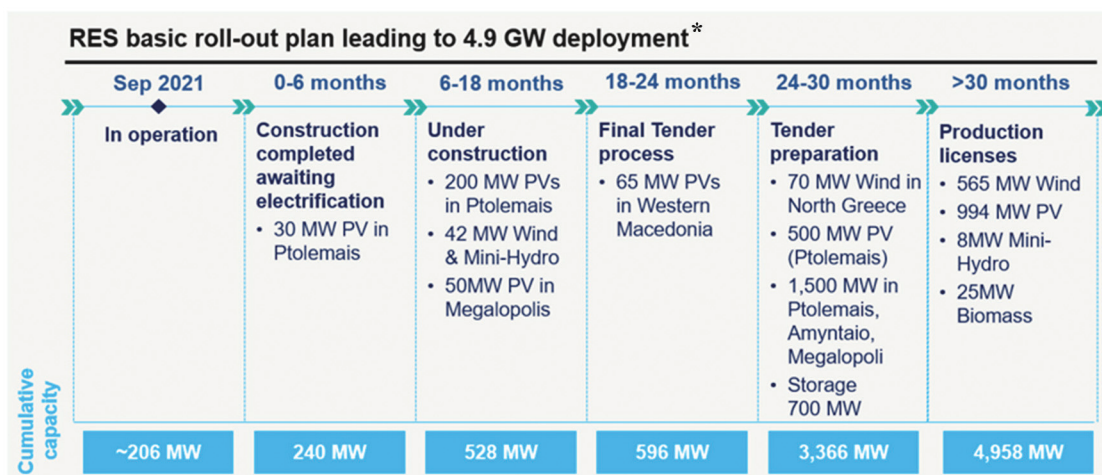
### **5.5. Our transformation strategy and five-year business plan**

On 23 September 2021, we announced our updated strategic business plan to transform PPC into an environmentally sustainable, modern and cutting-edge utility provider, which was further revised on 29 October 2021 as set forth in this Prospectus. Pursuant to this plan, we are targeting Recurring EBITDA of €1.7 billion for the financial year ending 31 December 2026, with our net leverage ratio in the range of 3.0x to 3.5x at such time (compared to 3.2x as at 30 June 2021). Moreover, our total capital expenditure for the period 2022-2026 are targeted to be approximately €9.3 billion, of which we intend to invest €6.0 billion cumulatively during the next three years, which we intend to allocate as follows: (i) approximately €3.2 billion 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; (ii) approximately €1.0 billion for capital expenditures on our distribution business unit through 2024, with particular focus on network development, network automation, market facilitation and the provision of better customer service; and (iii) approximately €1.7 billion for capital expenditures through 2024 on conventional power generation, our supply business unit, the construction of a waste-to-energy plant, digitalisation, telecommunications and electric vehicle charge-points.

We plan to transform our **generation business** over the next five years by (i) decommissioning all of our existing lignite generation capacity and (ii) limiting capital expenditure on conventional generation to redeploy resources toward renewables and regulated distribution assets. We aim to shut down all of our existing lignite plants by 2023, with a complete exit envisaged by 2025. In doing so, we are targeting a reduction of total lignite-generated net capacity from 2.25 GW at present to 0.61 GW by 2024 and none by 2025, subject to the conversion of the South Field in Ptolemaida V. More generally, we plan on redirecting much of the capital expenditure currently committed to conventional generation towards RES. For instance, while for the year ending 31 December 2021, we expect to commit capital expenditure of €218.4 million in conventional generation, we are targeting a 90.0% reduction of this figure by the year ending 31 December 2026, to €23.0 million. This redeployment is also illustrated by the fact that, while investment in RES is targeted to comprise 55.0% of our total €9.3 billion capital expenditure between 2022 and 2026, we aim to commit only 7% of that to conventional energy generation.

In our **renewable energy business**, we plan to focus on (i) increasing RES capacity to 7.2 GW by 2024 and 9.5 GW by 2026 and (ii) investing approximately €5.1 billion in capital expenditure for RES projects between 2022 and 2026, of which we intend to deploy €3.2 billion between 2022 and 2024. We have a project pipeline of approximately 10.0 GW. As we have already secured a guaranteed grid connection for approximately 3.0 GW of this pipeline by 2024, we believe we are well-positioned to execute our accelerated RES capacity build-out. This is also supported by our extensive land ownership, our strong expertise in the planning, construction, operation and management of renewable generation assets, our access and ability to enter into intra-group Corporate PPAs, our existing large scale critical infrastructure and Greece's favourable geography. Moreover, due to the increasing availability of ESG funding and the positive profitability profile, which we enjoy in relation to our RES-related activities, we do not need to rely on subsidies to execute this plan.

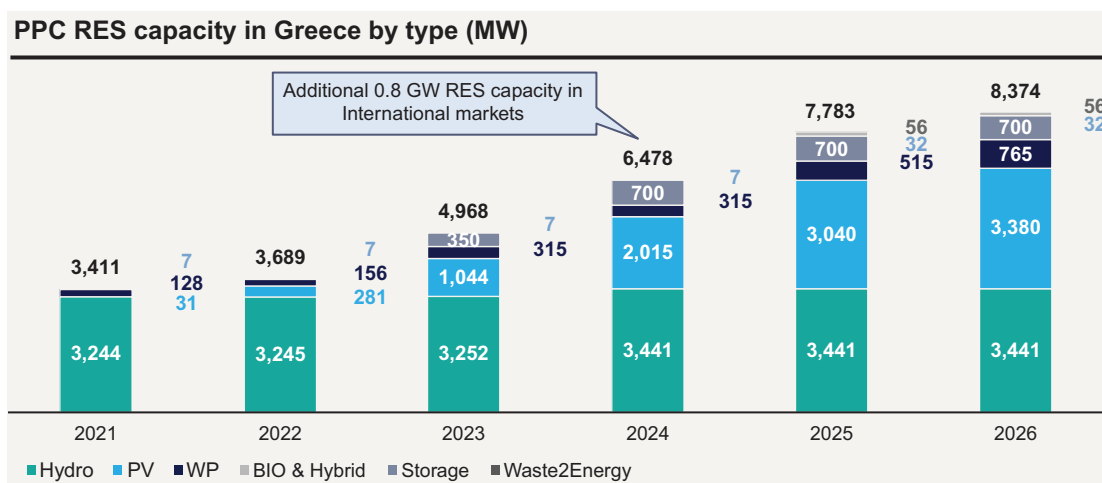
By 2026, we are planning to add 4.9 GW of RES capacity in Greece alone. Our timeline to achieve this is set out below.



\* This graphic only includes RES projects and small hydroelectric power plants. See “—Investments—Current investments.”

Source: Internal data.

From the total 9.5 GW in installed RES capacity that we are targeting to achieve by 2026 (including approximately 8.3 GW in Greece and 1.1 GW of international renewables capacity), the majority is expected to come from solar installations (representing an incremental 3.4 GW).



Source: Internal data.

Renewables are set to comprise the most significant component of our accelerated capital expenditure increase and are targeted to account for approximately 55.0% of our total capital expenditure for the period between 2022 and 2026. Through this accelerated RES build-up, we are aiming for Renewables to comprise 36.0% and 39.0% of our Recurring EBITDA by 2024 and 2026, respectively.

More generally, we are planning to accelerate our capital expenditure in the short term and subsequently sustain it at high levels in the long term. The targeted acceleration is set to peak in 2024, at approximately €2.5 billion before stabilising at a lower level. Through this pipeline, we are targeting an internal rate of return of 6.0-8.0% for Renewables, with this rate increasing to 10.0-13.0% when taking into account the synergies associated with vertical integration, our strong end-customer access and the fact that energy generated outside Greece will come at a lower cost. On average, the wholesale market price of power in neighbouring countries is approximately 18.0% lower than in Greece.

Over the next five years, we are planning on expanding our generation and supply business units in Romania and Bulgaria. Driven by energy transition targets and remuneration schemes, RES capacity

in the Romanian and Bulgarian markets is expected to have a growth rate of approximately 8.0% and 15.0% per annum, respectively, by 2030. Moreover, by 2030, Romania is expected to undergo an increase in capacity by approximately 6.0 GW, while that figure for Bulgaria is 3.0 GW. Such international expansion is made significantly more attractive by the interconnection between the Greek, Bulgarian and Romanian grids in the form of well-developed distribution infrastructure.

In addition, we are aiming to spearhead the adoption of electric vehicles in Greece and aspire to establish more than 10,000 charging stations across the country in the medium term. In doing so, we are seeking to tap into the significant opportunities presented by the drive towards increased electrification and the efforts being made to decarbonise the overall economy. In entering this market segment, we are aiming to invest a total of approximately €110.0 million by 2030 and targeting a run-rate EBITDA of approximately €50.0 million by that time.

We also intend to expand our operations into telecommunications and the further development of optical-fibre infrastructure. By committing approximately €680.0 million of investments between 2022 and 2026, we aim to leverage our existing infrastructure for the low-cost, rapid deployment of a nationwide optical-fibre infrastructure platform and become the leading national wholesale provider of access to optical-fibre and high-speed data connections to households and businesses across Greece. By 2030, we are targeting a customer base of approximately 1.0 million people, revenues of approximately €120.0 million and a run-rate EBITDA of approximately €100.0 million.

Our targeted transformation and business plan depends on a variety of factors, some of which are outside of our control. See *“Risk Factors—Risk factors related to our business—We may not be able to raise the entire amount of the Share Capital Increase through the Combined Offering and this may have an adverse impact on our planned transformation and business plan, our business, financial condition and results of operations.”*

For additional information on the preparation and presentation of our financial performance targets and other forward-looking statements that may be deemed to be profit forecasts under the Prospectus Regulation, see *“Profit Forecasts.”*

## **5.6. Historical Background**

PPC was established in 1950 in Greece as a state-owned and managed corporation to provide electricity generation, transmission and distribution throughout Greece and to maximise the exploitation of locally sourced energy resources, namely lignite and hydropower, for the supply of electricity to end-consumers at affordable prices. PPC commenced operations in 1953 by generating and selling electricity to existing private and municipal electricity companies for supply to consumers. From 1957 to 1963, PPC consolidated the Greek electricity industry by acquiring these private and municipal companies. During this period, we demonstrated a successful track record of operations and investments and developed highly valuable knowledge and knowhow, both technical and managerial.

In 2001, as part of the liberalisation of the Greek electricity market, PPC transformed into a *société anonyme*, wholly owned by the Hellenic Republic. In December 2001, the Hellenic Republic reduced its shareholding in PPC through an initial public offering and PPC’s shares were listed on the Athens Stock Exchange (ATHEX). The Hellenic Republic further reduced its stake in PPC through secondary offerings in December 2002 and October 2003. As at 30 June 2021, the Hellenic Republic held 51.12% of PPC’s share capital (through the Hellenic Republic Asset Development Fund and Hellenic Corporation of Assets and Participations S.A.).

In December 2020, we announced our new strategic plan to transition PPC into an environmentally sustainable, modern utility provider, which will leverage renewable energy technology to capture Greece’s abundant solar and wind energy resources. By 2023, we plan to have completed the phase-out of our existing lignite-fired generation plants, while at the same time investing in new renewable energy capacity, upgrades to our Distribution Network, digitalisation and operational efficiency and a modern, customer-centric retail offering.

## **5.7. Our business units**

Our operations are conducted through the following: our Generation business unit (which operates our conventional power generation facilities, including large hydropower plants), our subsidiary, PPC

Renewables (which owns and operates our solar, wind, small hydropower and other renewable energy assets), our Supply business unit (which operates our energy supply and other retail businesses) and our subsidiary, HEDNO (which operates the Distribution Network in Greece).

## **Generation**

### *Overview*

We operate the largest conventional generation fleet in Greece, with 48.0%<sup>21</sup> market share covered by our diversified gas, lignite, oil and hydropower facilities compared to the total generation installed capacity in Greece as at 30 June 2021. Our generation business unit operates our conventional generation facilities to produce electricity in the Interconnected System and is the sole conventional power generator in the Non-Interconnected Islands. This business unit is also responsible for developing and operating new thermal and large hydropower plants, as well as maintaining and upgrading our existing conventional generation facilities.

As at 30 June 2021, we operated four lignite-fired power plants, 37 oil-fired power plants in the Interconnected and Non-Interconnected Islands, with four used as Cold Reserve Units to provide back-up capacity in the Interconnected Islands, four natural gas-fired power plants and 16 large hydropower plants. Two of our power plants are both oil and natural gas-fired. In the Non-Interconnected Islands, we own all of the thermal power plants and PPC Renewables owns a number of wind and photovoltaic parks.

As at 30 June 2021, the total installed conventional generating capacity of our power plants was 10.3 GW, of which 24.6% was lignite-fired, 30.9% hydropower, 26.2% natural gas and 18.3% liquid-fuel based (primarily in the Non-Interconnected/Interconnected Islands).

In accordance with the NECP, we are in the process of decommissioning all of our existing lignite-fired generation capacity by 2023 (with only our highly-efficient Ptolemaida V facility, currently under construction, which will begin operations in 2022, operating on lignite initially before transitioning to a less carbon-intensive fuel source, such as natural gas, biomass, or a combination of low carbon-emitting fuels, by 2025, depending on market conditions, prices and regulations), while substantially increasing our renewable generation capacity during the same period. We believe this represents the fastest lignite phase-out programme in Europe, which, together with substantial investments to develop new renewable energy facilities and increase the thermal efficiency of our existing gas-fired generation plants, will significantly reduce our carbon footprint and CO<sub>2</sub> emissions costs and contribute towards the achievement of Greece's climate targets.

By 2026, we expect to have significantly transformed our generation capacity mix toward lower carbon intensive technologies, with approximately 62.5% of our power generation capacity anticipated to be derived from zero carbon emission technologies.

### *Generation (Production)*

During the six-month period ended 30 June 2021, we generated 11.9 TWh of electricity from our conventional units, of which 23.3% was generated by lignite facilities, 37.8% by natural gas, 23.5% by hydropower and 15.3% by liquid-fuel based.

*Natural Gas.* Our natural gas-fired plants are now used for “base load” electricity generation, meaning that they are continuously operated to satisfy a level of constant electricity demand. These are highly flexible units that may provide balancing services to the System and obtain relevant compensation from the Balancing Market.

*Lignite.* Our lignite-fired power plants were historically used for “base load,” as they had relatively low per unit fuel costs and a captive fuel supply from our mines, which made their operation throughout the day economically efficient and not subject to variations in fuel costs or weather conditions (unlike natural gas-fired power plants or hydropower plants). However, previously low-cost lignite-fired generation has become unprofitable due to high CO<sub>2</sub> costs and climate change

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<sup>21</sup> Source: Internal data.

considerations. Accordingly, the system positioning of our lignite-fired plants has been transitioned to provide “intermediate load” electricity generation. We are in the process of decommissioning all of our existing lignite facilities by 2023. Our new Ptolemaida V facility will initially operate on lignite, before phasing out lignite generation and switching to a lower-emission fuel source by 2025, depending on market conditions, prices and regulations.

*Oil.* We play a critical role in providing electricity to the Non-Interconnected Islands by operating oil-fired power units therein, with a number of units held in cold reserve to provide back-up generation capacity in the Interconnected Islands. We do not operate any oil-fired power units in the Interconnected System and, further, we plan to retire our oil-fired power units as the Non-Interconnect Islands are gradually connected with the Interconnected System.

*Hydropower.* Due to the unpredictability of rainfall and snowfall in Greece, as well as the irrigation and water supply needs of nearby municipalities, we operate our hydropower plants as “peak-load” plants. The generating capacity provided by our hydropower plants is important in meeting peaks in demand, which may be relatively steep during summer months, with a relatively low-cost generation source. This is an important factor in managing periods of peak demand as the zero-fuel cost of operating our hydropower plants mitigates peaks in the wholesale market price. See “*Risk Factors—Risks related to our business—Our revenues and results of operations are subject to climate conditions and seasonal variations that are not within our control.*” Our hydropower plants in the Interconnected System are designed to be available for immediate response. If the generating capacity of our hydropower plants is limited, we have to rely more heavily on thermal production, mainly from natural gas-fired plants.

#### *Natural gas-fired generation*

Our natural gas-fired power plants are part of the Interconnected System. We own and operate one CCGT power plant in Komotini, two CCGT units in Keratea-Lavrio, one CCGT unit in Aliveri and one CCGT power plant in Megalopolis. Two of these CCGT plants, Aliveri 5 (427 MW) and Megalopoli 5 (832 MW), are among the most modern and efficient gas-fired units in Greece, with net efficiency of 57.8% and 58.3%, respectively. The total installed capacity of these power plants amounts to 2.7 GW, representing approximately 26.2% of our conventional installed capacity as at 30 June 2021.

The weighted average age of our natural gas-fired power plants, as at 30 June 2021, was 13.3 years, with a total expected useful life of approximately 20 years.

We have historically sourced natural gas mainly through long-term contractual arrangements with DEPA. In 2019, we adopted a strategy to diversify our sources of natural gas and develop a portfolio of suppliers in order to reduce our dependence on DEPA, and, in general, to optimise the cost of natural gas that we consume. We intend to continue to follow this strategy in 2021 and beyond, with a view toward further optimising the cost of our natural gas purchases and becoming more competitive in the Greek energy market. Currently, we are participating as a member of a consortium in the public tender for the 100.0% stake sale in DEPA Commercial, which is the largest gas supply company in Greece (currently jointly owned by the Hellenic Republic and ELPE).

#### *Hydropower generation*

Our generation business unit owns and operates 16 large hydropower plants with a total installed capacity of 3.2 GW, representing 30.9% of the Group’s total installed conventional generating capacity as at 30 June 2021.

Generation of electricity from hydropower amounted to 2.8 TWh, or 23.5%, of our total conventional electricity production for the six months ended 30 June 2021. Hydropower plants generate electricity by releasing water that is stored at a high elevation in order to drive a turbine. Two of our hydropower plants are “pumped storage” plants, meaning that at times of low wholesale electricity prices (during the early-morning off-peak hours or when RES production is very high), water is pumped from a lower reservoir to an upper reservoir for power generation usage at times of high wholesale electricity prices (during peak hours).



Our average annual hydroelectricity production over the past three years was approximately 4.0 TWh; however, this varies from year to year depending on annual levels of rainfall and snowfall. We are required by law to maintain certain minimum levels in our reservoirs for use in irrigation or municipal water supply needs; however, these levels have not historically limited our ability to operate our hydropower plants. Hydropower plants generally require lower levels of maintenance and staffing than other types of power plants. Hydropower plants are the most flexible units in the System and this flexibility is key to the provision of balancing services and the earning of relevant compensation from the Balancing Market. In addition, our pumped-storage hydropower plants are uniquely positioned to provide valuable electricity storage services in the future, when RES usage in System will be more prevalent.

The weighted average age of our hydropower plants, as at 30 June 2021, was 40 years. We classify hydropower plants as long-lived assets.

#### *Lignite-fired generation*

We own and operate four lignite-fired power plants, with a total installed capacity of 2.5 GW, representing 24.6% of our total conventional generating capacity as at 30 June 2021. All of our lignite-fired power plants are part of the Interconnected System.

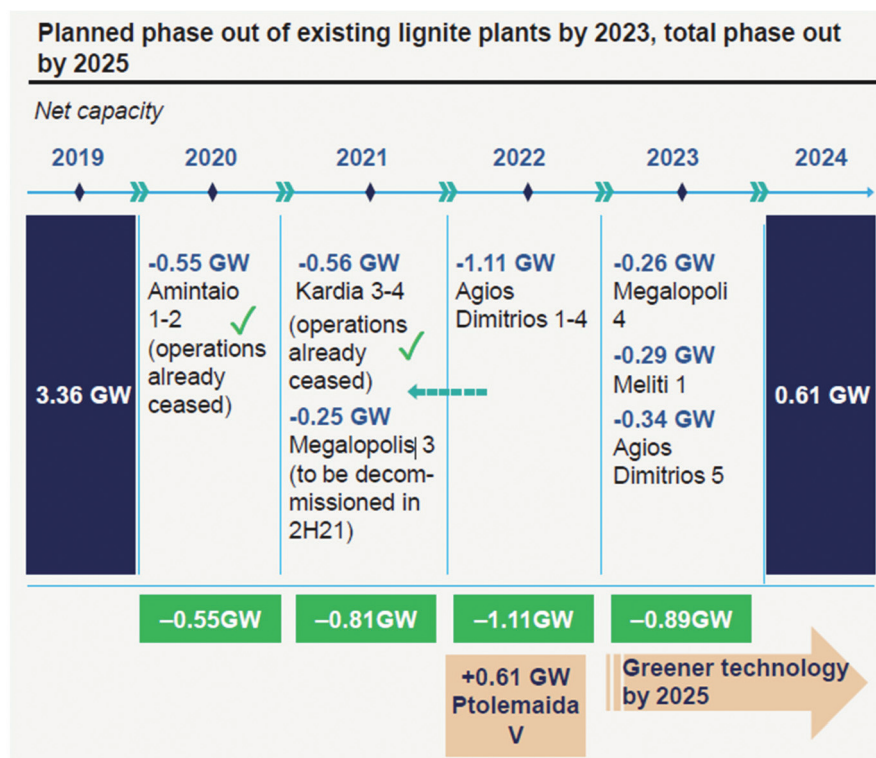
Our lignite-fired power plants are steam-condensing units that consist of closed-cycle systems in which water is transformed into steam, by burning lignite to heat water, and used to feed a turbine generator to generate electricity. Residual steam is turned back into water through a cooling process using cooling towers. We also supply hot water for district heating systems located in municipalities through our nearby lignite-fired plants.

All of our lignite-fired power plants are located close to the mines we operate, which supply substantially all of our lignite, thus reducing the transportation costs. Most of the lignite used is transported from the mines to the generation units by conveyor belts.

Each of our lignite-fired power plants is designed and constructed to use the lignite deposits located in the nearby mines, taking into account lignite-specific calorific value and other characteristics in order to maximise efficiency of operations and minimise emissions. Based on our experience, we generally stock, in each power plant's stockyard, sufficient quantities of lignite for approximately 15 days of operation in order to ensure security of supply and to allow for blending operations.

We own most of the land on which the mines that we operate are located. In addition, we have the "right-to-use" certain properties through concessions from the Hellenic Republic. During and after our lignite-mining activity, we are obliged to observe specific reclamation procedures in affected mines' land by leveling the land, planting vegetation and landscaping pursuant to the applicable environmental law provisions.

Pursuant to our lignite decommissioning plan, we will decommission approximately 3.4 GW of lignite generation net capacity between 2020 and 2023, including our Amintaio 1-2 plant (with capacity of 0.55 GW), which was decommissioned in 2020 and our Kardia 3-4 facility (with capacity of 0.56 GW), which was decommissioned in May 2021. Our Ptolemaida V facility, which is under construction, with net capacity of 0.61 GW, will initially operate on lignite when it commences operations in 2022, before switching to a lower-emission fuel source by no later than 2025. The illustration set forth below summarises our lignite decommissioning plan from 2020 to 2025.



Source: Internal data.

The execution of our lignite de-commissioning plan will result in an approximately 85.6% reduction in lignite generation and a 78.4% reduction in CO<sub>2</sub> emissions in the Interconnected System and the Non-Interconnected Islands in 2024 compared to 2019. We believe this is the fastest lignite phase-out in Europe and will ensure that we are aligned with the NECP and the EU Just Transition Mechanism.

Concurrent with our lignite unit closures, we will commence the gradual decommissioning of associated mining operations and undertake remediation efforts in accordance with our environmental obligations. We are also exploring options to economically repurpose or divest the land, buildings and equipment associated with these operations. Part of this land will be used for the development of our new renewable energy units. In connection with the decommissioning plan, we are also exploring options to reposition or re-skill the affected workforce and find alternatives to district heating (which currently operates on lignite) in the affected areas.

#### Oil-fired generation

We own and operate five oil-fired power plants in Crete and Rhodes, as well as 32 oil-fired power plants located in the other Non-Interconnected Islands and the Interconnected Islands (we do not operate any oil-fired power units in the Interconnected System (mainland only)). These plants have a total installed capacity of approximately 1.9 GW. The aggregate percentage of our installed conventional generation capacity represented by these oil-fired units was 18.3% as at 30 June 2021.

We currently source our liquid fuels through international tenders. Fuel, including diesel oil, is priced based on the respective oil product prices, plus a premium and transportation cost.

The weighted average age of our oil-fired power plants in the Non-Interconnected Islands, as at 30 June 2021, was 22 years.

#### *New generation and decommissioning programme*

We are currently constructing one lignite plant and two hydropower plants with aggregate installed capacity of 849 MW. Our current construction schedule for the Interconnected System includes the following:

	<b>Thermal /Hydro Power Plants: 849 MW</b>		
	<b>Fuel</b>	<b>Installed Capacity (MW)</b>	<b>Commissioning year</b>
Ptolemaida V .....	Lignite	660	2022
Mesochora I, II <sup>(1)(2)</sup> .....	Hydro	160	2024
Metsovitiko II .....	Hydro	29	2023

(1) The installed capacity of 160.0 MW excludes a small hydropower plant with capacity of 1.6 MW, which belongs to PPC Renewables.

(2) The continuation of the Mesochora project was approved in August 2017. The procedures for the remaining necessary expropriations are currently in progress.

*Source: Internal data.*

There is currently no expectation for new capacity in the Non-Interconnected Islands, as according to the NECP, almost all the Non-Interconnected Islands will be connected with the Greek mainland by 2030 at the latest.

As part of our new generation and decommissioning programme, our goal is to increase the thermal efficiency of our generation portfolio, reduce our fuel costs, as well as reduce our overall carbon footprint and CO<sub>2</sub> emission costs. We spent approximately €900.0 million in capital expenditure on new power plants over the last three years, and we plan to spend approximately €493.0 million in capital expenditure over the next three years on our conventional generation assets, which relates to the completion of the Ptolemais V lignite-fired unit, which is being partially financed by the ECA Covered Syndicated Loan, as well as the completion of our new hydropower plants with a total capacity of 189 MW.

#### *Maintenance*

We conduct scheduled as well as preventive and predictive maintenance on our power plants. Preventive maintenance is conducted to keep the equipment and machinery in working order by means of regular tests, adjustments and replacement of parts. Predictive maintenance is carried out by means of continuous or periodic monitoring of the condition of the equipment and machinery so that maintenance work can be completed at a scheduled time when it is most cost-effective and will likely cause minimal disruption. We generally conduct scheduled maintenance during periods of lower demand in the spring and autumn of each year. On average, and based on our experience, we need approximately 38 days of maintenance per year per large thermal unit and 15 days of maintenance per year per hydropower unit. Our employees generally conduct our maintenance work; however, contractors are occasionally used as required. See “*Risk Factors—Risks related to our business—Our revenues are heavily dependent on the effective performance of the equipment we use in the operation of our power plants and electricity and natural gas distribution networks.*”

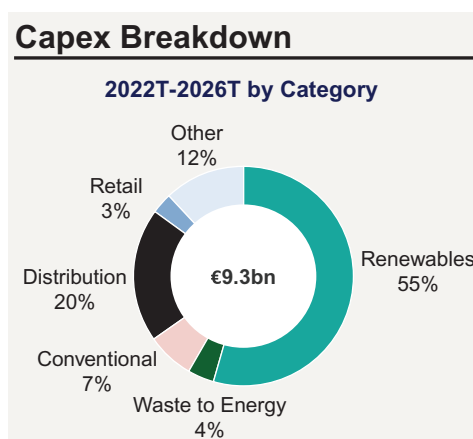
#### **PPC Renewables**

Our wholly-owned subsidiary, PPC Renewables, is the vehicle for all of our renewable energy assets and operations (excluding large hydropower plants with capacity greater than 15 MW per plant, which are operated by our generation business unit), including wind farms, small hydropower plants, photovoltaic parks, solar thermal electricity generators, geothermal power plants and various other Renewables technologies. As at 30 June 2021, we had operational renewable energy facilities with a total installed capacity of approximately 127 MW (excluding PPC Renewables’ participation in joint ventures with an aggregate capacity of 63 MW), located across more than 50 locations throughout Greece, from which we generated approximately 0.2 TWh of electricity for the six-month period ended 30 June 2021.

We believe we have the largest renewable energy project pipeline in Greece, totaling more than 10.0 GW, a portion of which will be rolled out at our depleted lignite fields, largely in parallel with the decommissioning of all of our lignite-fired generation assets. We expect approximately 3.0 GW of this pipeline will commence operating commercially by 2024, with our total RES capacity reaching 9.5 GW (including (a) our existing 3.4 GW, which takes both our hydroelectric and RES capacity into account and (b) 1.1 GW of international renewables capacity) by the end of 2026. The majority of this new capacity will be from solar energy, with the remainder from wind and other renewable technologies. This project pipeline includes 130 MW under construction, approximately 250 MW in our ready-to-build portfolio (*i.e.* our depleted lignite mine areas owned by PPC through a series of expropriations and acquisitions performed over the years for the purposes of our mining activity) and approximately 170 MW in the tender preparation phase.

In addition to organic growth, we are also actively expanding our renewable energy platform through joint venture partnerships. Our existing joint venture arrangements have 85 MW of operational capacity, with a further 165 MW under development. We have entered into Memoranda of Understanding for further development with several joint venture partners, including, among others, RWE AG, EDP Renovaveis S/A, Masdar Abu Dhabi Future Energy Co. and Taaleri Plc. A head of terms is in place for the cooperation between our wholly-owned subsidiary PPC Renewables and RWE Renewables GmbH, aiming at the joint contribution and development of photovoltaic installations of a total installed capacity up to 2 GW through a joint venture formation agreement. PPC Renewables is stipulated to have a 49.0% participation in this joint venture, while RWE Renewables GmbH is set to have a 51.0% participation. The basic terms of the joint venture formation agreement and the relevant shareholders' agreement have been approved by an extraordinary general meeting of PPC Renewables and were signed on 7 October 2021.

We have budgeted for approximately €5.1 billion of capital expenditure on these projects from 2022 to 2026. The following graph illustrates our capital expenditure plan through 2026:



Source: Internal data.

### **Distribution (including HEDNO)**

We distribute electricity to consumers through our medium and low voltage distribution lines, which span 243,000 kilometres, consisting of 128,000 kilometres of low voltage lines, 114,000 kilometres of medium voltage lines in the Interconnected System and the Non-Interconnected Islands, as well as approximately 1,000 kilometres of high voltage lines in Attica and the Non-Interconnected Islands (including Crete). Substantially all of the assets relating to the Distribution Network are currently owned directly by PPC. While PPC directly owns the physical Distribution Network assets, due to unbundling regulation, our electricity distribution business is operated by HEDNO, a currently wholly-owned subsidiary of PPC, which serves as the sole electricity distributor in Greece. The Distribution Network has an RAB of approximately €2.9 billion, which is used as the basis for calculating our regulated return (which is 6.7% of WACC for the period 2021-2024).

HEDNO, which is the regulated entity, is currently responsible for the management, operation, development and maintenance of the Distribution Network. HEDNO's responsibilities include ensuring

the Distribution Network's operations are reliable, efficient and secure, as well as the Distribution Network's long-term ability to respond to future power needs, showing the necessary concern for the environment and energy efficiency, and ensuring, in the most economic, transparent and unbiased manner, access for all users to the Distribution Network for the exercise of their activities.

The framework for calculating the prices, costs and expenses that comprise the distribution revenue of HEDNO (as the operator) and PPC (as the owner of the distribution assets) is determined by RAE. The Distribution Use of Network Charges are allocated between Medium Voltage customers and Low Voltage customers on the basis of the contribution of each category of customers to peak demand in the Distribution Network in the summer and winter months, based on a methodology approved by the Regulator. Based on the current methodology (RAE decision no. 1431/2020), RAE issued decision no. 632/2021 determining the allowed revenue for a four-year regulatory period (2021-2024) and the required revenue for 2021, both to be generated by HEDNO from the use of its Distribution Network. Our distribution business unit and HEDNO generated aggregate Recurring EBITDA of €203.9 million (of which €169.6 million was attributable to our distribution business unit (which owns the assets relating to the Distribution Network) and €34.3 million was attributable to our subsidiary, HEDNO, which operates the Distribution Network) during the six-month period ended 30 June 2021, compared to Recurring EBITDA of €207.3 million (of which €190.9 million was attributable to our distribution business unit and €16.4 million was attributable to our subsidiary, HEDNO, which operates the Distribution Network) during the six-month period ended 30 June 2020.

As part of our ongoing transformation, we conducted an international tender for the sale of a non-controlling stake of up to 49.0% in HEDNO (see "*Trend Information—Sale of a 49.0% stake in HEDNO*"). The submission of binding offers took place on 3 September 2021. Following evaluation of the offers submitted, Spear WTE Investments S.à r.l., a member of MAM, was declared as preferred bidder with a consideration of €2,116 million, including *pro rata* net debt of €804 million. On 1 October 2021, we entered into a share purchase agreement with MSCIF Dynami BidCo Single Member S.A., a wholly-owned subsidiary of Spear WTE Investments S.à r.l., for the sale of 49.0% of HEDNO's share capital and the Extraordinary General Meeting held on 19 October 2021 approved the transaction. The initial purchase price of €1,312 million is subject to a completion accounts price adjustment mechanism (see "*Material Contracts—Share purchase agreement*"). As a condition precedent to the completion of the sale of 49.0% in HEDNO, we plan to transfer substantially all of our Distribution Network assets from PPC to HEDNO by way of the Hive-Down. Upon completion of the Hive-Down, HEDNO will own all of the assets and liabilities comprising the Distribution Network (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) and will continue operating the Distribution Network. Please see "*Elements of Regulatory Framework*" for further information on the regulatory framework governing the operation of HEDNO and the Distribution Network and "*Trend Information—Sale of a 49.0% stake in HEDNO*" on the sale of a non-controlling stake of up to 49.0% in HEDNO.

## **Supply**

### *Overview*

Our supply business unit manages the supply of the electricity we provide to our end-customers, which amounted to 68.7% of the total electricity supplied in Greece in 2020, as well as our other retail offerings of energy products and services. Our average supply market share in the Interconnected System was 63.8% as at 30 June 2021, while our average market share per voltage category was 91.5% in High Voltage, 35.3% in Medium Voltage and 67.7% in Low Voltage<sup>22</sup>.

We serve a diversified customer base, supplying over 5.9 million end-customers as at 30 June 2021.

Prior to 29 September 2020, we were mandated to operate as Supplier of Last Resort in Greece, which required us to provide electricity to customers in the absence of any other supplier. We are no longer required to serve in this capacity in the Greek market, as the role was transferred to Elpedison

<sup>22</sup> Source: Hellenic Energy Exchange, Monthly Report, June 2021, Day Ahead & Intraday Electricity Markets – Greek Bidding Zone; p. 23 and 24, <http://www.enexgroup.gr>.

effective 29 September 2020 through 28 September 2022. Further, we are currently acting as a Universal Service Provider together with four other suppliers having a significant market share in the Interconnected System, with an obligation to supply household customers and small enterprises with connection capacity up to 25kVA, who either fail to exercise their right to select a Supplier or are unable to find a Supplier in the liberalised market at the same commercial terms they previously had. We have assumed this role by virtue of ministerial decision no. 57469/2612, following RAE's unsuccessful tender to nominate a single Universal Service Provider and will retain it until 22 June 2022. The role of Supplier of Last Resort exposed us, and the role of a Universal Service Provider continues to expose us, to risks related to market price fluctuations, requiring us to continue to supply electricity to the market even if other suppliers decide to cease operations or otherwise curtail supply due to uneconomic wholesale market conditions.

### *Tariffs*

We supply electricity to our customers on generally similar contractual terms. Tariffs for our High Voltage and Medium Voltage customers are negotiated on a bilateral basis, whereas tariffs for Low Voltage customers are generally standardised. Tariffs for all customers are de-regulated. Tariffs vary by usage and other factors, but typically consist of both competitive charges (including capacity, CO<sub>2</sub> emissions and energy charges) and regulated charges (including transmission, distribution, PSOs and ETMEAR charges).

In September 2019, Low Voltage and Medium Voltage tariffs were adjusted upwards to reflect the higher costs of electricity generation, energy purchases and CO<sub>2</sub> emissions allowances. In addition, the tariff regime was revised in September 2019, incorporating the pass-through of CO<sub>2</sub> costs to Low Voltage customers, increased pricing for Low Voltage and Medium Voltage customers and reduced discounts for timely payments (from 10.0% to 5.0%). The impact on customers was offset by lower VAT and the renewables levy charges legislated by the Greek government. In addition, as of 5 August 2021, the pass-through mechanism of CO<sub>2</sub> costs in Low Voltage tariffs was replaced by a clause that links Low Voltage tariffs with the evolution of wholesale market price, thus providing better protection from increased wholesale market cost and minimising variation in our supply margin. For more information on the recent tariff adjustments, please see "*Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses—Legal Proceedings—RAE's questions regarding low-voltage tariff adjustment mechanism.*"

Our tariff structures for our High Voltage customers, Medium Voltage customers and Low Voltage customers are as follows:

- *High Voltage customer tariffs.* These apply mainly to large industrial companies, which are invoiced at the end of each calendar month based on actual meter readings. These tariffs consist of: (i) competitive charges (capacity charge, energy charge and CO<sub>2</sub> charge) and (ii) regulated charges (unit charge per year for the use of the Transmission System, ETMEAR charges and charge for PSOs).
- *Medium Voltage customer tariffs.* These apply to smaller industrial and commercial companies, billed monthly based on actual meter readings. These tariffs consist of: (i) competitive charges (capacity charge, energy charge and CO<sub>2</sub> charge), and (ii) regulated charges (charges for the Transmission System, the Distribution Network, ETMEAR charges and PSOs).
- *Low Voltage customer tariffs.* These tariffs apply to small commercial and household customers, billed either monthly or every two months, with the exception of Low Voltage customers with high consumption who are invoiced on a monthly basis only. These tariffs consist of: (i) competitive charges (capacity charge (available for Low Voltage customers with certain characteristics), energy charge and CO<sub>2</sub> charges if activated), and (ii) regulated charges (charges for the Transmission System, the Distribution Network, ETMEAR charges and PSOs). Low Voltage customers' tariff categories include commercial and residential tariffs and tariffs discounts applied to Vulnerable customers.

We are subject to a PSO that requires us to provide electricity to our customers in the Non-Interconnected Islands at the same tariffs that we provide electricity in the Interconnected System, despite the fact that the cost of providing electricity is much higher than in the Interconnected System. This represents our most significant PSO.

As concerns all electricity suppliers in Greece, we are also subject to a PSO requiring us to provide the SRT to Vulnerable customers, which encompasses people with low income, families with three or more children, long-term unemployed, people with special needs and people on mechanical support through the use of medical equipment. Currently, there are two categories of SRT beneficiaries who have to meet certain criteria prescribed by the law in order to benefit from the SRT.

The related compensation for these PSOs is determined by RAE on an annual basis and is recovered through regulated charges payable by all other customers. For further information on our PSOs, please see “*Elements of Regulatory Framework—Overview of the Greek electricity market—Supply and trading—Public Service Obligations (PSOs)*.”

### *Billing*

The Supply business unit is responsible for billing and collecting billed amounts from our end-customers. Bills are issued to our Low Voltage customers every four months based on a meter reading (while interim bills are issued every two months based mainly on the energy consumed during the corresponding period in the prior year), to our Medium and High Voltage customers monthly on an actual telemetering reading basis. We are also likely to issue a bill every month for Low Voltage customers in cases of high electricity consumption. Bills may be paid online, by direct debit, at our retail branches, and at post offices and banks.

We are required by law to collect from all of our customers public television and radio duties, as well as certain municipal and property taxes. These levies are collected by the Supply business unit. They are included as separate charges on customer invoices and on average represent approximately 22.0% of the invoiced amount for Low Voltage customers and Medium Voltage customers (not including VAT), or approximately €211.0 million in aggregate, every two months. We withhold a commission of 2.0% and 0.05% over the collected amounts for the municipal taxes and public television and radio duties, respectively. Payments of the collected amounts are made to the relevant municipality and government bodies by the 25<sup>th</sup> day of the second month following the issue of the bill to our customer and may be netted against amounts owed to us from those bodies.

The Electricity Supply Code introduced a formal procedure for switching suppliers, which, among others, provides an array of measures to prevent the proliferation of debts to Suppliers, which are currently under legislative consultation in order to enhance their effectiveness, without being disproportionately restrictive to customers. Following a recent judgement of the Greek Council of State, certain provisions of the Electricity Supply Code related to the Supplier switch have been annulled and the Electricity Supply Code is currently under reformation (please also see “*Elements of Regulatory Framework—Supply and trading—Switch of supplier*”). This, along with our improved collection policies and management of overdue bills, provides us with the advantage to increase our ability to collect overdue amounts from our customers.

### *Improved collection policies and management of overdue bills*

Since 2016, we have implemented a number of measures with the objective of reducing customer delinquencies and improving collectability of electricity bills. We have recently further enhanced our billing and collections strategy, with the key elements of our current initiatives as follows:

- Establishing a new credit policy with recovery strategy and targets;
- Entering into a long-term partnership with leading collection agency, Qualco, with market-leading technology and know-how;
- Focusing on more stringent oversight for overdue receivables;
- Allowing lower downpayments with an automated approval procedure;
- Pursuing targeted legal actions for long-term, high value debtors
- Utilisation of a newly established securitisation facility to manage overdue receivables; and
- Promotion of direct debit to reduce active debt.

In May 2017, we engaged Qualco S.A. to develop a debt management strategy, to define systematic actions for managing it, to study financing opportunities, to design an implementation framework and to take over the management of a selected customer segment with overdue debts.

In August 2020, we entered into a non-recourse asset-backed receivables securitisation to manage our performing receivables (*i.e.* consumer and corporate energy receivables up to 60 days past due), and on 9 April 2021, we entered into a non-recourse asset-backed receivables securitisation for our non-performing receivables (*i.e.* consumer and corporate energy receivables over 90 days past due). See “*Material Contracts—Performing Receivables Securitisation*” and “*Material Contracts—Non-Performing Receivables Securitisation*” for additional information. We believe these new securitisation facilities will not only provide us with competitive, non-recourse working capital financing, but also improve both performing receivables collections and the recovery of overdue receivables.

### *Customer service*

Customer service is a key strategic focus for us in order to maintain our market position as the supply market becomes more competitive by reducing customer churn due to dissatisfaction with our services.

As part of our new customer-centric strategy, we have revisited our go-to-market strategy to focus on service and profitability. Pursuant to this strategy, we are strengthening our customer relationships with the following initiatives:

- focusing on retention of high priority segments (*i.e.* our most profitable customers with the highest payment profiles);
- offering high priority customer care to our most attractive customer segments;
- evaluating pricing for each customer segment based on customer lifetime value, with the potential adoption of loyalty plans and targeted offers for high priority segments;
- repositioning and modernising our brand, with an emphasis on PPC’s reliability and social responsibility;
- simplifying our customer sales and service channels through telephone and internet applications;
- providing a wider range of payment options;
- providing a special programme for settling overdue bill payments or past debts;
- modernising our retail branches and migrating transactions from physical to digital channels for an improved customer experience;
- increasing e-bill penetration (estimated to reach approximately 42.0% by the year ending 31 December 2023, compared to the current estimate of approximately 10.0% for the year ended 31 December 2020);
- improving our call center;
- assessing the introduction of new products, such as providing energy efficiency or other value-added services to our customers, having as at the date of this Prospectus (i) launched two new electricity products, (ii) designed a new portfolio of competitive natural gas products for end consumers and (iii) begun introducing value added services; and
- exploring partnerships to sell new products and/or attract high value customers.

### **5.8. Employees**

As at 30 June 2021, we had a total of 13,221 full-time employees, the majority of whom are members of trade unions, with which we have a collective labour agreement that expires in 2024. Our



trade unions are considered to be strong and influential and we believe that our relations with our unions are generally smooth, despite certain claims of employees and pensioners against us and occasional strikes. Labour strikes by PPC employees have decreased in recent years, both in frequency and force. From time to time, including with respect to the potential sale of a portion of our assets to a competitor, our employees may engage in strikes and protests that may disrupt our operations. As per vacancy notice 1/2021, 2/2021 and 3/2021, PPC has announced the hiring of new employees (209 full-time employees and 3 part-time occupational doctors) under contracts of employment of indefinite duration pursuant to Article 3 of Law 4643/2019.

See “*Risk Factors—Risks related to our business—Our employees’ labour unions are strong and influential.*”

## **5.9. Digital Transformation**

We recognise that digital technology will play a crucial role in the future of the electricity industry and consider our digital transformation critical to the future of our business. We aim to become an industry leader in new digital solutions in order to meet the needs of our customers, who are increasingly seeking more transparency, speed, interaction and visibility with their service providers. To achieve this goal, we are planning significant investments in our information technology, data management and analysis systems.

Recently, the COVID-19 pandemic spurred our internal operational transformation as we needed due to our need to increase the capacity of our employees to work and operate remotely, in accordance with government safety guidelines. Videoconferencing, virtual private network connections (VPN) and digital signing solutions were swiftly introduced and became an integral part of our day-to-day operations. Currently, we are reviewing our central and support functions with a view toward streamlining and modernising our organisational structure and corporate overhead. We estimate that operational efficiencies in central and support functions could enable us to achieve significant operating expense savings, while at the same time modernising our organisational structure and support functions.

Beyond our day-to-day administrative operations, we see digitalisation as a means to operate more efficiently across all of our business units. In our conventional generation business, we aim to use new digital tools to improve our production capacity while also reducing the environmental footprint of our conventional generation fleet. Similarly, in our RES business, we expect that digitalisation will enable better predictability of our generation outcome and make possible the participation of our renewable energy systems in future power markets, thus increasing our profitability. Better technology and further digitalisation in our Distribution Network is expected to go hand-in-hand with our new customer centricity strategy. We aim to deploy advanced information technology systems to both enhance the quality of and customer experience in our network and rationalise our operating expenses, including reducing our losses from system outages. In addition, the planned implementation of smart metering and automatic switcher systems is expected to enable live monitoring and increased predictability of customer energy consumption, identification of leakages or electricity theft and ultimately further improve network efficiency and customer experience.

We increasingly seek to emphasise the development of our online customer service and customer care platforms. We aim to bring customers front and center and see our digitalisation strategy as one of the most valuable tools to achieve this goal, adding both to our reliability and the modernisation of our brand. We believe we are on track to meeting our customer needs and taking advantage of a fast-growing e-commerce business and digital innovation. To this end, we have also appointed two dedicated board members/deputy-CEOs, George Karakousis and Alexander Paterakis, to oversee the supply and digital division transformations, respectively.

## **Environmental, Social and Governance matters**

Our strategic objective is to ensure our sustainable operation and the development of our business while providing innovative and high quality services to our customers, an excellent workplace for our employees, advancing relationships of mutual benefit with our suppliers and business partners and protecting our natural environment and engaging in advancing societal causes. To achieve these strategic goals, we have a strong commitment to ESG issues and a track record illustrative of the ESG aspects of our operations, which we consider a key strength of our business.

We see ESG as a set of principles and specific good practices and actions advancing causes that benefit our social and natural environment while in parallel strengthening our long-term economic value for all stakeholders.

### ***Environment***

Our 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 GHG emissions and increasing RES capacity and use by 2030. To this end, we have developed our "Green Deal" in power generation, with the aim of accelerating the decommissioning all of our lignite units and respective mines, expanding and establishing RES as our dominant energy generation technology and assisting in the advancement of electromobility in Greece. Furthermore, in order to effectively monitor the implementation of our climate strategy and to improve our ESG disclosure for our stakeholders, in a partnership with the European Bank for Reconstruction and Development ("EBRD"), we are collaborating in the "Development of an Information Disclosure Plan according to the guidelines outlined by the Task Force on Climate-related Financial Disclosures (TCFD)."

Recycling and reuse of our resources where possible, use of best-in-class pollution abatement technologies, reclamation or rehabilitation of the land where we previously operated, and interventions such as customer and local community educational initiatives on the responsible use of energy and climate change, complement our Green Deal strategy. For example, we recycle and reuse significant amounts of our water resources and in 2019 we managed to reuse more than half of our water resources in selected thermal power stations. Similarly, in 2019 we completed the reclamation of approximately 45,500 hectares of land in areas previously covered by our mines in Ptolemaida and Amyntaio. We have also distributed informative material containing energy saving tips to more than 5.9 million customers, which we estimate could lead to annual energy savings of approximately 230 GWh.

We value the preservation of our natural ecosystem and try to promote and protect biodiversity in the areas in which we operate and beyond. In this regard, we have developed and are implementing plans to reduce the impact of our operations on our local environment and communities. This includes the implementation of the most comprehensive delignification programme in Europe, which, upon completion, is expected to reduce air pollution and significantly improve air quality in the areas where our lignite plants operate.

We are pursuing a sustainable growth business model that will generate value for all our stakeholders. We are on track to reduce lignite generation, going from 10.4 TWh in 2019 to an expected 1.5 TWh in 2024, while increasing generation from renewable energy sources (in TWh) and curtailing CO<sub>2</sub> emissions (in tonnes) in the Interconnected System and the Non-Interconnected Islands from 23.1 Mt in 2019 to an expected 5.0 Mt in 2024. In addition, in accordance with our newly-established Sustainability Performance Target (adopted in February 2021), we aim to reduce our CO<sub>2</sub> emissions by 57.0% in Scope 1 CO<sub>2</sub> emissions by 31 December 2023, compared to the baseline as of 31 December 2019, throughout both the Interconnected System and the Non-Interconnected Islands.

### ***Social***

We recognise our human capital as our most valuable asset, as our employees are responsible for implementing our strategy by advancing our business and developing our competitive advantage. Our human resources management seeks to create and advance a modern workplace of equal opportunities for all of our employees. To advance the development of our personnel, we have implemented modern, streamlined recruitment and reward policies taking into account our particular needs in temporary and permanent staff and seeking people of different skill sets and characteristics to pursue careers with us. Outside the usual monetary and compensatory benefits, we also provide group health and life insurance, a stipend for nursery care costs and a subsidy for educational purposes (*e.g.*, pursuit of postgraduate qualification).

We also pay attention to health and safety matters and have developed a modern Occupational Health and Safety Management Systems policy, including continuous relevant training programmes, in order to be able to deliver on our health and safety standards and safeguard the physical and mental health of our employees. Our Occupational Health and Safety Department is certified with ISO 9001:2015 for its quality management system demonstrating our commitment to these objectives.

Furthermore, we have demonstrated a long-standing commitment to human rights in the work environment, strictly condemning child and forced and compulsory labour and all forms of discrimination. We welcome our employees' participation in labour and trade unions and have established channels of continuous communication between them and management. Union workers are protected from illegal transfers or dismissal and labour union participation and meetings are facilitated through the adequate allowance of leave in accordance with all applicable legislation and collective labour agreements.

On 20 November 2018, our Board of Directors adopted our current Code of Conduct, which is available on our website. Our Code of Conduct deals with subjects, stipulated as corporate principles and values such as human rights, health and safety, personal data protection, confidentiality, transparency, gift policy, combatting of corruption, theft and fraud, discrimination and harassment. Moreover, we are in the process of elaborating our "Ethics and Compliance programme" in cooperation with a specialised international consultant and in accordance with best international practices, principles and rules. The programme includes the adaptation of existing policies to applicable legislation, compliance principles and practices, or drawing-up of new policies, on anti-bribery and corruption, whistleblowing, enforcement, compliance risk assessment and third-party due diligence. We expect to complete this programme by July 2022. Our personnel follow our regulations and our Code of Conduct, the compliance with which these is monitored by our Internal Audit Department and our Compliance Department. We thoroughly investigate and initiate disciplinary or legal action where relevant for all cases of alleged corruption that come to our attention, engaging our internal disciplinary board, courts or other authorities, as appropriate and required by law or regulation.

Furthermore, in order to comply with the corporate governance-related provisions (Law 4706/2020), we have already developed and adopted a number of policies and regulations on conflicts of interest, anti-money laundering, remuneration, disclosure of any relationships of dependency of the Independent Non-Executive Board Members, the evaluation of the Company's Internal Audit System and the related-parties transactions. Within this context, on 6 April 2021, the Board of Directors approved our anti-money laundering and counterterrorism financing policy, a summary of which may be found on our website. In light of this, we take all appropriate measures, in accordance with the provisions of Law 4557/2018, as amended and in force, to prevent and combat money laundering and terrorism financing. To this end, we have introduced specific provisions in our institutional framework (Code of Conduct, Internal Rules of Operation, standards of contract documents, *etc.*) relating to: (i) transparency, (ii) corruption, (iii) fraud, (iv) conflicts of interest (as a matter of standard practice, at the beginning of each meeting, the Board of Directors submits a statement confirming no conflicts of interest), and (v) refraining from entering into partnerships with economic entities or persons which/who have been convicted of an offense of corruption, bribery, involvement in a criminal organisation, terrorism, child labour, money laundering or fraud, or have been penalised for labour law violations.

We are also highly engaged with local communities and look to contribute to the quality of life and well-being of our neighbours. To this end, we have developed specific programmes and actions aimed at local social networks, with a view to supporting sports, culture, health and education. Our annual Corporate Social Responsibility and Sustainability Report, which is available on our website, provides a detailed description of our corporate social responsibility contributions throughout Greece.

## ***Governance***

In 2019, the Greek Parliament passed Law 4643/2019 on the "liberalisation of the energy market, modernisation of PPC, privatisation of DEPA and other provisions," as amended, allowing us to operate with more flexibility vis-à-vis the Greek State, and further benefit from additional modernised corporate governance procedures, ensuring increased transparency and best-in-class processes for managing our business, optimising our hiring practices, engaging with suppliers and controlling our internal procedures. This flexibility also applies to HEDNO and PPC Renewables.

Apart from our Board of Directors, which sets the strategy and policy for our business, and our Executive Committee, which manages our day to day operations, we benefit from the oversight of the following committees (see “*Administrative, Management and Supervisory Bodies and Senior Management—Management and corporate governance of PPC S.A.—Committees of the Company*”):

- the Audit Committee, responsible for our internal audits and processes. By virtue of Law 4643/2019, we added two more members to the Audit Committee, who bring enhanced experience on the fields of works, procurement and services. The Audit Committee operates in accordance with Law 4449/2017 as amended and Law 4706/2020; and
- the Remuneration and Recruitment Committee, which deals with recommendations to the Board of Directors for the determination of recruitment policy and the process for open-ended contracts, and provides recommendations in relation to the remuneration policy pursuant to Articles 110-112 of the Greek Company Law; this committee was established by virtue of Law 4643/2019 following transformation of the previous remuneration committee and operates in accordance with Law 4706/2020. Such Committee was renamed to “Nomination, Remuneration and Recruitment Committee” and operates pursuant to its rules of operation, which were approved by the Board of Directors on 14 July 2021. In addition to the above, the Nomination, Remuneration and Recruitment Committee evaluates our Company’s executives and examines their skills and characteristics and the skills and characteristics required for the various appointments in our organisation. As a result of this change, it is responsible for identifying and proposing to the Board of Directors suitable persons for membership on the Board of Directors, in accordance with Law 4706/2020. In doing so, it takes into consideration the factors and criteria set in our Suitability Policy.

We also have a Corporate Affairs and Communications Department that is responsible for the design, coordination, monitoring and disclosure of our sustainable development actions.

In order to further advance good management principles, we have implemented a Training Management System to identify and assess the educational needs of, and design high quality training courses for, our management personnel.

Lastly, in respect of our engagement with our various contractors, subcontractors and suppliers, we have established a comprehensive set of guidelines, including a robust legal documentation framework specifying the obligations of such parties when engaged by us, such as keeping adequate personnel records, using appropriate personal protective equipment, complying with labour and insurance legislation, and, most recently, abiding by applicable COVID-19 measures.

#### **5.10. Licences and concessions**

We hold all material licences required for the performance of our business activities. Moreover, we have duly filed applications to the competent licensing authorities for the renewal, extension or modification of certain of these licences where required in accordance with applicable laws.

#### **5.11. Insurance**

We currently have a number of insurance policies in force in relation to open cover transportation (both within Greece and to and from other countries), loss of money (cash in safe, cash in transit, hold-up), information technology hardware, liability from motor accidents, directors and officers liability and medical and life insurance for drivers. However, we do not currently maintain any form of insurance coverage against the usual risks associated with our power plants, distribution assets, property, plant and equipment (other than our information technology equipment) and operations. Materials, spare parts as well as liabilities against third parties are also not insured. See “*Risk Factors—Risks related to our business—Operation of power generation facilities involves significant risks and hazards, and we do not maintain insurance on our operating assets.*”

#### **5.12. Pensions, healthcare and welfare benefits**

Prior to 1 January 2000, we were required to provide pension, healthcare and welfare benefits for our employees and pensioners rather than participate in standard, state-sponsored social security

programmes. Until that time, because of uncertainties regarding the level of our legal obligations arising from the pension, medical and other benefits of our employees and pensioners, we were accounting for such costs on a cash basis, rather than on an actuarially determined basis. Thus, no financial reserves were maintained to cover current or accrued pension liabilities.

PPC S.A. Personnel Insurance Organisation (“PPC S.A. PIO”) was established on 1 January 2000. PPC S.A. PIO was a public entity established for the purpose of operating a pension fund under the supervision of the Hellenic Republic for our employees under the Liberalisation Law and pursuant to collective agreements with our unions. PPC S.A. PIO was responsible for all pension benefits, healthcare insurance and other social security expenses for our employees and pensioners. Following PPC S.A. PIO’s establishment, we were no longer obliged to make any payments in respect of pensions or healthcare, and we had no pension liability except the annual ordinary contributions, generally determined for all employers in Greece, as a percentage of the employee’s salary. All employer, employee and pensioner contributions were paid to the PPC S.A. PIO.

Following the adoption of new social security legislation in Greece, as at 1 August 2008, PPC S.A. PIO has become part of the Social Security Institute (IKA, the main Social Security Organisation in Greece) as an independently operating section, assuming all the rights established in favour of PPC S.A. PIO. By virtue of Law 4387/2016, the Unified Social Security Fund (“EFKA”) was established and the Social Security Institute became an integral part of it.

Under the Liberalisation Law, which ratified the collective agreements with our unions, the Hellenic Republic assumed the obligation to meet any differences between the total income of PPC S.A. PIO and our payment obligations for pension and healthcare benefits. The Hellenic Republic’s payment obligation was assumed against the assets of our internal social security department established in 1966 and operated until the establishment of the PPC S.A. PIO, which are now integrated in our assets. We believe we have no obligation under existing laws to cover any future differences between the total income of EFKA and its payment obligations assumed by the Hellenic Republic. However, the existing social security laws may change, and we may be required in the future, by law or otherwise, to contribute or provide significant additional funds or assets to EFKA.

### **5.13. Property**

We own most of our principal operating facilities. We acquired the land pertaining to the mines that we operate and our power plants, mostly through expropriations from owners and sale and purchase contracts. In addition, we have the “right-to-use” certain properties, through concessions from the Hellenic Republic. The land occupied by PPC’s hydroelectric power plants was acquired mainly through mandatory expropriations. Upon ceasing to serve the purpose for which it was acquired, regardless of the way through which the land was acquired, the law provides for the transfer of its ownership to the Greek State following the approval of the handover by the Board of Directors and the approval by the supervising ministry. We lease the premises for our business units pursuant to standard commercial leases. The majority of these leases have either been renewed or are in the process of being renewed every 12 years on terms which are at or preferential to market levels.

Our real estate property is acquired either by virtue of expropriation or through purchase deeds. In the case of expropriation as a means of acquiring property, the new owner does not succeed to the previous owner’s title, but rather such owner’s title is new and autonomous. An important consequence of this is that any encumbrances on the previous owner’s title do not survive expropriation, but third-party beneficiaries have a right to compensation. Expropriations are governed by a special legal framework which provides, in general terms, that at the time the compensation for the expropriation is deposited, the entity in the name of which the expropriation is announced acquires ownership of the expropriated land or building.

Real estate property acquired through purchase deeds is registered either at the relevant land registry or at the local cadastral office, depending on whether a cadastral office has been established and operates in that area. Formal legal ownership title is established thereby. Our real estate properties are for the most part free of encumbrances.

We use public land for certain Renewables projects developed and operated by PPC Renewables. In these cases, the use of land is permitted on the basis of intervention permits granted for Renewables projects installed on forest land.

## 5.14. Investments

### *Current investments*

As at 30 June 2021, we are undertaking the following current investments:

<b>Investment</b>	<b>Description</b>	<b>Type</b>	<b>Total capital expenditure as at 30 June 2021 (€ in millions)</b>	<b>Position in RES roll-out plan timeline</b>	<b>Status as at the date of this Prospectus</b>	<b>Expected completion by 2024</b>
New steam electric unit 660 MW in Ptolemaida	The construction of the new steam electric unit 660 MW Ptolemaida V is in progress and it is expected to operate in 2022 as a lignite unit, to be converted to a less carbon-intensive technology (such as natural gas, biomass, or a combination of low carbon-emitting fuels) by 2025. The new unit will allow the decommissioning of existing units and will provide heating in the town of Ptolemaida. As of 30 June 2021, the total expenditure for the project amounted to €1,493.5 million with a future contracted capital expenditure of €125.4 million. The construction cost of the unit is partially financed through the ECA Covered Syndicated Loan (see “ <i>Material Contracts—Existing credit facilities—ECA Covered Syndicated Loan</i> ”).	Lignite	1,114.4	Not part of roll-out plan	No change	Yes

Investment	Description	Type	Total capital expenditure as at 30 June 2021 (€ in millions)	Position in RES roll-out plan timeline	Status as at the date of this Prospectus	Expected completion by 2024
New 160 MW hydroelectric power plant in Mesochora	The construction of the new 160 MW hydroelectric power plant in Mesochora is in progress and it is expected to operate in 2024. As of 30 June 2021, the total expenditure for the project amounted to €289.7 million, while it is estimated that an additional amount of approximately €83.2 million will be required in order for the project to be completed, which is expected to be financed by operating cash flows. Decision no. 2230/2020 of the Council of State cancelled our environmental impact assessment for this project, and we have re-submitted a new environmental impact assessment to the competent authorities.	Hydroelectric	281.8	>30 months	No change	Yes
Metsovitiko Hydroelectric Power Plant	Hydroelectric power plant of an installed capacity of 29 MW, which is expected to enter commercial operation in 2023. Future contracted capital expenditures as at 30 June 2021 amounted to €14.3 million.	Hydroelectric	46.1	6-18 months	Expected to enter into commercial operation in 2024	Yes
Construction of “Iliaka Parka Dytikis Makedonias Ena Single-Member S.A.” Photovoltaic (“PV”) Plant	Construction works of “ILIAKA PARKA DYTIKIS MAKEDONIAS ENA SINGLE-MEMBER S.A.” for a PV plant of 14.99 MW installed capacity, with fixed tilt mounting structure, and the 20/150 kV “Agios Christoforos” substation, which will include a 20/25 MVA power transformer, with a total budget of €9.7 million at “Paliampela” plot in the regional unit of Kozani.	Photovoltaic	6.7	0-6 months	No change	Yes

Investment	Description	Type	Total capital expenditure as at 30 June 2021 (€ in millions)	Position in RES roll-out plan timeline	Status as at the date of this Prospectus	Expected completion by 2024
Repowering of Wind Park in Monis Toplou Sitia, Crete	Repowering of a previously decommissioned wind park with 6 MW total installed capacity. Electrification was completed on June 2021.	Wind	6.2	Not part of roll-out plan	Electrification was completed in June 2021 and operation started in July 2021	Yes
Construction of "Iliako Velos Ena Single-Member S.A." PV Plant	Construction works from the 100% subsidiary of PPCR "ILIAKO VELOS ENA SINGLE-MEMBER S.A." for the PV plant of 200 MW capacity, with horizontal single-axis trackers and bifacial PV modules, with a total budget of €83.8 million at Lignitiko Kentro Dytikis Makedonias, in the regional unit of Kozani, began in June 2021. It is expected that its semi-commercial operation will start in December 2022.	Photovoltaic	1.1	6-18 months	No change	Yes
Construction of "Arkadikos Ilios I Single-Member S.A." and "Arkadikos Ilios II Single-Member S.A." PV Plants	Construction works of two PV plants with a respective installed capacity of 39 MW and 11 MW through "ARKADIKOS ILIOS I SINGLE-MEMBER S.A." and "ARKADIKOS ILIOS II SINGLE-MEMBER S.A." with horizontal single-axis trackers and a 33/150 kV substation, with a budget of €23.9 million at the "Megales Lakkes" plot	Photovoltaic	0.6	6-18 months	Construction works commenced in September 2021	Yes



Investment	Description	Type	Total capital expenditure as at 30 June 2021 (€ in millions)	Position in RES roll-out plan timeline	Status as at the date of this Prospectus	Expected completion by 2024
	in the regional unit of Arcadia, which will begin in September 2021. It is expected that their semi-commercial operation will start in November 2022.					
Wind Park in Aeras Karditsa	During 2018, a tender for the study, supply, transportation, installation and commissioning of a wind park at “Aera” in the municipality of Mouzaki, a wind park at “Afentiko” in the municipality of Argitheia, a high voltage centre of 20/400 KV and a 100 MVA closed type wind park with gas-insulated equipment at “Diaselo-Profitis Elias” in the municipality of Mouzaki, regional unit of Karditsa, was completed for a contractual budget of €43.0 million. The project will have 27.6 MW total installed capacity. The construction began in February 2019 and the electrification as well as the semi-commercial operation is expected to begin in the fourth quarter of 2021.	Wind	38.5	6-18 months	No change	Yes
Wind Park in Kserakias, Kefalonia	The construction of the Wind Park at the location of Xerakias Dilinata of the Municipality of Kefalonia, region of Ionian Islands has been completed.	Wind	11.9	September 2021	The electrification was completed in July 2021 and the Wind Park is in operation since July 2021.	Yes
	Other investments with carrying value less than €5.0 million and future commitment of less than €20.0 million		84.1			
	Total construction in progress		1,591.4			

The major projects presented in the table above account for approximately €350.0 million of the €6.0 billion planned capital expenditure for the period between 2022 and 2024.

In the period from 30 June 2021 until the date of this Prospectus, we have not entered into any additional contractually binding agreements to make major investments.

### ***Future investments***

As at the date of this Prospectus, we have not entered into any contractually binding agreements to make major investments in the future, other than as set forth in the table above. Nonetheless, we have entered into agreements, which do not bind us to commit capital at this stage, but which might lead to contractual obligations to invest.

On 2 August 2021 we approved, and on 7 October we signed, the basic terms of the joint venture formation agreement and the shareholders agreement between PPC Renewables and RWE Renewables GmbH for the joint construction and contribution of photovoltaic stations with a total installed capacity of up to 2 GW through a joint investment vehicle. Participation in the joint investment scheme will be 51.0% for RWE Renewables GmbH and 49.0% for PPC Renewables. We have set up nine subsidiaries in Amyntaio, Florina, the shares of which will be contributed in kind in a joint investment vehicle. RWE Renewables GmbH will participate in the share capital through the contribution of cash and PPC Renewables through the contribution of power station licences. PPC Renewables will contribute nine solar projects for up to a combined total installed capacity of 940 MW, which will be located in western Macedonia, Greece, within the boundaries of the former Amyntaio open pit lignite mine, while RWE Renewables GmbH has secured a Greek photovoltaic project pipeline of similar size for the purpose of including it in the joint investment vehicle. The photovoltaic projects are in various stages of development, with the first projects expected to commence operations in 2023. These projects are expected to be funded through project financing on a non-recourse basis with an expected loan-to-value ratio of 0.7x.

### ***Targeted investments under our five-year business plan***

As at the date of this Prospectus, we have not entered into any agreement that gives rise to any contractual obligation in relation to the below targeted investments (see “*Risk Factors—Risks related to our business—We may not be able to successfully implement our key strategies and we may fail to achieve our operational targets and this could have a material adverse effect on our business, financial condition and results of operations*”).

On 23 September 2021, we announced our updated strategic business plan to transform PPC into an environmentally sustainable, modern and cutting-edge utility provider, which was further revised on 29 October 2021 as set forth in this Prospectus. Pursuant to this plan, we have budgeted to make capital expenditure aggregating approximately €9.3 billion for the years 2022-2026, of which we intend to invest €6.0 billion during the next three years. Of this €6.0 billion, we intend to allocate as follows: (i) approximately €3.2 billion 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; (ii) approximately €1.0 billion for capital expenditures on our distribution business unit through 2024, with particular focus on network development, network automation, market facilitation and the provision of better customer service; and (iii) approximately €1.7 billion for capital expenditures through 2024 on conventional power generation, our supply business unit, the construction of a waste-to-energy plant, digitalisation, telecommunications and electric vehicle charge-points.

Renewables are set to comprise the most significant component of our accelerated capital expenditure increase and are targeted to account for approximately 55.0% of our total capital expenditure for the period between 2022 and 2026. In our renewable energy business, we plan to focus on (i) increasing RES capacity to 7.2 GW by 2024 and 9.5 GW by 2026 and (ii) investing approximately €5.1 billion in capital expenditure for RES projects between 2022 and 2026, of which we intend to deploy €3.2 billion between 2022 and 2024. We have a project pipeline of approximately 10.0 GW. As we have already secured a guaranteed grid connection for approximately 3.0 GW of this pipeline by 2024, we believe we are well-positioned to execute our accelerated RES capacity build-out.

This is also supported by our extensive land ownership, our strong expertise in the planning, construction, operation and management of renewable generation assets, our access and ability to enter into intra-group Corporate PPAs, our existing large scale critical infrastructure and Greece's favourable geography. Moreover, due to the increasing availability of ESG funding and the positive profitability profile, which we enjoy in relation to our RES-related activities, we do not need to rely on subsidies to execute this plan.

In general, our investment plan for the remainder of 2021 is expected to be funded mainly by our operating cash flows and debt, while our investment plan between 2022 and 2024 is expected to be funded mainly by our operating cash flows, a portion of the proceeds from the sale of a 49.0% stake in HEDNO (see "*Trend Information—Sale of a 49.0% stake in HEDNO*"), debt (including project financing) and the net proceeds from the Share Capital Increase, as set out in "*Reasons for the Share Capital Increase and use of proceeds.*"

For further information, see "*Group's Business Overview—Our strategy*" and "*Group's Business Overview—Our transformation strategy and five-year business plan.*"

## 6. TREND INFORMATION

Our operating results are affected by a combination of economic, regulatory, industry and company-specific factors. Economic conditions affect our customers' ability to pay their electricity bills, and ultimately, demand for electricity. This in turn affects our revenue, as well as the cost of generation, which may increase if economic conditions cause the prices of fuel and other raw materials to increase. We are also subject to an extensive and complex regulatory framework, which affects significant aspects of how our industry operates in general and how we operate in particular. Industry-specific factors include competition, generation capacity, supply/demand balance and the competitive effects of certain laws and regulations. Company-specific factors that impact our operating results include, but are not limited to, power plant and Distribution Network reliability and efficiency, management of fixed and variable operating expenses, capital expenditure requirements, management of working capital, customer retention, collection of receivables and bad debts.

The most important factors affecting our operating results, business and financial condition are discussed below. As many of the factors which significantly impact our operating results, business and financial conditions are beyond our control and certain of these factors have historically been volatile, past performance will not necessarily be indicative of future performance, and it is difficult to predict future performance with any degree of certainty. In addition, important factors that could cause our actual operations or financial conditions to differ materially from those expressed or implied below include, but are not limited to, factors discussed in this Prospectus under "Risk Factors."

The COVID-19 pandemic has not had a material impact on our business or results of operations. All of our power generating facilities have continued operating and we have not experienced any meaningful disruptions to operations.

Other than the below trends and financial information, there is no other significant change in our financial performance since 30 June 2021 to the date of this Prospectus.

Other than the information disclosed in this section, there are not any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our prospects for the current financial year.

### 6.1. Trading update

We expect that increased wholesale market electricity prices in July and early August will put some pressure on our results for the third quarter of 2021. However, from 5 August 2021, we began indexing Low Voltage tariffs to the wholesale market price, which reduces our exposure to wholesale market price volatility. Accordingly, based on preliminary internal financial information and the totality of the assumptions, trends and developments presented herein, we do not anticipate any material changes in our Recurring EBITDA for the 2021 and 2022 financial years relative to our Recurring EBITDA for the year ended 31 December 2020.

*The above information is based solely on preliminary internal information used by management and certain assumptions, trends and developments as further described herein. Our actual consolidated financial results for the second half of 2021 and the 2022 financial year may differ from our preliminary estimates and targets, and any such differences may be material. We caution that the foregoing information has not been audited or reviewed by our independent auditors and should not be regarded as an indication, forecast or representation by us or any other person regarding our financial performance for the second half of 2021 or any future period.*

### 6.2. Strategic initiatives

On 23 September 2021, we announced our updated strategic business plan to transform PPC into an environmentally sustainable, modern and cutting-edge utility provider, which was further revised on 29 October 2021 as set forth in this Prospectus. We plan to raise capital of up to approximately €1,350.0 million through the Share Capital Increase to facilitate the execution of our transformation and business strategy. Over the next few years, we target to commit financing to high value projects. Executing our contemplated projects will require significant capital expenditure of approximately €6.0 billion by 2024 from a total of approximately €9.3 billion from 2022 through 2026. Through such investment, we aim to reach an installed RES capacity of 7.2 GW by 2024 and 9.5 GW by 2026. We also plan to expand our operations to markets adjacent to Greece, such as Bulgaria and Romania. We

will also explore opportunities in new activities, including electric vehicles and telecommunications. For further information, see “*Group’s Business Overview—Our strategy*” and “*Group’s Business Overview—Our transformation strategy and five-year business plan.*”

As part of our ongoing transformation, we have also begun the reorganisation of our Distribution Network assets, and we have agreed to sell a 49.0% minority stake in HEDNO, our wholly-owned subsidiary that operates our Distribution Network. This strategic initiative is intended to result in the transfer of substantially all of our grid-related assets from PPC to HEDNO through the Hive-Down. For further information, see “*—Sale of a 49.0% stake in HEDNO.*”

We expect these strategic initiatives, and the ongoing transformation of our business, will affect our results of operations in future periods.

### **6.3. Revenue from energy sales**

Our revenues from energy sales decreased by €68.0 million, or 3.5%, to €1,855.2 million for the six months ended 30 June 2021 from €1,923.2 million for the six months ended 30 June 2020. The decrease was due to a 1,156 GWh or by 7.3% decrease in our sales volumes as a result of our market share loss by 5.0 percentage units as domestic demand slightly increased by 0.4%. Total revenues decreased by €56.2 million, or 2.5%, to €2,193.4 million for the six months ended 30 June 2021 from €2,249.6 million for the six months ended 30 June 2020.

### **6.4. Tariffs**

Our revenues depend on the tariffs we charge our customers. Tariffs for all categories of customers were deregulated between 2008 and 2013. Tariffs for our High Voltage and Medium Voltage customers are negotiated on a bilateral basis, whereas tariffs for Low Voltage customers are generally standardised.

In September 2019, Low Voltage and Medium Voltage tariffs were adjusted upwards to reflect the higher costs of electricity generation, energy purchases and CO<sub>2</sub> emissions allowances. In addition, the tariff regime was revised in September 2019, incorporating the pass-through of CO<sub>2</sub> costs to Low Voltage customers, increased pricing for Low Voltage and Medium Voltage customers and reduced discounts for timely payments (from 10.0% to 5.0%). The impact for customers was offset by lower VAT and the renewables levy charges legislated by the Greek government. In addition, as of 5 August 2021, the pass-through mechanism of CO<sub>2</sub> costs in Low Voltage tariffs was replaced by a clause that links Low Voltage tariffs with the evolution of wholesale market price, thus providing better protection from increased wholesale market cost and minimising variation in our supply margin. For more information on the recent tariff adjustments, please see “*Financial information concerning the Issuer’s assets and liabilities, financial position and profits and losses—Legal Proceedings—RAE’s questions regarding the low-voltage tariff adjustment mechanism.*”

The profitability and cash generation of our business is significantly dependent on our ability to pass through our costs plus a margin to end-customers as well as our ability to collect receivables from our customers and minimise expected credit losses. Our ability to pass through our costs plus a margin to end-customers is dependent on the level of competition and general economic conditions. In connection with these decisions, we aim to balance the retention of end-customers, in particular in our priority segments, against the potential for improved profitability from increased tariffs.

### **6.5. Demand for electricity**

Demand for electricity in Greece is one of the principal factors impacting our revenue, as it affects the quantities of electricity we supply to customers. As nearly all of our revenue is derived from electricity generation, distribution and supply to customers in Greece, we are particularly sensitive to changes in demand for electricity in Greece. Demand also impacts our costs since it affects wholesale market prices and variable costs of electricity generation (such as expenses for fuel and CO<sub>2</sub> emission rights).

Demand for electricity in Greece has historically been, to a certain extent, correlated to GDP and weather conditions. Mild winters and/or cool summers reduce demand, while cold winters and hot summers increase demand. Household electricity consumption levels are primarily affected by weather conditions.

The COVID-19 pandemic, and the extraordinary measures undertaken by the Greek government to reduce the spread of the disease and mitigate its economic impact on businesses and individuals have affected demand for electricity since the onset of the pandemic in March 2020, with a general reduction in demand levels due to business interruption and general economic uncertainty. In 2021, demand for electricity has started to increase compared to 2020, as a result of the recovery of economic activity in the second quarter of 2021 with the relaxation of the restrictive measures related to the COVID-19 pandemic.

Our business is subject to seasonal variations that impact levels of demand for electricity during the calendar year. Demand for electricity is typically higher during the winter and summer months, which results in increased demand during the first and third quarters. Peak demand typically occurs during summer and winter (usually in July and January, respectively) due to increased electricity consumption for air-conditioning and heating. The level of electricity demand in Greece is also dependent on tourism, especially in the islands. Greece generally receives a high number of tourists during the summer months, which typically results in increased demand for electricity during the third quarter. Changes in demand and SMP caused by seasonal variations can have an impact on our cost base, as well as on our working capital over the course of the year.

#### **6.6. Provision for expected credit losses and collection of bills**

Our results depend significantly on the timing and extent to which our customers pay their electricity bills. In the past, our results were often impacted by our collection policies and our inability to timely collect a significant percentage of electricity bills, which resulted in a significant increase in provisions for expected credit losses. In particular, provision for expected credit losses is an important factor affecting both our results of operations and working capital. We classify Medium Voltage customers as customers in default when their bills are more than 90 days overdue, whereas High Voltage customers are assessed on an individual basis based on their historical credit behavior and financial position. On 30 June 2021, we re-examined our assessment that the non-collection of receivables from Low Voltage customers for more than 180 days constitutes a credit event and applied an approach based on the probability of default rates on due receivables for more than 180 days (see Note 15 of the unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021). We estimate the expected credit losses, using credit loss provision tables based on the maturity of their balances, following historical data for credit losses and adjusting appropriately for future events and the economic environment.

In recent years, we have implemented a number of measures to decrease customer delinquencies and improve the collectability of electricity bills. On 6 August 2020, we established an asset-backed conduit securitisation in respect of our performing consumer and corporate energy receivables up to 60 days past due and on 24 November 2020 and on 30 June 2021 we received the amounts of €150.0 million and €50.0 million, respectively. In addition, on 9 April 2021, we entered into an asset-backed receivables securitisation to manage our non-performing receivables (*i.e.* consumer and corporate energy receivables over 90 days past due), which provides us with access to funding of up to €325.0 million, and on 30 June 2021, we completed the relevant securitisation facility. As at 30 June 2021, our securitised non-performing receivables after expected credit losses in respect of our receivables over 90 days past due from Low Voltage customers equal to €161.7 million. See “*Material Contracts—Performing Receivables Securitisation*” and “*Material Contracts—Non-Performing Receivables Securitisation*” for additional information.

These initiatives to improve the collection of unpaid bills contributed to a decrease in our provisions for expected credit losses (concerning trade and other receivables and contract assets) in recent periods, including reversals of €151.5 million during the year ended 31 December 2018, €43.6 million during the year ended 31 December 2019 and €155.6 million during the six-month period ended 30 June 2021. However, our ability to collect electricity bills remains subject to economic and other conditions, as demonstrated by increased provisions for expected credit losses by €61.9 million during the year ended 31 December 2020, as a result of the COVID-19 pandemic.

#### **6.7. Regulatory framework and fiscal policies**

We are subject to significant EU and Greek regulation and, accordingly, our 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. As further discussed in “*Group’s Business Overview—Our competitive strengths—We are well-positioned to benefit from positive policy, regulatory and macroeconomic developments, which are already contributing to increased profitability and an improved balance sheet,*” there were a number of regulatory developments that impacted our results for the periods presented, including:

- *the abolition of NOME auctions:* The NOME auctions resulted in us having to provide independent suppliers with electricity generated by lignite and hydropower generation assets at below cost, which had an adverse impact on our results of operations of €156.0 million in 2019, €228.0 million in 2018 and €96.6 million in 2017. NOME auctions were abolished in October 2019.
- *the abolition of the RES charge:* At the end of 2016, an additional charge was imposed on electricity suppliers in order to cover the Renewables Special Account deficit. This had an adverse impact on our profitability over the period 2016-2019 of €479.0 million (€28.4 million in 2016, €353.5 million in 2017 and €196.3 million in 2018). In 2019, an amount of €99.3 million was returned to as rebate from the surplus created in the Renewables Special Account. The RES charge was abolished in January 2019. However, the Greek government has adopted additional measures to fund the Renewables Special Account, which recorded a deficit of €430.0 million in November 2020. These measures resulted to additional charges of €74.3 million to our financial results in 2020. According to the most recent report from DAPEEP, issued on 13 October 2021, in July 2021, the deficit amounted to €132.5 million. For more information on these additional measures, please see “*Risk Factors—Risks related to our business—There are risks associated with the deficit in the Renewables Special Account.*”
- *the abolition of the special lignite fee:* The special lignite fee of €2.0/MWh generated from lignite-fired units, which had been imposed since 2012 and amounted to €29.7 million for 2018, was abolished as at 1 January 2019. In addition, the lignite levy of 0.5% of our annual turnover has been abolished and replaced with a lower lignite levy of €1.4/MWh generated from lignite-fired units, the purpose of which is to support local communities in areas where lignite is extracted.
- *Implementation of EU Target Model:* In accordance with the EU Directive for domestic wholesale electricity market reform, the Greek wholesale electricity market has now transitioned to the EU Target Model as at 1 November 2020. We believe the EU Target Model will positively impact our business in several ways, including better management of our portfolio in the Day-Ahead and Intra-Day Market, improved ability to hedge customer long position, additional hedging opportunities through the Forward Market and additional revenues for units offering balancing services in the context of the Balancing Market operation. In addition, we will have more flexible trading opportunities as well as the ability to enter into Corporate PPAs, capitalising further on the natural hedge between generation and supply.
- *Decision no. 632/2021:* The RAE introduced certain measures that are beneficial to our distribution business unit. These include, among others, the introduction of (i) a pluriannual regulatory period (3-5 years), which creates regulatory and financial security and allows for better optimisation and planning of operations, (ii) additional premiums for projects found eligible as “projects of major importance,” a factor which encourages us to undertake long-term strategic projects, (iii) efficiency incentives for controllable operating expenses, (iv) incentives to reduce network losses, and (vii) incentives to improve the quality of service and supply standards. See “*Group’s Business Overview—Our business units—Distribution.*”

## 6.8. Competition

The level of competition in the Greek electricity market affects on our sales in both the wholesale and supply markets and ultimately our revenues and operating profits. While we have historically controlled substantially all of the Greek electricity generation and supply markets, we have been reducing our generation and supply market share in accordance with the structural reforms agreed in the Supplemental MoU. Further, despite our reduced market share, we nevertheless remain the largest supplier and generator of electricity in the Interconnected System, with the second-largest supplier

having a supply market share of 8.2%<sup>23</sup> and the second-largest generator with a generation market share of 20.3% as at 30 June 2021.

Our average supply market share in Greece declined to 68.7% in the year ended 31 December 2020, as compared to 75.8% in 2019. Our average supply market share in the Interconnected System declined to 66.8% in December 2020, as compared to 71.7% in December 2019, while our average market share per voltage category was 94.4% in High Voltage, 35.7% in Medium Voltage and 69.0% in Low Voltage in December 2020 (as compared to 97.5% in High Voltage, 52.6% in Medium Voltage and 73.4% in Low Voltage in December 2019).<sup>24</sup>

Our average supply market share in Greece declined to 64.9% in the six-month period ended 30 June 2021, as compared to 69.9% in the six-month period ended 30 June 2020. Our average supply market share in the Interconnected System declined to 63.8% in June 2021, as compared to 66.1% in June 2020, while our average market share per voltage category was 91.5% in High Voltage, 35.3% in Medium Voltage and 67.7% in Low Voltage in June 2021 (as compared to 94.5% in High Voltage, 30.5% in Medium Voltage and 70.6% in Low Voltage in June 2020).

Our average generation market share in Greece increased to 49.2% in the six-month period ended 30 June 2021, as compared to 42.7% in the six-month period ended 30 June 2020. Our average generation market share in the Interconnected System increased to 45.8% in the six-month period ended 30 June 2021, as compared to 38.3% in the six-month period ended 30 June 2020.

Other companies that are presently active in electricity generation in Greece include, among others, Heron Thermolectric S.A. (with an OCGT power plant and a CCGT power plant), Elpedison Power (with two CCGT power plants) and the Mytilineos Group (with the CHP power plant of Aluminium S.A. and two CCGT power plants). These competitors began developing RES generation plants before us, and their presence in this market segment was more prevalent compared to our limited market share of 127 MW (excluding PPC Renewables' participation in joint ventures with an aggregate capacity of 63 MW) in RES generation capacity in Greece as at 30 June 2021. These companies compete with us in the electricity supply market as well. We also face competitive pressure from cross-border trade (imports from other countries in south-eastern Europe). Our operating results may be affected by the bidding strategies in the wholesale market adopted by our competitors.

## 6.9. Energy purchases

Energy purchases are one of the most significant components of our operating expenses, as we supply more electricity to our customers than we generate and are, therefore, required to purchase the difference from other sources (such as independent power producers and imports from other countries).

Prices for energy purchases from the System are also affected by surcharges imposed through regulatory decisions. Since our energy purchases levels have historically been high and form a significant portion of our total operating expenses, potential further increases in prices for energy purchases in the future, especially if combined with limited capacity to pass through our costs to our customers and increased demand, would likely adversely affect our operating results. We address this risk by covering part of our needs from yearly, half-yearly and monthly ahead-imported energy, which is bought at fixed prices from various counterparties, mainly active near the northern border of Greece, as well as from energy purchases from the Forward Market (either from energy exchanges or over-the-counter). In addition, apart from planned outages due to maintenance, our electricity-generating power plants could be impacted by unplanned power outages due to failures, inspections or other safety-related incidents which could further impact the amount of energy purchases from the System.

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<sup>23</sup> Source: Hellenic Energy Exchange, Monthly Report, June 2021, *Day Ahead & Intraday Electricity Markets – Greek Bidding Zone*; p. 23, <http://www.enexgroup.gr>.

<sup>24</sup> Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.



Energy purchases expense from the Transmission System and the Non-Interconnected Islands decreased by €190.8 million, or 32.4%, to €398.6 million in the six-month period ended 30 June 2021, compared to €589.4 million in the six-month period ended 30 June 2020, due to lower energy purchases volume, despite the increase of the Market Clearing Price from €41.4/MWh in the six-month period ended 30 June 2020 to €61.9/MWh in the six-month period ended 30 June 2021.

## **6.10. Fuel prices**

The operating expenses and economic efficiency of our thermal power plants are heavily dependent on fuel prices. During the last three years, our natural gas and liquid fuel expenses were primarily driven by fluctuations in commodity prices. The COVID-19 pandemic resulted in decreased demand for fuels that are significant to our operations, such as oil and natural gas and, therefore, in reduced investments and expenditure in relation to their production and distribution. As restrictive measures began to be lifted, the global market experienced a sharp rebound in demand for such fuels, which has accelerated in the second half of 2021. These circumstances culminated in an inability to service the increased demand, leading to a significant rise, as well as volatility, in the prices of oil and natural gas.

Until recently, we did not have a policy to hedge commodity exposure. In the fourth quarter of 2020, we adopted a policy that allows us to hedge in natural gas, Brent, CO<sub>2</sub> and Greek power prices. We are enrolled in liquid foreign organised markets, namely the European Energy Exchange and the Intercontinental Exchange, and as a participant in the relevant forward market for electricity, natural gas and oil products with either financial or physical delivery. We also participate in the Forward Power Market as a market maker. This market was established in March 2020 following the reform of the Greek electricity market in accordance with the implementation of the EU Target Model. While we have established a policy for hedging against fluctuations in commodities according to the prevailing market circumstances, hedging transactions may not provide full protection against the risk of fluctuating commodity prices.

Liquid fuel costs remained substantially stable at €225.0 million in the six-month period ended 30 June 2021, compared to the six-month period ended 30 June 2020, despite the 5.9% increase in generation from liquid fuel. Such increase was offset by lower prices of mainly heavy fuel oil between the respective periods.

Natural gas expense increased significantly by €106.0 million, or 94.4%, to €218.3 million in the six-month period ended 30 June 2021 from €112.3 million in the six-month period ended 30 June 2020. This change was due to an increase in corresponding electricity generation and increased natural gas prices.

## **6.11. Emission allowances**

Our generation business is subject to EU Directives that require us to purchase CO<sub>2</sub> emissions rights to cover substantially all of our direct CO<sub>2</sub> emissions from our thermal power plants. In recent periods, we have reduced our generation of electricity from lignite-fired power plants as a result of our new business model and, more recently, due to a decrease in demand owing to the COVID-19 pandemic. Expenditure on CO<sub>2</sub> emission allowances increased to €296.9 million in the six-month period ended 30 June 2021 from €171.2 million in the six-month period ended 30 June 2020, due to the increase in the average price of CO<sub>2</sub> emission allowances from €23.3/tonne to €38.9/tonne, as well as the increase of CO<sub>2</sub> quantities by 3.4%, from 7.4 million tonnes during the six-month period ended 30 June 2020, to 7.7 million tonnes in the six-month period ended 30 June 2021.

The price of CO<sub>2</sub> emission allowances may be further affected by the probable adjustment of the EU climate targets for 2030, which is part of the EU's commitments under the Paris Agreement, the ongoing dialogue on the objectives of the EU's climate for 2050 and the proposed upgrading of the EU's renewable energy and energy efficiency targets for 2030. We systematically monitor markets and developments at the European level and have adopted a market policy that partly offsets the risk of price increase in emission allowances, while at the same time mitigating the impact of price increases by passing through the costs to Low, Medium and High Voltage customers. As part of our overall business strategy, we may wholly or partly offset any price movement which may, directly or indirectly, affect our results of operations.

## **6.12. Payroll**

Payroll cost has a significant impact on our results of operations. As part of our strategy to improve efficiency and reduce operational costs, we have been steadily decreasing payroll costs. In recent periods, these decreases were primarily achieved through natural attrition and the launch of voluntary retirement programmes in 2020 (including net reductions of 1,277 and 1,638 employees during the years ended 31 December 2020 and 2019, respectively). Our payroll cost during the six-month period ended 30 June 2021 and for the years ended 31 December 2020 and 2019 amounted to 16.5%, 15.3% and 10.4% of our total revenues, respectively.

During 2019 and 2020, certain restrictions in our hiring and remuneration policy, which were required due to the Hellenic Republic's indirect majority ownership of our share capital, ceased to apply. In particular, the remuneration ceiling that had applied across our operations was lifted in 2018, leading to a partial restoration of prior wage cuts, while the absolute cap on individual salaries no longer applies to our executive officers who are hired by virtue of Law 4643/2019. Executive officer remuneration is now prescribed under our remuneration policy, which was approved by the General Meeting on 4 June 2021 and is available on our website. Furthermore, the new legislation now allows us to formulate and implement our own hiring policy for new employees, without being subject to the prior "hiring versus retirement" ratio.

## **6.13. Impact of the COVID-19 pandemic**

We have not experienced any meaningful impact on operations or financial performance as a consequence of the COVID-19 pandemic. Nevertheless, depending on its duration and progress, the COVID-19 pandemic, or a possible future outbreak of any other highly infectious or contagious diseases, could materially and adversely affect the operations, financial condition, and cash flows of our projects, distribution networks and other businesses. Further, the COVID-19 pandemic has caused severe disruptions in the global economy and financial markets and could potentially create widespread business continuity issues of an as yet unknown magnitude and duration. Our COVID-19 response activities have been focused on four areas: the health and safety of our employees, business resilience (including availability and reliability of operations), managing relations with off-takers, and community support.

The COVID-19 pandemic resulted in a decline in new investments in the energy sector. This has, to an extent, caused an increase in electricity prices due to constrained supply, which has been further exacerbated by the strong global recovery in demand for these energy products during 2021, with these trends accelerating in the second half of 2021. In Greece, during the first half of 2021, a small increase in the demand for electricity was observed in the Interconnected System, with a significant increase in its price in the Day-Ahead Market. This, in combination with the increase in prices for CO<sub>2</sub> emission allowances and gas, contributed to the increase of the energy balance cost of both Greece and PPC for this period.

## **6.14. De-lignification and transition to lower carbon generation technologies**

In December 2019, the Greek Parliament published the NECP, which requires the phase-out of lignite power generation in Greece by 2028.

Given the lack of competitiveness of all existing assets in our lignite portfolio and, in response to the new green agenda being prioritised in Greece and the EU, we have developed and are implementing a medium-term business plan to restructure our operations, with an emphasis on promoting clean energy. We have embarked on an accelerated lignite decommissioning plan, aiming to shut down all of our existing lignite-fired power plants, which have an aggregate net capacity of approximately 2.2 GW, beginning in 2020 and through 2023. Furthermore, our new Ptolemaida V facility will begin operations in 2022. While this facility will initially operate with lignite, it will transition to a different fuel mix by no later than 2025. In addition to our aggressive lignite decommissioning plan, we have a strong pipeline for building out our renewable energy capacity.

The implementation of this business plan for our transition into a modern, efficient and environmentally sustainable utility provider, has had an impact on our results of operations in recent periods and could have an impact on the comparability of our results of operations in future periods.

### **6.15. Implementation of new collection policies and securitisation facilities to manage receivables**

In the past, our results were often impacted by our collection policies and our inability to timely collect a significant percentage of electricity bills, which resulted in a significant increase in provisions for expected credit losses. In recent years, we have implemented a number of measures to decrease customer delinquencies and improve the collectability of our electricity bills.

In August 2020, to further promote our target to reduce customer arrears and improve our liquidity, we entered into an asset-backed receivables securitisation to manage our performing receivables (*i.e.* consumer and corporate energy receivables up to 60 days past due), and in April 2021, we entered into a non-recourse asset-backed receivables securitisation for our non-performing receivables (*i.e.* consumer and corporate energy receivables over 90 days past due). At the same time, we assigned the management and collection of such receivables to a debt management, collections and recoveries company, which led to an improvement of collections from the overdue receivables over 90 days from our Low Voltage customers during the six-month period ended 30 June 2021. See “*Material Contracts—Performing Receivables Securitisations*” and “*Material Contracts—Non-Performing Receivables Securitisation*” for additional information.

These initiatives are expected to help us manage our collections function and further improve our provisions for expected credit losses, which could have an impact on the comparability of our results of operations in future periods.

### **6.16. Sale of a 49.0% stake in HEDNO**

As part of our ongoing transformation, we have begun the reorganisation of our Distribution Network assets and agreed to sell a 49.0% non-controlling stake in our subsidiary, HEDNO, which operates the Distribution Network. The proceeds from the non-controlling stake sale will be used for the repayment of certain of our existing indebtedness and for capital expenditure pursuant to our business plan. In connection with the non-controlling stake sale, we intend to reorganise the Distribution Network assets within the Group. The reorganisation will take place through the Hive-Down and will involve the transfer of all of the assets and liabilities comprising the Distribution Network (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) from PPC to HEDNO. As part of the Hive-Down, we will push down from PPC to HEDNO certain indebtedness incurred in connection with the development of our Distribution Network assets (including approximately €1,285.1 million of our EIB Loans and €160.0 million of our Black Sea Trade and Development Bank loan). We commenced the sale process for HEDNO in December 2020 with the publication of a request for expressions of interest from bidders and in September 2021 four binding offers were submitted. Following evaluation of the offers submitted, Spear WTE Investments S.à r.l., a member of MAM, was declared as preferred bidder with a consideration of €2,116 million, including *pro rata* net debt of €804 million. On 1 October 2021, we entered into a share purchase agreement with MSCIF Dynami BidCo Single Member S.A., a wholly-owned subsidiary of Spear WTE Investments S.à r.l., for the sale of 49.0% of HEDNO’s share capital and the Extraordinary General Meeting held on 19 October 2021 approved the transaction and the Hive-Down, which is expected to be completed within 2021. The initial purchase price of €1,312 million is subject to a completion accounts price adjustment mechanism (see “*Material Contracts—Share purchase agreement*”). Subject to further approvals, we anticipate the sale to be completed by the end of 2021. However, there can be no assurance that we will complete the sale in this timeframe or at all.

Following the non-controlling stake sale, HEDNO will remain our majority-owned subsidiary. In addition, we intend to continue to exercise control over HEDNO’s financial, strategic and operating decisions and, hence, we will continue to consolidate HEDNO in our results of operations and financial accounts. For accounting periods following consummation of the sale, we will begin reporting profit/loss after tax attributable to non-controlling interests on our consolidated income statement and net assets attributable to non-controlling interests on our Consolidated Statement of Financial Position.

In August 2021, HEDNO signed a term sheet on financing terms (in Greek, “βασικοί όροι χρηματοδότησης”) referring to the issuance by HEDNO of a common bond loan of up to €660.0 million with a maximum duration until the end of 2033 (drawdowns available until 31 January 2027) with Eurobank S.A. acting, among others, as mandated lead arranger, syndicate manager and underwriter. The purpose of the loan is to cover financing needs of HEDNO in respect of capital expenditure (which forms part of the regulatory asset base), working capital and fees payable for the said facility at closing date. The consummation of the transactions contemplated in the above mentioned term sheet is subject to customary conditions, such as performance of due diligence, satisfactory documentation and satisfactory market conditions as well as the completion of the sale of a 49.0% stake in HEDNO (for more information, see “*Material Contracts—Share Purchase Agreement*”). As at the date of the Prospectus, the financing agreement referred to in the above mentioned term sheet has not been signed.

*Effect of the sale of a 49.0% stake in HEDNO on our financial results*

In the tables below, we present the effect on our consolidated income statement for the year ended 31 December 2020 and for the six months ended 30 June 2021, and on our consolidated statement of financial position as at 1 January 2020, 31 December 2020 and 30 June 2021 from the sale of 49.0% of our stake in HEDNO, as if the transaction had been completed on 1 January 2020. This financial information has been prepared for illustrative purposes only and, has not been audited or reviewed. The hypothetical financial position or results presented below are not necessarily indicative of what the Group’s financial position or financial performance actually would have been, had the transaction been completed as of the dates indicated and does not purport to project the operating results of the Group. The illustrative consolidated income statement and consolidated statement of financial position have been prepared with the following assumptions:

- (a) the sale of a 49.0% minority stake and the Hive-Down is completed on 1 January 2020;
- (b) the purchase price equals €1,312.0 million;
- (c) the effect of the use of proceeds is not reflected in our financial statements;
- (d) on 1 January 2020, HEDNO’s share capital, which amounted to €199.5 million as at 30 June 2021, increases by virtue of PPC’s contributed net assets, which amounted to €924.0 million (*i.e.* “net assets held for sale,” as presented in our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021);
- (e) we do not take into account the effect of taxation of this transaction;
- (f) we do not give effect to the dividend that HEDNO is obliged to distribute to its shareholders pursuant to the terms of the SHA (as defined herein); and
- (g) We do not give effect to the put option granted to the investor (see “*Material Contracts—Shareholders’ agreement*”) and any impact it may have on our financial position or performance for the said or any future periods.

If the sale of a 49.0% non-controlling stake in HEDNO had been completed on 30 June 2021, the non-controlling interest would have been lower by the 49.0% of cumulative profit after tax from discontinued operations of the Distribution Network, as presented in our standalone financial statements as at and for the six months ended 30 June 2021.

Accounts affected in our statement of income (€ in thousands)	For the year ended 31 December 2020			For the six months ended 30 June 2021		
	Actual	Adjustments	As adjusted	Actual	Adjustments	As adjusted
<b>Net Profit/(Loss)</b> . . . . .	<b>35,204</b>	<b>—</b>	<b>35,204</b>	<b>26,943</b>	<b>—</b>	<b>26,943</b>
<i>Attributable to:</i>						
Owners of the Parent . . . . .	35,164	(46,067)	(10,903)	26,923	(80,631)	(53,708)
Non-controlling Interest . . . . .	40	46,067	46,107	20	80,631	80,651
Earnings per Share . . . . .	0.15	(0.2)	(0.05)	0.12	(0.35)	(0.23)
Weighted Average Number of Shares . . . . .	232,000,000	—	232,000,000	232,000,000	—	232,000,000

Source: For actual figures please refer to our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

Accounts affected in our statement of financial position (€ in thousands)	As at 1 January 2020			As at 31 December 2020			As at 30 June 2021		
	Actual	Adjustments	As adjusted	Actual	Adjustments	As adjusted	Actual	Adjustments	As adjusted
<b>ASSETS</b>									
Cash and Cash Equivalents . . . . .	286,917	1,312,000	1,598,917	815,640	1,312,000	2,127,640	1,186,552	1,312,000	2,498,552
<b>Total Current Assets . . . . .</b>	<b>2,567,010</b>	<b>1,312,000</b>	<b>3,879,010</b>	<b>2,987,107</b>	<b>1,312,000</b>	<b>4,299,107</b>	<b>3,667,042</b>	<b>1,312,000</b>	<b>4,979,042</b>
<b>Total Assets . . . . .</b>	<b>13,572,506</b>	<b>1,312,000</b>	<b>14,884,506</b>	<b>13,685,554</b>	<b>1,312,000</b>	<b>14,997,554</b>	<b>14,368,936</b>	<b>1,312,000</b>	<b>15,680,936</b>
<b>EQUITY AND LIABILITIES</b>									
Retained Earnings . . . . .	(1,628,019)	761,524	(866,495)	(1,552,136)	722,116	(830,020)	(1,522,431)	645,121	(877,310)
<b>Total Equity Attributable to the Owners of the Parent . . . . .</b>	<b>3,040,337</b>	<b>761,524</b>	<b>3,801,861</b>	<b>3,084,871</b>	<b>722,116</b>	<b>3,806,987</b>	<b>3,318,980</b>	<b>645,121</b>	<b>3,964,101</b>
Non-controlling Interests . . . . .	255	550,476*	550,731	295	589,884	590,179	315	666,879	667,194
<b>Total Equity . . . . .</b>	<b>3,040,592</b>	<b>1,312,000</b>	<b>4,352,592</b>	<b>3,085,166</b>	<b>1,312,000</b>	<b>4,397,166</b>	<b>3,319,295</b>	<b>1,312,000</b>	<b>4,631,295</b>
<b>Total Equity and Liabilities . . . . .</b>	<b>13,572,506</b>	<b>1,312,000</b>	<b>14,884,506</b>	<b>13,685,554</b>	<b>1,312,000</b>	<b>14,997,554</b>	<b>14,368,936</b>	<b>1,312,000</b>	<b>15,680,936</b>

\* Non-controlling interests are calculated as the 49.0% of HEDNO's share capital, which amounted to €199.5 million, plus PPC's contributed net assets, which amounted to €924.0 million.

Source: For actual figures please refer to our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

Under the terms of the SHA (as defined herein), and subject to certain conditions, HEDNO will distribute as dividend the maximum of €85.0 million and the 95.0% of the previous year's net profits, of which 51.0% will be paid to PPC and the remaining 49.0% will be paid to HEDNO's non-controlling shareholder. In addition, we anticipate that debt service and repayment obligations in respect of the approximately €1.5 billion of debt being transferred from PPC to HEDNO, as well as any additional debt required to be raised in connection with investments in the Distribution Network, will be serviced by HEDNO directly (without recourse to guarantees or contributions from PPC). We also expect that all capital investments by HEDNO in the Distribution Network will be funded with cash generated by operations or borrowed by HEDNO directly (without recourse to guarantees or contributions from PPC).

## 6.17. Implementation of the EU Target Model and impact of structural market reforms

The EU Target Model, as envisaged in the EU Regulation for domestic wholesale electricity market reform, was introduced in Greece with the implementation of the Forward Power Market in March 2020 and of the Day-Ahead Market, the Intra-Day Market and the Balancing Market in November 2020. The EU Target Model is designed to increase competition and market participation by enabling market participants to more effectively manage their risks through their participation in the four relevant markets, each of which has a different time horizon. It may also provide additional sources of revenue. While we do not expect any material impact on our business, the design and operation of the new system together with transitional arrangements until the new market has fully matured, have created short-term uncertainties that could have an impact on the comparability of our results of operations in future periods.

## **7. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS, AND LOSSES**

*The following discussion should be read in conjunction with the audited consolidated financial statements and unaudited interim condensed consolidated financial statements and the notes thereto incorporated by reference in this Prospectus (see "Documents Available").*

*Our audited consolidated financial statements as at and for the year ended 31 December 2020 were prepared in accordance with IFRS and audited by Ernst & Young (Hellas) Certified Auditors—Accountants S.A., independent auditors. The consolidated financial information of PPC as at and for the year ended 31 December 2019 is derived from the comparative columns of the English translation of the audited consolidated financial statements as at and for the year ended 31 December 2020. The English translation of the audited consolidated financial statements and notes thereto as at and for the year ended 31 December 2020 have been incorporated by reference to our annual financial report of 2020, available at PPC's website and form part of this Prospectus. Our audited consolidated financial statements as at and for the year ended 31 December 2020 were approved by the Board of Directors of PPC on 20 April 2021. The English translation of our audited consolidated financial statements as at and for the year ended 31 December 2020 including the English translation of the independent auditor's report are available at the following link: <https://www.dei.gr/Documents2/ANNUAL%20REPORTAR-2020/ApologismosFinancial%202020-A4-ENG%2023062021.pdf>*

*Our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021 were prepared in accordance with IAS 34 and reviewed by Ernst & Young (Hellas) Certified Auditors—Accountants S.A., independent auditors. The consolidated financial information of PPC as at and for the six months ended 30 June 2020 is derived from the comparative columns of the English translation of the unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021. The English translation of the unaudited interim condensed consolidated financial statements and notes thereto as at and for six months ended 30 June 2021 have been incorporated by reference to our half-year report of 2021, available at PPC's website and form part of this Prospectus. Our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021 were approved by the Board of Directors of PPC on 23 September 2021. The English translation of our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021 including the English translation of the independent auditor's review report are available at the following link: [https://www.dei.gr/Documents2/OIKONOMIKA%20A POTELESMATA%202021/H1%202021/FINANCIAL%20REPORT%206M%202021%20ENG\\_final.pdf](https://www.dei.gr/Documents2/OIKONOMIKA%20A POTELESMATA%202021/H1%202021/FINANCIAL%20REPORT%206M%202021%20ENG_final.pdf)*

### **7.1. Presentation of financial and other information**

#### ***Financial information***

Certain financial and other information presented in this Prospectus has been prepared on the basis of our own internal accounts, statistics and estimates, and has not been subject to any review by our independent auditors. In such instances, the relevant source is explicitly stated.

The figures presented in the tables in this Prospectus derive from the English translation of our audited consolidated financial statements as at and for the year ended 31 December 2020, as well as from the English translation of our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021, and information provided by us. In such instances, the relevant source is explicitly stated.

Certain special terms used in the power industry are defined in the glossary of technical terms. See "Glossary."

The implementation of IFRS 16 from 1 January 2019 did not affect the comparability of our financial results.

### ***Critical accounting policies and estimates***

The preparation of our financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may ultimately differ from those estimates. The judgments and estimates applied could significantly affect applicable line items in our financial statements. See Note 4.2 to the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2021 for a summary of the significant accounting judgments and estimates applied in the preparation of our financial statements.

Pursuant to our revenue recognition policy, we estimate the amount of electricity supplied to Low Voltage customers on each balance sheet date. Unbilled revenue is estimated using certain assumptions with respect to the quantities of electricity consumed and may differ from actual amounts billed. For more information, see Note 4.3 to the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2021.

Given that the methodologies and assumptions we apply to reach our estimates are inherently subjective and require a certain degree of judgment, the methodologies applied may not be accurate and the actual results may ultimately differ from estimates applied.

### ***Non-financial operating data***

Certain key performance indicators and other non-financial operating data included in this Prospectus are derived from management estimates, are not part of our financial statements or financial accounting records, and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Our use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS.

References to electricity demand in this Prospectus are to electricity demand in Greece, excluding exports and electricity demand resulting from the process of pumping water to be stored at a higher elevation and subsequently released to generate electricity as part of the operation of hydropower generation units (“pumping”).

### ***Rounding***

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or row of a table contained in this Prospectus may not conform exactly to the total figure given for that column or row.

### ***Currency***

Unless otherwise indicated, financial information relating to PPC is presented in euro.

## **7.2. Corrective note in accordance with Article 23, paragraph 2 of Law 3556/2007**

On 29 October 2021, the Company announced the following regarding the audited consolidated financial statements as at and for the year ended 31 December 2020:

*“Following relevant notification from the Hellenic Capital Markets Commission, PPC S.A. proceeds to the following note regarding FY2020 financial statements.*

*During the financial year ended 31.12.2020, the subsidiary HEDNO S.A., aligned the method of revenue recognition corresponding to electricity consumed but not yet billed (unbilled revenue) for the revenues from Distribution network usage fees between the Interconnected and the non-interconnected network. This resulted to the recognition of a net amount before tax of €20.7m in “Other (income)/expense, net” in PPC group’s consolidated Income Statement for 2020, which relates to the net accrued income from Distribution Network usage fees for electricity consumed but not yet billed (unbilled revenue) as of 31.12.2019 from third party electricity providers (excluding the Parent company). As a consequence, consolidated profit before tax and consolidated profit after tax for the year ended 31.12.2020 of PPC group were higher by €20.7m and €15.7m respectively.*

*Should this recognition had taken place in the year ended 31.12.2019, PPC Group's "Recurring EBITDA" as of 31.12.2020 would amount to €865.1m instead of €885.8m.*

*HEDNO S.A., in its standalone financial statements has restated its total equity as of 31.12.2019 by €37m, of which €21.3m is an intragroup revenue with PPC S.A., thus the impact on total equity on a group level amounts to €15.7m.*

*It is noted that this alignment in accounting treatment does not have any cash impact, as no dividend was distributed in 2020."*

### **7.3. Description of certain key line items**

#### ***Revenues***

Our revenues consist of energy sales and other sales. Energy sales include sales by PPC to our customers (High Voltage customers, Medium Voltage customers and Low Voltage customers) and sales by PPC Renewables to the wholesale electricity market. Energy sales consist of the energy component of the electricity bill, regulated charges and PSOs.

Other sales include interconnection rights, customers' contributions for connection to the Distribution Network, other Suppliers' Distribution Network fees, third-party PSOs and income from the sale of electricity from Non-Interconnected Islands thermal units.

#### ***Payroll cost***

Payroll cost (as reflected in our statements of income) consists of wages and employee benefits (employer's social security contributions and provision for supply of electricity at reduced tariffs), costs related to extraordinary retirement plans and ordinary pension plans for all of our employees, except for the employees involved in the construction of fixed assets, whose payroll cost is capitalised. This category of payroll cost is deducted from our total payroll cost.

#### ***Fuel***

Liquid fuel costs are the costs related to the purchase, transportation and handling of heavy fuel oil and diesel oil consumed for the operation of our oil-fired power plants consumed mainly in the Non-Interconnected Islands.

Natural gas costs are associated with the cost of natural gas consumed for the operation of our natural gas-fired power plants, including transportation cost.

#### ***Energy purchases***

Our energy purchases expense is comprised of wholesale market cost for electricity purchased from other generators via the wholesale electricity market, PPC imports of electricity, interconnection rights, the special levy over lignite-generated electricity by PPC, the additional suppliers' charge for the Renewables Special Account (which was abolished as of 1 January 2019), the generation losses from the sale of NOME products and other purchase items.

#### ***Transmission system usage***

Transmission system usage expense consists of transmission network fees.

#### ***Emission allowances***

Emission allowances for CO<sub>2</sub> include purchases to cover current year needs and managing expenses.

#### ***Provisions and allowances***

Provisions and allowances consist primarily of provisions for expected credit losses in respect of our customers (Low, Medium and High Voltage customers) for overdue electricity consumption bills. Provisions and allowances also include provisions for litigation and slow-moving materials.



## Financial expenses

Financial expenses are comprised mainly of interest expense, and loan-related applicable charges, bank charges, amortisation of loan issuance costs, changes in the fair value of derivatives, commissions relating to guarantees provided for loans, commissions on letters of guarantee and finance costs on provision for the decommissioning and removal costs of power plants, mines and wind park facilities and land restoration costs of mines.

## Operating expenses

Operating expenses represents total expenses before depreciation and amortisation, financial expenses, financial income, impairment loss on the Lignite Subsidiaries' assets, impairment loss on assets, gains from associates and joint ventures, foreign currency (gains)/losses, adjusted for the additional charge of electricity suppliers for the Renewables Special Account, provision for personnel severance payments, provision for supply of electricity at reduced tariffs, settlement of the Renewables levy-ETMEAR, PSOs for previous years and the settlement due to the revision of pipeline gas procurement cost for the period of 2012 to 2019. The following table shows our operating expenses for the years ended 31 December 2019 and 2020 and for the six months ended 30 June 2020 and 2021.

( <b>€ in millions</b> )	<b>Year ended 31 December</b>		<b>Six months ended 30 June</b>	
	<b>2019 (audited)</b>	<b>2020 (audited)</b>	<b>2020 (unaudited)</b>	<b>2021 (unaudited)</b>
<b>Total Expense</b> .....	<b>6,989.5</b>	<b>4,582.4</b>	<b>2,198.3</b>	<b>2,179.7</b>
<i>Minus</i>				
Depreciation and Amortisation .....	661.8	744	359.3	338.9
Financial Expenses .....	170.7	198.2	99.0	107.9
Financial Income .....	(73.2)	(60.1)	(32.1)	(35.2)
Impairment Loss/(Reversal of Impairment Loss) on Assets .....	2,098.8	(125.3)	10.1	11.6
Gains from Associates and Joint Ventures .....	(2.4)	(2.4)	(1.4)	(2.1)
Foreign Currency (Gains)/Losses .....	0.9	(0.9)	(0.4)	(1.0)
<b>Total</b> .....	<b>2,856.6</b>	<b>753.5</b>	<b>434.6</b>	<b>420.1</b>
<b>Adjustments<sup>(a)</sup></b>				
Renewables Special Account .....	(99.3)	74.3	—	—
Provision for Personnel's Severance Payments .....	—	35.8	16.3	2.8
Provision for Supply of Electricity at Reduced Tariffs ....	(243.4)	—	—	—
Retroactive Charge for Special Allowances from the Implementation of the Collective Labour Agreement for the period 2021-2024 .....	—	—	—	34.7
PSOs (2007-2011) and Settlement for 2017 .....	(122.6)	—	—	—
Settlement due to the Revision of Pipeline Gas Procurement Cost for 2012-2019 .....	—	(44.8)	(44.8)	—
<b>Total</b> .....	<b>(465.3)</b>	<b>65.3</b>	<b>(28.5)</b>	<b>37.5</b>
<b>Operating Expenses*</b> .....	<b>4,598.2</b>	<b>3,763.6</b>	<b>1,792.2</b>	<b>1,722.1</b>

\* Operating Expenses is a non-IFRS measure and has not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in "Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A." For more information, please see "—Alternative performance measures."

<sup>(a)</sup> For a discussion of the adjustments, see Note 3 of the reconciliation table of Recurring EBITDA to EBITDA in "—Alternative performance measures—Reconciliations and comparatives of the APMs."

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

## Other (income)/expense, net

Other (income)/expense, net typically comprises expense line items such as taxes and duties, loss on disposals of fixed assets, impairment of fixed assets, extraordinary provisions and transportation and travel expenses. Other revenue consists of subsidies on expenses, income from rentals, penalties to suppliers and customers and one-off settlements from prior periods.

## Working capital

Our working capital requirements vary throughout the course of the year as a result of various factors, including seasonal fluctuations in the demand for electricity, with our working capital requirements generally being higher in the winter and summer months when the demand for electricity is higher. The following table sets forth our changes in net working capital for the years ended 31 December 2019 and 2020 and for the six months ended 30 June 2020 and 2021.

<b>(€ in millions)</b>	<b>Year ended December 31,</b>		<b>Six months ended 30 June</b>	
	<b>2019</b> <b>(audited)</b>	<b>2020</b> <b>(audited)</b>	<b>2020</b> <b>(unaudited)</b>	<b>2021</b> <b>(unaudited)</b>
Change in Trade Receivables . . . . .	119.9	(95.2)	(211.7)	12.1
Change in Other Receivables . . . . .	(33.2)	12.5	109.9	(126.6)
Change in Inventories . . . . .	(68.1)	7.1	(26.7)	(7.2)
Change in Trade Payables . . . . .	(46.2)	(248.8)	(298.2)	(88.2)
Change in Other Non-Current Liabilities . . . . .	177.3	245.7	366.1	403.4
Change in Accrued/Other Liabilities Excluding Interest . . . . .	(73.5)	68.0	(117.6)	192.1
Restricted Cash . . . . .	13.9	9.1	9.6	8.1
<b>Change in Net Working Capital</b>	<b>90.1</b>	<b>(1.6)</b>	<b>(168.6)</b>	<b>393.7</b>

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

Our trade receivables consist mainly of customer balances, unbilled revenue and provisions and allowances. Our High Voltage customers (mainly high energy-intensive industries) are billed on a monthly basis based on individual agreements and actual meter readings, our Medium Voltage customers (large industrial and commercial companies) are billed on a monthly basis based on actual meter readings and our Low Voltage customers (mainly small and medium-sized companies and residential consumers) are mainly billed every four months, based on actual meter readings. For our Low Voltage customers, we also issue interim (estimated) bills every two months, based on the energy consumed during the same period in the prior year, considering also the customer's current trend of consumption. Our provision for doubtful balances is established based on expected credit losses over the lifetime of trade receivables.

Other receivables include, *inter alia*, value-added tax, assessed taxes and penalties relating to tax audits, loans to employees, receivables from contractors, certain disputed contributions to social security funds and accrued income.

Our trade and other payables include, *inter alia*, the outstanding balances associated with suppliers and contractors, municipal duties and public television duties, social security contribution obligations, payables to market operators (including ETMEAR, the Renewables special levy), taxes withheld, credit customers' balances and lignite levies. ETMEAR represents a levy collected through electricity bills to cover the deficit of the Renewables Special Account. Our working capital is negatively impacted by the fact that we are subject to an obligation to render ETMEAR, irrespective of whether we collect it or not, by our obligation to repay within the next 12 months the current portion of the long-term borrowings and by our obligation to purchase CO<sub>2</sub> emissions allowances included in accrued and other liabilities.

Municipal duties and public television duties represent duties collected by us through the electricity bills issued to our Medium Voltage customers, Low Voltage customers and certain High Voltage customers. The payment of such amounts to the beneficiaries is made by us (on a fee of 2.0% and 0.5% for municipal duties and public television duties, respectively) at the end of each month and relates to collections made two months prior. The amounts payable to the municipalities for the municipal duties collected are offset against the receivables from municipalities relating to electricity consumption.

Our accrued and other liabilities consist of, *inter alia*, accrued interest on interest-bearing loans and borrowings, overtime and other compensation due to our employees, natural gas and liquid fuel purchases, deferred interconnection rights, deferred non-compliance charges and the purchase of emissions allowances.

Notwithstanding the use of proceeds from the Share Capital Increase, our working capital is highly impacted by our obligation to (i) repay within the next 12 months the current portion of our long-term borrowings and (ii) to purchase CO<sub>2</sub> emissions allowances included in accrued and other liabilities.

## 7.4. Financials

### Consolidated income statement

(€ in millions)	Year ended 31 December		Six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
<b>Revenues:</b>				
Revenue from Energy Sales	4,288.7	3,947.3	1,923.2	1,855.2
Revenue from Natural Gas Sales	—	0.5	0.3	0.8
Other Sales	642.9	701.6	326.1	337.4
<b>Total Revenues</b>	<b>4,931.6</b>	<b>4,649.4</b>	<b>2,249.6</b>	<b>2,193.4</b>
<b>Expenses:</b>				
Payroll Cost	512.3	713.6	363.7	361.8
Lignite	3.7	49.6	(29.2)	36.0
Liquid Fuel	670.9	462.5	224.6	225.0
Natural Gas	431.4	297.9	112.3	218.3
Depreciation and Amortisation	661.8	744.0	359.3	338.9
Energy Purchases	1,486.4	1,117.9	589.4	398.6
Materials and Consumables	126.1	110.9	52.3	71.4
Transmission System Usage	149.6	135.8	69.7	63.9
Utilities and Maintenance	221.1	199.8	100.4	93.8
Third Party Fees	82.2	113.3	42.8	73.7
Emission Allowances	546.5	393.5	171.2	296.9
Sundry Provisions	20.3	38.6	16.9	23.2
Provision for Impairment of Materials	12.7	86.3	14.9	15.4
Provision for Expected Credit Losses	(42.0)	61.9	42.2	(155.6)
Financial Expenses	170.7	198.2	99.0	107.9
Financial Income	(73.2)	(60.1)	(32.1)	(35.2)
Income from PSO	(194.7)	—	—	—
Other (Income)/Expense, Net	106.4	47.3	(7.4)	37.2
Impairment Loss on Assets	2,098.8 <sup>(a)</sup>	(125.3) <sup>(a)</sup>	10.1	11.6
Net Loss/(Gain) of Associates and Joint Ventures Net	(2.4)	(2.4)	(1.4)	(2.1)
Foreign Currency (Gains)/Losses, Net	0.9	(0.9)	(0.4)	(1.0)
<b>Total Expenses</b>	<b>6,989.5</b>	<b>4,582.4</b>	<b>2,198.3</b>	<b>2,179.7</b>
<b>Profit/(Loss) before Tax</b>	<b>(2,057.9)</b>	<b>67.0</b>	<b>51.2</b>	<b>13.7</b>
Income Tax	372.2	(31.8)	(21.9)	13.2
<b>Profit/(Loss) after Tax</b>	<b>(1,685.7)</b>	<b>35.2</b>	<b>29.3</b>	<b>26.9</b>

<sup>(a)</sup> Reflects the effect on our income statement of the immediate withdrawal plan for our lignite units and mines. For the year ended 31 December 2020, it includes an impairment loss on the property plant and equipment measured under the revaluation model amounting to €22.5 million (2019: €672.4 million), an impairment loss on the property, plant and equipment measured under the cost model amounting to €41.8 million (2019: €515.5 million), a partial reversal of €209.9 million (2019: write-down of €589.0 million) relating to our investment in Ptolemaida V plant, an additional provision for impairment of inventories amounting to €7.0 million (2019: €83.2 million), and an impairment loss of €13.2 million (2019: €66.7 million) related to the provision of mines' land restoration. For the year ended 31 December 2019, it also includes a provision for the decommissioning of our power plants and the dismantling of infrastructure/equipment of our power plants and mines amounting to €126.3 million and an impairment loss from onerous contracts amounting to €45.7 million.

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

## Statement of comprehensive income

(€ in millions)	Year ended 31 December		Six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
Net Profit/(Loss) . . . . .	(1,685.7)	35.2	29.3	26.9
Foreign Exchange Differences . . . . .	0.3	(0.2)	(1.0)	(0.3)
Fair Value Gains on Cash Flow Hedges . . . . .	—	5.5	—	113.9
Deferred Tax on Gains from the Valuation of Hedging Transactions . . . . .	—	(1.2)	—	(10.9)
Recycling of (Gains)/Losses on Hedges through Comprehensive Income . . . . .	—	—	—	(14.1)
<b>Net Other Comprehensive Income/(Loss) that may be Reclassified Subsequently to Profit or Loss . . . . .</b>	<b>0.3</b>	<b>4.1</b>	<b>(0.1)</b>	<b>88.6</b>
Profit/(Loss) from Financial Assets at Fair Value Through Comprehensive Income . . . . .	1.0	(0.4)	(0.4)	(0.2)
Revaluation of Property, Plant and Equipment <sup>(a)</sup> . . . . .	1,261.2	(0.6)	2.1	—
Deferred Tax on Revaluation of Property, Plant and Equipment . . . . .	(300.7)	0.1	(0.5)	—
Deferred Tax on Property, Plant and Equipment due to Change of Income Tax Rate . . . . .	—	—	—	123.4
Impairment of Property, Plant and Equipment with Revaluation Surplus <sup>(a)</sup> . . . . .	—	(38.6)	—	—
Deferred Tax on Impairment of Property, Plant and Equipment with Revaluation Surplus . . . . .	—	9.3	—	—
Provision for Decommissioning and Dismantling <sup>(b)</sup> . . . . .	(128.0)	3.3	—	—
Deferred Taxes on Provision for Decommissioning and Dismantling . . . . .	30.7	(0.8)	—	—
Deferred Taxes on Provision for Decommissioning and Dismantling due to Change of Income Tax Rate . . . . .	—	—	—	(2.5)
Actuarial Gains/(Losses) <sup>(c)</sup> . . . . .	(56.6)	41.7	—	—
Deferred Tax on Actuarial Gains/Losses . . . . .	13.6	(9.7)	—	—
Deferred Tax on Actuarial Gains/Losses due to Change of Income Tax Rate . . . . .	—	—	—	(1.8)
<b>Net Other Comprehensive (Loss)/Income that will not be Reclassified Subsequently to Profit or Loss . . . . .</b>	<b>821.2</b>	<b>4.3</b>	<b>1.2</b>	<b>118.9</b>
Other Comprehensive Income after Tax . . . . .	821.5	8.4	1.1	207.5
<b>Total Comprehensive (Loss)/Income after Tax . . . . .</b>	<b>(864.2)</b>	<b>43.6</b>	<b>30.4</b>	<b>234.4</b>
<b>Attributable to:</b>				
Owners of the Parent . . . . .	(864.3)	43.6	30.4	234.4
Non-Controlling Interests . . . . .	0.1	0.04	0.02	0.02

<sup>(a)</sup> Reflects the net increase in property plant and equipment measured following the revaluation model that resulted to a net surplus of €1,261.2 million as at 31 December 2019, a net deficit of €0.6 million as at 31 December 2020 and a net surplus of €2.1 million as at 30 June 2021.

<sup>(b)</sup> Includes provision for the decommissioning of power plants and dismantling of infrastructure/equipment of power plants, mines and wind parks, as well as provision for mines' land restoration.

<sup>(c)</sup> Reflects the effect of certain post-retirement benefits, such as the Group's obligation to supply electricity to the Group's pensioners at reduced tariffs and the provision of a severance pay package under the Group's voluntary retirement programme.

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

*Consolidated statement of cash flows*

· (€ in millions)	Year ended 31 December		Six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
<b>Operating Activities:</b>				
Profit/(Loss) Before Tax .....	(2,057.9)	67.0	51.2	13.7
<i>Adjustments:</i>				
Depreciation and Amortisation .....	651.2	741.0	356.6	335.7
Impairment Loss on Assets .....	2,098.8	(125.3)	10.1	11.6
Depreciation of Right-of-Use Assets .....	22.6	21.9	12.2	11.1
Amortisation of Subsidies .....	(12.1)	(18.9)	(9.5)	(7.9)
Income from Long-Term Contract Liabilities .....	(86.9)	(88.6)	(44.1)	(45.1)
Income from the Reversal of Provision for Supply of Electricity at Reduced Tariffs .....	(243.4)	—	—	—
Gain of Associates/Joint Ventures .....	(2.4)	(2.4)	(1.4)	(2.1)
Interest Income and Dividends .....	(73.1)	(60.1)	(32.1)	(35.2)
Sundry Provisions .....	(3.4)	102.5	101.9	(107.4)
Foreign Exchange Gains/(Losses) on Loans and Borrowings .....	(1)	0.8	0.3	1.0
Unbilled Revenue .....	66.1	79.9	125.6	(21.8)
Disposals of Property, Plant and Equipment and Intangible Assets .....	11.9	7.1	1.3	1.3
Amortisation of Loans' Issuance Fees .....	3.5	3.2	1.5	4.0
Interest Expense .....	159.1	157.9	80.0	71.8
<b>Operating Profit Before Working Capital Changes .....</b>	<b>533.0</b>	<b>886.0</b>	<b>653.6</b>	<b>230.9</b>
<i>(Increase)/Decrease in:</i>				
Trade Receivables .....	119.9	(95.2)	(211.7)	12.1
Other Receivables .....	(33.2)	12.5	109.9	(126.6)
Inventories .....	(68.1)	7.1	(26.7)	(7.2)
<i>(Increase)/Decrease in:</i>				
Trade Payables .....	(46.2)	(248.8)	(298.2)	(88.2)
Other Non-Current Liabilities .....	177.3	245.7	366.1	403.4
Accrued and Other Liabilities Excluding Interest .....	(73.5)	68.0	(117.6)	192.1
Restricted Cash .....	13.9	9.1	9.6	8.1
<b>Net Cash from Operating Activities .....</b>	<b>623.1</b>	<b>884.4</b>	<b>485.0</b>	<b>624.6</b>
<b>Investing Activities:</b>				
Interest and Dividends Received .....	73.1	60.1	32.1	35.2
Capital Expenditures .....	(646.6)	(376.5)	(160.6)	(190.9)
Purchase of Intangible Assets .....	121.4	(25.2)	(37.1)	(48.5)
Proceeds from Long-Term Contract Liabilities .....	59.5	60.4	26.2	67.2
Investments in Associates .....	(16.3)	2.3	(1.3)	(4.3)
<b>Net Cash used in Investing Activities .....</b>	<b>(408.9)</b>	<b>(278.9)</b>	<b>(140.7)</b>	<b>(141.3)</b>
<b>Financing Activities:</b>				
Net Change in Short-Term Borrowings .....	(27.9)	23.5	(4.3)	(32.5)
Principal Lease Payments of Right-of-Use Assets .....	(24.6)	(23.8)	(13.1)	(11.1)
Proceeds from Long-Term Borrowing .....	730.5	483.1	165.5	781.8
Principal Payments of Long-Term Borrowing .....	(684.1)	(399.6)	(166.2)	(767.3)
Interest Paid and Loans' Issuance Fees .....	(172.2)	(160.0)	(79.1)	(83.3)
Dividends Paid .....	—	—	—	—
<b>Net Cash used in Financing Activities .....</b>	<b>(178.3)</b>	<b>(76.8)</b>	<b>(97.2)</b>	<b>(112.4)</b>
<b>Net Increase in Cash and Cash Equivalents .....</b>	<b>35.9</b>	<b>528.7</b>	<b>247.1</b>	<b>370.9</b>
Cash and Cash Equivalents at the Beginning of the Period .....	251.0	286.9	286.9	815.6
<b>Cash and Cash Equivalents at the End of the Period .....</b>	<b>286.9</b>	<b>815.6</b>	<b>534.0</b>	<b>1,186.5</b>

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

*Consolidated statement of financial position*

<b>(€ in millions)</b>	<b>As at 31 December</b>		<b>As at 30 June</b>	
	<b>2019 (audited)</b>	<b>2020 (audited)</b>	<b>2020 (unaudited)</b>	<b>2021 (unaudited)</b>
<b>Assets:</b>				
<i>Non-Current Assets:</i>				
Property, Plant and Equipment, Net .....	10,572.7	10,269.9	10,353.4	10,101.4
Intangible Assets, Net .....	80.9	112.1	121.8	159.3
Right of Use Assets .....	67.2	64.6	55.5	60.3
Investments in Associates .....	36.4	34.1	37.6	38.3
Financial Assets Measured at Fair Value Through Other Comprehensive Income .....	1.3	0.9	0.8	0.7
Other Non-Current Assets .....	20.4	14.3	205.6	8.7
Deferred Tax Assets .....	226.6	202.6	16.0	330.9
Derivative Financial Instruments .....	—	—	—	2.3
<b>Total Non-Current Assets .....</b>	<b>11,005.5</b>	<b>10,698.5</b>	<b>10,790.7</b>	<b>10,701.9</b>
<i>Current Assets:</i>				
Inventories .....	730.9	630.4	742.7	622.2
Trade Receivables .....	683.5	708.7	778.3	885.8
Contract Assets .....	424.9	372.5	314.9	407.1
Other Receivables .....	360.4	393.7	304.4	454.3
Derivative Financial Instruments .....	—	4.8	—	52.3
Income Tax Receivables .....	12.6	2.7	6.7	8.2
Cash and Cash Equivalents .....	286.9	815.6	534.0	1,186.5
Restricted Cash .....	67.8	58.7	58.2	50.6
<b>Total Current Assets .....</b>	<b>2,567.0</b>	<b>2,987.1</b>	<b>2,739.2</b>	<b>3,667.0</b>
<b>Total Assets .....</b>	<b>13,572.5</b>	<b>13,685.6</b>	<b>13,529.9</b>	<b>14,368.9</b>
<b>Equity:</b>				
Share Capital .....	575.4	575.4	575.4	575.4
Share Premium .....	106.7	106.7	106.7	106.7
Legal Reserve .....	128.3	128.3	128.3	128.3
Statutory Revaluation Surplus .....	(947.4)	(947.4)	(947.4)	(947.4)
Revaluation Surplus .....	4,753.5	4,686.4	4,737.6	4,804.2
Other Reserves .....	51.8	87.6	51.3	174.2
Retained Earnings .....	(1,628.0)	(1,552.1)	(1,581.5)	(1,522.4)
<b>Total Equity Attributable to the Owners of the Parent ..</b>	<b>3,040.3</b>	<b>3,084.9</b>	<b>3,070.4</b>	<b>3,319.0</b>
<b>Non-Controlling Interests .....</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<b>Total Equity .....</b>	<b>3,040.6</b>	<b>3,085.2</b>	<b>3,070.7</b>	<b>3,319.3</b>
<b>Liabilities:</b>				
<i>Non-Current Liabilities:</i>				
Long-Term Borrowings .....	3,511.0	3,480.5	3,532.1	3,614.3
Post-Retirement Benefits .....	303.3	232.8	316.9	234.9
Provisions .....	780.7	787.4	799.9	805.0
Deferred Tax Liability .....	—	—	—	4.3
Financial Lease Liability .....	49.4	48.2	45.0	44.4
Contract Liabilities .....	2,331.7	2,274.0	2,298.0	2,289.7
Subsidies .....	172.5	153.7	163.1	145.8
Long Term Financial Liability from the Securitisation of Receivables .....	—	123.5	—	318.5
Other Non-Current Liabilities .....	13.0	22.5	14.7	33.6
<b>Total Non-Current Liabilities .....</b>	<b>7,161.6</b>	<b>7,122.6</b>	<b>7,169.7</b>	<b>7,490.5</b>

( <b>€ in millions</b> )	As at 31 December		As at 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
<i>Current Liabilities</i>				
Trade and Other Payables	1,689.2	1,428.8	1,391.1	1,193.8
Short-Term Financial Liability from the Securitisation of Receivables	—	11.7	—	158.5
Dividends Payable	—	—	—	—
Income Tax Payable	69.6	68.1	63.9	70.1
Short-Term Borrowings	18.6	42.2	14.3	9.7
Current Portion of Long-Term Borrowings	417.4	546.8	408.5	421.7
Short-Term Financial Lease Liability	18.4	17.8	12.7	18.6
Accrued and Other Current Liabilities	718.2	811.6	592.3	934.8
Short-Term Contract Liabilities	438.9	550.9	806.7	751.9
<b>Total Current Liabilities</b>	<b>3,370.3</b>	<b>3,477.8</b>	<b>3,289.5</b>	<b>3,559.1</b>
<b>Total Liabilities and Equity</b>	<b>13,572.5</b>	<b>13,685.6</b>	<b>13,529.9</b>	<b>14,368.9</b>

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020 and unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

### Consolidated statement of changes in equity

( <b>€ in millions</b> )	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Statutory Revaluation Surplus	Other Reserves		Retained Earnings	Total	Non-Controlling Interest	Total Equity	
						Fair Value of financial assets through comprehensive income	Foreign Exchange Differences, Tax-Free and Other Reserves					
<b>Balance as at 1 January 2019</b>	575.4	106.7	128.3	3,816.1	(947.4)	(0.5)	94.0	93.5	170.3	3,942.9	0.2	3,943.1
Profit/(loss) for the year	—	—	—	—	—	—	—	—	(1,685.8)	(1,685.8)	0.1	(1,685.7)
Other comprehensive income/(loss) for the year after tax	—	—	—	863.2	—	1.0	(42.7)	(41.7)	—	821.5	—	821.5
<b>Total comprehensive income/(loss) for the year after tax</b>	—	—	—	863.2	—	1.0	(42.7)	(41.7)	(1,685.8)	(864.3)	0.1	(864.2)
Disposals of property, plant and equipment	—	—	—	(18.1)	—	—	—	—	18.1	—	—	—
Lignite Subsidiaries equity reserves	—	—	—	—	—	—	—	—	(38.4)	(38.4)	—	(38.4)
Other movements	—	—	—	92.3	—	—	0.1	0.1	(92.3)	0.1	—	0.1
<b>Balance as at 31 December 2019</b>	575.4	106.7	128.3	4,753.5	(947.4)	0.5	51.4	51.8	(1,628.0)	3,040.3	0.3	3,040.6
<b>Balance as at 1 January 2020</b>	575.4	106.7	128.3	4,753.5	(947.4)	0.5	51.4	51.8	(1,628.0)	3,040.3	0.3	3,040.6
Profit for the year	—	—	—	—	—	—	—	—	35.2	35.2	0.04	35.2
Other comprehensive income/(loss) for the year after tax	—	—	—	(27.3)	—	(0.4)	36.1	35.7	—	8.4	—	8.4
<b>Total comprehensive income/(loss) for the year after tax</b>	—	—	—	(27.3)	—	(0.4)	36.1	35.7	35.2	43.6	0.04	43.6
Disposals of property, plant and equipment	—	—	—	(26.1)	—	—	—	—	26.1	—	—	—
Other movements	—	—	—	(13.7)	—	—	—	—	14.7	1.0	—	1.0
<b>Balance as at 31 December 2020</b>	575.4	106.7	128.3	4,686.4	(947.4)	0.1	87.5	87.6	(1,552.1)	3,084.9	0.3	3,085.2

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020.

(€ in millions)	Share Capital	Share Premium	Legal Reserve	Revaluation Surplus	Statutory Revaluation Surplus	Other Reserves		Other Reserves Total	Retained Earnings	Total	Non-Controlling Interest	Total Equity
						Fair Value of financial assets through comprehensive income	Foreign Exchange Differences, Tax-Free and Other Reserves					
<b>Balance as at 1 January 2020</b>	575.4	106.7	128.3	4,753.5	(947.4)	0.5	51.4	51.8	(1,628.0)	3,040.3	0.3	3,040.6
Profit for the period	—	—	—	—	—	—	—	—	29.3	29.3	0.02	29.3
Other comprehensive income/(loss) for the period after tax	—	—	—	1.6	—	(0.4)	(0.1)	(0.5)	—	1.1	—	1.1
<b>Total comprehensive income/(loss) for the period after tax</b>	—	—	—	1.6	—	(0.4)	(0.1)	(0.5)	29.3	30.4	0.02	30.4
Disposals of property, plant and equipment	—	—	—	(17.5)	—	—	—	—	(17.5)	—	—	—
Other movements	—	—	—	—	—	—	—	—	(0.3)	(0.3)	—	(0.3)
<b>Balance as at 30 June 2020</b>	575.4	106.7	128.3	4,737.6	(947.4)	—	51.3	51.3	(1,581.5)	3,070.4	0.3	3,070.7
<b>Balance as at 1 January 2021</b>	575.4	106.7	128.3	4,686.4	(947.4)	0.1	87.5	87.6	(1,552.1)	3,084.9	0.3	3,085.2
Profit/(loss) for the period	—	—	—	—	—	—	—	—	26.9	26.9	0.02	26.9
Other comprehensive income/(loss) for the period after tax	—	—	—	120.9	—	(0.2)	86.8	86.6	—	207.5	—	207.5
<b>Total comprehensive income/(loss) for the period after tax</b>	—	—	—	120.9	—	(0.2)	86.8	86.6	26.9	234.4	0.02	234.4
Disposals of property, plant and equipment	—	—	—	(3.1)	—	—	—	—	3.1	—	—	—
Other movements	—	—	—	—	—	—	—	—	(0.3)	(0.3)	—	(0.3)
<b>Balance as at 30 June 2021</b>	575.4	106.7	128.3	4,804.2	(947.4)	(0.1)	174.2	174.2	(1,522.4)	3,319.0	0.3	3,319.3

Source: Unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

### Segmental Information

(€ in millions)	Year ended 31 December		Six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
<b>Revenues</b>				
Mines	310.1	227.6	131.7	93.4
Generation	2,094.5	1,837.1	761.1	1,181.5
Distribution Network	378.4	399.6	191.5	166.5
Supply	5,403.0	4,950.9	2,443.0	2,301.2
Eliminations	(3,449.7)	(3,019.4)	(1,389.5)	(1,688.4)
<b>Total PPC</b>	<b>4,736.3</b>	<b>4,395.8</b>	<b>2,137.8</b>	<b>2,054.2</b>
HEDNO	2,829.6	2,636.2	1,299.5	1,314.4
PPC Renewables	26.6	30.4	13.1	15.4
Other Companies <sup>(a)</sup>	376.7	128.0	59.7	116.7
Eliminations	(3,037.6)	(2,541.0)	(1,260.5)	(1,307.3)
<b>Total Group</b>	<b>4,931.6</b>	<b>4,649.4</b>	<b>2,249.6</b>	<b>2,193.4</b>
<b>Recurring EBITDA<sup>(b)</sup></b>				
Mines	0.5	(43.7)	16.7	(46.1)
Generation	(97.5)	67.7	20.4	140.9
Distribution Network	374.6	396.6	190.9	169.6
Supply	104.0	513.1	329.5	240.3
Eliminations	(5.1)	(30.5)	(3.4)	10.8
<b>Total PPC</b>	<b>376.5</b>	<b>903.2</b>	<b>554.1</b>	<b>515.5</b>
HEDNO	33.5	60.4	16.4	34.3
PPC Renewables	16.1	18.8	8.9	7.8
Other Companies <sup>(a)</sup>	(92.3)	(22.9)	(41.8)	(42.3)
Eliminations	(0.2)	(73.7)	(80.3)	(43.9)
<b>Total Group</b>	<b>333.6</b>	<b>885.8</b>	<b>457.3</b>	<b>471.4</b>
<b>Capital Expenditure<sup>(c)</sup></b>				
Mines	85.9	21.9	11.4	18.6
Generation	372.7	156.9	61.0	52.0
Distribution Network	145.3	162.1	74.6	89.7
Other (Supply and Other Administration)	3.7	4.1	1.0	2.9
<b>Total PPC</b>	<b>607.6</b>	<b>345.0</b>	<b>148.0</b>	<b>163.2</b>
HEDNO	4.5	12.8	4.1	8.8
PPC Renewables	32.0	18.0	8.2	18.8
Other Companies <sup>(a)</sup>	2.5	0.7	0.3	0.1
<b>Total Group</b>	<b>646.6</b>	<b>376.5</b>	<b>160.6</b>	<b>190.9</b>

<sup>(a)</sup> Other Companies includes the Group's subsidiaries other than HEDNO and PPC Renewables.



<sup>(b)</sup> Recurring EBITDA and Capital Expenditure are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “*Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.*” For more information, please see “—*Alternative performance measures.*”

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

### **Selected Operating Data**

The table below presents certain operating data as at and for the years ended 31 December 2019 and 2020, as well as the six months ended 30 June 2020 and 2021, that we use to analyse our business.

	Year ended 31 December		Six months ended 30 June	
	2019	2020	2020	2021
Installed Capacity (GW) . . . . .	11.6	11.0	11.6	10.4
Percentage of Total Greek Installed Capacity <sup>(1)</sup> . . . . .	55.1%	51.4%	54.1%	48.6%
Net Annual Generation (TWh) <sup>(2)</sup> . . . . .	25.8	21.3	9.1	12.0
Generation Market Share <sup>(3)</sup> . . . . .	53.7%	46.3%	42.7%	49.2%
Electricity Sold to End-Customers on an Annual Basis (TWh) <sup>(4)</sup> . . . . .	38.4	32.9	15.9	14.7
Supply Market Share <sup>(5)</sup> . . . . .	75.8%	68.7%	69.9%	64.9%
Customers (period-end, in millions) . . . . .	6.6	6.1	6.3	5.9
Number of Employees on Payroll (period-end) . . . . .	15,109	13,832	14,678	13,221

<sup>(1)</sup> Installed capacity of connected photovoltaic panels (PVs) household installations is included in the relevant figures.

<sup>(2)</sup> Net electricity generation equals gross generation of electricity less energy consumed internally during the generating process.

<sup>(3)</sup> Generation market share is defined as the percentage of the electricity generated by us over the total electricity generated in Greece each period presented.

<sup>(4)</sup> Includes domestic sales only (excludes exports).

<sup>(5)</sup> Supply market share is defined as the percentage of the electricity supplied by us to end-customers in Greece over the total electricity supplied to end-customers in Greece each period presented.

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

## **7.5. Recent developments**

### ***Reorganisation of Distribution Network assets and sale of a 49.0% stake in HEDNO***

As part of our ongoing transformation, we have begun the reorganisation of our Distribution Network assets and agreed to sell a 49.0% non-controlling stake in our subsidiary, HEDNO, which operates the Distribution Network. The proceeds from the proposed non-controlling stake sale will be used for the repayment of certain of our existing indebtedness and for capital expenditure to develop our renewable energy pipeline. As part of the transformation process, we intend to reorganise our Distribution Network assets within the Group. The reorganisation will involve the transfer of all of the assets and liabilities comprising the Distribution Network (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) from PPC to HEDNO by way of hive-down. In connection with the reorganisation, we also intend to push down, from PPC to HEDNO certain indebtedness incurred in connection with the development of our Distribution Network assets (including approximately €1,285.1 million of our EIB Loans and €160.0 million of our Black Sea Trade and Development Bank loan). See “*Material Contracts—EIB Loans.*” Following the completion of the stake sale, HEDNO will remain our majority-owned subsidiary and we will continue to consolidate HEDNO in our results of operations and financial accounts. In addition, subject to any applicable joint venture arrangements, we intend to continue to exercise control over HEDNO’s financial, strategic and operating decisions. HEDNO’s capital expenditure are expected to be self-funded with cash from operations and debt incurred by HEDNO. We commenced the sale process for HEDNO in December 2020 with the publication of a request for expressions of interest from bidders. On 3 September 2021, we announced that, following the conclusion of the second phase of the tender process, four binding offers were submitted from the following participants (in alphabetical order): CVC Capital Partners Group, First Sentier Investor

Group, KKR Group and Macquarie Group. Following evaluation of the offers submitted, Spear WTE Investments S.à r.l., a member of MAM, was declared as preferred bidder with a consideration of €2,116 million, including *pro rata* net debt of €804 million. On 1 October 2021, we entered into a share purchase agreement with MSCIF Dynami BidCo Single Member S.A., a wholly-owned subsidiary of Spear WTE Investments S.à r.l., for the sale of 49.0% of our stake in HEDNO and the Extraordinary General Meeting held on 19 October 2021 approved the transaction. The initial purchase price of €1,312 million is subject to a completion accounts price adjustment mechanism (see “*Material Contracts—Share purchase agreement*”). Subject to further approvals, we anticipate the sale to be completed by the end of 2021. However, there can be no assurance that we will complete the sale in this timeframe or at all.

## 7.6. Alternative performance measures

This Prospectus contains non-IFRS measures and ratios, including EBITDA, EBITDA per business unit, EBITDA Margin, Recurring EBITDA, Recurring EBITDA per business unit, Recurring EBITDA Margin, Net Debt, Operating Expenses, Capital Expenditure, Free Cash Flow and certain leverage ratios that are not presented in accordance with IFRS. These measures are not required by, nor are they recognised under or presented in accordance with, IFRS, GAAP or accounting principles generally accepted in Greece. Each of these measures is an alternative performance measure (“APM”), as defined in the guidelines issued by ESMA on 5 October 2015.

The Group use APMs in taking decisions concerning the financial, operational and strategic planning, as well as for the evaluation and publication of their performance. These APMs serve to better understand the financial and operating results of the Group, their financial position and cash flows. 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.

In particular these APMs should not be considered as substituting other metrics that have been calculated in accordance with the provisions of IFRS or other historical financial indicators. Non-IFRS measures and related ratios should not be considered in isolation and are not measures of our financial performance or liquidity under IFRS and should not be considered as an alternative to profit or loss for the period or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating, investing or financing activities or any other measure of our liquidity derived in accordance with IFRS. Our non-IFRS measures do not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations.

Our non-IFRS measures may not be comparable to other similarly titled measures of other companies. The Group applies the key non-IFRS measures consistently over time.

### *Definitions of APMs*

Our non-IFRS measures are defined as follows:

APM	APM Definition—Calculation	Purpose
EBITDA	“EBITDA” is calculated as profit/(loss) before tax before depreciation and amortisation, financial expenses, financial income, foreign currency (gain)/loss, net, impairment loss/(reversal of impairment loss) on assets, loss/(gain) of associates and joint ventures.	Provide alternative metrics to better analyse the operating results of the Group.
EBITDA per business unit	“EBITDA per business unit” is calculated as profit/(loss) before tax before depreciation and amortisation, financial expenses, financial income, foreign currency (gain)/loss, net, impairment loss/(reversal of impairment loss) on assets, loss/(gain) of associates and joint ventures, impairment loss on the shareholding of Lignite Subsidiaries and commitments related to Lignite Subsidiaries.	

EBITDA Margin	“EBITDA Margin” is calculated as EBITDA divided by revenues.	
Recurring EBITDA	“Recurring EBITDA” represents EBITDA as adjusted for the additional charge of electricity suppliers for the Renewables Special Account, provision for personnel severance payment, provision for supply of electricity at reduced tariffs, PSOs for previous years, the settlement due to the revision of pipeline gas procurement cost for the period of 2012 to 2019 and the retroactive charge for special allowances resulting from the implementation of the collective labour agreement for the period 2021-2024.	Provide alternative metrics to enable management and investors to better analyse the Group’s operating results, excluding the impact of one-off, exceptional and non-recurring items.
Recurring EBITDA per business unit	“Recurring EBITDA per business unit” represents EBITDA per business unit as adjusted for the additional charge of electricity suppliers for the Renewables Special Account, provision for personnel severance payment, provision for supply of electricity at reduced tariffs, PSOs for previous years, the settlement due to the revision of pipeline gas procurement cost for the period of 2012 to 2019, the retroactive charge for special allowances resulting from the implementation of the collective labour agreement for the period 2021-2024 and provision for expected credit losses on receivables from Lignite Subsidiaries.	
Recurring EBITDA Margin	“Recurring EBITDA Margin” is calculated as Recurring EBITDA divided by revenue.	
Operating expenses	“Operating expenses” represents total expenses before depreciation and amortisation, financial expenses, financial income, impairment loss/ (reversal of impairment loss) on assets, gains from associates and joint ventures, foreign currency (gains)/losses, adjusted for additional expense in relation to further suppliers’ charge for the Renewables Special Account, provision for personnel severance payment, provision for supply of electricity at reduced tariffs, retroactive charge for special allowances from the implementation of the collective labour agreement for the period 2021-2024, settlement of PSOs for previous years and for the settlement due to the revision of pipeline gas procurement cost for the period of 2012 to 2019.	
Free Cash Flow	“Free Cash Flow” represents Recurring EBITDA as adjusted for one-off items and changes in working capital, minus capital expenditure, plus EIB drawdowns for capital expenditure, minus net interest paid and tax paid.	Provides an alternative measure of the Group’s generation of cash required to conduct and maintain its operations.

Capital Expenditure	“Capital Expenditure” represents the cost for the acquisition of property, plant and equipment and capitalised expenses for fixed assets under construction.	Provides an alternative measure of the Group’s cash invested for capital expenditure that will generate revenues and cash inflows in the future.
Net Debt	“Net Debt” is calculated by adding long term loans, the current portion of long term loans and short term loans and subtracting from the total, cash and cash equivalents, restricted cash related to loan agreements and financial assets measured at fair value through other comprehensive income and adding the unamortised portion of borrowing costs.	Provide alternative measures to evaluate the capital structure and borrowing capacity of the Group.
Leverage Ratio	“Leverage ratio” represents Total Debt divided by annual Recurring EBITDA.	
Net Leverage Ratio	“Net leverage ratio” represents Net Debt divided by annual Recurring EBITDA.	

### Reconciliations and comparatives of the APMs

(€ in millions, except if stated otherwise)	As at and for the year ended 31 December		As at and for the six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
EBITDA <sup>(1)</sup>	798.9	820.5	485.8	433.9
EBITDA Margin <sup>(2)</sup>	16.2%	17.6%	21.6%	19.8%
Recurring EBITDA <sup>(3)</sup>	333.6	885.8	457.3	471.4
Recurring EBITDA Margin <sup>(4)</sup>	6.8%	19.1%	20.3%	21.5%
Operating Expenses <sup>(5)</sup>	4,598.2	3,763.6	1,792.2	1,722.1
Net Debt <sup>(6)</sup>	3,688.4	3,281.9	3,450.3	2,902.9
Capital Expenditure <sup>(7)</sup>	646.6	376.5	160.6	190.9
Free Cash Flow <sup>(8)</sup>	298.3	542.5	209.6	588.6
Leverage Ratio <sup>(9)</sup>	12.1x	4.7x	—	—
Net Leverage Ratio <sup>(10)</sup>	11.1x	3.7x	—	3.2x*

\* Net leverage ratio as at 30 June 2021 is calculated using Recurring EBITDA for the twelve months ended 30 June 2021.

<sup>(1)</sup> EBITDA represents profit/(loss) before tax before depreciation and amortisation, financial expenses, financial income, foreign currency (gain)/losses, net, impairment loss/(reversal of impairment loss) on assets and loss/(gain) of associates and joint ventures.

The following table reconciles EBITDA to profit/(loss) before tax for the periods indicated:

(€ in millions)	Year ended 31 December		Six months ended 30 June		Twelve months ended 30 June
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)	2021 <sup>(b)</sup> (unaudited)
Profit/(Loss) before Tax	(2,057.9)	67.0	51.2	13.7	29.5
Depreciation and Amortisation	661.8	744.0	359.3	338.9	723.6
Financial Expenses	170.7	198.2	99.0	107.9	207.1

(€ in millions)	Year ended 31 December		Six months ended 30 June		Twelve months ended 30 June
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)	2021 <sup>(b)</sup> (unaudited)
Financial Income .....	(73.2)	(60.1)	(32.1)	(35.2)	(63.2)
Foreign Currency (Gain)/Losses, Net .....	1.1	(0.9)	(0.3)	(1.0)	(1.6)
Impairment Loss/(Reversal of Impairment Loss) on Assets .....	2,098.8 <sup>(a)</sup>	(125.3) <sup>(a)</sup>	10.1	11.6	(123.8)
Gain of Associates and Joint Ventures .....	(2.4)	(2.4)	(1.4)	(2.0)	(3.0)
<b>EBITDA*</b> .....	<b>798.9</b>	<b>820.5</b>	<b>485.8</b>	<b>433.9</b>	<b>768.6</b>

\* EBITDA is a non-IFRS measure and has not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

<sup>(a)</sup> Reflects the effect on our income statement of the immediate withdrawal plan for our lignite units and mines. For the year ended 31 December 2020, it includes an impairment loss on the property plant and equipment measured under the revaluation model amounting to €22.5 million (2019: €672.4 million), an impairment loss on the property, plant and equipment measured under the cost model amounting to €41.8 million (2019: €515.5 million), a partial reversal of €209.9 million (2019: write-down of €589.0 million) relating to our investment in Ptolemaida V plant, an additional provision for impairment of inventories amounting to €7.0 million (2019: €83.2 million) and an impairment loss of €13.2 million (2019: €66.7 million) related to the provision of mines’ land restoration. For the year ended 31 December 2019, it also includes a provision for the decommissioning of our power plants and the dismantling of infrastructure/equipment of our power plants and mines amounting to €126.3 million and an impairment loss from onerous contracts amounting to €45.7 million.

<sup>(b)</sup> Figures for the twelve months ended 30 June 2021, have been calculated by adding the relevant line items for the year ended 31 December 2020 from the audited consolidated financial statements as of and for the year ended 31 December 2020 and the relevant line items for six months ended 30 June 2021 from the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2021 and subtracting the relevant line items for the six months ended 30 June 2020 from the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2021.

(2) EBITDA Margin represents EBITDA divided by revenues.

(3) Recurring EBITDA represents EBITDA as adjusted for additional expense for additional suppliers’ charge for the Renewables Special Account, provision for personnel’s severance payment, provision for supply of electricity at reduced tariffs, retroactive charge for special allowances from the implementation of the collective labour agreement for the period of 2021 to 2024, settlement of PSOs for previous years and for the settlement due to the revision of pipeline gas procurement cost for the period of 2012 to 2019.

The following table reconciles Recurring EBITDA to EBITDA for the periods indicated:

(€ in millions)	Year ended 31 December		Six months ended 30 June		Twelve months ended 30 June
	2019 (unaudited)	2020 (unaudited)	2020 (unaudited)	2021 (unaudited)	2021 <sup>(g)</sup> (unaudited)
EBITDA* .....	798.9	820.5	485.8	433.9	768.6
Renewables Special Account <sup>(a)</sup> .....	(99.3)	74.3	—	—	74.3
Provision for Personnel’s Severance Payments <sup>(b)</sup> .....	—	35.8	16.3	2.8	22.3
Provision for Supply of Electricity at Reduced Tariffs <sup>(c)</sup> .....	(243.4)	—	—	—	—
Retroactive Charge for Special Allowances from the Implementation of the Collective Labour Agreement for the period 2021-2024 <sup>(d)</sup> .....	—	—	—	34.7	34.7
Settlement due to the Revision of Pipeline Gas Procurement Cost for 2012-2019 <sup>(e)</sup> .....	—	(44.8)	(44.8)	—	—
PSOs (2007-2011) and Settlement for 2017 <sup>(f)</sup> .....	(122.6)	—	—	—	—
<b>Recurring EBITDA*</b> .....	<b>333.6</b>	<b>885.8</b>	<b>457.3</b>	<b>471.4</b>	<b>899.9</b>

\* EBITDA and Recurring EBITDA are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

- (a) The charge of electricity suppliers for the Renewables Special Account was abolished as at 1 January 2019, which resulted in an income of €99.3 million generated from refunds to PPC from the surplus of Renewables Special Account in 2019. For the year ended 31 December 2020, the amount of €74.3 million represents a charge as part of the measures taken by the Greek State in order to cover the Renewables Special Account deficit pursuant to Law 4759/2020. See Note 3 to the audited consolidated financial statements as at and for the year ended 31 December 2020 for additional information.
- (b) Since the enactment of Law 4533/2018, we are required to pay a severance payment of up to €15,000 per employee to our insured employees whose employment is terminated, who reached the retirement age, or for other reasons prescribed in this law. The amounts for the year ended 31 December 2020 and the periods ended 30 June 2021 and 30 June 2020 represent the additional amounts payable as a bonus in addition to the severance payment of €15,000 in the context of the voluntary retirement programmes launched in 2020.
- (c) With the enactment of Law 4643/2019, and pursuant to a decision of our Board of Directors on 21 January 21, 2020, the supply of electricity at reduced tariffs, provided as benefit to employees and pensioners of PPC, was reduced to a 30.0% discount on tariffs as at 1 January 2020, resulting in a reversal of the established actuarial provision and a one-off income of €243.4 million.
- (d) In 2021 we signed the collective labour agreement with the employee union for the period 2021-2024 that includes a retroactive charge for special allowances that amounts to €34.7 million and is included in our payroll cost for the six-month period ended 30 June 2021.
- (e) In April 2020, DEPA refunded an amount equal to €44.8 million, plus interest of €3.8 million, owing to a revision by DEPA of its contractual natural gas supply prices to PPC for 2012-2019. See Note 3 to the audited consolidated financial statements as at and for the year ended 31 December 2020 for additional information.
- (f) In 2019 we received a reimbursement for PSOs in respect of 2007 to 2011 amounting to €194.7 million, which was included in our statement of income for the year ended 31 December 2019. In addition, in 2019 we were required to pay for PSO in respect of 2017 (following its settlement) an amount equal to €72.1 million, which was included in our other (income)/expense, net.
- (g) Figures for the twelve months ended 30 June 2021, have been calculated by adding the relevant line items for the year ended 31 December 2020 from the audited consolidated financial statements as of and for the year ended 31 December 2020 and the relevant line items for six months ended 30 June 2021 from the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2021 and subtracting the relevant line items for the six months ended 30 June 2020 from the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2021.

(4) Recurring EBITDA Margin represents Recurring EBITDA divided by revenue.

(5) The following table shows our operating expenses for the periods indicated.

( <b>€ in millions</b> )	<b>Year ended 31 December</b>		<b>Six months ended 30 June</b>	
	<b>2019 (audited)</b>	<b>2020 (audited)</b>	<b>2020 (unaudited)</b>	<b>2021 (unaudited)</b>
<b>Total Expense</b> .....	<b>6,989.5</b>	<b>4,582.4</b>	<b>2,198.3</b>	<b>2,179.7</b>
<i>Minus</i>				
Depreciation and Amortisation .....	661.8	744	359.3	338.9
Financial Expenses .....	170.7	198.2	99.0	107.9
Financial Income .....	(73.2)	(60.1)	(32.1)	(35.2)
Impairment Loss/(Reversal of Impairment Loss) on				
Assets .....	2,098.8	(125.3)	10.1	11.6
Gains from Associates and Joint Ventures .....	(2.4)	(2.4)	(1.4)	(2.1)
Foreign Currency (Gains)/Losses .....	0.9	(0.9)	(0.4)	(1.0)
<b>Total</b> .....	<b>2,856.6</b>	<b>753.5</b>	<b>434.6</b>	<b>420.1</b>
<b>Adjustments<sup>(a)</sup></b>				
Renewables Special Account .....	(99.3)	74.3	—	—
Provision for Personnel's Severance Payments .....	—	35.8	16.3	2.8
Provision for Supply of Electricity at Reduced Tariffs ....	(243.4)	—	—	—
Retroactive Charge for Special Allowances from the				
Implementation of the Collective Labour Agreement for				
the period 2021-2024 .....	—	—	—	34.7
PSOs (2007-2011) and Settlement for 2017 .....	(122.6)	—	—	—
Settlement due to the Revision of Pipeline Gas				
Procurement Cost for 2012-2019 .....	—	(44.8)	(44.8)	—
<b>Total</b> .....	<b>(465.3)</b>	<b>65.3</b>	<b>(28.5)</b>	<b>37.5</b>
<b>Operating Expenses*</b> .....	<b>4,598.2</b>	<b>3,763.6</b>	<b>1,792.2</b>	<b>1,722.1</b>

\* Operating Expenses is a non-IFRS measure and has not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in "Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A." For more information, please see "—Alternative performance measures."

(a) For a discussion of the adjustments, see note 3 above.

(6) The following table represents Net Debt calculation for the periods indicated:

(€ in millions)	As at 31 December		As at 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
<b>Cash and Cash Equivalents<sup>(a)</sup></b>				
Cash and Cash Equivalents	286.9	815.6	534.0	1,186.5
Restricted Cash <sup>(b)</sup>	64.8	53.5	55.2	46.1
<b>Total</b>	<b>351.7</b>	<b>869.1</b>	<b>589.2</b>	<b>1,232.6</b>
<b>Debt</b>				
Long-Term Borrowings	3,511.0	3,480.5	3,532.1	3,614.3
Current Portion of Long-Term Borrowings	417.4	546.8	408.5	421.7
Short-Term Borrowings	18.6	42.2	14.3	9.7
plus Loans Issuance Fees	93.1	84.2	88.3	82.9
minus (Loss)/Gain from Loan Modification	—	(2.7)	(3.7)	6.9
<b>Total Debt</b>	<b>4,040.1</b>	<b>4,151.0</b>	<b>4,039.5</b>	<b>4,135.5</b>
<b>Net Debt*</b>	<b>3,688.4</b>	<b>3,281.9</b>	<b>3,450.3</b>	<b>2,902.9</b>

\* Net Debt is a non-IFRS measure and has not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

(a) Cash and cash equivalents does not include financial assets measured at fair value through other comprehensive income.

(b) Includes restricted cash in pledged accounts that secures certain indebtedness.

(7) Capital Expenditure is included under “Net Cash used in Investing Activities.” Please see “Financial Information Concerning the Issuer’s Assets and Liabilities, Financial Position and Profits, and Losses—Financials—Consolidated statement of cash flows.”

(8) Free Cash Flow represents Recurring EBITDA as adjusted for one-off items and changes in working capital, minus capital expenditure, plus EIB drawdowns for capital expenditure, minus net interest and income tax paid.

The following table reconciles Free Cash Flow to Recurring EBITDA for the periods indicated:

(€ in millions)	Year ended 31 December		Six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
Recurring EBITDA*	333.6	885.8	457.3	471.4
Aggregate Adjustments <sup>(a)</sup>	465.3	(65.3)	28.5	(37.5)
EBITDA*	798.9	820.5	485.8	433.9
Change in Working Capital ((Increase)/Decrease) <sup>(b)</sup>	90.1	(1.6)	(168.6)	393.7
Capital Expenditure*	(646.6)	(376.5)	(160.6)	(190.9)
<b>Cash Flow</b>	<b>242.4</b>	<b>442.4</b>	<b>156.6</b>	<b>636.7</b>
EIB Loans Drawdowns for Capital Expenditure	155.0	200.0	100.0	—
Cash Flow available for Debt Service	397.4	642.4	256.5	636.7
Net Interest Paid <sup>(c)</sup>	(99.1)	(99.9)	(47.0)	(48.1)
<b>Free Cash Flow*</b>	<b>298.3</b>	<b>542.5</b>	<b>209.6</b>	<b>588.6</b>

\* Recurring EBITDA, EBITDA, Free Cash Flow and Capital Expenditure are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

(a) Includes (i) Renewables Special Account, (ii) provision for personnel’s severance payments, (iii) provision for supply of electricity at reduced tariffs, (iv) PSOs (2007-2011) and settlement for 2017, (v) retroactive charge for special allowances from the implementation of the collective labour agreement for the period 2021-2024 and (vi) settlement due to the revision of pipeline gas procurement cost for 2012-2019. For the analysis of each item and a reconciliation of Recurring EBITDA to EBITDA, see note 3 above.

(b) Represents working capital adjustments excluding income tax paid, as presented in the cash flow statements.

(c) Represents interest paid and loans’ issuance fees minus interest and dividends received, as presented in the cash flow statements.

(9) Leverage ratio is calculated as Total Debt divided by Recurring EBITDA for each period, as presented in the following table.

<u>(€ in millions)</u>	<u>As at and for the year ended 31 December</u>	
	<u>2019</u> <u>(audited)</u>	<u>2020</u> <u>(audited)</u>
<b>Debt</b>		
Long-Term Borrowings .....	3,511.0	3,480.5
Current Portion of Long-Term Borrowings .....	417.4	546.8
Short-Term Borrowings .....	18.6	42.2
plus Loans Issuance Fees .....	93.1	84.2
minus Loss from Loan Modification .....	—	(2.7)
<b>Total Debt (A) .....</b>	<b><u>4,040.1</u></b>	<b><u>4,151.0</u></b>
Recurring EBITDA (B)* .....	333.6	885.8
<b>Leverage Ratio (A/B)* .....</b>	<b><u>12.1x</u></b>	<b><u>4.7x</u></b>

\* Recurring EBITDA and Leverage Ratio are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

(10) Net leverage ratio is calculated as Net Debt divided by Recurring EBITDA for each period, as presented in the following table.

<u>(€ in millions)</u>	<u>As at and for the year ended 31 December</u>		<u>As at and for the twelve months ended 30 June</u>
	<u>2019</u> <u>(audited)</u>	<u>2020</u> <u>(audited)</u>	<u>2021</u> <u>(unaudited)</u>
Net Debt (A)* .....	3,688.4	3,281.9	2,902.9
Recurring EBITDA (B)* .....	333.6	885.8	899.9 <sup>(1)</sup>
<b>Net Leverage Ratio (A/B) .....</b>	<b><u>11.1x</u></b>	<b><u>3.7x</u></b>	<b><u>3.2x</u></b>

\* Recurring EBITDA, Net Debt and Net Leverage Ratio are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

<sup>(1)</sup> For this calculation, we use recurring EBITDA for the twelve months ended 30 June 2021, as included in note 3 above.

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

#### Reconciliation of Recurring EBITDA per business unit

The following table reconciles Recurring EBITDA to profit/(loss) before tax of our **mining** business unit for the periods indicated:

<u>(€ in millions)</u>	<u>As at 31 December</u>		<u>Six months ended 30 June</u>	
	<u>2019</u> <u>(audited)</u>	<u>2020</u> <u>(audited)</u>	<u>2020</u> <u>(unaudited)</u>	<u>2021</u> <u>(unaudited)</u>
Loss before Tax .....	(951.6)	(264.7)	(73.9)	(106.7)
Depreciation and Amortisation .....	138.0	98.2	49.5	34.6
Financial Expenses .....	6.4	23.7	16.3	9.8
Financial Income .....	(0.1)	(3.1)	(3.0)	(0.7)
Foreign Currency (Gain)/Losses, Net .....	—	(0.5)	—	—
Impairment Loss on Assets .....	802.1	78.5	10.1	8.4
Impairment Loss on the Shareholding of Lignite Subsidiaries .....	43.8	13.1	12.9	1.4
Commitments Related to Lignite Subsidiaries <sup>(a)</sup> .....	4.2	(0.1)	—	(0.4)
<b>EBITDA* .....</b>	<b><u>42.8</u></b>	<b><u>(54.9)</u></b>	<b><u>11.9</u></b>	<b><u>(53.6)</u></b>
Provision for Personnel’s Severance Payment .....	—	11.2	4.8	0.4
Provision for Supply of Electricity at Reduced Tariffs .....	(54.0)	—	—	—



<u>(€ in millions)</u>	<u>As at 31 December</u>		<u>Six months ended 30 June</u>	
	<u>2019</u> <u>(audited)</u>	<u>2020</u> <u>(audited)</u>	<u>2020</u> <u>(unaudited)</u>	<u>2021</u> <u>(unaudited)</u>
Provision for Expected Credit Losses on Receivables from Lignite Subsidiaries <sup>(b)</sup> .....	11.7	—	—	—
Retroactive Charge for Special Allowances from the Implementation of the Collective Labour Agreement for the period 2021-2024 <sup>(c)</sup> .....	—	—	—	7.1
<b>Recurring EBITDA*</b> .....	<b>0.5</b>	<b>(43.7)</b>	<b>16.7</b>	<b>(46.1)</b>

\* EBITDA and Recurring EBITDA are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

(a) Commitments related to Lignite Subsidiaries represent our legal obligation to cover for future losses of our Lignite Subsidiaries, pursuant to Law 4548/2018.

(b) The provision/(reversal of the provision) for expected credit losses on the receivables from our Lignite Subsidiaries has been eliminated at Group level.

(c) In 2021 we signed the collective labour agreement with the employee union for the period 2021-2024 that includes a retroactive charge for special allowances and is included in our payroll cost for the six-month period ended 30 June 2021.

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

The following table reconciles Recurring EBITDA to loss before tax of our **generation** business unit for the periods indicated:

<u>(€ in millions)</u>	<u>As at 31 December</u>		<u>Six months ended 30 June</u>	
	<u>2019</u> <u>(audited)</u>	<u>2020</u> <u>(audited)</u>	<u>2020</u> <u>(unaudited)</u>	<u>2021</u> <u>(unaudited)</u>
Loss before Tax .....	(1,723.2)	(127.6)	(211.0)	(115.1)
Depreciation and Amortisation .....	269.7	313.1	144.6	137.9
Financial Expenses .....	113.5	42.1	43.8	30.7
Financial Income .....	(1.9)	(15.2)	(14.6)	(6.5)
Foreign Currency (Gain)/Losses, Net .....	1.1	(0.4)	(0.3)	(1.0)
Impairment Loss/(Reversal of Impairment Loss) on Assets ..	1,084.7	(209.4)	—	3.2
Impairment Loss on the Shareholding of Lignite Subsidiaries .....	123.4	103.5	95.7	103.5
Commitments Related to Lignite Subsidiaries <sup>(a)</sup> .....	27.9	(3.9)	—	(25.4)
<b>EBITDA*</b> .....	<b>(104.8)</b>	<b>102.2</b>	<b>58.2</b>	<b>127.3</b>
Provision for Personnel’s Severance Payment .....	—	10.3	7.0	2.2
Provision for Supply of Electricity at Reduced Tariffs .....	(76.0)	—	—	—
Settlement due to the Revision of Pipeline Gas Procurement Cost for 2012-2019 <sup>(b)</sup> .....	—	(44.8)	(44.8)	—
Provision for Expected Credit Losses on Receivables from Lignite Subsidiaries <sup>(c)</sup> .....	83.3	—	—	—
Retroactive Charge for Special Allowances from the Implementation of the Collective Labour Agreement for the period 2021-2024 <sup>(d)</sup> .....	—	—	—	11.4
<b>Recurring EBITDA*</b> .....	<b>(97.5)</b>	<b>67.7</b>	<b>20.4</b>	<b>140.9</b>

\* EBITDA and Recurring EBITDA are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

(a) Commitments related to Lignite Subsidiaries represent our legal obligation to cover for future losses of our Lignite Subsidiaries, pursuant to Law 4548/2018.

(b) In April 2020, DEPA refunded an amount equal to €44.8 million, plus interest of €3.8 million, owing to a revision by DEPA of its contractual natural gas supply prices to PPC for 2012-2019. See Note 3 to the audited consolidated financial statements as at and for the year ended 31 December 2020 for additional information.

(c) The provision/(reversal of the provision) for expected credit losses on the receivables from our Lignite Subsidiaries has been eliminated at Group level.

(d) In 2021 we signed the collective labour agreement with the employee union for the period 2021-2024 that includes a retroactive charge for special allowances and is included in our payroll cost for the six-month period ended 30 June 2021.

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

The following table reconciles Recurring EBITDA to profit/(loss) before tax of our **distribution** business unit for the periods indicated:

(€ in millions)	As at 31 December		Six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
Profit/(Loss) before Tax	(21.4)	21.5	34.3	123.3
Depreciation and Amortisation	210.8	259.5	129.9	0.9
Financial Expenses	45.5	125.8	36.5	56.5
Financial Income	(0.5)	(10.7)	(10.3)	(11.1)
Foreign Currency (Gain)/Losses, Net	(0.1)	—	—	—
Impairment Loss on Assets	56.8	—	—	—
Impairment Loss on the Shareholding of Lignite Subsidiaries	83.2	0.5	0.5	—
<b>EBITDA*</b>	<b>374.3</b>	<b>396.6</b>	<b>190.9</b>	<b>169.6</b>
Provision for Expected Credit Losses on Receivables from Lignite Subsidiaries <sup>(a)</sup>	0.3	—	—	—
<b>Recurring EBITDA*</b>	<b>374.6</b>	<b>396.6</b>	<b>190.9</b>	<b>169.6</b>

\* EBITDA and Recurring EBITDA are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

<sup>(a)</sup> The provision for expected credit losses on the receivables from our Lignite Subsidiaries has been eliminated at Group level.

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

The following table reconciles Recurring EBITDA to profit before tax of our **supply** business unit for the periods indicated:

(€ in millions)	As at 31 December		Six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
Profit before Tax	377.9	470.3	338.0	237.6
Depreciation and Amortisation	18.0	8.7	5.8	3.8
Financial Expenses	3.2	1.6	0.7	9.2
Financial Income	(69.9)	(52.8)	(27.0)	(23.1)
Foreign Currency (Gain)/Losses, Net	(0.1)	—	—	—
Impairment Loss on Assets	1.9	—	—	—
Impairment Loss on the Shareholding of Lignite Subsidiaries	0.9	12.3	10.3	13.1
Commitments Related to Lignite Subsidiaries <sup>(a)</sup>	2.9	(1.0)	—	(4.2)
<b>EBITDA*</b>	<b>334.8</b>	<b>439.1</b>	<b>327.8</b>	<b>236.4</b>
Renewables Special Account	(99.3)	72.9	—	—
Provision for Personnel’s Severance Payment	—	1.1	1.7	0.2
Provision for Supply of Electricity at Reduced Tariffs	(18.0)	—	—	—
PSOs (2007-2011) and Settlement for 2017	(122.6)	—	—	—
Provisions for Expected Credit Losses on Receivables from Lignite Subsidiaries <sup>(c)</sup>	9.1	—	—	—
Retroactive Charge for Special Allowances from the Implementation of the Collective Labour Agreement for the period 2021-2024 <sup>(c)</sup>	—	—	—	3.7
<b>Recurring EBITDA*</b>	<b>104.0</b>	<b>513.1</b>	<b>329.5</b>	<b>240.3</b>

\* EBITDA and Recurring EBITDA are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.”

- (a) Commitments related to Lignite Subsidiaries represent our legal obligation to cover for future losses of our Lignite Subsidiaries, pursuant to Law 4548/2018.
- (b) The provision/(reversal of the provision) for expected credit losses on the receivables from our Lignite Subsidiaries has been eliminated at Group level.
- (c) In 2021 we signed the collective labour agreement with the employee union for the period 2021-2024 that includes a retroactive charge for special allowances and is included in our payroll cost for the six-month period ended 30 June 2021.

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

The following table reconciles Recurring EBITDA to profit/(loss) before tax of our **HEDNO** business unit for the periods indicated:

(€ in millions)	As at 31 December		Six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
Profit/(Loss) before Tax	99.4	26.0	2.7	12.1
Depreciation and Amortisation	21.6	22.4	11.4	11.8
Financial Expenses	2.7	2.6	1.4	1.2
Financial Income	(0.5)	(0.4)	(0.1)	(0.1)
<b>EBITDA*</b>	<b>123.2</b>	<b>50.6</b>	<b>15.4</b>	<b>25.0</b>
Provision for Personnel's Severance Payment	—	9.8	1.0	—
Provision for Supply of Electricity at Reduced Tariffs	(89.7)	—	—	—
Retroactive Charge for Special Allowances from the Implementation of the Collective Labour Agreement for the period 2021-2024 <sup>(a)</sup>	—	—	—	9.3
<b>Recurring EBITDA*</b>	<b>33.5</b>	<b>60.4</b>	<b>16.4</b>	<b>34.3</b>

\* EBITDA and Recurring EBITDA are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in "Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A."

- (a) In 2021 we signed the collective labour agreement with the employee union for the period 2021-2024 that includes a retroactive charge for special allowances and is included in our payroll cost for the six-month period ended 30 June 2021.

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

The following table reconciles Recurring EBITDA to profit/(loss) before tax of our **PPC Renewables** business unit for the periods indicated:

(€ in millions)	As at 31 December		Six months ended 30 June	
	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
Profit before Tax	9.8	5.0	4.9	4.5
Depreciation and Amortisation	5.9	9.6	4.8	4.6
Financial Expenses	0.4	1.5	0.9	0.9
Financial Income	(1.4)	(1.0)	(0.3)	(0.2)
Impairment Loss on Assets	3.5	4.7	—	—
Gain of Associates and Joint Ventures	(2.1)	(2.4)	(1.4)	(2.0)
<b>EBITDA*</b>	<b>16.1</b>	<b>17.4</b>	<b>8.9</b>	<b>7.8</b>
Renewables Special Account	—	1.4	—	—
<b>Recurring EBITDA*</b>	<b>16.1</b>	<b>18.8</b>	<b>8.9</b>	<b>7.8</b>

\* EBITDA and Recurring EBITDA are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in "Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A."

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

The following tables reconcile Recurring EBITDA to profit/(loss) before tax of **other Companies** for the periods indicated:

<u>(€ in millions)</u>	<u>As at 31 December</u>		<u>Six months ended 30 June</u>	
	<u>2019</u> <u>(audited)</u>	<u>2020</u> <u>(audited)</u>	<u>2020</u> <u>(unaudited)</u>	<u>2021</u> <u>(unaudited)</u>
Profit/(Loss) before Tax .....	14.2	(49.4)	(61.8)	(64.8)
Depreciation and Amortisation .....	6.6	41.4	17.6	19.0
Financial Expenses .....	(5.6)	1.0	0.6	0.3
Financial Income .....	0.1	(0.2)	—	—
Foreign Currency (Gain)/Losses, Net .....	—	—	—	—
Impairment Loss/(Reversal of Impairment Loss) on Assets ...	(101.6)	(19.1)	—	—
Loss/(Gain) of Associates and Joint Ventures .....	(0.3)	—	—	—
<b>EBITDA*</b> .....	<b>(86.6)</b>	<b>(26.3)</b>	<b>(43.6)</b>	<b>(45.5)</b>
Provision for Personnel's Severance Payment and Post-Retirement Benefits .....	—	3.4	1.8	—
Provision for Supply of Electricity at Reduced Tariffs .....	(5.7)	—	—	—
Retroactive Charge for Special Allowances from the Implementation of the Collective Labour Agreement for the period 2021-2024 <sup>(a)</sup> .....	—	—	—	3.2
<b>Recurring EBITDA*</b> .....	<b>(92.3)</b>	<b>(22.9)</b>	<b>(41.8)</b>	<b>(42.3)</b>

\* EBITDA and Recurring EBITDA are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in "Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A."

<sup>(a)</sup> In 2021 we signed the collective labour agreement with the employee union for the period 2021-2024 that includes a retroactive charge for special allowances and is included in our payroll cost for the six-month period ended 30 June 2021.

Source: Internal data and data derived from our audited consolidated financial statements as at and for the year ended 31 December 2020 and our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

## 7.7. Results of operations

### *Results of operations in the six months ended 30 June 2020 and 2021*

The following table sets out our statements of income for the six months ended 30 June 2020 and 2021:

<u>(€ in millions)</u>	<u>Six months ended 30 June</u>	
	<u>2020</u> <u>(unaudited)</u>	<u>2021</u> <u>(unaudited)</u>
Revenues .....	2,249.6	2,193.4
Payroll Cost .....	363.7	361.8
Lignite .....	(29.2)	36.0
Liquid Fuels .....	224.6	225.0
Natural Gas .....	112.3	218.3
Depreciation and Amortisation .....	359.3	338.9
Energy Purchases .....	589.4	398.6
Other Expenses <sup>(1)</sup> .....	297.1	341.4
Emission Allowances .....	171.2	296.9
Provisions for Expected Credit Losses .....	42.2	(155.6)
Financial Expenses .....	99.0	107.9
Financial Income .....	(32.1)	(35.2)
Impairment Loss on Assets .....	10.1	11.6
Other Income/(Expense), Net <sup>(2)</sup> .....	9.2	34.1
<b>Profit before Tax</b> .....	<b>51.2</b>	<b>13.7</b>
Income Tax .....	(21.9)	13.2
<b>Profit after Tax</b> .....	<b>29.3</b>	<b>26.9</b>

<sup>(1)</sup> Other expenses consist of materials and consumables, transmission system usage, utilities and maintenance, sundry provisions, provisions for impairment of materials and third-party fees.

<sup>(2)</sup> Other income/(expense), net includes foreign currency (gain)/loss, net other (income)/expense, net, as well as loss/(gain) of associates and joint ventures.

Source: Unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

## Results of operations for the six months ended 30 June 2020 compared to the six months ended 30 June 2021

### Revenues

The following table shows the sources of our revenues for the six months ended 30 June 2020 and 2021:

(€ in millions)	Six months ended 30 June	
	2020 (unaudited)	2021 (unaudited)
Revenue from Energy Sales .....	1,923.2	1,855.2
Revenue from Natural Gas Sales .....	0.3	0.8
Other Sales .....	326.1	337.4
<b>Total Revenues</b> .....	<b><u>2,249.6</u></b>	<b><u>2,193.4</u></b>

Source: Unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

Total revenues decreased by €56.2 million, or 2.5%, to €2,193.4 million for the six months ended 30 June 2021 from €2,249.6 million for the six months ended 30 June 2020.

Our revenues from energy sales decreased by €68.0 million, or 3.5%, to €1,855.2 million for the six months ended 30 June 2021 from €1,923.2 million for the six months ended 30 June 2020. The decrease was due to a 1,156 GWh or by 7.3% decrease in our sales volumes as a result of our market share loss by 5.0 percentage units as domestic demand slightly increased by 0.4%.

Domestic electricity demand increased by 0.4% to 26,557 GWh in the six-month period ended 30 June 2021, compared to 26,450 GWh in the six-month period ended 30 June 2020. The increase in domestic electricity demand was primarily due to the recovery of economic activity in the three-month period ended 30 June 2021 (resulting from the relaxation of the COVID-19 related restrictive measures). Total electricity demand (including pumping and exports) increased by 5.9% in the six-month period ended 30 June 2021, compared to the six-month period ended 30 June 2020 due to the increase in energy exports of third parties.

Another factor that contributed to the decline in revenues from energy sales was a decrease in our average supply market share in Greece. Our average supply market share in Greece declined to 64.9% in the six-month period ended 30 June 2021, compared to 69.9% in the six-month period ended 30 June 2020. Our average supply market share in the Interconnected System declined to 63.8% as at 30 June 2021, from 66.1% in June 2020, while our average market share per voltage category was 91.5% in High Voltage, 35.3% in Medium Voltage and 67.7% in Low Voltage (compared to 94.5%, 30.5% and 70.6%, respectively, in June 2020).<sup>25</sup>

The decrease in revenue from energy sales for the six months ended 30 June 2021 was partially offset by increased revenues generated from other sales. Other sales increased by €11.3 million, or 3.5%, to €337.4 million for the six months ended 30 June 2021 from €326.1 million for the six months ended 30 June 2020. The increase was mainly due to increased revenue generated from fees of our Distribution Network (which increased from €96.6 million in the six-month period ended 30 June 2020 to €122.9 million in the six-month period 2021) and increased revenue from electricity sales from Non-Interconnected Islands fees (which increased from €82.5 million in the six-month period ended 30 June 2020 to €120.3 million in the six-month period ended 30 June 2021) and partially offset with decreased revenue from PSOs (which decreased from €80.1 million to €26.1 million in the six-month period ended 30 June 2020 and 2021).

<sup>25</sup> Source: For 63.8% see Hellenic Energy Exchange, Monthly Report, June 2021, Day Ahead & Intraday Electricity Markets – Greek Bidding Zone; p. 23; for 66.1% see Hellenic Energy Exchange, Monthly Report, June 2020, Μηνιαίο Δελτίο Συστήματος Συναλλαγών ΗΕΠ, p. 33, <http://www.enxgroup.gr>.

## Expenses

The table below shows a breakdown of our expenses for the six months ended 30 June 2020 and 2021:

· (€ in millions)	Six months ended 30 June	
	2020 (unaudited)	2021 (unaudited)
Payroll Cost .....	363.7	361.8
Lignite .....	(29.2)	36.0
Liquid Fuels .....	224.6	225.0
Natural Gas .....	112.3	218.3
Depreciation and Amortisation .....	359.3	338.9
Energy Purchases .....	589.4	398.6
Materials and Consumables .....	52.3	71.4
Transmission System Usage .....	69.7	63.9
Utilities and Maintenance .....	100.4	93.8
Third-Party Fees .....	42.8	73.7
Emission Allowances .....	171.2	296.9
Sundry Provisions .....	16.9	23.2
Provision for Impairment of Materials .....	14.9	15.4
Provisions for Expected Credit Losses .....	42.2	(155.6)
Financial Expenses .....	99.0	107.9
Financial Income .....	(32.1)	(35.2)
Impairment Loss on Assets .....	10.1	11.6
Other Income/(Expense), Net .....	(7.4)	37.2
Gains from Associates and Joint Ventures .....	(1.4)	(2.1)
Foreign Currency Gains .....	(0.4)	(1.0)
<b>Total Expenses .....</b>	<b><u>2,198.3</u></b>	<b><u>2,179.7</u></b>

Source: Unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

## Total expenses

Total expenses decreased by €18.6 million, or 0.8%, to €2,179.7 million for the six months ended 30 June 2021 from €2,198.3 million for the six months ended 30 June 2020. This decrease was attributed to various factors.

In particular, our operating expenses decreased by €70.4 million, or 3.9% as a result of the reversal of the provision for expected credit losses for the six-month period ended 30 June 2021, the decrease of energy purchases expenses compared to the six-month period ended 30 June 2020 and the continuing reduction in payroll cost, while our expenses increased compared to the six-month period ended 30 June 2020 relating to lignite, natural gas and emission allowances.

The total expenses for the six-month period ended 30 June 2021 represented 99.4% of the total revenues for the same period while total expenses for the six-month period ended 30 June 2020 represented 97.7% of the total revenues for the same period.

## Payroll cost

Total payroll cost (before the capitalisation of payroll cost to fixed assets under construction and excluding any provision related to post-retirement benefits and the retroactive charge for special allowances from the implementation of the collective labour agreement for the period 2021-2024) decreased by €24.1 million, or 6.4%, to €350.0 million in the six-month period ended 30 June 2021 from €374.1 million in the six-month period ended 30 June 2020. The decrease was mainly due to natural attrition, which resulted in a net reduction of 1,456 employees.

### *Fuel*

Liquid fuel costs remained substantially stable at €225.0 million in the six-month period ended 30 June 2021, compared to the six-month period ended 30 June 2020, despite the 5.9% increase in generation from liquid fuel. Such increase was offset by lower prices of mainly heavy fuel oil between the respective periods.

Natural gas expense increased significantly by €106.0 million, or 94.4%, to €218.3 million in the six-month period ended 30 June 2021 from €112.3 million in the six-month period ended 30 June 2020. This change was due to the increase of the corresponding electricity generation as well as the increase of natural gas prices.

### *Lignite*

Lignite expenses increased by €65.2 million or 223.3% to a €36.0 million in the six-month period ended 30 June 2021 from a gain of €29.2 million in the six-month period ended 30 June 2020, which is mainly attributed to the reduced mining activity in the six-month period ended 30 June 2021 compared to 2020 and the reduction in electricity generation by the lignite units by 7.6% or 227.0 GWh due to higher CO<sub>2</sub> prices which render lignite units less competitive.

### *Energy purchases*

Energy purchases expense from the Transmission System and the Non-Interconnected Islands decreased by €190.8 million, or 32.4%, to €398.6 million in the six-month period ended 30 June 2021, compared to €589.4 million in the six-month period ended 30 June 2020, due to lower energy purchases volume, despite the increase of the Market Clearing Price from €41.4/MWh in the six-month period ended 30 June 2020 to €61.9/MWh in the six-month period ended 30 June 2021.

### *Emission allowances*

The cost of emission allowances increased by €125.7 million, or 73.4%, to €296.9 million for the six-month period ended 30 June 2021 from €171.2 million for the six-month period ended 30 June 2020. The increase was primarily attributable to the increase of the CO<sub>2</sub> emission rights average price from €23.3/tonne to €38.9/tonne, and the increase of CO<sub>2</sub> volumes by 3.4%.

### *Provisions*

During the six-month period ended 30 June 2021, we recorded a €155.6 million reversal for expected credit losses, compared to a €42.2 million provision in the six-month period ended 30 June 2020. The decrease in the six-month period ended 30 June 2021 was due to the improvement of the actual and expected collections of overdue debts, as a result of the implementation of a new credit policy, as well as the management of overdue debts, which was strengthened from the securitisation programmes that we recently implemented.

### *Impairment loss/(reversal of impairment loss) on assets*

Our impairment loss for the six-month period ended 30 June 2021 rose by €1.5 million, or 14.9%, to €11.6 million in the six-month period ended 30 June 2021, compared to €10.1 million in the six-month period ended 30 June 2020 and mainly include impairments for mine expenditures.

### *Financial expenses (net)*

Net financial expenses increased by €5.8 million, or 8.7%, to €72.7 million for the six-month period ended 30 June 2021 from €66.9 million for the six-month period ended 30 June 2020.

### *Profit/(loss) before tax*

As a result of the foregoing, we recorded a pre-tax profit of €13.7 million for the six-month period ended 30 June 2021, a €37.5 million, or 73.2%, drop as compared to a pre-tax profit of €51.2 million for the six-month period ended 30 June 2020.

## Income taxes

We recorded an income tax credit of €13.2 million for the six-month period ended 30 June 2021, as compared to an income tax expense of €21.9 million for the six-month period ended 30 June 2020.

## Net (loss)/profit after tax

Net profit after tax decreased by €2.4 million, or 8.2%, to €26.9 million for the six months ended 30 June 2021, compared to a €29.3 million for the six months ended 30 June 2020.

## Results of operations in the year ended 31 December 2019 and 2020

The following table sets out our statements of income for the years ended 31 December 2019 and 2020.

(€ in millions)	Year ended 31 December	
	2019 (audited)	2020 (audited)
Revenues	4,931.6	4,649.4
Payroll Cost	512.3	713.6
Lignite	3.7	49.6
Liquid Fuels	670.9	462.5
Natural Gas	431.4	297.9
Depreciation and Amortisation	661.8	744.0
Energy Purchases	1,486.4	1,117.9
Other Expenses <sup>(a)</sup>	417.3	684.7
Emission Allowances	546.5	393.5
Provisions for Expected Credit Losses	(42.0)	61.9
Financial Expenses	170.7	198.2
Financial Income	(73.2)	(60.1)
Impairment Loss/(Reversal of Impairment Loss) on Assets	2,098.8 <sup>(b)</sup>	(125.3) <sup>(c)</sup>
Other (Income)/Expense, Net <sup>(c)</sup>	104.9	44.0
<b>Profit/(Loss) before Tax</b>	<b>(2,057.9)</b>	<b>67.0</b>
Income Tax	372.2	(31.8)
<b>Profit/(Loss) after Tax</b>	<b>(1,685.7)</b>	<b>35.2</b>

<sup>(a)</sup> Other expenses consist of materials and consumables, transmission system usage, utilities and maintenance, sundry provisions, provisions for impairment of materials, third-party fees and income from PSOs for the year ended 31 December 2019.

<sup>(b)</sup> Reflects the effect on our income statement of the immediate withdrawal plan for our lignite units and mines. For the year ended 31 December 2020, it includes an impairment loss on the property plant and equipment measured under the revaluation model amounting to €22.5 million (2019: €672.4 million), an impairment loss on the property, plant and equipment measured under the cost model amounting to €41.8 million (2019: €515.5 million), a partial reversal of €209.9 million (2019: write-down of €589.0 million) relating to our investment in Ptolemaida V plant, an additional provision for impairment of inventories amounting to €7.0 million (2019: €83.2 million), and an impairment loss of €13.2 million (2019: €66.7 million) related to the provision of mines' land restoration. For the year ended 31 December 2019, it also includes a provision for the decommissioning of our power plants and the dismantling of infrastructure/equipment of our power plants and mines amounting to €126.3 million and an impairment loss from onerous contracts amounting to €45.7 million.

<sup>(c)</sup> Includes foreign currency (gain)/loss, net other (income)/expense, net, as well as loss/(gain) of associates and joint ventures.

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020.



**Results of operations for the year ended 31 December 2019 compared to the year ended 31 December 2020**

**Revenues**

The following table shows the sources of our revenues for the years ended 31 December 2019 and 2020:

<b>(€ in millions)</b>	<b>Year ended 31 December</b>	
	<b>2019 (audited)</b>	<b>2020 (audited)</b>
Revenues from Energy Sales .....	4,288.7	3,947.3
Revenue from Natural Gas Sales .....	—	0.5
Other Sales .....	642.9	701.6
<b>Total Revenues</b> .....	<b>4,931.6</b>	<b>4,649.4</b>

Source: Audited consolidated financial statements as at and for the year ended 31 December 2020.

Total revenues decreased by €282.2 million, or 5.7%, to €4,649.4 million for the year ended 31 December 2020 from €4,931.6 million for the year ended 31 December 2019.

Our revenues from energy sales decreased by €341.4 million, or 8.0%, to €3,947.3 million for the year ended 31 December 2020 from €4,288.7 million for the year ended 31 December 2019. The decrease was due to a 5,557 GWh, or 14.5%, decrease in our sales volumes as a result of market share loss (by 7.1 percentage units) and decreased electricity demand (by 6.7%). This decrease was partially offset by an increase from €107.8/MWh to €119.2/MWh, or 10.5%, in our tariffs that took place as at September 1, 2019.

Domestic electricity demand decreased by 6.7% to 54,752GWh in 2020, compared to 58,660 GWh in 2019. The decrease in domestic electricity demand was primarily due to the impact of the COVID-19 pandemic. Total electricity demand (including pumping and exports) decreased significantly by 8.0% in 2020 compared to 2019 due to the ongoing decrease of third-party exports.

Another factor that contributed to the decline in revenues from energy sales was a decrease in our average supply market share in Greece. Our average supply market share in Greece declined to 68.7% in 2020, compared to 75.8% in 2019. Our average supply market share in the Interconnected System declined to 66.8% in December 2020, down from 71.7% in December 2019, while our average market share per voltage category was 94.4% in High Voltage, 35.7% in Medium Voltage and 69.0% in Low Voltage (compared to 97.5%, 52.6% and 73.4%, respectively, in December 2019).

The decrease in revenue from energy sales for the year ended 31 December 2020 was partially offset by increased revenues generated from other sales. Other sales increased by €58.7 million, or 9.1%, to €701.6 million for the year ended 31 December 2020 from €642.9 million for the year ended 31 December 2019. The increase was mainly due to increased revenues generated from Distribution Network fees (which increased from €167.6 million in 2019 to €215.6 million in 2020) and PSOs collected by third-party electricity suppliers (which increased from €138.2 million in 2019 to €150.7 million in 2020).

## Expenses

The table below shows a breakdown of our expenses for the years ended 31 December 2019 and 2020:

<u>(€ in millions)</u>	<u>Year ended 31 December</u>	
	<u>2019</u> <u>(audited)</u>	<u>2020</u> <u>(audited)</u>
Payroll Cost .....	512.3	713.6
Lignite .....	3.7	49.6
Liquid Fuels .....	670.9	462.5
Natural Gas .....	431.4	297.9
Depreciation and Amortisation .....	661.8	744.0
Energy Purchases .....	1,486.4	1,117.9
Materials and Consumables .....	126.1	110.9
Transmission System Usage .....	149.6	135.8
Utilities and Maintenance .....	221.1	199.8
Third-Party Fees .....	82.2	113.3
Emission Allowances .....	546.5	393.5
Sundry Provisions .....	20.3	38.6
Provision for Impairment of Materials .....	12.7	86.3
Provisions for Expected Credit Losses .....	(42.0)	61.9
Financial Expenses .....	170.7	198.2
Financial Income .....	(73.2)	(60.1)
Impairment Loss/(Reversal of Impairment Loss) on Assets .....	2,098.8	(125.3)
Income from PSOs .....	(194.7)	—
Other (Income)/Expense, Net .....	106.4	47.3
Gains from Associates and Joint Ventures .....	(2.4)	(2.4)
Foreign Currency Losses .....	0.9	(0.9)
<b>Total Expenses .....</b>	<b><u>6,989.5</u></b>	<b><u>4,582.4</u></b>

Source: Audited consolidated financial statements as at and for the years ended 31 December 2020.

### Total Expenses

Total expenses decreased by €2,407.1 million, or 34.4%, to €4,582.4 million for the year ended 31 December 2020 from €6,989.5 million for the year ended 31 December 2019. This decrease was principally attributed to the reduction of impairment losses on assets by €2,224.1 million, or 106.0%, due to the introduction of our immediate withdrawal plan for our lignite units and mines in 2019. In addition, our operating expenses decreased by €834.6 million, or 18.2% due to decreased expenses relating to fuel costs, energy purchases and CO<sub>2</sub> emissions. The total expenses for the year ended 31 December 2020 represented 98.6% of the total revenues for the same period while total expenses for the year ended 31 December 2019 represented 141.7% of the total revenues for the same period.

### Payroll Cost

Total payroll cost (before the capitalisation of payroll cost to fixed assets under construction and excluding any provision related to post-retirement benefits) decreased by €82.1 million, or 10.1%, to €734.8 million in the year ended 31 December 2020 from €816.9 million in the year ended 31 December 2019. The decrease was primarily due to natural attrition and the launch of voluntary retirement programmes in 2020, which resulted in a net reduction of 1,277 employees.

### Fuel

Liquid fuel costs decreased by €208.4 million, or 31.1%, to €462.5 million for the year ended 31 December 2020, compared to €670.9 million for the year ended 31 December 2019. This decrease was attributable to lower electricity generation from liquid fuel, as well as lower prices for heavy fuel oil and diesel.

Natural gas costs decreased by €133.5 million, or 30.9%, to €297.9 million for year ended 31 December 2020 from €431.4 million for the year ended 31 December 2019. This decrease was principally due to decrease in the average price of natural gas.

#### *Energy purchases*

Energy purchases expense decreased by €368.5 million, or 24.8%, to €1,117.9 million for the year ended 31 December 2020 from €1,486.4 million for the year ended 31 December 2019.

The decrease was primarily due to the decrease of domestic purchases for the System and the Network by €390.4 million, or 35.4%, as a result of the reduction of the Market Clearing Price from €63.8/MWh in 2019 to €45.1/MWh in 2020, as well as due to lower energy purchase volumes. Furthermore, energy purchases expense of 2019 included generation losses from the sale on NOME products of €156.0 million, while 2020 energy purchase expense included gains of €11.5 million. On the other hand, energy purchases expense for the year ended 31 December 2020 included a charge of electricity suppliers for Renewables Special Account amounting to €72.9 million as part of the measures taken by the Greek State in order to cover the Renewables Special Account deficit pursuant to Law 4759/2020. Finally, energy purchases expense for the year ended 31 December 2019 included income from the refunds to PPC in respect of the Renewables Special Account owed from 2018 in an amount equal to €99.3 million.

#### *Emission Allowances*

The cost of emission allowances decreased by €153.0 million, or 28.0%, to €393.5 million for the year ended 31 December 2020 from €546.5 million for the year ended 31 December 2019. The decrease was primarily attributable to a reduction in CO<sub>2</sub> emissions from 23.1 Mt in 2019 to 15.5 Mt in 2020, which was partially offset by an increase in the average price paid for CO<sub>2</sub> emission rights from €23.7/ton to €25.6/ tonne.

#### *Provisions*

During 2020, we recorded €61.9 million of provisions for expected credit losses, compared to a €42.0 million reversal in 2019. The increase in 2020 was due to a small increase in the days for collecting receivables from consumers due to COVID-19 pandemic as compared to 2019.

Provisions for impairment of materials increased to €86.3 million in 2020, as compared to €12.7 million in 2019, mainly due to an additional impairment of €36.3 million on the value of certain refurbished spare parts of natural gas units, as their book value was higher than their net realisable value. The increase was also due to the additional provisions established for inventories following the reduction on the years of utility of materials according to the lignite phase-out plan.

#### *Impairment loss on assets*

Our income statement for the year ended 31 December 2020 was positively affected by €125.3 million due to the partial reversal of the impairment of the investment in the new Ptolemaida V unit by €209.9 million following the decision to increase its capacity from 660 MW to 1150 MW and the rescheduling of its operation as natural gas unit in 2025 instead of 2028 (see Note 15 of the 2020 Annual Financial Statements).

This resulted in additional impairment of mines land, construction in progress and property and plant and equipment of mines by €58.7 million in 2020, to an impairment of decommissioning provision of units and mines by €13.2 million and to an additional provision for impairment of materials and spare parts by €7.0 million.

On the other hand, our income statement for the year ended 31 December 2019 had been affected by the decision of the immediate withdrawal plan for lignite units and mines. In particular, we proceeded to an impairment test of mines' land and construction in progress for individual assets and to an impairment test of the total cost of the new unit 660 MW in Ptolemaida (lignite unit under construction), that resulted to an impairment loss of €515.5 million and €589.0 million, respectively.

Furthermore, for the year ended 31 December 2019 we established an additional provision of €83.2 million for impairment of materials and spare parts located in the warehouses of the lignite power stations and our mines as they are not expected to be used.

In addition, pursuant to IFRS, we are required to assess the fair value of our fixed assets every three to five years. During 2019, we engaged an independent firm to conduct a valuation of our property, plant and equipment (excluding lakes, land for the extraction of lignite and construction in progress). To calculate the fair value of the fixed assets, the appraisers took into account the gradual closure of lignite units and lignite mines through 2028 and, as a result, fixed assets were impaired by €672.4 million. The provision for impairment loss on assets also includes the charge in the income statement of the provision established for the dismantling of power plants and mines (another part was charged in other comprehensive income) and the impairment of properties related with the restoration costs of mines' land amounting to €126.3 million and €66.7 million, respectively.

Finally, we established a provision for onerous contracts amounting to €45.7 million, as certain contracts became onerous after the lignite phase-out plan.

#### *Financial expenses (net)*

Net financial expenses increased by €40.6 million, or 41.6%, to €138.1 million for the year ended 31 December 2020 from €97.5 million for the year ended 31 December 2019, which is mainly due to the finance cost for the provision of the decommissioning and removal costs of power plants, mines and wind park facilities and land restoration costs of mines.

#### *Profit/(loss) before tax*

As a result of the foregoing, we recorded a pre-tax profit of €67.0 million for the year ended 31 December 2020, as compared to a pre-tax loss of €2,057.9 million for the year ended 31 December 2019.

#### *Income taxes*

We recorded an income tax expense of €31.8 million for the year ended 31 December 2020, as compared to a tax income of €372.2 million for the year ended 31 December 2019. Under Greek law, for the tax years 2019 and 2020 we were subject to an income tax rate of 24.0% and our effective tax rate was equal to the income tax rate for the years ended 31 December 2019 and 2020.

#### *Net (loss)/profit after tax*

Net profit after tax was €35.2 million for the year ended 31 December 2020, compared to a net loss of €1,685.7 million for the year ended 31 December 2019.

### **7.8. Legal proceedings**

From time to time, we are subject to legal, regulatory, administrative and other proceedings arising from the ordinary course of our operations. The total amount of exposure in litigation claims for PPC and its material subsidiaries as at 30 June 2021 was €914.0 million. In this context and for information purposes we note the following:

- Claims with contractors, suppliers and other claims

A number of contractors and suppliers have raised claims against us. These claims are either pending before courts or under arbitration and mediation proceedings. The aggregate amount in dispute, as at 30 June 2021, was €434.0 million. In most cases, we have raised counterclaims, which are not reflected in the accounting records until the time of collection.

- Claims by employees

As at 30 June 2021, we have outstanding claims from employees in the amount of €70.0 million for allowances and other benefits that, according to these employees, should have been paid by us.

- Accidents relating to our operations

A number of individuals have raised claims against us for alleged losses incurred due to power leakage or power stoppage (fires, floods etc.) or other accidents resulting from our operations, such as environmental contaminations, and project development works. As at 30 June 2021, the total amount of such claims stood at €88.0 million.

- Restatement of accounts

As we publicly disclosed in 2018, including in our annual financial report for financial year 2017 (dated 27 April 2018) and public statements made in 2018 (including our press release dated 27 April 2018), we restated previously published statements of financial position as of 31 December 2015 and 2016 and 30 June 2016 and 2017 and the statements of comprehensive income for the years ended 31 December 2015 and 2016 and the six months ended 30 June 2016 and 2017, in relation to: (a) the recalculation of deferred tax on the lower electricity tariff provided to personnel and pensioners of the Group; and (b) the re-estimation of unbilled revenue for electricity delivered and consumed by low voltage customers but not billed yet. Following this restatement, and given our status as a listed company subject to the requirements of Greek capital markets law, the HCMC initiated an investigation of the circumstances leading to, and the consequences of, the restatement. This process, which was initiated in 2018, is still ongoing and has yet to reach a conclusion.

- RAE's questions regarding the low-voltage tariff adjustment mechanism

Following the activation of the price adjustment clause referring to CO<sub>2</sub> emission rights in May 2021 (which was initially included in the terms and conditions of a significant number of low-voltage electricity supply contracts in 2019 and was dormant until May 2021), and in the context of its supervisory role, RAE has requested PPC to explain in detail its decision, first to activate the CO<sub>2</sub> clause and subsequently to replace that clause with another clause referring to the wholesale electricity price.

Afterwards, RAE attempted to verify whether this replacement had been implemented in compliance with the relevant legislation and regulation and, in particular, with the applicable principles on prior notification of customers under the Electricity Supply Code and the transparency of tariffs under RAE's decision no. 409/2020. In August 2021, RAE informed PPC by a letter of its intention to initiate a process for the imposition of administrative sanctions. However, PPC does not expect the imposition of fines or penalties, which if imposed, could have a material impact on its financial position. Additionally, no complaints have been made by consumers, and no judicial process has been initiated against PPC as at the date of this Prospectus.

- DG Competition investigation

In February 2017, an investigation for possible abuse of our position in the wholesale power market was initiated by DG Competition under Article 102 TFEU and is currently under way. With respect to this investigation, DG Competition has sent three sets of official "Requests for Information" to PPC so far, one in January 2019, a second in November 2020 and a third in June 2021. The first two Requests for Information have both been duly and timely replied to by us, while the third one is in process and will be answered in a timely manner. No statement of objection has been notified to us. On 16 March 2021, DG Competition formally opened an investigation in this respect. In particular, the European Commission is concerned that we may have restricted competition in the Greek wholesale electricity markets with our bidding behaviour, namely by allegedly adopting predatory bidding strategies hindering the ability of our rivals to compete in the wholesale and related electricity markets. There has been no definitive indication as to the timing of this investigation, which could be concluded or discontinued at any time 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 addition to the above, we are defendants in legal proceedings and claims arising in the ordinary course of business, the most significant of which are set out below. As set out above, the total amount of exposure in litigation claims for PPC and its material subsidiaries as at 30 June 2021 was €914.0 million. Taking into consideration the information included in this section, neither we, nor any other member of the Group, is involved in any governmental legal, regulatory, administrative or arbitration proceeding during the previous 12 months (including proceedings that are pending or threatened of which we are aware), which may have or have had in the recent past significant effects on our financial position and profitability.

### ***Disputes with IPTO***

On 29 November 2018, IPTO served an extrajudicial document to PPC, with which IPTO requested PPC to (i) repay debts of €495.3 million, plus overdue interest, for PPC's participation in the wholesale electricity market for the period from January to August 2018, which have become overdue; and (ii) pay interest amounting to €83.4 million arising from the overdue payment of PPC's debts for its participation in the wholesale electricity market for the period from August 2016 to September 2018. Of the above amounts, only €82.0 million concerns IPTO, while for the remaining sum, DAPEEP has become the universal successor.

In February 2015, IPTO filed two lawsuits against PPC for a total amount of €540.0 million. According to IPTO's allegations, this amount corresponds to overdue receivables from PPC's participation in the wholesale electricity market. In particular, IPTO claimed an amount (in nominal claim plus late payment interest) of (i) €242.7 million and (ii) €232.6 million, respectively, for regulated charges and other charges for years 2012-2015 regarding the transmission network that we collect from our customers through electricity bills and subsequently pay to IPTO. Both lawsuits were discussed on 28 February 2019 before the Multimember Court of First Instance in Athens and joint decision no. 944/2020, partially accepting the claims of both actions, was issued, as follows:

- regarding the first lawsuit, IPTO was awarded (i) the legal interest on the amount of €188.3 million for the period from 3 February 2015 until the payment of each of the legal invoices paid after that date, and (ii) the amount of €18.9 million in addition to accrued interest for the period from the service of the lawsuit until full repayment;
- regarding the second lawsuit, IPTO was awarded (i) the legal interest on the amount of €227.6 million for the period from 3 February 2015 until the payment of each of the legal invoices paid after that date, and (ii) the amount of €40.3 million in addition to accrued interest from the service of the lawsuit until full payment;
- HEDNO was awarded (i) the legal interest on the amount of €5.0 million for the period from 3 February 2015 until the payment of each of the legal invoice, paid after that date and (ii) the amount of €244.6 million in addition to accrued interest for the period from the service of the lawsuit until full payment.

We filed an appeal against the aforementioned decision on 18 March 2020. A hearing before the Athens Court of Appeals has been scheduled for 13 October 2022. As at 30 June 2021, only the interest of the above claims is due and amounted to €62.0 million.

In December 2016, IPTO filed a third lawsuit against us claiming an amount of €406.4 million (nominal claim and late payment interest) for late payment of regulated charges and other charges for years 2015-2016 regarding the transmission system that we collect from our customers through electricity bills and subsequently pay to IPTO. The case was discussed on 7 January 2021 and decision no. 1494/2021 of the court has been recently issued. The court partially accepted IPTO's lawsuit and obliged PPC to pay to IPTO an amount of approximately €19.6 million, which PPC has already paid, while it rejected the IPTO's claim for interest. The interest corresponding to these receivables amounted to €59.0 million. A joint appeal has already been filed by IPTO, HEDNO and DAPEEP (insofar as they have become successors to ETMEAR and other regulated charges).

As at the date of this Prospectus, all the above lawsuits' principal amounts have been paid, excluding interest, for which PPC has established a provision in the amount of €202.5 million as of 30 June 2021.

Although, as a result of decision no. 1494/2021, PPC was held not to have an obligation to pay interest on the amounts owed for the third lawsuit, PPC continues to maintain the established provision formed in past years, given that, taking into account all available information to date, such decision is not substantiated until the courts rule in favour of PPC with respect to the case as a whole.

### ***Dispute with LAGIE (former HEMO)***

Former HEMO ("LAGIE") was operating at a considerable deficit, in part due to unpaid obligations of two major alternative suppliers, Energa Power Trading S.A. and Hellas Power S.A. that exited the Greek market in 2012.

Such deficit created by the exit of these electricity suppliers was allocated to wholesale conventional generators, including PPC, in proportion to their market share. Under RAE's decision no. 285/2013 (the legality of which was confirmed pursuant to the State Council's decision no. 1761/2016), as well as the Power Exchange Code for Electricity, PPC was required to pay to LAGIE a total amount €126.3 million in 2017. Pursuant to the decision of its Board of Directors no. 146/21.12.2016, PPC approved an advance payment to LAGIE and payment of the balance in twelve equal monthly interest-free installments starting from 1 January 2017. Although LAGIE explicitly accepted the proposed settlement, in December 2016, LAGIE filed a lawsuit against PPC requesting the residual amount of €78 million plus interest. In February 2017, PPC filed a counter lawsuit requesting that LAGIE be ordered to pay €126 million (plus €100,000 for moral damage to PPC) due to liability in tort. Pursuant to its decision no. 4810/2018, the Athens Multimember Court of First Instance accepted LAGIE's lawsuit, while PPC's counterclaim was rejected. PPC has appealed the above decision and the case is scheduled to be heard on 19 May 2022 before the Athens Court of Appeals. Furthermore, in December 2017, LAGIE sent us two letters containing claims against PPC owing, allegedly, to monthly deficits of the day-ahead schedule from the years 2011 and 2012 and totaling €0.83 million. In March 2018 we filed a lawsuit against such claims of LAGIE, and LAGIE filed a counter lawsuit in May 2018. The two lawsuits were brought before court and decision no. 932/2020 was issued dismissing our lawsuit and accepting LAGIE's counterclaim. We filed an appeal, which is scheduled to be heard on 17 February 2022. No provision has been made as PPC has already paid the amounts under dispute in 2017.

### ***PSO disputes***

An action for damages against the Greek State is pending before the Administrative Court of First Instance of Athens as part of our efforts to reclaim PSO expenses for the years 2007-2011 of a total amount of €681.7 million; the court date is scheduled for 19 November 2021; such expenses were recorded in in our statement of income under our audited consolidated financial statements for the respective financial years. In 2019, in accordance with RAE's decision no. 1019/2019, (OG B'4583/13.12.2019), PPC received a reimbursement for PSOs in respect of the period from 2007 to 2011 amounting to €194.7 million, which was included in our statement of income for the year ended 31 December 2019. PPC filed an action against the above-mentioned decision. The case is scheduled to be heard on 18 January 2022.

### **7.9. Significant change in the Issuer's financial position**

There has been no significant change in our financial position from 30 June 2021 until the date of this Prospectus, other than the following:

#### ***Issuance of Senior Notes due 2028***

PPC issued €500.0 million 3.375% sustainability-linked senior notes due 2028 on 21 July 2021. The Senior Notes due 2028 were issued pursuant to Law 4548/2018 and Law 3156/2003 as "Bonds" and are governed by New York law and listed on the Official List of Euronext Dublin. The proceeds from the Senior Notes due 2028 were used for the partial repayment of €495.0 million of our Syndicated Bond Loan A and to pay the costs and expenses relating to the offering. For further information, see "*Material Contracts—Senior Notes due 2028.*"

#### ***Alpha Bank bond loan***

On 12 August 2021, PPC entered into an unsecured, common bond loan with a revolving credit mechanism with Alpha Bank S.A. as underwriter, initial mandated lead arranger, paying agent, initial bondholder and bondholder agent up to the amount of €300.0 million. Eurobank S.A. joined as mandated lead arranger and initial bondholder. For further information, see "*Material Contracts—Alpha Bank bond loan.*"

## ***Sale of stake in HEDNO***

On 19 October 2021, our Extraordinary General Meeting approved, *inter alia*, the sale of a 49.0% non-controlling stake in our wholly-owned subsidiary, HEDNO. We anticipate the sale to be completed by the end of 2021. As a result of this transaction, we expect there to be a significant change in our financial position. For further information on the expected effects of the transaction on our financial results, see “—*Sale of a 49.0% stake in HEDNO —Effect of the sale of a 49.0% stake in HEDNO on our financial results.*”

## **7.10. Dividends and dividend policy**

### ***Generally applicable rules on dividends***

Pursuant to the provisions of the Greek Company Law, companies are required to pay dividends of at least 35% of after-tax profit, after necessary deductions for the formation of the legal reserve, and other credit accounts in the income statement that do not arise from realised earnings. By decision of the General Meeting, which is obtained with an increased quorum of 50.0% (falling to 20.0% at a repeat General Meeting) and majority of two thirds of the capital represented in the meeting, that rate of 35.0% may be reduced, but not below 10.0%.

The non-distribution of a dividend is possible by decision of the General Meeting, which is obtained with an increased quorum of 50.0% (falling to 20.0% at a repeat General Meeting) and a majority of 80.0% of the capital represented in the meeting. Furthermore, the Greek Corporate Law (Article 159 thereof) requires certain conditions to be met for the dividend distribution. Based on Law 4646/2019 which amended the Articles 40 and 64 of ITC, the distributable earnings approved by the General Meetings are subject to a withholding tax of 5.0% since 1 January 2019.

In addition, the amount distributed to the shareholders may not exceed the amount of the results of the last ended year, added to the profits from previous years that have not been distributed and the reserves for which their distribution is allowed and approved by the General Meeting, and reduced by: (a) the amount of the income statement credits, which do not constitute realised profits, (b) the amount of the losses of previous years and (c) the amounts to be used to form reserves, in accordance the law and the statute.

In light of the above, PPC was not allowed to distribute a dividend for the year ended 31 December 2020. PPC plans to propose a distribution of dividends in 2023. If PPC’s proposal is accepted, the dividends will become payable in 2024. For a detailed description of the relevant regulatory framework, PPC’s dividend policy and any restrictions thereto, please see “*Risk Factors—Risks relating to the New Shares—We may not be able to pay dividends to our shareholders.*”



## 8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

### 8.1. Management and corporate governance of PPC S.A.

According to Article 116 of Law 4548/2018, the supreme body of the Company is the General Meeting of its shareholders, which elects the members of its Board of Directors.

The Company has updated its Internal Rules of Operation, in compliance with the provisions of Article 14 of Law 4706/2020, which were most recently updated by virtue of the resolution of the Board of Directors dated 26 October 2021 and which is published on the Company's website. According to Article 8 of the Articles of Association, as amended and codified, and the Internal Rules of Operation of the Company, the main administrative, management and supervisory bodies of PPC are the Board of Directors, the Chief Executive Officer and the Executive Committee. The principal committees of the Company are the Audit Committee and the Nomination, Remuneration and Recruitment Committee.

The Company has established an Audit Committee, in accordance with Article 44 of Law 4449/2017. PPC also has an Internal Audit Department, which, pursuant to Article 21 of its Internal Rules of Operation, is an independent department, directly subject to the Board of Directors and supervised by the Audit Committee. The Chief Officer of the Internal Audit Department (the "Internal Auditor") is personally and functionally independent, objective during the exercise of his duties, fully and exclusively employed by the Company and has a sound background and adequate professional experience.

#### *Board of Directors*

Pursuant to Article 5 of Law 4706/2020, the Board of Directors of a *société anonyme* the shares of which or other transferable securities are admitted to trading on a regulated market (such as PPC) consists of Executive, Non-Executive and Independent Non-Executive Members, while at least one-third of the total number of members of the Board of Directors and, in any case not less than two (2), should be Independent Non-Executive Members, within the meaning of Article 9 of Law 4706/2020.

According to Article 9 of the Company's Articles of Association, the Company's Board of Directors consists of eleven (11) members, divided into three (3) Executive, three (3) Non-Executive and five (5) Independent Non-Executive Members, meeting the independence criteria provided for in Article 9 of Law 4706/2020, from their election until the date of the Prospectus. The Members of the Board of Directors are elected for a three-year term in office, as follows:

- nine (9) members, including the Chief Executive Officer, are elected by the General Meeting. The Board of Directors elects among these members its Chairman and Vice Chairman, pursuant to Article 14 of the Articles of Association; and
- two (2) members representing the employees of the Company shall be elected by direct, general ballot and by means of proportional representation within two (2) months of notification to the most representative trade union (ASOP) (pursuant to Article 9 of the Articles of Association).

In the event that, for any reason whatsoever, a vacancy in the office of a Board Member elected in accordance with the procedure set forth above occurs, the remaining members of the Board may elect another member for the remaining term of such member. Such election shall be announced on the website of the Company and on the General Electronic Commercial Registry. The results shall be announced by the Board of Directors at the next General Meeting.

In accordance with the provisions of Article 3, paragraph 3 of Law 4706/2020, the Extraordinary General Meeting at its meeting of 4 June 2021 approved the Suitability Policy of the members of the Board of Directors, which was prepared in accordance with the provisions of Article 3 of Law 4706/2020 and published on the Company's website. According to the Company's Suitability Policy, the members of the Board of Directors may in any case be re-elected and may at any time be removed from the Board of Directors by resolution of the General Meeting. Especially with regard to the

members of the Board of Directors who are elected as representatives of the Company's employees, a reasoned decision by the Board of Directors is additionally required for their removal and such reasons must pertain to the fulfilment of their duties as members of the Board. The Suitability Policy of the Board of Directors includes the set of principles and criteria regarding the selection, replacement and renewal of term of the members of the Board of Directors, the criteria on the evaluation of suitability of such members, the conflict of interest policy and the rules for safeguarding diversity on the Board of Directors in terms of gender (*i.e.* adequate gender representation of at least 25%), age, representation of shareholders holding (individually or together with other shareholders) at least 10.0% of PPC's share capital and educational and professional background, in accordance with Law 4706/2020 as in force. PPC intends to comply with the adequate gender representation of at least 25% requirement, pursuant to Law 4706/2020 and the Suitability Policy of the Board of Directors, has commenced the relevant procedures and expects to have achieved such compliance by 16 December 2021.

The participation of Independent Non-Executive Members in the Board of Directors shall not exceed three consecutive terms, namely nine (9) years in total.

The current composition of the Board of Directors, which is in compliance with the provisions of the Suitability Policy of the members of the Board of Directors as above (subject to achieving the minimum gender representation of at least 25% requirement), as well as the capacity (Executive, Non-Executive, Independent Non-Executive Member) and term of office of each of its members are presented in the table below:

<u>Full Name</u>	<u>Age</u>	<u>Capacity</u>	<u>Commencement of the term</u>	<u>Expiration of the term</u>	<u>Election Body</u>
Georgios Stassis	45	Chairman of the Board of Directors, Chief Executive Officer—Executive Member	22.08.2019	21.08.2022	EGM 22.08.2019
Pyrros Papadimitriou	58	Vice-Chairman of the Board of Directors—Independent Non-Executive Member	22.08.2019	21.08.2022	EGM 22.08.2019 EGM 19.10.2021*
Georgios Karakousis	42	Deputy Chief Executive Officer—Executive Member	19.11.2019	16.12.2021	BoD 19.11.2019 EGM 23.12.2019
Alexandros Paterakis	50	Deputy Chief Executive Officer—Executive Member	22.08.2019	21.08.2022	EGM 22.08.2019
Georgios Venieris	74	Independent Non-Executive Member	17.12.2018	16.12.2021	EGM 17.12.2018
Despina Doxaki	53	Independent Non-Executive Member	27.06.2019	26.06.2022	OGM 27.06.2019
Stefanos Theodoridis	62	Independent Non-Executive Member	22.08.2019	21.08.2022	EGM 22.08.2019
Stefanos Kardamakis	54	Independent Non-Executive Member	22.08.2019	21.08.2022	EGM 22.08.2019
Michalis Panagiotakis	48	Independent Non-Executive Member	19.05.2020	21.08.2022	BoD 19.05.2020 OGM 24.06.2020
Pantelis Karaleftheris	59	Non-Executive Member—Representative of Employees	07.06.2019	06.06.2022	Elected by the employees in accordance with the procedure set forth in Article 9, paragraph 2(b) of the Articles of Association.
Nikolaos Fotopoulos	59	Non-Executive Member—Representative of Employees	07.06.2019	06.06.2022	Elected by the employees in accordance with the procedure set forth in Article 9, paragraph 2(b) of the Articles of Association.

\* The capacity of Mr. Pyrros Papadimitriou, Vice-Chairman of the Board of Directors, as Independent Member of the Board of Directors of the Issuer has been confirmed and attributed.

By virtue of the resolution of the Company's Board of Directors, dated 14 July 2021, in case of death, absence or impediment of the Chairman of the Board of Directors, the latter shall be substituted by the Vice-Chairman, Mr. Pyrros Papadimitriou, and, in his executive duties, by Mr. Alexandros Paterakis.

The biographical details of the Board of Directors of the Company are the following:

*Georgios Stassis*

For many years, Mr. Stassis worked for ENEL S.p.A., an Italian multinational energy company, where, among other positions, he held the position of Head of Enel Green Power, responsible for the countries of Eastern Europe and the Middle East until 2015. From 2016 until 2019, he was the President and Chief Executive Officer of Enel Romania Srl, the largest energy company in Romania. He has more than thirteen years of experience in the energy market and has held important positions in various organisations and associations of the energy sector in Greece and abroad. Mr. Stassis holds a bachelor's degree in Civil Engineering and a master's degree in Management in Construction and Structural Design from Kingston University, UK. Moreover, he attended executive courses at Harvard Business School, U.S., and at Elis Academy, Italy.

*Pyrros Papadimitriou*

Mr. Papadimitriou is an economist, lawyer and associate professor of international economic relations at the University of Peloponnese. He holds a degree in Political Science and Public Administration from the University of Athens and a law degree from Athens Law School (1989). He is also holder of a post-graduate degree in Economics from Sussex University (1987), a master's degree in Economics (1988) and a doctorate degree in Economics (1992) both from Kent University, UK. In the past, he worked as a financial analyst at Gerald & National Inter Commodities in London (1989-1990) and continued as researcher at the Foundation for Economic & Industrial Research in Athens (1994-1995), manager in the Sectoral Research & Analysis Department of Alpha Bank S.A. (1995-1996), advisor to the European Parliament (1996-1998) and director of Consulting Services at ICAP S.A. (1999-2000). In 1996 Mr. Papadimitriou founded HEADWAY Economic Consultants Ltd and remains the main shareholder of this company. From 2006 until 2015, as a co-founder, he cooperated with Four Assist Development Consulting Ltd, which mainly undertakes projects in public financial management and economic development of developing countries. In the period 2007-2009, as Chairman and Chief Executive Officer, he led the privatisation project of Olympic Airlines, Olympic Airways – Services and Olympic Aviation. In 2012, Mr. Papadimitriou was appointed as coordinator of the privatisation of the Greek regional airports, a project that has also been concluded successfully with the acquisition of the airports by Fraport S.A. During the last years, apart from his involvement with HEADWAY Economic Consultants Ltd, he carries out various consulting projects for governments in developing countries in the field of public financial management and employment.

*Georgios Karakousis*

Mr. Karakousis is a commercial executive with significant experience in building innovative products and services with a customer-centred approach. He has successfully designed and implemented the commercial strategy for large corporations in Greece and the UK and has also led significant commercial transformation projects. Over the past fifteen years, Mr. Karakousis has held positions of responsibility in companies such as Forthnet S.A. and Wind Hellas Telecommunications S.A., successfully introducing new products and services. In the UK, he was responsible for the design of the product portfolio of TalkTalk Telecom Group plc and, of the biggest service transformation project for over 9 million customers of British Telecommunications. In addition, he has provided consulting services on products and proposed designs for technology start-ups. Mr. Karakousis holds a degree in Electrical and Computer Engineering from the National Technical University of Athens, a master's degree (MSc) from Imperial College London and an MBA degree from ALBA Graduate Business School.

*Alexandros Paterakis*

Mr. Paterakis holds a BSc degree in Computer Engineering and Mathematics from the University of La Verne. He began his career as a network engineer and subsequently held a series of senior information technology ("IT") positions, such as Head of the consulting division of MicroAge, management consultant in Accenture plc both in the UK and in Greece. In 2003, he served as IT director at Tellas S.A., a fixed and broadband Greek operator. In 2008, Mr. Paterakis joined Vodafone

S.A. where he was promoted to Chief Information Officer. Afterwards, he was employed by Etihad Etisalat Co, where he was appointed as Chairman of Infotech Mobily India Pvt Ltd. and then completed his career as Chief Information Officer in Saudi Arabia. Since 2016, Mr. Paterakis provides business-consulting services focusing on digital strategy. Since 2018, he has held the position of Chief Information Officer in AXIATA Celcom, a telecommunication provider in Malaysia.

#### *Georgios Venieris*

Mr. Venieris is a professor of Accounting at the Accounting and Finance Department of the Athens University of Economics and Business. He studied Economic and Business Sciences at the Athens University of Economics and Business (1970). He carried out postgraduate studies at the Department of Accounting of Birmingham University in England where he obtained his master's degree in Commerce in 1971 and his doctorate degree in 1975. Mr. Venieris has served as Chairman of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board. He has also worked as advisor to the deputy minister of finance for the reorganisation of the public sector accounting system in Greece. Mr. Venieris was the head of accounting and costing issues in the team of experts that had been appointed by the National Telecommunications Commission of Greece (NTC) to examine and provide recommendations regarding costing of interconnection and interconnection charges for the telecommunications networks in Greece. He has published a considerable number of monographs and articles in Greek and international scientific journals and has made presentations at several international scientific conferences. Mr. Venieris is the author of ten books on cost and management accounting. He has also served as financial and management consultant with a large number of Greek commercial and industrial companies. Mr. Venieris has held the position of auditor of the Bank of Greece and member of the books and accounts committee at the Ministry of Finance. He was the chairman of the committee that revised the books and records code (1990–1991). Mr. Venieris has been an instructor at many seminars. He is a member of the executive committee and president of the European Accounting Association and scientific coordinator of the programme of the Chartered Institute of Management Accountants (CIMA) in Greece.

#### *Despina Doxaki*

Ms. Doxaki is a graduate of the Faculty of Law of the National and Kapodistrian University of Athens and holder of an LL.M in European Union Law from the Institute of European Studies of the Free University in Brussels. She has an accumulated professional experience of over twenty-six years in the area of international cross-border transactions primarily advising and representing commercial, institutional, development and supranational banks and credit institutions. Ms. Doxaki specialises in structuring and negotiations of complex financings and funding such as (i) structured finance (EMTN, bond and note issuances, securitisations, treasury transactions etc.), (ii) project finance and privatisations (in all industry sectors such as in energy, RES, thermal, energy efficiency, waste management, oil and gas, mining, infrastructure, utilities and real estate, either in private projects or via PPP/PFI), (iii) corporate finance, debt and equity raising (capital market transactions), and (iv) debt restructurings and refinancing. During her career, she has worked with the EU Commission, KPMG, Alpha Bank S.A. and CIS. The last fifteen years, Ms. Doxaki has been working in the private legal practice with KG Law Firm, in Brussels, Stanbrook & Hooper and McDermott International Inc., and international law firms in London (Chadbourne & Parke LLP, Norton Rose Fulbright, Shearman & Sterling LLP and Milbank LLP). She currently holds the position of chief legal counsel of the Hellenic Financial Stability Fund.

#### *Stephanos Theodoridis*

Mr. Theodoridis has served for more than thirty-five years as a senior officer of business groups in Greece and abroad, out of which 25 years as chief executive officer. From 1989 to 2006, Mr. Theodoridis had served as Chief Executive Officer at DIAGEO S.A., initially for Greece and during the last years for Southern and Eastern Europe. In this capacity, he was also member of the European Executive Committee of this company. From 2006 to 2011, he had served as Chief Executive Officer of HYATT/REGENCY S.A., a leading company in the sectors of tourism and leisure. Since 2012, he holds the position of Chief Executive Officer of TEMES S.A., a leading investor, developer and operator in the high-end tourism and real estate sector in Greece. Along with his current position,

Mr. Theodoridis also serves as Vice Chairman of PREZIOSI Group in Greece and Turkey, as a member of the board of directors and the executive committee of IOBE, as well as member to the General Council of the Hellenic Federation of Enterprises.

*Stefanos Kardamakis*

Mr. Kardamakis graduated from the Department of Mechanical Engineering from the National Technical University of Athens in 1991. He obtained a master's degree in Shipping, Trade and Finance from the City University, Cass Business School in London. He started his professional career in 1993 from the technical department of Adelfia Shipping Enterprises, a Greek shipping company. In 1994, Mr. Kardamakis worked as relationship officer in the Greek shipping unit of ABN AMRO Bank N.V. where he was promoted to a Vice President. In 2004, he assumed the position of the Head of Shipping in Egnatia Bank, to establish a shipping portfolio at that time. During his career in the banking sector he dealt with the evaluation of new credit proposals, corporate finance transactions and treasury products, structure and sale of syndicated facilities for large Greek shipping companies. In 2008, he held the position of the Chief Financial Officer of Conbulk Shipping S.A. a fast-developing container vessel operator, and since 2019, he has also served as Chief Operating Officer of Conbulk Shipmanagement Corporation, being responsible for all operational, technical and financial matters.

*Michalis Panagiotakis*

Mr. Panagiotakis holds an MBA degree and a degree in Economics from the University of Hull. He held the position of Deputy Chief Executive Officer for five years while in the last year he was Chief Executive Officer in Dodoni S.A., one of the biggest companies in the Greek food industry. Mr. Panagiotakis has more than twenty years of professional experience in C-level managerial positions in the food industry and the public governance sector acting as general manager in STASY S.A., EOMMEX S.A. and Tram S.A., respectively. In addition, for the last six years, he has been participating in the investment group of Lime Capital Partners and SI Foods. During the period 2000-2007, Mr. Panagiotakis served as general manager in Blauel S.A., which specialises in the production and export of olive oil. As of 2005 to date, he has been active in the tourism industry, and since 2012, he established THE DIVINE VILLAS Ltd.

*Pantelis Karaleftheris*

Mr. Karaleftheris has been a member of the Board of Directors representing the employees since 27 May 2013. He is a qualified electrical foreman and works for PPC S.A. Mines. From 1984 to 1987 he worked as electrical technician at the project construction companies PPC ASPATE – ALSTHOM and BLOKAT. In 1987, Mr. Karaleftheris was employed and worked at the Main Field Mine of PPC as electrician of fixed equipment maintenance and failure restoration. He has served as President of the Coordination Body of Students of the Democritos and of the Professional and Technical School of Thessaloniki (KETE). Since 1994, he has been a senior member of PPC trade union and has participated in many European and international conferences on carbon, energy and the environment. For six years, he has served as General Secretary of the “Spartakos” trade union, while was also Deputy Secretary of GENOP/PPC (2008-2013). Later he was elected representative of the employees to the Board of Directors of PPC. He graduated from the Development Center for Education Policy (KANEP) of the General Confederation of Greek Workers (GSEE) and trains the trainers in lifelong learning programmes.

*Nikos Fotopoulos*

Mr. Fotopoulos has been a member of the Board of Directors representing the employees since 27 May 2013. He is an electrical technician. For 10 years, he served as Secretary of the Energy Domain Committee of the Socialist Party (PASOK). In 1998, he was elected to the board of directors of the Association of PPC's Technicians and served as press officer. From 2007 until 2013, he has been the president of the General Federation of Employees at PPC (GENOP/DEI) and a member of the Executive Committee of EMCF. Since 2010, he has been a member of the Administration of the Greek General Confederation of Labour (GSEE) and, as of April 2013, he has been a member of the Executive Committee of GSEE.

### *Participation in the meetings of the Board of Directors*

The table below presents the participation in the meetings of our Board of Directors by its members for the period from 1 January 2021 until 18 October 2021.

<u>Member</u>	<u>Position</u>	<u>Participation</u>	<u>Participation (%)</u>
Georgios Stassis . . . . .	Chairman of the Board of Directors, Chief Executive Officer—Executive Member	21	100%
Pyrros Papadimitriou . . . . .	Vice-Chairman of the Board of Directors—Independent Non-Executive Member	20	95%
Georgios Karakousis . . . . .	Deputy Chief Executive Officer—Executive Member	19	90%
Alexandros Paterakis . . . . .	Deputy Chief Executive Officer—Executive Member	20	95%
Georgios Venieris . . . . .	Independent Non-Executive Member	21	100%
Despina Doxaki . . . . .	Independent Non-Executive Member	20	95%
Stefanos Theodoridis . . . . .	Independent Non-Executive Member	13	62%
Stefanos Kardamakis . . . . .	Independent Non-Executive Member	21	100%
Michalis Panagiotakis . . . . .	Independent Non-Executive Member	12	57%
Pantelis Karaleftheris . . . . .	Non-Executive Member—Representative of Employees	21	100%
Nikolaos Fotopoulos . . . . .	Non-Executive Member—Representative of Employees	21	100%

### *Executive Committee*

According to Article 18a of its Articles of Association, the Executive Committee of PPC consists of the Chief Executive Officer, who serves as its Chairman, the Deputy Chief Executive Officers and the Chief Officers of PPC.

The members of the Executive Committee as at the date of this Prospectus are set forth below:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Georgios Stassis . . . . .	45	Chairman of the Board of Directors, Chief Executive Officer
Ioannis Kopanakis . . . . .	62	Deputy Chief Executive Officer responsible for the generation functions of the Company
Georgios Karakousis . . . . .	42	Deputy Chief Executive Officer responsible for the commercial activities of the Company
Alexandros Paterakis . . . . .	50	Deputy Chief Executive Officer responsible for the digital transformation of the Group and e-mobility development
Nikolaos Aravantinos . . . . .	67	Chief Support Operations Officer
Georgios Damaskos . . . . .	64	Chief Human Resources and Organisation Officer
Konstantinos Alexandridis . . . . .	46	Chief Financial Officer
Dimitrios Metikanis . . . . .	62	Chief Officer of Lignite Generation Business Unit
Efthymia Bali . . . . .	57	Chief Sales Officer
Argiris Economou . . . . .	61	General Counsel—Chief Legal Officer for Legal Affairs and Corporate Governance
Sotirios Hadjimichael . . . . .	61	Chief Strategy & Transformation Officer
Ioannis Tsagiannis . . . . .	53	Chief Customer Management Officer
Fotios Karagiannis . . . . .	62	Chief Thermal and Hydro Generation Officer
Konstantinos Zagalikis . . . . .	46	Chief Digital Systems Development and Operations Officer
Kyriakos Kofinas . . . . .	55	Chief E-Mobility Officer
Konstantinos Nazos . . . . .	50	Chief Energy Management & Trading Officer
Vassilis Mentzos . . . . .	49	Chief Project & Customer Experience Officer
Aggelos Spanos . . . . .	50	Chief Marketing and Products Officer

#### Georgios Stassis—Chairman of the Board of Directors and Chief Executive Officer

Mr. Stassis has been the Chairman of the Board of Directors and the Chief Executive Officer since 22 August 2019. For biographical details of Mr. Stassis, see the description under “*Management and corporate governance of PPC S.A.—Board of Directors*” above.

#### Ioannis Kopanakis—Deputy Chief Executive Officer responsible for the generation functions of the Company

Mr. Kopanakis has been Deputy Chief Executive Officer responsible for the generation functions of the Company since 24 September 2019.

Mr. Kopanakis served as Chief Generation Officer of PPC since 10 January 2017, as Chief Generation Officer since 1 September 2009 and from 2007 he served as Director of the operation department of Thermal Power Plants. During the previous six years he had served as Director of the Planning and Performance department of the Generation Business Unit, whereas, since joining PPC in 1985 and for sixteen years he has been working as a senior engineer, maintenance supervisor and Thermal Power Plant manager.

Mr. Kopanakis holds a diploma in Electrical Engineering from the Aristotle University of Thessaloniki and an MBA degree from Nottingham Trent University.

#### Georgios Karakousis—Deputy Chief Executive Officer responsible for commercial activities

Mr. Karakousis has been Deputy Chief Executive Officer responsible for commercial activities since 19 November 2019. For biographical details of Mr. Karakousis, see the description under “*Management and corporate governance of PPC S.A.—Board of Directors*” above.

#### Alexandros Paterakis—Deputy Chief Executive Officer responsible for the digital transformation of the Group and e-mobility development

Mr. Paterakis has been Deputy Chief Executive Officer responsible for the digital transformation of the Group and e-mobility development since 20 January 2020. For biographical details of Mr. Paterakis, see the description under “*Management and corporate governance of PPC S.A.—Board of Directors*” above.

#### Nikolaos Aravantinos—Chief Support Operations Officer

Mr. Aravantinos has been Chief Support Operations Officer since 1 April 2012.

Mr. Aravantinos joined PPC in 1984 and since then has served in various positions in the Company. He worked for five years as an executive in the Distribution Division and then moved to the IT department, where he held both technical and managerial positions. From 2001 to 2011, Mr. Aravantinos served as director of the IT Department and from 1 February 2011 until 31 March 2012 as general manager of the Distribution Division.

Mr. Aravantinos holds a diploma in Mechanical and Electrical Engineering from the National Technical University of Athens and a master degree in Computer Science (Diplôme d’ Etudes Approfondies en Informatique, Université Pierre et Marie Curie—Paris VI) and Management (Master of Business Administration, Brunel University).

#### Georgios Damaskos—Chief Human Resources and Organisation Officer

Mr. Damaskos has been General Manager of the Human Resources Division since 8 January 2013.

Mr. Damaskos joined the company in 1987. For sixteen consecutive years since his recruitment he has served as the Head of various front-line operating units of the former Distribution Division



(currently known as Hellenic Electricity Distribution Network Operator). From 2002 to 2006 he was Head of the Company's Tariffs Section. He has held the position of Director of the Corporate Development and Administration Department (currently Strategy Department and Office of the Executive), as well as the position of Director of Planning and Human Resources of the Supply Division. From 2008 until his assignment in the position of General Manager of Human Resources, Mr. Damaskos was Director of the Human Resources and Organisation Department of the Company. From 2008 to 2011, along with his duties at PPC, he was member of the Board of Directors of the Insurance Fund for Bank and Utility Companies Employees (TAYTEKO) as representative of the employers, on behalf of the company. He also served as member of the Executive Committee of IKA-ETAM/PPC Personnel Insurance Sector (TAP-DEH). Prior to joining PPC, he worked in the private sector, in the construction industry, and he was specialised in the implementation of the Company's projects, thus acquiring a significant construction and site experience.

Mr. Damaskos is an electrical engineer and a member of the Technical Chamber of Greece and holds a degree in Economic Sciences from the Economics Department of the Faculty of Law, Economics and Political Sciences of the University of Athens. He also holds an MBA degree in Business Administration from the Kingston Business School (Kingston University).

#### Konstantinos Alexandridis—Chief Financial Officer

Mr. Alexandridis has been Chief Financial Officer since 17 January 2020.

Mr. Alexandridis is an economist with many years' experience in the Financial Management of listed companies, having served as senior executive at OTE Group (member of Deutsche Telekom Group).

Mr. Alexandridis holds a Bachelor of Science in Mathematics from the University of Ioannina, a master's degree in Decision Modelling and Information Systems from Brunel University, UK, and an MBA degree from the Athens University of Economics and Business.

#### Dimitrios Metikanis—Chief Lignite Generation Officer

Mr. Metikanis has been Chief Lignite Generation Officer since 19 November 2019 and previously held the post of Chief Generation Officer since 10 January 2017.

Mr. Metikanis has been a member of PPC staff since 1986. His career set off at Ptolemais Thermal Power Plant, where he remained for more than five years, therefore gaining significant know-how in the operation of thermal Power Plants. He was then appointed in several technical and administrative positions in the Generation Division, holding posts in the Generation Exploitation Department and Materials Fuel and Purchasing Department (1992-2007), as well as in the Fuel Purchasing and Logistics Department of the Finance Division (2007-2008). During his term in the above-mentioned Departments, he gained experience in dealing with various projects regarding, among others, power plants' operation and environmental affairs, as well as fuels' purchasing and management (lignite, oil and natural gas). In May 2008, he was appointed Director of the Generation Planning and Performance Department, vested with a series of competencies, ranging from the development of Generation's Strategic and Business Plan, the Units' operational planning up to the monitoring of their operational and financial efficiency. Prior to joining PPC he worked in the pharmaceutical industry.

Mr. Metikanis holds a diploma in Chemical Engineering from the National Technical University of Athens, as well as an MBA degree.

#### Efthymia Bali—Chief Sales Officer

Ms. Bali has been Chief Sales Officer since 6 March 2020 and previously held the post of Chief Commercial Officer since 7 March 2019.

Ms. Bali has been involved in customer service as well as in the implementation of the pricing and commercial policy of the Company. Furthermore, from 2014 until now, she has focused on the overdue receivables issue and on the methods to tackle them.

Ms. Bali holds a diploma from the School of Political Science and Public Administration of the National and Kapodistrian University of Athens. Before her recruitment by PPC, she worked for two years as a human resources manager in a private company.

Argiris Economou—General Counsel—Chief Legal Officer for Legal Affairs and Corporate Governance

Mr. Economou has been the Chief Legal Officer for Legal Affairs and Corporate Governance since 24 September 2019.

Mr. Economou has been member of various law drafting committees on *sociétés anonymes* and has published various articles and studies on corporate governance, compliance and energy law matters. Along with his capacity as General Counsel, since 2005 he was also acting as Director of the Legal Department. He has been alternate member on the Hellenic Competition Commission, Chairman of Eurelectric’s Legal Affairs Working Group and a member of the Board of Directors of TAYTEKO (Insurance Fund of Bank and Public Utilities Employees) and “Egnatia Odos S.A.” Since 2014, he has been Secretary General of the Hellenic Association of Energy Law.

Sotirios Hadjimichael—Chief Strategy & Transformation Officer

Dr. Hadjimichael has been the Chief Strategy and Transformation Officer since 20 February 2019.

Dr. Hadjimichael has been working at PPC for thirty-three years. Prior to his appointment as Chief Strategy and Transformation Officer, he held important positions and acquired experience in a wide range of activities of PPC, the Transmission Network, the electricity market operation, etc. He was awarded his diploma in Electrical Engineering specialising in power engineering, from the National Technical University of Athens in 1984 and, in 1993, he was awarded his doctorate degree from Imperial College focusing on energy and RES matters.

Ioannis Tsagiannis—Chief Customer Management Officer

Mr. Tsagiannis has been the Chief Customer Management Officer since 6 March 2020.

Mr. Tsagiannis holds a diploma from the Department of Primary Education of the National and Kapodistrian University of Athens. He has served for twenty-three years in various managerial positions in the customer service sector in telecommunications such as customer service manager, customer relationship general director and customer experience configuration general director. He has great experience in the customer management sector, having achieved for a number of years to combine the knowledge of commercial procedures with change management in the sector of organisation and management of populous service groups with optimal results.

Fotios Karagiannis—Chief Thermal and Hydro Generation Officer

Mr. Karagiannis has been the Chief Thermal and Hydro Generation Officer since 26 February 2020.

Mr. Karagiannis joined PPC in 1992 where he held various managerial positions. In December 2006 he was appointed as Director of the Chief Executive Officer’s Office and then as Director of the Hydroelectric Projects Development Department. In 2008 he was appointed as Director of the Thermal Projects Engineering and Construction Department.

Mr. Karagiannis studied Mechanical Engineering at the National Technical University of Athens, Greece (1982) and holds two degrees from the Ecole Nationale Supérieure de l’Aéronautique et de l’Espace (E.N.S.A.E.) in Toulouse, France. In 1987 he obtained the Doctorat de l’E.N.S.A.E. He has worked for five years as a researcher in the Laboratory of Thermal Turbomachinery of the National Technical University of Athens.

#### Konstantinos Zagalikis—Chief Digital Systems Development and Operations Officer

Mr. Zagalikis has been the Chief Digital Systems Development and Operations Officer since 1 July 2020.

Mr. Zagalikis has many years of experience in the field of consulting and IT services, with particular emphasis on digital transformation. He has held important managerial positions in Vodafone S.A. and IBM Hellas S.A. Following that, he moved to Printec Group where he was responsible for the technological implementation of solutions in Greece and Southeast Europe, while later on he was appointed as Chief Information Officer in Forthnet S.A. Mr. Zagalikis held one of the leading parts in the transformation of information systems (BSS-OSS) in Huawei, for DU Telecommunications in Dubai. Until recently, he held the position of Operations Director in Tech Mahindra, where he was responsible for the cloud transformation of the existing infrastructure for Celcom Telecommunications in Malaysia. He holds a bachelor's degree in Computer Systems Engineering from the University of Sussex, UK, and a master's degree in Telecommunications and Information Systems from the University of Essex, UK.

#### Kyriakos Kofinas—Chief E-Mobility Officer

Mr. Kofinas has been the Chief E-Mobility Officer since 15 June 2020.

Mr. Kofinas has twenty-seven years of Executive Career in Europe, Middle East, Africa and Asia. He has held positions as regional Chief Executive Officer, business director, principal and as head coach in FMCG, medical, retail, luxury, executive search, and in e-mobility. Mr. Kofinas holds a bachelor's degree in Economics from the University of Athens, an MBA degree from the Manchester Business School and a master's degree in E-Commerce from the Athens University of Economics and Business. He is also a certified executive and business coach.

#### Konstantinos Nazos—Chief Energy Management & Trading Officer

Mr. Nazos has been the Chief Energy Management & Trading Officer since 17 December 2020.

Mr. Nazos holds a diploma in Mechanical Engineering from the National Technical University of Athens (NTUA), as well as an MBA degree from Athens University of Economics and Business. He has been working in PPC for sixteen years in the Department of Energy Management & Trading, his main duties being in the areas of electricity markets modelling, cross-border electricity trading and energy portfolio optimisation and risk management. Mr. Nazos was actively engaged in the establishment of the subsidiary company PPC Albania in December 2016, in which he took the role of Executive Director and Vice Chair of the Board. In August 2018 he assumed the position of Market Analysis Unit Director and in June 2020 the position of Deputy Director in the Department of Energy Management & Trading. Before joining PPC in 2004, he had worked for seven years as production and maintenance engineer in ELVAL S.A and as production engineer in BSH home appliances factory.

#### Vassilis Mentzos—Chief Project & Customer Experience Officer

Mr. Mentzos has been the Chief Project & Customer Experience Officer since 7 May 2021.

Mr. Mentzos holds a Diploma in Mechanical Engineering from the Polytechnic School of the Democritus University of Thrace. He is a PMO executive and business transformation expert with international experience in leading and managing major complex projects. Until recently he held the position of the PMO Director for all commercial activities at PPC. During his 20-year career, he has held roles of increasing responsibility mainly in telecom operators Wind Hellas and Vodafone UK where he led their respective network development activities. From 2018 to 2020 he headed the 5G Network Deployment Programme for Vodafone UK in London.

#### Aggelos Spanos—Chief Marketing and Products Officer

Mr. Spanos has been the Chief Marketing and Products Officer since 7 May 2021.

Mr. Spanos holds a Diploma in Physics and an MSc in Telecommunications from Athens University (NKUA), as well as an MBA degree from Athens University of Economics and Business and a PRINCE2 certification in Project Management. He joined PPC as Director of Marketing and Pricing in April 2020. Mr. Spanos has had a career of over 22 years, spanning across a multitude of business areas, predominantly in product marketing, new business development, customer experience, project and demand management, budget management and technology. Having held managerial positions for 15 years both abroad (Vodafone Albania) and in Greece (Vodafone Greece), and having led large-scale product development and transformational projects, he brings vast managerial experience in his fields of expertise.

### ***Committees of the Company***

In compliance with the legislation in force as well as in line with the best practices of corporate governance, an Audit Committee and a Nomination, Remuneration and Recruitment Committee have been created.

#### ***Audit Committee***

Pursuant to Article 44 of Law 4449/2017, as amended by Law 4706/2020, on the new form and composition of the Audit Committee, it is provided that the Audit Committee shall consist of at least three members, the majority of which must be independent of the Company. The Audit Committee can be either a committee of the Board of Directors (consisting of non-executive members of the Board of Directors) or an independent committee (consisting of (i) non-executive members of the Board of Directors and third parties that are not members of the Board of Directors, or (ii) solely third parties that are not members of the Board of Directors). The nature and composition of the Audit Committee and its term of office are decided by the General Meeting. The members of the Audit Committee are elected by the Company's General Meeting, in case the Audit Committee is an independent committee, or the Board of Directors, in case the Audit Committee is a committee of the Board of Directors. The members, who must have sufficient knowledge of the Company's business, are elected for a three-year term of office, which may be renewed only once, while the term of office of the members of the Board of Directors in the Audit Committee shall be terminated when losing in any way whatsoever the capacity of member of the Board of Directors. At least one member of the Audit Committee, who is independent of the Company, with sufficient knowledge and experience in auditing or accounting, is required to attend the Audit Committee meetings relating to the approval of the Company's financial statements.

In compliance with applicable legislation and, in particular, Laws 4449/2017, 4706/2020 and 4643/2019, and pursuant to Article 2 of the Internal Rules of Operation of the Audit Committee, the Audit Committee consists of at least five (5) members, elected by the General Meeting for a three-year term, as follows:

- at least three (3) members, pursuant to Article 44 of Law 4449/2017, which may be Non-Executive Members of the Board of Directors and/or non-members of the Board of Directors. In any case, at least one (1) member must be Non-Executive Member of the Board of Directors. The members must be in their majority independent of the Company, within the meaning of the provisions of Article 9 of Law 4706/2020; and
- two (2) members, pursuant to Article 9 of Law 4643/2019, elected from a catalogue of persons with proven experience in the works, procurement and services contracts, which are independent of the Company, within the meaning of the provisions of Article 9 of Law 4706/2020.

Pursuant to the Audit Committee's Internal Rules of Operation, the General Meeting of shareholders determines in any case the nature of the Audit Committee (*i.e.* whether it is a committee of the Board of Directors or independent committee consisting of Board of Director Members and third persons or a committee that comprises exclusively of third persons). In addition, the General Meeting determines the composition of the Audit Committee, namely the total number of its members and number of members per capacity (non-executive, independent non-executive, third persons, independent or not), in accordance with Article 44 of Law 4449/2017 and Article 9 of Law 4643/2019, as in force. Any person who is not a member of the Board of Directors is deemed as third person.

The members of the Audit Committee must meet the eligibility criteria *mutatis mutandis*, as these are described in the applicable legal and regulatory framework, while the number of its members and their total combined knowledge must reflect the business model and the financial situation of the Company. The members of the Audit Committee must proportionally meet the suitability criteria as described in the applicable legal framework and the Company's Suitability Policy.

The Chairman of the Audit Committee is elected by the members of the Audit Committee, in accordance with Article 44, paragraph 1(e) of Law 4449/2017, and must be independent of the Company. The participation in the Audit Committee does not impede the participation in other Board of Directors Committees not engaging in day-to-day administration and management of corporate affairs.

The form and composition of the Audit Committee was most recently decided, in accordance with Article 9 of Law 4643/2019 and Article 44 of Law 4449/2017, by virtue of the resolution of the Extraordinary General Meeting held on 8 May 2020.

Without altering or restricting their obligations as members of the Board of Directors, and pursuant to their obligations provided for by Laws 4449/2017, 4706/2020 and 4643/2019, the members of the Audit Committee among others:

- inform the Board of Directors about the result of the statutory audit and explain how the statutory audit contributed to the integrity of the financial reporting process and what the role of the Audit Committee was in said process;
- monitor the financial reporting process and submit recommendations or proposals for ensuring its integrity;
- monitor the efficient operation of the internal audit system, the quality assurance system and the risk management system, as well as the proper operation of the Internal Audit Department, in particular with regard to the Company's financial information, while preserving its independence;
- monitor the process of statutory audit of annual and consolidated financial statements and inform the Board of Directors of its results, by explaining the Audit Committee's contribution to the integrity of the financial reporting and its role in the said process;
- assess and monitor issues related to the objectivity and independence of statutory auditors-accountants or other auditing firms, in accordance with applicable provisions, particularly with respect to the suitability of other non-audit services provided to the Company and its subsidiaries;
- are responsible for the selection process of statutory auditors or auditing firms and make relevant recommendations to the Board of Directors, in accordance with applicable legislation;
- review and monitor the proper implementation of the Works, Supplies and Services Regulation of the Company on a random basis;
- submit an annual report to the Company's Board of Directors on the performance of the awarding of works, supply and services contracts, based on specific indices, aiming to enhance efficiency, reduce relevant risks and link the Supplies function with corporate strategy and policies; and
- recommend to the Board of Directors amendments to the Works, Supplies and Services Regulation and in general measures to improve the performance of the Supplies business unit.

The specific duties and responsibilities of the Audit Committee are set out in its Internal Rules of Operation, which were approved by the Board of Directors on 15 June 2021 and amended by the Board of Directors on 26 October 2021, following its recommendation and posted on PPC's website:

[https://www.dei.gr/Documents2/ETAIRIKH%20DIAKYBERNISH/%CE%9ACE%91%CE%9D%CE%9F%CE%9D%CE%99%CE%A3%CE%9C%CE%9F%CE%A3%20%CE%9B%CE%95%CE%99%CE%A4%CE%9F%CE%A5%CE%A1%CE%93%CE%99%CE%91%CE%A3%20%CE%95%CE%A0%CE%99%CE%A4%CE%A1%CE%9F%CE%A0%CE%97%CE%A3%20%CE%95%CE%9B%CE%95%CE%93%CE%A7%CE%9F%CE%A5\\_23072021.pdf](https://www.dei.gr/Documents2/ETAIRIKH%20DIAKYBERNISH/%CE%9ACE%91%CE%9D%CE%9F%CE%9D%CE%99%CE%A3%CE%9C%CE%9F%CE%A3%20%CE%9B%CE%95%CE%99%CE%A4%CE%9F%CE%A5%CE%A1%CE%93%CE%99%CE%91%CE%A3%20%CE%95%CE%A0%CE%99%CE%A4%CE%A1%CE%9F%CE%A0%CE%97%CE%A3%20%CE%95%CE%9B%CE%95%CE%93%CE%A7%CE%9F%CE%A5_23072021.pdf).

The recommendation of the Board of Directors to the General Meeting with respect to the appointment of statutory auditors or auditing firms is submitted following recommendation of the Audit Committee. The statutory auditors are obliged to report to the Audit Committee any issue regarding the process and results of the statutory audit, as well as to submit a separate additional report on the weaknesses of the internal audit system, and in particular the weaknesses in the procedures concerning financial reporting and the preparation of financial statements.

Pursuant to the Rules of Operation of the Audit Committee, the Audit Committee meets on a regular basis, at least six (6) times a year, as well as on a non-regular basis, whenever its Chairman deems necessary or when any of its members so requests in writing, stating the items to be included in the agenda. The Audit Committee may invite, when deemed appropriate, managers participating in the administration of the Company, including the Chief Legal Officer for Legal Affairs and Corporate Governance, in order to attend specific meetings or on specific items on the agenda of its meetings.

The Audit Committee currently consists of five (5) members who were elected as follows: (i) Mr. Venieris and Ms. Doxaki, Independent Non-Executive Members of the Board of Directors, were elected by the General Meeting of 27 June 2019 (expiration of term 26 June 2022), (ii), Mr. Kardamakis, Independent Non-Executive Member of the Board of Directors, was elected by the General Meeting of 22 August 2019 (expiration of term 21 August 2022), and (iii) Mr. Angeletopoulos and Mr. Stasinakis, who are not members of the Board of Directors but were elected by the General Meeting of 8 May 2020, in compliance with the provisions of Article 9 of Law 4643/2019 (expiration of term 7 May 2023). Each of these members is appointed for a three-year term commencing from the date of their respective election. The above composition of the Audit Committee is in compliance with the provisions of Article 44 of Law 4449/2017, as in force, since it constitutes a five-membered independent (mixed) committee, consisting of three (3) Independent Non-Executive Members of the Board of Directors and two (2) independent third persons. All members of the Audit Committee meet the independence requirements of Article 9 of Law 4706/2020, both at their respective election date and at the date of this Prospectus and have adequate knowledge on the existing business sectors of the Company. Moreover, at least one member of the Audit Committee, who is also independent of the Company with sufficient knowledge and experience in auditing or accounting, attends the Audit Committee meetings relating to the approval of the Company's financial statements. In 2020, the Audit Committee, within the framework of its competencies, met 23 times. During 2020, Mr. G. Venieris participated in 23 meetings, Mr. S. Kardamakis in 23 meetings, Ms. D. Doxaki in 18 meetings, Mr. E. Aggeletopoulos in 13 meetings and Mr. A. Stasinakis in 13 meetings (the last two were elected as members of the Audit Committee on 8 May 2020). In 2021, the Audit Committee, within the framework of its competencies, has met 16 times. During 2021, Mr. G. Venieris has participated in 16 meetings, Mr. S. Kardamakis in 13 meetings, Ms. D. Doxaki in 14 meetings, Mr. E. Aggeletopoulos in 16 meetings and Mr. A. Stasinakis in 16 meetings. Either (i) all members of the Audit Committee or (ii) some members of the Audit Committee, including the person with knowledge of auditing or accounting, were present at the meetings of the Audit Committee for the approval of the audited consolidated financial statements as at and for the years ended 31 December 2020 and the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2020 and 2021.

In 2020, the Audit Committee, within the framework of its competencies, met twenty-three times. The purpose of these meetings was, among others, to be briefed about the findings and the results of the audits performed by the Internal Audit Department, as well as issues regarding the operation of the Internal Audit Department.

### *Nomination, Remuneration and Recruitment Committee*

The Remuneration Committee and the Committee for the Examination of Nominations to the Board of Directors of the Company operated until 23 December 2019, the date of amendment of the Company's Articles of Association and transformation of the Remuneration Committee into the Remuneration and Recruitment Committee and of the Committee for the Examination of Nominations to the Board of Directors into the Nominations Committee. These committees were, then, further transformed into the Nomination, Remuneration and Recruitment Committee, on 13 May 2021, consisting of three Non-Executive Members of the Board of Directors (which are independent within the meaning of Article 9 of Law 4706/2020), whose term of office is three years and may be renewed once.

The Nomination, Remuneration and Recruitment Committee operates pursuant to its Rules of Operation, prepared in accordance with the provisions of Laws 4706/2020, 4643/2019, 4548/2018 and the provisions applicable to the legal entities qualifying as Public Enterprises (Chapter B) and approved by the Board of Directors on 29 June 2021, following its recommendation.

With regard to matters of recruitment, remuneration and motives, the members of the Nomination, Remuneration and Recruitment Committee are responsible, among others, for:

- making recommendations to the Board of Directors on the determination of the recruitment policy for open-ended contracts within the framework of the Company's business plan;
- making recommendations to the Board of Directors on the determination of the recruitment process for Deputy Chief Executive Officers, Chief Officers, Directors, Assistant Directors/ Heads of Units, to be approved by the General Meeting of our shareholders; and
- making recommendations to the Board of Directors on the remuneration policy regarding the members of the Board of Directors and the Deputy Chief Executive Officers, Chief Officers, Directors, Assistant Directors/Heads of Units, to be approved by the General Meeting of our shareholders.

With regards to the nomination of candidates for the Board of Directors, the members of the Nomination, Remuneration and Recruitment are responsible, among others, for:

- identifying and proposing to the Board of Directors, and through it to the General Meeting of shareholders, persons who are suitable to obtain a membership in the Board of Directors, based on the procedures set out in the Nomination, Remuneration and Recruitment Committee's Rules of Operation, the Suitability Policy and upon examination of any impediments or incompatibilities, as well as the independence criteria with regards to candidates for the Board of Directors (especially in case of appointment of independent members), regarding all nominations for membership in the Board of Directors, without prejudice to the Members of the Board of Directors that represent and are elected by the employees of the Company (see "*—Management and corporate governance of PPC S.A.—Board of Directors*"). The Nomination, Remuneration and Recruitment Committee also takes into consideration our diversity criteria, including achieving the representation of each gender for at least 25.0% of all the members of the Board of Directors when proposing to the Board of Directors the appointment of new members.
- evaluating, periodically, the size and the composition of the Board of Directors, contributing to the preparation and monitoring of the application of the Suitability Policy and submitting proposals to the Board of Directors for the amendment of the Suitability Policy and, in general, on the implementation of the provisions of relevant corporate governance legislation, as in force from time to time.

According to its Rules of Operation, the Nomination, Remuneration and Recruitment Committee meets on a regular basis at least four (4) times a year, as well as on a non-regular basis whenever its Chairman deems necessary or when any of its members so requests in writing, stating the items to be included in the agenda. It may invite, when deemed appropriate, managers participating in the administration of the Company, including the Chief Legal Officer for Legal Affairs and Corporate Governance, in order to attend the meetings and express their views on matters falling within their competence or even to submit in writing and support their reports or recommendations.

By virtue of Laws 3833/2010, 3845/2010, 4092/2012 and 4354/2015, the remunerations of the collective governing bodies and the members of the Board of Directors were reduced by 50% per meeting. In parallel, the remunerations of the executives were in no case allowed to exceed the ceiling set forth by the said laws. By virtue of Law 4354/2015 (Article 28), as amended, since 1 January 2016, the remuneration of the Chairmen, Vice-Chairmen, Chief Executive Officers and members of the Board of Directors of the legal entities qualifying as Public Enterprises (Chapter B), are exempted from the ceiling mentioned above. Following the entry into force of Law 4643/2019, the remunerations of the members of the Board of Directors and its Committees, Deputy Chief Executive Officers, Chief Officers, Directors and Assistant Directors/Heads of Units are excluded from any restriction and are regulated in the Company's remuneration policy, which is approved by the General Meeting of our shareholders pursuant to Articles 110-112 of Law 4548/2018. The remuneration report concerning the Board of Directors' members for 2020 was approved by the General Meeting held on 24 June 2021 pursuant to Article 112 of Law 4548/2018.

The Company has set, in accordance with Articles 110-112 of the Greek Company Law, a remuneration policy, which was approved by the General Meeting of our shareholders held on 23 December 2019 and published on the Company's website. In addition, a new remuneration policy of the members of the Board of Directors, the Board of Directors' committees and the Executives of the Company was approved by the Board of Directors on 13 May 2021 and by the General Meeting on 4 June 2021. This remuneration policy, which is published on the website of the Company (<https://www.dei.gr/el/i-dei/i-etairia/corporate-governance>), supplements and consolidates the provisions of the remuneration policy previously adopted and put in place in accordance with the provisions set out in Laws 3429/2005, Articles 110-112 of the Greek Company Law, Law 4643/2019 and Law 4706/2020, as well as the best practices of the applicable corporate governance codes for listed companies.

The three members of the Nomination, Remuneration and Recruitment Committee, Mr. P. Papadimitriou (independent non-executive member of the Board of Directors), Ms. D. Doxaki (independent non-executive member of the Board of Directors) and Mr. S. Kardamakis (independent non-executive member of the Board of Directors), were elected as members of the Remuneration Committee, on 22 August 2019.

### ***Other committees***

#### ***Risk Management Committee***

Pursuant to the Company's Internal Rules of Operation (Article 20), the Risk Management Committee is responsible for the risk oversight over all activities of the Company, contributes to the development of the corporate risk management framework, the preparation of the relevant policies and methodologies and the monitoring and reporting of key corporate risks, and takes decisions regarding the assessment and management of such risks according to the corporate risk management framework and the risk management policies.

The Risk Management Committee's composition is set in Article 20 of the Internal Rules of Operation and currently consists of Georgios Stassis, Ioannis Kopanakis, Georgios Karakousis, Alexandros Paterakis, Konstantinos Alexandridis, Sotirios Hadjimichael, Argiris Economou, Konstantinos Nazos, Konstantinos Mavros and Abraham Papakirillou.

### ***Other Information***

#### ***Internal Audit System***

The Internal Audit System (the "IAS") ensures the continuous monitoring and compliance of the Company with applicable legal framework, in order to promote general corporate interests and the increase of the long-term value of the Company.

In the context of the IAS and based on the regulatory framework, the Company has established the Internal Audit Department, the Risk Management Department and the Compliance Department. The IAS is supervised by the Audit Committee. PPC has also established a policy for the periodic



evaluation of the IAS, in accordance with the provisions of Law 4706/2020, which was approved by the Board of Directors on 29 June 2021 and sets out the general principles with regards to the object and scope of the evaluation of the IAS by an independent evaluator and the process of monitoring and communicating the results of the evaluation both to the Company and its important subsidiaries.

#### *Internal Audit Department*

The Internal Audit Department is responsible for the adequate and valid audit of the Company, in order to protect shareholders' interests, in accordance with the applicable legislation, corporate governance principles and best practices of Internal Audit, contributing, among others, to risks being assessed and managed appropriately, personnel acting in accordance with PPC's policies and processes, regulations and applicable legislation, PPC's funds being acquired and used efficiently, as well as to the reliability of financial information.

The Internal Audit Department is independent and directly subject to the Board of Directors and supervised by the Audit Committee. The Internal Auditor is personally and functionally independent and objective during the exercise of his duties, fully and exclusively employed by the Company, and has a sound background and adequate professional experience. The Internal Auditor is appointed by the Board of Directors, upon recommendation of the Audit Committee, and is subject administratively to the Chief Executive Officer and functionally to the Audit Committee.

The Board of Directors of PPC appointed Mrs. Theano Goranitou as Internal Auditor, at its meeting on 6 April 2021, upon recommendation of the Audit Committee.

Mrs. Goranitou holds a bachelor's degree in Law, from the Law School of the National and Kapodistrian University of Athens (NKUA), as well as an MBA degree from Alba Graduate Business School. She is also a Certified Fraud Examiner (ACFE). Mrs. Goranitou has 25 years of experience in the financial sector. She held important positions in retail as the officer responsible for financing small and medium enterprises and individuals as well as in regulatory compliance units as Assistant Manager (Client Relations Office) and Senior Compliance Officer.

The specific duties and obligations of the Internal Audit Department and the Internal Auditor are included in its Internal Rules of Operation, which were approved by the Board of Directors on 26 October 2021.

An independent audit firm has performed an external evaluation of the functioning of the Internal Audit Department, in accordance with the Internal Audit Standards, which the Company declares it follows. Based on the outcome of the external evaluation, no significant deficiencies were identified.

#### *Risk Management Department*

The Risk Management Department is subject to the Chief Executive Officer and exercises its duties in an objective and independent manner. To ensure its independence the Chief Officer of the Risk Management Department also reports and has direct access to the Audit Committee. The Risk Management Department is responsible, among others, for the support of the management in preparing a risk management policy and determining the risk profile of the Company, for the development and maintenance of an appropriate risk management system, the regular submission of reports to the management of the Company, including recommendations on amendments of the risk management policy. The specific duties of the Risk Management Department are set out in the Company's Internal Rules of Operation (Article 23).

#### *Compliance Department*

The Compliance Department of the Company is subject to the Chief Legal Officer for Legal Affairs and Corporate Governance and, as part of the Internal Audit System, reviews and monitors the yearly plan of the Compliance Department and its implementation. The Compliance Department is also responsible for ensuring the good reputation and reliability of the Company, through compliance with the applicable legal and regulatory provisions and the consolidation and enhancement of operational ethical behavior, within the framework of the Company's Internal Audit System. The specific duties of the Compliance Department are set out in the Company's Internal Rules of Operation (Article 22).

## Code of Corporate Governance

All of the above administrative, management and supervisory Bodies exercise their duties in accordance with applicable legislation, the Internal Rules of Operation and Corporate Governance Code of PPC. In particular, the Company, by virtue of resolution of its Board of Directors dated 14 July 2021, and in accordance with the provisions of Law 4706/2020 (Article 17), has adopted the Code of the Hellenic Corporate Governance Council (published in June 2021), with certain deviations, on the basis of the “comply or explain” principle. We are proceeding with such deviations only temporarily and we will eliminate them by 31 December 2021.

### 8.2. Conflict of interest

None of the members of the administrative, management and supervisory bodies and committees of the Company has an actual or potential conflict of interest between duties owed to the Issuer and their private interests and/or other duties.

### 8.3. Statements of the members of the administrative, management and supervisory bodies of PPC

The members of the administrative, management and supervisory bodies and the members of the committees of the Company have made the following statements:

- They do not engage in professional activities that are significant to PPC other than those associated with their position and/or capacity in PPC and those associated with their position as partners and/or members in administrative, management and supervisory bodies of the companies and/or partnerships mentioned below.
- There are no family relations between the members of the administrative, management and supervisory bodies of PPC or the members of the committees of its Board of Directors.
- As at the date of this Prospectus, they are not members of an administrative, management and supervisory body or shareholders or partners of other companies or partnerships (excluding the subsidiary entities of the Issuer and the other entities below):

Full Name	Company/Partnership	Position	Partner/Shareholder
Georgios Stassis	Eurelectric—the European Union of the Electricity Industry	Member of the board of directors	—
Pyrros Papadimitriou	Headway Economic Consultans Ltd	Partner	Partner
	F.D.P. S.A.	Shareholder	Shareholder
	Epilektes Touristikes Epichiriseis I.K.E.	Partner	Partner
	Newlife Services Mon. I.K.E.	Partner	Partner
Alexandros Paterakis	Lumia Capital	Advisory Board Member	—
	Plazz	Technology Advisor	Shareholder
Despoina Doxaki	Hellenic Financial Stability Fund	Legal Counsel	—
Stefanos Kardamakias	Conbluk Ship Management Corporation	Vice-President / CFO	—
Michael Panagiotakis	Dodoni S.A.	CEO, member of the board of directors	—

Full Name	Company/Partnership	Position	Partner/Shareholder
Stefanos Theodoridis	Vyzantio Agrotiki	Managing Director	—
	Panorama S.A.	Vice-Chairman	—
	Navarino Bella Vista	Vice-Chairman	—
	Temes S.A.	Managing Director	—
	Costa Navarino North Properties S.A.	Chairman / Managing Director	—
	Costa Navarino South Properties S.A.	Chairman / Managing Director	—
	Ionian Hotel Enterprise S.A.	Member of the board of directors	—
	Dunes Golf S.A.	Vice-Chairman	—
	Giochi Preziosi Group	Vice-Chairman for Greece and Turkey	Shareholder
	Greka Icons	Chairman	—
	Philomel Properties S.A.	Chairman / Managing Director	—
	Armide Properties S.A.	Chairman / Managing Director	—
	Athens Beach Club S.A.	Member of the board of directors	—
	Vineyards S.A.	Chairman / Managing Director	—
	Stadio 2020	Chairman	—
	IOBE/Foundation for Economic & Industrial Research	Member of the board of directors	—
	SEV/Hellenic Federation of Enterprise	Member of the general committee	—
Aimilios Stasinakis	Veca Advisors IKE	Managing Partner	Partner and 95% Shareholder
	Oxpera Ltd	Partner	Partner
Kyriakos Kofinas	Synpraxis FZCO, Dubai, UAE	Partner	—
	Aims International Gulf FZ-LLC, Dubai, UAE	Partner	—

- They were not members of an administrative, management or supervisory body or shareholders or partners in a company or partnership other than PPC and its subsidiaries at any time during the last five years, other than the following:

Full Name	Company/Partnership	Position	Partner/Shareholder
Georgios Stassis	ENEL Energie Muntenia	Member of the board of directors	—
	E-Distributie Muntenia	Member of the board of directors	—
	E-Distributie Banat	Member of the board of directors	—
	E-Distributie Dobrogea	Member of the board of directors	—
	ENEL Romania	Member of the board of directors	—
	ENEL Green Power Romania	Member of the board of directors	—
	GV Energie Rigenerabili Ital-RO S.R.L.	Member of the board of directors	—
	Elcomex Solar Energy S.R.L.	Member of the board of directors	—
	De Rock Int'l S.R.L.	Member of the board of directors	—
	ENEL Green Power Turkey Enerji Yatirimlari A.S.	Member of the board of directors	—
	Aspen Institute Romania	Member of the board of directors	—
	ACUE, Federation Of Energy Utility Companies	Member of the board of directors	—
	CRE, Center Of Romanian Energy	Member of the board of directors	—
	FIC, Foreign Investors Council Romania	Member of the board of directors	—

Full Name	Company/Partnership	Position	Partner/Shareholder
Pyrros Papadimitriou	Headway Economic Consultants Ltd	Partner	Partner
Despoina Doxaki	F.D.P. S.A.	Shareholder	Shareholder
	Epilektes Touristikes Epichiriseis I.K.E.	Partner	Partner
	Newlife Services Mon. I.K.E.	Partner	Partner
	Hellenic Financial Stability Fund	Legal Counsel	—
	Vyzantio Agrotiki	Managing Director	—
	Panorama S.A.	Vice-Chairman	—
	Navarino Bella Vista	Vice-Chairman	—
	Temes S.A.	Managing Director	—
	Costa Navarino North Properties S.A.	Chairman / Managing Director	—
	Costa Navarino South Properties S.A.	Chairman / Managing Director	—
	Ionian Hotel Enterprise S.A.	Member of the board of directors	—
Stefanos Theodoridis	Dunes Golf S.A.	Vice-Chairman	—
	Giochi Preziosi Group	Vice-Chairman for Greece and Turkey	Shareholder
	Greka Icons	Chairman	—
	Philomel Properties S.A.	Chairman / Managing Director	—
	Armide Properties S.A.	Chairman / Managing Director	—
	Athens Beach Club S.A.	Member of the board of directors	—
	Vineyards S.A.	Chairman / Managing Director	—
	Stadio 2020	Chairman	—
	IOBE/Foundation for Economic & Industrial Research	Member of the board of directors	—

Full Name	Company/Partnership	Position	Partner/Shareholder
Georgios Karakousis	SEV/Hellenic Federation of Enterprise	Member of the general committee	—
	Truphone	Product and Propositions Lead	—
	British Telecoms	Head of Product	—
	Talk Talk	Senior Product Manager	—
	Wind Hellas	Director of Marketing	—
Alexandros Paterakis	Lumia Capital	Advisory Board Member	—
	Plazz	Technology Advisor	Shareholder
	Celcom-Axiata	Chief Information Officer	—
	Mobily Infotech India Pvt Ltd	Chairman of the Board	—
	Mobily	Chief Information Officer	—
Stefanos Kardamakis	Conbulk Ship Management Corporation	Chief Operating Officer / CFO	—
	Conbulk Shipping S.A.	CFO	—
Michael Panagiotakis	Dodoni S.A. Company	Deputy CEO	—
Kopanakis Ioannis	ΔEH Solar Solutions S.A.	President	—
Anargyros Economou	Egnatia Odos S.A.	Member of the board of directors	—
Konstantinos Alexandridis	Spotawheel	CFO	—
	Cosmote Mobile Communications	Controlling Director	—
Konstantinos Zagalikis	Saplaouras A. & SIA E.E.	—	Shareholder (1%)
Kyriakos Kofinas	Synpraxis FZCO, Dubai, UAE	Partner	—
	Aims International Gulf FZ-LLC, Dubai, UAE	Partner	—
Aimilios Stasinakis	Investment Bank Of Greece	Deputy CEO	—

- There have been no convictions by a criminal court against them in relation to fraudulent offences for at least the previous five years.

- They have not been involved in any bankruptcy, receivership, liquidation or forced administration proceeding, pending or in progress, during at least the past five years in their capacity as members of the administrative, management or supervisory body of the company or partnership involved or as senior managers of such companies or partnerships.
- They have not been charged with any public incrimination and/or sanction by the statutory or regulatory authorities (including any designated professional bodies) nor have they been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from acting in the management or the conduct of the affairs of an issuer for at least the last five years.
- Their duties carried out on behalf of and arising out of their position in PPC do not result in any existing or potential conflict with their private interests or other duties.
- Their selection and placement in the aforementioned positions are not the result of any arrangement or understanding with any major shareholders, customers and suppliers of PPC or other persons, with the exception of the two (2) members representing the employees of PPC, who are elected by the most representative trade union.
- With the exception to the limitations arising from the legislation in force, there is no contractual restriction on the disposal within a certain time period, of any shares of the Issuer that they own.
- Upon their own declaration, they do not hold (directly or indirectly) as at the date of this Prospectus shares and voting rights in PPC, other than the following:
  - (i) Theodoridis Stefanos, Member of the Board of Directors, holds 4,160 Ordinary Shares;
  - (ii) Alexandridis Konstantinos, Chief Financial Officer, holds 4,000 Ordinary Shares;
  - (iii) Aravantinos Nikolaos, Chief Support Operations Officer, holds 2,464 Ordinary Shares;
  - (iv) Metikanis Dimitrios, Chief Lignite Generation Officer, holds 567 Ordinary Shares; and
  - (v) Nazos Konstantinos, Chief Energy Management and Trading Officer, holds 130 Ordinary Shares.

#### **8.4. Remuneration policy**

On 4 June 2021, the Extraordinary General Meeting approved our new Remuneration Policy, where the new remunerations of the members of the Board of Directors and its Committees as well as the remuneration of the executives of the Company were determined. In addition, the maximum level of the additional incentive remuneration (bonus) was set for the Chief Executive Officer, the Deputy Chief Executive Officers, the Chief Officers and the Directors of PPC S.A. and PPC Renewables S.A. as a percentage of their annual gross fixed salary, depending on short-term targets (financial targets, strategic/operational targets and environmental and sustainable development targets), as well as the framework for granting them. The additional incentives for 2020 and proportion of 2021 amounted to €2.4 million and are included in payroll cost in the statement of income for the period ended on 30 June 2021.

Furthermore, the provision of an additional incentive reward has been decided for the period 2020–2025 for the senior executives and executives of PPC S.A. and PPC Renewables S.A. for their contribution to the achievement of the Group’s medium-term targets with the form of four rolling cycles of free-of-charge shares plan (equity settled stock awards) and the framework for their granting was set, based on the provisions of Article 49 and Article 114 of Law 4548/2018. The Board of Directors has been authorised to determine the key performance indicators, which will be linked with market conditions for each cycle of the free-of-charge shares plan. The four cycles are the following:

- first cycle—1 January 2020 to 31 December 2021 with shares being distributed in 2022,
- second cycle—1 January 2021 to 31 December 2022 with shares being distributed in 2023,

- third cycle—1 January 2022 to 31 December 2023 with shares being distributed in 2024, and
- fourth cycle—1 January 2023 to 31 December 2024 with shares being distributed on 31 December 2025, the date of the conclusion of the plan.

The remuneration policy will remain in effect for four years from its approval by the Extraordinary General Meeting. By decision of the Board of Directors, the objectives of the programme are set for the cycles that have already commenced on 1 January 2020 and 1 January 2021 (grant date of the free shares) of the first two cycles. The vesting date of each cycle was set as the last day of the cycle. As the key performance indicators have not been defined as at the date of this Prospectus, at present it is not possible to determine the fair value of the free-of-charge share-based rights.

Remuneration of the members of the Board of Directors, the Deputy Chief Executive Officers and Chief Officers as of 30 June 2021 includes the additional incentives for 2020 and proportion of 2021 amounting to €1.7 million based on the new remuneration policy that was approved by the Extraordinary General Meeting on 4 June 2021.

In the context of the above plans for the free-of-charge share-based rights, we are expected to purchase our own shares based on the provisions of Article 49 of Law 4548/2018.



## 9. MAJOR SHAREHOLDERS

### 9.1. Major shareholders

PPC's existing Ordinary Shares are listed on the Main Market of the Regulated Securities of the ATHEX. As at 25 October 2021, PPC had 232,000,000 Ordinary Shares listed at a nominal value of €2.48 each.

The following table sets forth the principal shareholders' equity ownership of PPC as at 25 October 2021:

<u>Shareholders</u>	<u>Number of shares</u>	<u>% percentage of share capital</u>
Hellenic Corporation of Assets and Participations S.A. (HCAP) .....	79,165,114	34.12%
Hellenic Republic Asset Development Fund S.A. (HRADF) ....	39,440,000	17.00%
Helikon Long Short Equity Fund Master ICAV .....	11,342,281	4.89%
Institutional investors and general public <sup>(1)</sup> .....	102,052,605	43.99%
<b>Total</b> .....	<b><u>232,000,000</u></b>	<b><u>100.00%</u></b>

Source: Shareholders' register as at 25 October 2021.

(1) The institutional investors include the Electronic National Social Security Fund (e-EFKA) and TAYTEKO/TEAPAP PPC, which hold 9,124,243 of our Ordinary Shares, or 3.93% of our share capital and voting rights. On 6 March 2018, the transfer of shares of the integrated insurance agencies to the Electronic National Social Security Fund (e-EFKA) was completed.

To the knowledge of PPC, based on the announcements received up to the date of this Prospectus pursuant to Regulation (EU) No. 596/2014 and Law 3556/2007, other than the Greek State (which holds indirectly through HCAP and HRADF Ordinary Shares representing 51.12% of the total voting rights of PPC), there is no natural person or legal entity that holds, directly or indirectly, Ordinary Shares representing 5.0% or more of the total voting rights in PPC.

The notifications that have been received up to date of this Prospectus are the following:

1. Notification of important changes concerning voting rights under Law 3556/2007 (21 March 2018): *“Public Power Corporation (PPC) S.A. announces that, pursuant to L.3556/2007 and following relevant notification received on March 21, 2018, a transfer of 79,165,114 PPC shares (namely 34.123%) by the Greek State to the Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.) was completed on March 20, 2018, by law and without consideration, according to para. 20, article 380 of L. 4512/2018, as amended para. 1 of article 197 of L. 4389/2016. It is noted that, following the above change, the HCAP S.A. participates directly with 34.123% in PPC's share capital and indirectly with 17% through the Hellenic Republic Asset Development Fund (HRADF). The total voting rights of HCAP S.A. amount to 51.123%. The Greek State owns 100% of voting rights in HCAP S.A. The total percentage of the Hellenic Republic remains indirectly, as mentioned above, at 51.123%.”*
2. Notification of important changes concerning voting rights under Law 3556/2007 (30 September 2021): *“PPC S.A. announces that, according to L. 3556/2007 and following the relevant notification, received on 29.9.2021 from “Helikon Investments Limited”, in its capacity as investment manager for its client “Helikon Long Short Equity Fund Master ICAV”, on 13.9.2021 the aforementioned held: 11,458,124 voting rights (or 4.9388%) attached to shares from 11,634,068 (or 5.01%) on 8.10.2020 and 3,575,981 voting rights (or 1.54%) attached to financial instruments (Cash Settled Equity Swap) with similar economic effect, according to article 11 par 1.b) of L. 3556/2007, as in force, from 0 (or 0%) on 8.10.2020. Hence, the total holdings of “Helikon Long Short Equity Fund Master ICAV” of PPC's voting rights (i.e. the total of voting rights attached to shares and voting rights through financial instruments) amounted on 13.9.2021 to 15,034,105 (or 6.48%) from 11,634,068 (or 5.01%) on 8.10.2020.”*

As at the date of this Prospectus, to the knowledge of PPC, no member of the Board of Directors or member of the administrative, management and supervisory bodies of PPC owns more than a *de minimis* percentage of our Ordinary Shares other than as disclosed in this Prospectus.

None of PPC's shareholders have different voting rights.

To the extent known to us, no major shareholder or member of our management, supervisory or administrative bodies or any other person, other than the Cornerstone Investor, intends to subscribe for more than 5.0% of the Combined Offering (see "*Regulatory Disclosures—Disclosures related to business activities and other investments*").

On 30 October 2021, HCAP communicated to PPC its support for the Share Capital Increase and its intention to subscribe for the acquisition of such number of New Shares, through its participation in the Institutional Offering, that will result, following the completion of the Share Capital Increase, in HCAP having a holding, directly and indirectly (including the stake of HCAP's subsidiary, HRADF), of 34.123% of the total number of ordinary voting shares of PPC.

We expect the Share Capital Increase to result in the dilution of the indirect ownership share of the Hellenic Republic so that it ceases to own indirectly a majority stake in PPC. Certain of the agreements and instruments governing our indebtedness, including the facilities agreements governing our EIB Loans, contain change of control clauses, which may be triggered if the Hellenic Republic ceases at any time to own, directly or indirectly, a defined proportion of the issued and outstanding shares in PPC. For further information, see "*Material Contracts*."

### ***Shareholding controlled by the Hellenic Republic***

According to the notification of 21 March 2018 set out in note 1 above, the Hellenic Republic's indirect shareholding in PPC amounts to 51.12% of capital and voting rights. As such, at the date of this Prospectus, PPC is indirectly controlled by the Hellenic Republic.

Based on correspondence received from HCAP, we expect the percentage of our share capital that is owned indirectly by the Hellenic Republic to fall below 50.0% as a result of the Combined Offering. Accordingly, PPC will no longer be included in the Greek public sector and certain special rules applicable to the Greek public sector, as a general matter, will not be applicable to PPC. However, as long as the Greek State continues to hold indirectly a participation in our share capital allowing the Greek State to exercise decisive influence on us, we will continue to be classified as a Public Enterprise (Chapter B), being potentially subject to a number of additional requirements. Pursuant to Article 1 of Law 3429/2005, as amended and in force, the concept of Public Enterprise is defined as including any Greek *société anonyme*, over which the Greek State is able to exercise, either directly or indirectly, decisive influence, by participating in its share capital, by providing funds or based on the rules governing such *société anonyme*, as well as any *société anonyme* constituting a related party (within the meaning of Law 4308/2014) of a Public Enterprise. The exercise of decisive influence by the Greek State is presumed, when the Greek State, Greek public law entities or private law entities funded by the Greek State or Greek public law entities at a rate exceeding 50.0% or other Public Enterprises: (a) own shares representing the absolute majority of the paid-up share capital of the *société anonyme*; (b) control the majority of voting rights in the general meeting; (c) are able to appoint more than half of the members of the board of directors; or (d) finance the annual activity of the *société anonyme* at a rate exceeding 50.0%. Public Enterprises (Chapter B) include inter alia *sociétés anonymes* listed and admitted to trading on a regulated market, provided the Greek State continues to participate, either directly or indirectly, in their share capital, irrespective of the shareholding percentage, such as PPC. We cannot provide any assurance that in the future we will not continue to be controlled by the Greek State, in its capacity as the largest indirect shareholder or otherwise, and qualify a Public Enterprise (Chapter B). For more information, see "*Risk Factors—Risks related to the regulatory and legal framework—We are subject to certain laws and regulations generally applicable to Public Enterprises in Greece, and the Greek State, as our indirect majority shareholder, has had, and may continue to have, an impact on our operations*."

In addition, certain of our operations and some of our commercial decision-making have been and will likely continue being affected by the political and economic objectives of the Greek State which participates in our share capital through HRADF and HCAP with a combined shareholding of 51.12%. Being an indirect majority shareholder, the Greek State may determine our corporate governance and limit our operational flexibility. Despite the passing of Law 4643/2019 which lifted certain powers of the Greek State and allowed us more flexibility to design our own hiring policies, including the use of

incentives to attract executives from the private sector, and to develop our separate procurement methods, and introduced new corporate governance safeguards (such as the reinforcement of the role of our Audit Committee), the Greek State may still exercise its rights as a shareholder to exert influence over us, which ultimately may limit our operational flexibility.

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

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

## 10. RELATED PARTY TRANSACTIONS

### 10.1. Related party transactions

Other than those disclosed under Note 10 of our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021 and those disclosed in this section, PPC has declared that there have been no other transactions with related parties under Articles 99 *et seq.* of Law 4548/2018, namely with related parties as such term is defined by IAS 24, and with legal entities controlled by them, in accordance with IAS 27 and IFRS 10, and that all transactions with related parties have been concluded on market terms. Please read this section in conjunction with “*Our Group’s Business Overview*,” “*Trend Information*” and “*Material Contracts*” for a description of any material transactions with related parties.

Transactions with related parties are made on an arm’s-length basis.

Balances and transactions with our subsidiaries are presented in the tables below:

<u>(€ in thousands)</u>	31 July 2021 (unaudited)	
	<u>Receivables</u>	<u>(Payables)</u>
<b>Subsidiaries</b>		
PPC Renewables S.A. ....	1,175	—
HEDNO S.A. ....	487,479	(621,327)
Lignitiki Megalopolis S.A. ....	51,781	(282)
Lignitiki Melitis S.A. ....	22,004	—
PPC Finance plc ....	—	(42)
PPC Elektrik ....	323	—
PPC Bulgaria JSCO ....	—	(470)
PPC Albania ....	—	—
EDS AD Skopje ....	3,896	(141)
<b>Total</b> .....	<b><u>566,658</u></b>	<b><u>(622,262)</u></b>

Source: Internal management accounts.

<u>(€ in thousands)</u>	1 July to 31 July 2021 (unaudited)	
	<u>Invoiced to</u>	<u>Invoiced by</u>
<b>Subsidiaries</b>		
PPC Renewables S.A. ....	87	—
HEDNO S.A. ....	176,164	(160,382)
Lignitiki Megalopolis S.A. ....	13,368	(67)
Lignitiki Melitis S.A. ....	9,719	—
PPC Finance plc ....	—	—
PPC Elektrik ....	—	(272)
PPC Bulgaria JSCO ....	—	(1,540)
PPC Albania ....	—	—
EDS AD Skopje ....	(87)	(11)
<b>Total</b> .....	<b><u>199,251</u></b>	<b><u>(162,279)</u></b>

Source: Internal management accounts.

Charges from HEDNO mainly relate to the Distribution Network Usage Fees and charges for the development of the Distribution Network, while charges to HEDNO mainly relate to the allowed revenue attributable to PPC as the owner of the Distribution Network and revenue from PSO.

#### ***Guarantee in favour of PPC Renewables***

As at 30 September 2021, the Company had provided a guarantee for a credit line granted to its wholly-owned subsidiary, PPC Renewables, for an amount up to €8.0 million through overdraft facilities. As at 30 September 2021, PPC Renewables had used €0.5 million in connection with letters of guarantee.

### ***Guarantee in favour of EDS***

As at 30 September 2021, PPC had provided guarantees in respect of certain credit lines granted to EDS in favour of Komercijalna Banka AD Skopje, Ohridska Banka AD Skopje, Stopanska Banka AD Skopje, NLB Banka Skopje and Halkbank a.d., for an aggregate amount up to €16.0 million and EDS had used an amount of €13.6 million under such credit lines.

As at 30 September 2021, PPC had provided guarantee to EDS, in favour of Energy Financing Team AG, St Gallen and Alpik Energija, electricity suppliers, for an aggregate amount up to €3.5 million and €1.5 million respectively.

### ***Transactions and balances with other government owned entities or entities whose activity is significantly affected by the Greek State***

The following tables present transactions and balances with government owned entities and entities whose activity is significantly affected by the Greek State that include, among others, ELPE and DEPA, which are PPC's liquid fuel and natural gas suppliers, respectively:

<u>(€ in thousands)</u>	<b>31 July 2021</b> <b>(unaudited)</b>	
	<b>Receivables</b>	<b>(Payables)</b>
ELPE .....	24,588	36,295
DEPA .....	—	49,420
DAPEEP S.A. ....	145,278	(279,783)
HEnEx S.A. ....	—	(25)
IPTO .....	102,678	(172,517)
ENEX CLEAR S.A. ....	16,311	(26,134)
LARCO S.A. ....	363,574	—

*Source: Internal management accounts.*

<u>(€ in thousands)</u>	<b>1 July to 31 July 2021</b> <b>(unaudited)</b>	
	<b>Invoiced to</b>	<b>Invoiced by</b>
ELPE .....	4,401	(15,019)
DEPA .....	—	(47,987)
DAPEEP S.A. ....	45,718	(30,647)
HEnEx S.A. ....	—	397
IPTO .....	300	(11,620)
ENEX CLEAR S.A. ....	227,263	(386,650)
LARCO S.A. ....	4,496	—

*Source: Internal management accounts.*

Transactions with DAPEEP S.A., IPTO S.A. and ENEX CLEAR S.A. relate to PPC's participation in the energy market. Charges to LARCO S.A. relate to revenue of High Voltage electricity.

In addition to the above-mentioned transactions, we enter into commercial transactions with other government-owned, for-profit and non-profit entities during the normal course of business. All transactions with government owned entities are performed at an arm's-length basis. All transactions with government-owned entities are performed at arm's-length terms and are not disclosed, with the exception of transactions that the Group enter into with HCAP and the companies in which HCAP participates. The following tables present transactions and balances with HCAP S.A. and the companies in which HCAP S.A. participates:

<u>(€ in thousands)</u>	<b>31 July 2021</b> <b>(unaudited)</b>	
	<b>Receivables</b>	<b>(Payables)</b>
HCAP S.A. ....	—	(1)
ATHENS INTERNATIONAL AIRPORT S.A. ....	640	(11)
ELTA S.A. ....	2,138	(1,317)
ELTA COURIER S.A. ....	1	(42)
EYDAP S.A. ....	4,098	(46)
ETVA INDUSTRIAL PARKS S.A. ....	217	(4)
THESSALONIKI INTERNATIONAL FAIR S.A. ....	65	—
ODIKES SYNGKOINONIES S.A. ....	9,223	(4)
PUBLIC PROPERTIES COMPANY S.A. ....	4,697	—
URBAN RAIL TRANSPORT S.A. ....	20,591	—
C.M.F.O. S.A. ....	—	(38)
O.A.S.A. S.A. ....	5	—
E.Y.A.TH. S.A. ....	2,265	—
HELLENIC SALTWORKS S.A. ....	—	(9)
A.E.D.I.K. ....	—	(1)
EYDAP NISON ....	1	—
MARINA ZEAS ....	1	—
MANAGEMENT INDUSTR.PARK KASTORIA ....	—	(1)
GAIA OSE ....	—	(1)

Source: Internal management accounts.

<u>(€ in thousands)</u>	<b>1 July to 31 July 2021</b> <b>(unaudited)</b>	
	<b>Invoiced to</b>	<b>Invoiced by</b>
HCAP S.A. ....	1	—
ATHENS INTERNATIONAL AIRPORT S.A. ....	427	—
ELTA S.A. ....	954	(32)
ELTA COURIER S.A. ....	3	(6)
EYDAP S.A. ....	1,663	(36)
ETVA INDUSTRIAL PARKS S.A. ....	88	—
THESSALONIKI INTERNATIONAL FAIR S.A. ....	86	(30)
ODIKES SYNGKOINONIES S.A. ....	283	(2)
PUBLIC PROPERTIES COMPANY S.A. ....	138	2
URBAN RAIL TRANSPORT S.A. ....	1,749	—
C.M.F.O. S.A. ....	96	—
O.A.S.A. S.A. ....	6	—
E.Y.A.TH. S.A. ....	1,070	1
HELLENIC SALTWORKS S.A. ....	18	—
A.E.D.I.K. ....	1	—
MANAGEMENT INDUSTR.PARK KASTORIA ....	1	—
GAIA OSE ....	1	—

Source: Internal management accounts.

To the best of our knowledge, there are no material related party transactions to be reported from 1 August 2021 to the date of this Prospectus.

## 11. SHARE CAPITAL

The share capital represents the par value of the Company's shares fully issued and outstanding. Any proceeds in excess of par value are recorded in share premium. Expenses related directly to new shares issuance are recognised directly to equity net of proceeds.

On 30 June 2021, PPC's share capital amounted to €575,360,000 divided into 232,000,000 Ordinary Shares, with a par value of €2.48 each. On 31 December 2019 and 2020, Hellenic Corporation of Assets and Participations S.A. (HCAP) directly held the 34.123% of Ordinary Shares and indirectly held the 17% through HRADF. The total percentage of voting rights of HCAP is 51.12%. The Greek State owns 100.0% of the voting rights of HCAP. As such, the total percentage of the Greek State in PPC, remains indirectly, as above 51.12%.

On 23 September 2021, PPC announced its intention to raise capital through the Share Capital Increase and a bookbuilding process to determine the offer price of the New Shares, for the purpose of funding its updated strategic plan. On 29 October 2021, PPC announced that its Board of Directors approved, among other things, the Share Capital Increase, the terms of the Combined Offering and the use of the net proceeds from the Combined Offering for the funding of PPC's five-year business plan.

## 12. REGULATORY DISCLOSURES

Below is a summary of certain information disclosed by PPC under Regulation (EU) No 596/2014 over the last 12 months which is relevant as at the date of this Prospectus, presented in a limited number of categories.

### Disclosures related to the shareholding structure

- On 9 April 2021, PPC announced that, pursuant to the provisions of Law 3556/2007 and Article 19 of the Regulation (EU) No 596/2014, that Mr. Stephanos Theodoridis, member of the Board of Directors, bought on 6 April 2021, 1,000 shares of the Company, with a total value of €9,100.
- On 30 September 2021, PPC announced that the total holdings of “Helikon Long Short Equity Fund Master ICAV” of PPC’s voting rights (*i.e.* the total of voting rights attached to shares and voting rights through financial instruments) amounted on 13 September 2021 to 15,034,105 (or 6.48%) from 11,634,068 (or 5.01%) on 8 October 2020.

### Disclosures related to business activities and other investments

- On 29 October 2021, PPC announced that its Board of Directors approved, among other things, the Share Capital Increase, the terms of the Combined Offering and the use of the net proceeds from the Combined Offering for the funding of PPC’s five-year business plan.
- On 26 October 2021, PPC announced that, following the approval of the Share Capital Increase by the Extraordinary General Meeting dated 19 October 2021, PPC has signed the CVC Cornerstone Investment Agreement. Under the terms of the CVC Cornerstone Investment Agreement, the Cornerstone Investor has agreed to subscribe for newly issued ordinary shares of PPC for a total aggregate commitment not exceeding €395.0 million subject to certain conditions being satisfied, including the subscription price for the newly issued shares being no greater than €9.00 per newly issued ordinary share. In addition, PPC has agreed in the CVC Cornerstone Investment Agreement that, subject to the terms and conditions therein, the Cornerstone Investor shall be guaranteed an allocation of such number of common shares, so that immediately after the completion of the Share Capital Increase it will hold at least 10.0% of the total outstanding voting share capital of PPC. The Cornerstone Investor will acquire the newly issued shares pursuant to, and as part of, the Institutional Offering outside Greece. The Cornerstone Investor has committed to a 180-day lock-up period following completion of the Share Capital Increase, subject to certain limited exceptions.
- On 20 October 2021, PPC announced that, on 19 October 2021, the Extraordinary General Meeting approved, among others, the Share Capital Increase, the Hive-Down and the sale of a 49.0% stake in HEDNO.
- On 7 October 2021, PPC announced that its subsidiary, PPC Renewables, has signed an agreement with RWE Renewables GmbH to form a joint venture company through which they can realise renewable energy projects in Greece together. PPC Renewables will contribute nine solar projects up to a combined total of 940 MW, and which are located in northern Greece’s west Macedonia region, within the boundaries of the former Amyntaio open pit lignite mine. RWE Renewables GmbH has secured a Greek photovoltaic project pipeline of similar size for the purpose of including it in the joint venture. The participation in the joint venture will be 51.0% for RWE Renewables GmbH and 49.0% for PPC Renewables.
- On 23 September 2021, PPC announced its intention to raise capital through the Share Capital Increase and a bookbuilding process to determine the offer price of the New Shares, for the purpose of funding its updated strategic plan (see “*Essential Information—Reasons for the Share Capital Increase and use of Proceeds*”).
- On 10 September 2021, PPC announced that the bidding process for the sale of 49% of HEDNO’s share capital has been completed. Spear WTE Investments S.à r.l., member of the Macquarie Asset Management, was the highest bidder with an offer that values 49% of HEDNO’s enterprise value at €2,116 million (including *pro rata* net debt of €804 million).
- On 3 September 2021, PPC announced that, following the conclusion of the second phase of the tender process for the sale of 49.0% of HEDNO’s share capital, four binding offers were submitted from the following participants (in alphabetical order): CVC Capital Partners Group, First Sentier Investor Group, KKR Group and Macquarie Group.



- On 23 August 2021, PPC announced the signing of a loan agreement for the issuance of a new unsecured common bond loan (Law 4548/2018) of an amount up to €300.0 million, as a revolving credit facility, with Alpha Bank S.A. as underwriter, initial mandated lead arranger, paying agent, initial bondholder and bondholder agent. Eurobank S.A. joined as mandated lead arranger and initial bondholder.
- On 14 July 2021, PPC announced the pricing of its offering of €500.0 million aggregate principal amount of sustainability-linked, unsecured senior notes due 2028 at a coupon price of 3.375% and an issue price of 100.0%.
- On 5 July 2021, PPC announced that Iliaka Parka Dytikis Makedonias 2 S.A., a 100.0% subsidiary of PPC Renewables S.A., signed on 1 July 2021 a €9.9 million loan agreement in the form of a Greek bond loan related to the construction of the second 15 MW PV park in Ptolemaida, a prefecture in Kozani, a region in Northern Greece.
- On 30 June 2021, PPC announced that on 29 June 2021, it proceeded to the closing of the securitisation facility of 90 days past due receivables. Senior financing of approximately €325.0 million was issued as a part of this transaction.
- On 29 June 2021, PPC announced that it proceeded in the drawdown of the remaining €50.0 million from the securitisation facility of receivables of up to 60 days.
- On 25 June 2021, PPC announced that the Group, pursuant to the provisions of Articles 155 and 156 of Law 4548/2018, as applicable, that due to its mining activity in lignite fields, had paid to the Greek government during the year of 2020, the amount of €35.0 million.
- On 23 June 2021, PPC announced the signing of the second 20-year loan agreement with the European Investment Bank, amounting to €100.0 million, out of a total approved facility of €330.0 million, for the reinforcement and the modernisation of the electricity Distribution Network across the Greek mainland and islands.
- On 9 April 2021, PPC announced that Iliaka Parka Dytikis Makedonias 1 S.A., a 100.0% subsidiary of PPC Renewables S.A., signed on 8 April 2021 a €8.7 million loan agreement in the form of a Greek bond loan related to the construction of a 15 MW PV park in Ptolemaida, a prefecture in Kozani, a region in Northern Greece.
- On 22 March 2021, PPC announced the pricing of its offering of €125 million 3.875% sustainability-linked senior notes due 2026 at an issue price of 100.75%.
- On 16 March 2021, PPC announced that the European Commission has opened formal proceedings to investigate PPC's past activities on the Greek wholesale market.
- On 8 December 2020, PPC announced the signing of a 20-year loan agreement amounting to €100.0 million on 2 December 2020, out of a total new approved credit line of €330.0 million, as announced on 14 October 2020, with the European Investment Bank for the reinforcement and the modernisation of the electricity Distribution Network across the Greek mainland and the islands.

### 13. MATERIAL CONTRACTS

Neither PPC or any other members of the Group are parties to any material contracts outside of their ordinary course of business for the two years immediately preceding the date of this Prospectus, or to any contract (not being a contract entered into in the ordinary course of business), which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group, with the exception of the following financing arrangements and agreements.

We expect the Share Capital Increase to result in the dilution of the indirect ownership share of the Hellenic Republic so that it ceases to own indirectly a majority stake in PPC. Certain of the agreements and instruments governing our indebtedness, including the facilities agreements governing our EIB Loans, contain change of control clauses, which may be triggered if the Hellenic Republic ceases at any time to own, directly or indirectly, a defined proportion of the issued and outstanding shares in PPC.

With respect to the EIB Loans, such change of control clauses may, following a consultation period with PPC, permit EIB to demand prepayment of the relevant indebtedness, provided that certain of the EIB Loans require such change of control to be determined to be, in the opinion of EIB, materially adverse to PPC's ability to service the relevant loan in future (see "*EIB Loans*"). The agreements governing certain of our other indebtedness contain similar change of control provisions, which may also permit lenders to demand prepayment upon a change of control.

We are in the process of requesting waivers or consent from the applicable lenders of their rights under these change of control clauses in connection with the Share Capital Increase (see "*Risk Factors—Risks related to our financial condition, financial results and financing arrangements—The Share Capital Increase may dilute the indirect ownership share of the Hellenic Republic and this may potentially trigger change of control clauses, which may permit lenders to demand prepayment*"). While the waivers or consents have not yet been obtained in a legally binding manner, based on initial discussions and informal consultations with each relevant lender, there is no reason for us to believe that our requests for waivers or consent will not be treated favourably, especially in light of the positive impact of the Share Capital Increase on our credit structure and net leverage position. We cannot assure you, however, that such waivers or consent will be obtained on time for the commencement of trading of the New Shares, without additional conditions or at all.

Certain of the financing arrangements and agreements are subject to the Hive-Down included as a condition precedent in the SPA (as defined below). As such, some of these financing arrangements and agreements will, in whole or in part (depending on their respective intended uses), subject to the lenders' consent, as applicable, be transferred to HEDNO, upon the conclusion of the Hive-Down.

As at the date of this Prospectus, we are not in breach of any of the terms and conditions pursuant to our material financing arrangements described herein.

The table below presents certain information relating to the material loan agreements described herein, including their respective maturity dates, interest rates, nominal amounts, carrying amounts, as well as whether they are guaranteed or secured. Any material covenants contained in these agreements are described elsewhere in this section of the Prospectus.

Lender	Borrower	Maturity date	Nominal amount	Carrying amount as at 30 June 2021	Interest rate	Guaranteed/ Secured
National Bank of Greece S.A. Eurobank S.A. Alpha Bank S.A. Piraeus Bank S.A. Attica Bank S.A.	PPC S.A.	17 October 2023	€1,085.8 million	€760.8 million	4.50%	—
European Investment Bank	PPC S.A.	28 September 2022	€100.0 million	€16.7 million	0.772%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	17 March 2023	€75.0 million	€13.6 million	2.607%	Guaranteed by the Hellenic Republic / NBG

Lender	Borrower	Maturity date	Nominal amount	Carrying amount as at 30 June 2021	Interest rate	Guaranteed/ Secured
European Investment Bank	PPC S.A.	17 November 2023	€120.0 million	€32.7 million	2.857%	Guaranteed by the Hellenic Republic / NBG
European Investment Bank	PPC S.A.	17 November 2023	€35.0 million	€9.5 million	2.857%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	18 December 2023	€112.0 million	€28.0 million	3.817%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	20 August 2025	€225.0 million	€102.3 million	3.204%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	18 February 2026	€350.0 million	€159.1	3.807%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	8 December 2026	150.0 million	€81.8 million	0.909%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	8 December 2026	€160.0 million	€87.3 million	0.909%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	12 December 2027	€16.0 million	€10.2 million	3.049%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	12 December 2027	€74.0 million	€47.1 million	3.034%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	12 December 2027	€25.0 million	€15.9 million	3.049%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	12 December 2027	€25.0 million	€15.9 million	3.049%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	14 December 2027	€8.0 million	€4.7 million	2.985%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	30 April 2028	€4.0 million	€2.5 million	2.954%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	30 April 2028	€56.0 million	€35.6 million	2.954%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	30 April 2028	€15.0 million	€9.5 million	2.954%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	30 April 2028	€20.0 million	€11.7 million	2.903%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	29 May 2028	€190.0 million	€120.9 million	2.907%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	27 March 2029	€235.0 million	€170.9 million	1.240%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	23 December 2029	€150.0 million	€122.7 million	1.943%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	4 November 2031	€80.0 million	€73.3 million	1.212%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	1 August 2032	€30.0 million	€30.0 million	1.733%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	6 December 2032	€10.0 million	€10.0 million	1.547%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	25 October 2037	€40.0 million	€40.0 million	1.916%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	27 July 2038	€20.0 million	€20.0 million	1.916%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	28 January 2039	€155.0 million	€155.0 million	1.993%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	24 February 2040	€100.0 million	€100.0 million	0.570%	Guaranteed by the Hellenic Republic
European Investment Bank	PPC S.A.	22 December 2040	€330.0 million	€100.0 million	0.359%	Guaranteed by the Hellenic Republic

Lender	Borrower	Maturity date	Nominal amount	Carrying amount as at 30 June 2021	Interest rate	Guaranteed/ Secured
European Investment Bank	PPC Renewables S.A.	24 April 2036	€85.0 million	€85.0 million	1.491% for the €34.0 million tranche 0.68% for the €51.0 million tranche	Guaranteed by the Hellenic Republic / secured
National Bank of Greece S.A.	PPC Renewables S.A.	31 December 2026	€17.5 million	€13.1 million	3.00%	Secured
Alpha Bank S.A.	PPC Renewables S.A.	—	€3.0 million	—	5,25% + 0.6%	Overdraft for letters of credit and letters of guarantee
National Bank of Greece S.A.	PPC Renewables S.A.	—	€45.0 million	—	0.6%	Overdraft for letters of credit and letters of guarantee; only €5.0 million for working capital
KfW IPEX Bank GmbH Unicredit Bank AG—Athens Branch	PPC S.A.	29 July 2027	€739.0 million	€489.1 million	1.90%	Euler Hermes ECA cover and Secured 5.0% of the outstanding balance
National Bank of Greece S.A.	PPC S.A.	17 November 2023	€160.0 million	€9.3 million	3.00%	—
HSBC Bank plc	PPC S.A.	—	€30.0 million	—	4.00% + 0.60%	—
Black Sea Trade and Development Bank	PPC S.A.	15 May 2024	€160.0 million	€160.0 million	2.60%	Guaranteed by the Hellenic Republic
Alpha Bank S.A.	PPC S.A.	18 September 2025	€30.0 million	€30.0 million	3.00%	Guaranteed by the Hellenic Development Bank
Optima bank S.A.	PPC S.A.	23 September 2023	€15.0 million	€15.0 million	4.5%	—
European Bank for Reconstruction and Development	PPC S.A.	25 September 2022	€160.0 million	€160.0 million	4.25%	—
Alpha Bank S.A. Eurobank S.A.	PPC S.A.	22 September 2024	€300.0 million	—	3.25%	—

## Syndicated Bond Loan A

On 5 October 2018, we entered into an agreement with National Bank of Greece S.A. (as initial bondholder, paying agent and bondholders' agent), Eurobank S.A., Alpha Bank S.A., Piraeus Bank S.A. and Attica Bank S.A. as mandated lead arrangers and initial bondholders, for the refinancing of a syndicated bond loan (originally borrowed in 2014) for an amount of €1,085,750,000. As at 1 January 2021, the margin of the Syndicated Bond Loan A was reduced from 5.80% to 5.00%, and it has been further reduced to 4.50% as at 1 July 2021. On 7 April 2021 there was a partial repayment of our Syndicated Bond Loan A in a principal amount equal to €200.0 million with the proceeds of our Senior Notes due 2026 and on 30 September 2021 there was an additional partial repayment of our Syndicated Bond Loan A in a principal amount equal to €495.0 million with the proceeds of our Senior Notes due 2028. As at 30 June 2021, the principal amount outstanding under Syndicated Bond Loan A was €760.8 million.

### 1. Repayment and prepayments

The Syndicated Bond Loan A has a term of five years. The Syndicated Bond Loan A is repaid in six-month equal instalments payable in June and December of each calendar year starting 2019. In 2020, the payment of €50.0 million principal amount was waived and transferred, in response to the COVID-19 pandemic, to the maturity date of the Syndicated Bond Loan A, *i.e.* 17 October 2023. In

addition, the payment of €140.0 million principal amount due for 2021 was also waived and transferred to the maturity date of the Syndicated Bond Loan A, *i.e.* 17 October 2023. An amount of €495.0 million was prepaid on 30 September 2021 from the proceeds of the €500.0 million of the Senior Notes due 2028. The existing balance of the Syndicated Bond Loan A is €265.8 million and is due as a balloon payment on 17 October 2023.

The Syndicated Bond Loan A requires mandatory prepayments up to a threshold of €200.0 million, in specific circumstances, including the following:

- *Disposal of shares of subsidiaries companies of lignite*: (i) an amount equal to 30.0% will be used to finance the general business needs of the Issuer and (ii) from the remaining 70.0%, an amount equal to 50.0% (on the balance) will be directly due to mandatory prepayment of bonds under the Syndicated Bond Loan A.
- *Disposal of other assets of the Issuer* (except for the shares of subsidiaries companies lignite): an amount equal to 50.0% of the Issuer's net income from such disposal will be used to finance the general business needs of the Issuer and an amount equal to 50.0% will be used for a mandatory prepayment.
- *Securitisation of the Issuer's claims*: an amount equal to 50.0% of the Issuer's net income from such transaction will be subject to mandatory prepayment.
- *Dividend distribution*: subject to certain conditions and to the extent permitted by the Syndicated Bond Loan A, if the Company pays any amount to its shareholders in the form of dividend or interim dividend distribution and/or capital return, an equal amount will be subject to a mandatory prepayment.
- *Prepayment of another credit agreement or loan*: subject to certain exceptions.

Prepayments in an excess of €200.0 million are not mandatory *provided* that the ratio of net debt to EBITDA is less than 4.5 to 1.0.

Exceptional cases of mandatory prepayment under the Syndicated Bond Loan A:

- *Prohibition for a bondholder to own bonds*: in case, by virtue of a legislative provision, it is illegal for a bondholder to own bonds or fulfil its obligations under the Syndicated Bond Loan A, such bondholder may request the prepayment of all the bonds owned by it.
- *Issuance of debt or equity titles/securities*: in case of issuance of debt or equity titles/securities by the Issuer or a Subsidiary of the Issuer upon the latter's guarantee which are made available on foreign or domestic markets, a mandatory prepayment of the Syndicated Bond Loan A may take place upon certain conditions.
- *Change of control*: if the Hellenic Republic's shareholding falls directly or indirectly below 34.1% of our issued share capital or if the Hellenic Republic ceases to exercise control over PPC's management, the aggregate outstanding bonds are subject to mandatory prepayment. A disposal of shares by the Hellenic Republic below the 34.1% threshold does not qualify as a change of control if the majority of bondholders has provided its prior written consent with respect to the acquiring entity.

## 2. Interests and fees

The Syndicated Bond Loan A bears interest at a rate per annum equal to one-, three- or six-month Euribor or Euribor of other agreed period between the Issuer and the bondholders, at the choice of PPC, and a margin of 4.8% per annum.

Interest on the Syndicated Bond Loan A is payable monthly, quarterly or half-yearly in arrears and is calculated on the basis of a 360-day year. The Syndicated Bond Loan A also provides for the payment of various fees/commissions (*i.e.* a coordination fee, an arrangement fee in addition to the coordination fee, a management fee). In case of the repayment of amounts equal to or exceeding the following, there will be a decrease of the margin, as follows:

### 3. Security

The Syndicated Bond Loan A does not benefit from any security.

### 4. Representations, covenants and events of default

The Syndicated Bond Loan A contains customary representations and warranties. It also contains maintenance financial covenants customary for this type of agreement. These include the maintenance by the Issuer of the following ratios calculated based on the consolidated financial statements of PPC under IFRS:

- an interest coverage ratio (EBITDA to net interest expense) shall be greater than 2.0 to 1.0;
- a maximum leverage ratio (total net debt to fixed assets and investments in joint ventures and associates) shall be lower than 0.5 to 1.0; and
- a net debt to equity ratio shall be lower than 2.0 to 1.0.

The Syndicated Bond Loan A also includes a negative pledge with a materiality threshold of one percent of the book value of PPC's total assets, unless there is a prior consent of the majority of bondholders.

Our obligations under the Syndicated Bond Loan A rank *pari passu* with our existing and future unsecured obligations (except for those mandatorily preferred by law).

The Syndicated Bond Loan A prohibits to sell, transfer or otherwise dispose of any of our assets, including our claims and participations in other companies' equity, if this sale, transfer, disposal exceeds the 2.0% of the Group's total long-term assets, unless there is a prior consent of the majority of bondholders.

Under the Syndicated Bond Loan A, we are also subject to a restriction on the granting of loans, credits or advances to any third party outside the Group, subject to a materiality threshold of €25.0 million and certain other exceptions. We are also subject to a restriction on the granting of guarantees to third parties outside the Group, subject to certain exceptions, including a materiality threshold of €25.0 million.

The Syndicated Bond Loan A includes a cross-default provision that would cause us to be in default of the Syndicated Bond Loan A if PPC is in default of any other loan or financial indebtedness, or if payments due to third parties are overdue for four months or more and exceed in aggregate €60.0 million, with the exception of (i) the existing obligations related to the Renewables Special Account vis-à-vis "DAPEEP S.A" and/or HEDNO, and (ii) obligations towards entities of the Group as well as towards DAPEEP S.A and/or IPTO. We would also be in default if we fail to meet any financial obligation regardless of its amount towards a credit or financial institution.

### 5. Governing Law

The Syndicated Bond Loan A is governed by Greek law.

## **EIB Loans**

The Company is a party to a number of loan agreements with the European Investment Bank ("EIB"), which have been extended on a project-by-project basis (collectively, the "EIB Loans"). The EIB Loans generally have a term of fifteen years from the disbursement date. Their maturity profile lies between 2021 and 2040. As at 30 June 2021, €702.8 million of the EIB Loans were guaranteed by the Hellenic Republic and €9.3 million EIB Loans were guaranteed by a commercial bank and secured under a cash collateral account pledge. The average annual total interest rate on our outstanding EIB Loans as at 30 June 2021 was approximately 3.25%.

Certain EIB Loans allow EIB to demand (including after consultation with us) a mandatory prepayment and cancellation of the loans upon:

- a change of control, which would be triggered if the Hellenic Republic does not hold at least 51.0% of PPC S.A.'s issued share capital under some EIB Loans, or if, additionally, any person or group of persons acting in concert gain control (*i.e.* the power to direct the management and policies of PPC) of PPC (in other EIB Loans); or
- a change of law, which would be triggered if there is any change in law, regulation or administrative act and particularly the change of any of the above in the areas of generation, transmission distribution or sale of electricity or relating to shareholder structure of PPC such that PPC's ability to repay such EIB Loans would be materially impaired; or
- receipt of information that a loss of licence of PPC has occurred or is likely to occur, which encompasses the termination (without immediate replacement) of any licence necessary or desirable for the conduct of any material part of PPC's business.

Under certain EIB Loans, EIB may also demand proportionate prepayment and/or cancellation of the loans if we voluntarily prepay or repurchase any other loan, credit or financial debt (except from EIB) originally granted for a term of more than five years (under some EIB Loans) plus (in certain other EIB Loans) where such voluntary prepayment is not made with the proceeds of another financing having a term at least equal to the unexpired term of the prepaid debt.

PPC has incurred the EIB Loans in connection with specific projects such as the construction of specific power plants, the upgrade of PPC's transmission and distribution networks and other projects. Pursuant to these EIB Loans, EIB may demand prepayment if PPC does not retain title to and possession of all or substantially all of the assets relating to the project, or in the alternative, replace and renew such assets.

Most of the EIB Loans include negative pledge, and anti-disposal covenants, which are subject to various materiality thresholds, which are defined in references to a materiality concept, or alternatively, a percentage threshold of 15.0% of our consolidated fixed equity (in the case of the negative pledge covenants) or the Group's consolidated fixed assets (in the case of anti-disposal covenants). In addition, the EIB Loans include specific financial covenants.

In addition, the EIB Loans contain customary financial covenants in line with PPC's existing financing arrangements. Such financial covenants relate to PPC's annualised EBITDA to net interest ratio, net debt to fixed assets ratio and net debt to equity ratio. Such financial covenants provide that PPC's (i) annualised EBITDA to net interest ratio shall at all times be greater than 2.0 to 1.0, (ii) net debt to fixed assets ratio shall at all times be less than 0.5 to 1.0, (iii) net debt to equity ratio shall at all times be less than 2.0 to 1.0, (iv) net debt to annualised EBITDA shall at all times be equal or less than 6.0 to 1.0.

The EIB Loans include a "Clauses by inclusion" provision which would entitle EIB to amend the EIB Loans to include a loss-of-rating clause or a covenant or other provision regarding its financial ratios, that is more favourable than any equivalent provision of EIB Loans.

Each of the EIB Loans includes a cross default provision that would cause us to be in default of the EIB Loans if we are in default of any other loan or financial indebtedness in any amount. EIB may demand prepayment upon any cross default.

If any material adverse change (*i.e.* a material impairment of our ability to perform financial duties under the EIB Loans, or material impairment of our business) occurs, EIB may demand prepayment.

As part of the Hive-Down (see "*Trend Information—Sale of a 49.0% stake in HEDNO*"), approximately €1,285.1 million of our EIB loans will be transferred to HEDNO.

### **EIB PPC financing**

On 9 January 2019, PPC made a drawdown of €155.0 million under a loan agreement with the EIB for an aggregate amount of €255.0 million, for the reinforcement and modernisation of the Distribution Network throughout peninsular and insular Greece with a guarantee provided by the Hellenic Republic.

On 24 February 2020, PPC made a drawdown of €100.0 million under a second loan agreement with the EIB for an aggregate amount of €255.0 million to carry out investments relating to our Distribution Network in Greece with a guarantee provided by the Hellenic Republic.

On 22 December 2020, PPC made a drawdown of €100.0 million under a loan agreement with the EIB for an aggregate amount of €330.0 million for the modernisation of the Company's Distribution Network in Greece, with a guarantee provided by the Hellenic Republic.

On 22 June 2021, PPC agreed with the EIB that PPC may make a further drawdown of €100.0 million under this €330.0 million facility, however, as at the date of this Prospectus, no such a drawdown has been decided by PPC.

### **Performing Receivables Securitisation**

On 6 August 2020, we established an asset-backed limited recourse conduit securitisation in respect of our performing consumer and corporate energy receivables up to 60 days past due, originated by the Company from its supply of electricity to retail and business consumers in Greece (the "Performing Receivables Securitisation"). The Performing Receivables Securitisation provides the Company with access to senior funding of up to €200.0 million and has an initial senior commitment term of three years from the closing date, which may be extended upon the agreement of the senior commitment provider and the Company. The latter retains a subordinated interest in the Performing Receivables Securitisation of not less than 5.0% of the nominal value of the receivables.

The Performing Receivables Securitisation contains customary financial covenants in line with PPC's existing financing arrangements. Such financial covenants relate to PPC's annualised EBITDA to net interest ratio, net debt to fixed assets ratio and net debt to equity ratio. Such financial covenants provide that PPC's (i) annualised EBITDA to net interest ratio shall at all times be greater than 2.0 to 1.0; (ii) net debt to fixed assets ratio shall at all times be less than 0.5x; and (iii) net debt to equity ratio shall at all times be less than 2.0 to 1.0. A breach of the financial covenants may give rise to an early amortisation event and the prepayment of the senior notes prior to the end of the initial term.

### **Non-Performing Receivables Securitisation**

On 9 April 2021, we established an asset-backed limited recourse securitisation in respect of a portfolio initially comprising our non-performing consumer and corporate energy receivables over 90 days past due, originated by the Company from its supply of electricity to retail and business consumers in Greece (the "Non-Performing Receivables Securitisation"). The Non-Performing Receivables Securitisation provides the Company with a senior funding amount of €325.0 million and has an initial term of 24 months from the closing date, following which the principal amount of the senior notes will be repaid until the earlier of the date on which the senior notes have been repaid in full or the legal maturity date occurring 60 months from the closing date. The Company retains a subordinated interest in the Non-Performing Receivables Securitisation of not less than 5.0% of the nominal value of the receivables.

The Non-Performing Receivables Securitisation contains customary financial covenants in line with PPC's existing financing arrangements. Such financial covenants relate to PPC's annualised EBITDA to net interest ratio, net debt to fixed assets ratio and net debt to equity ratio. Such financial covenants provide that PPC's (i) annualised EBITDA to net interest ratio shall at all times be greater than 2.0 to 1.0; (ii) net debt to fixed assets ratio shall at all times be less than 0.5x; and (iii) net debt to equity ratio shall at all times be less than 2.0 to 1.0. A breach of the financial covenants may give rise to an early amortisation event and the prepayment of the senior funding prior to the end of the initial senior commitment term.

### **PPC Renewables Financings**

#### *EIB PPC Renewables financing*

On 20 December 2017, PPC Renewables entered into a secured financing, governed by the law of the Grand Duchy of Luxembourg with the EIB for a total amount of €85.0 million. The first disbursement of €34.0 million occurred on 24 April 2019 and the second of €51.0 million on 5 June 2020, resulting in the disbursement of the total approved loan amount. The principal repayments are semi-annual, beginning on 24 April 2023 and continuing through 24 April 2036.



This financing is secured by (i) a pledge over a debt service reserve account of a total amount not less than 50.0% of the EIB's annual disbursed exposure on the financing, (ii) an assignment by way of pledge of PPC Renewables' claims under certain Corporate PPAs relating to 18 RES plants financed by EIB under the financing and (iii) a pledge over certain bank accounts where the proceeds from these Corporate PPAs will be collected.

The EIB PPC Renewables financing will fund the development, construction and operation of wind farms and small hydropower plants all over the country. The EIB PPC Renewables financing provides for a final availability date of 36 months, contains provisions and covenants that are substantially similar to those of the EIB Loans described above and is governed by the laws of Luxembourg.

Schedule F to the EIB PPC Renewables financing provides for the following financial covenants: (i) after the disbursement of the first tranche, the distribution of dividends by the borrower for each financial year shall be capped to 50.0% of the borrower's net income of the previous financial year, (ii) as of the fourth anniversary disbursement date of the first tranche, the debt service coverage ratio (the "DSCR") may not be lower than 1.2 to 1.0; if the DSCR falls below 1.0, no distribution of dividends will be allowed, (iii) the financial indebtedness of the subsidiaries may not exceed 25.0% of the total assets of PPC Renewables and (iv) the provision of loans or guarantees by the borrower to PPC or any other members of the Group (including joint ventures of the Group) or any third party may not exceed 20.0% of the borrower's total assets.

#### *NBG PPC Renewables loan*

On 27 September 2018, PPC Renewables entered into a secured common bond loan with National Bank of Greece S.A. in the amount of €17.5 million, governed by Greek law. As at 30 June 2021, the balance of the bond loan was €13.1 million. This loan shares common security with PPC Renewables' EIB financing. See "*EIB PPC Renewables financing*."

An event of default as a result of change of control will occur if the PPC ceases at any time to own 100.0% of the issued and outstanding shares in PPC Renewables without prior written consent of the majority of the bondholders. Such event of default triggers mandatory prepayment under the loan.

#### *Alpha Bank overdraft facility agreement*

On 20 February 2008, PPC Renewables entered into an overdraft facility agreement, governed by Greek law, with Alpha Bank S.A. ("Alpha Bank") up to the amount of €3.0 million. The credit was agreed to expire on 19 February 2009. However, according to the agreement, this period may automatically be extended for a period of twelve months after a new credit assessment of PPC Renewables and the guarantor (if any) by the bank, unless the latter decides otherwise and notifies the borrower thereof in writing. The credit granted thereunder shall bear interest. On 13 June 2013, we provided a guarantee in favour of PPC Renewables for the fulfilment of its obligations arising from the agreement, for the total amount of €3.0 million. The said facility has a customary cross-default provision.

#### *NBG overdraft facility agreement*

On 11 November 2011, PPC Renewables entered into an overdraft facility agreement, under the laws of the Hellenic Republic, with National Bank of Greece S.A., with the current credit limit having initially been set at the amount of €20.0 million, and subsequently increased to €45.0 million. This facility is guaranteed by PPC. As at 30 June 2021, PPC Renewables had not drawn any amount under this facility.

Under the overdraft facility agreement, PPC Renewables is obliged to refrain from changing its legal status or its purpose, name or any other element of its business and especially the majority shareholder without the NBG's prior written consent while the same obligations apply to the guarantor (PPC). Breach of such obligation triggers mandatory prepayment under the loan.

## Existing credit facilities

### *ECA Covered Syndicated Loan*

We are party to a bond purchase agreement, programme and term facilities agreement (collectively, the “ECA Covered Syndicated Loan”) issued under the laws of Federal Republic of Germany, among others, with KfW IPEX Bank GmbH (as mandated lead arranger, ECA agent/bondholder—as the case may be—and facility agent, “KfW”), Unicredit Bank AG–Athens Branch (as bondholder agent and security agent) and a consortium of foreign banks, for an aggregate maximum amount of up to €739.0 million for the partial financing of the 660 MW lignite-fired Unit V at Ptolemais Power Station. 95.0% of the ECA Covered Syndicated Loan is guaranteed by the Federal Republic of Germany as represented by Euler Hermes Deutschland AG (the “Euler Hermes Guarantee”), with the remaining 5.0% secured by our cash account pledge; in the latter context, an account pledge agreement dated 17 December 2013 was executed to secure any claims arising out of the ECA Covered Syndicated Loan. The disbursements under the ECA Covered Syndicated Loan are linked to the progress of the construction of the lignite-fired unit. The ECA Covered Syndicated Loan has a duration of approximately 15 years. During 2017, the Company drew an amount of €72.6 million under the ECA Covered Syndicated Loan. During 2018, the Company drew an amount of €252.8 million and during 2019, an amount of €169.5 million under the ECA Covered Syndicated Loan. During 2020, the Company drew an amount of €21.6 million and in the first half of 2021 the Company drew an amount of €2.6 million under the ECA Covered Syndicated Loan. From 1 July 2021 until 12 October 2021 the Company drew an amount of €2.7 million under the ECA Covered Syndicated Loan.

Under the ECA Covered Syndicated Loan, a change of control will occur if the Hellenic Republic ceases to directly or indirectly hold more than 34.1% of our issued share capital (unless the lenders consent in writing to a lesser percentage). If such a change of control is triggered, it will be an event of default which entitles the facility agent and bondholder agent to accelerate the ECA Covered Syndicated Loan. An event of default also occurs if the Euler Hermes Guarantee is fully or partially withdrawn, suspended, terminated or cancelled or otherwise ceases to be in full force and effect. An event of default also occurs in case of (i) a cross-default in the sense of a non-payment of any financial indebtedness exceeding the aggregate amount of €50.0 million (other than under a finance document of the ECA Covered Syndicated Loan) when due or when declared to be due and payable or when otherwise becoming due and payable or (ii) an impairment of any security without replacement of the impaired security through a valid and economically equivalent substitute Security within a certain period upon becoming aware of such impairment.

The ECA Covered Syndicated Loan also requires that we satisfy certain financial requirements. These include:

- at the end of each quarter of each calendar year the ratio of liabilities (net of cash) to equity shall not be higher than 2.0 to 1.0;
- at the end of each quarter of each calendar year the ratio of annual EBITDA (total revenues minus total operating expenses, excluding interest, tax, depreciation and amortisation) to annual net interest expense (all interest due and payable minus all interest earned) shall not be less than 2.0 to 1.0; and
- at the end of each quarter of each calendar year the ratio of net debt (total bank loans, including any liabilities to leasing and factoring companies, as well as bonds minus cash) to assets (tangible assets, joint ventures and associates) shall not be higher than 0.5 to 1.0.

The ECA Covered Syndicated Loan also includes a negative pledge and anti-disposal covenant, each subject to certain exceptions, including security for debt or disposal of assets not exceeding a certain threshold percentage, security provided for the EIB Loans and disposals made in compliance with the implementation of the Restructuring and Privatisation Plan. The ECA Covered Syndicated Loan requires “most-favoured-lender” treatment for the finance parties if we enter into other financing agreements that include a loss of rating clause, a covenant or other provision regarding our financial ratio. There is also a restriction on our making loans or incurring guarantees, subject to certain exceptions including (i) a basket of €25.0 million in the aggregate amount of loans and a basket of

€25.0 million in the aggregate amount of guarantees in favour of third parties outside the Group, and (ii) Permitted Group Loans and Permitted Group Guarantee (each as defined below) for loans and guarantees in favour of entities within the Group.

A “Permitted Group Guarantee” includes (i) a guarantee of the Company guaranteeing performance of a subsidiary under a bond issued by such subsidiary; *provided* that (a) such guarantee is limited to the liabilities under such bond and (b) the proceeds of that bond (net of any reasonable costs and expenses incurred by that subsidiary for the issuance of that bond) are paid by such subsidiary to the Company without undue delay in accordance with the standard administration procedure for such type of bond, or (ii) a guarantee of the Company given to secure financial indebtedness incurred by a member of the Group; *provided* that the aggregate amount of such guarantee (when aggregated with the amount of any Permitted Group Loan) does not exceed 10.0% of the total assets amount of the balance sheet as reflected in the Company’s latest audited consolidated financial statements). A “Permitted Group Loan” means any financial indebtedness made available by the Company to a member of the Group, *provided* that the aggregate amount of such financial indebtedness (when aggregated with the amount of any Permitted Group Guarantee) does not exceed 10.0% of the total assets of the balance sheet as reflected in the Company’s latest audited consolidated financial statements.

#### *NBG Bond Loan*

We are party to a bond loan agreement (and five additional addenda) dated as at 11 October 2011 (the “NBG Bond Loan”) which was issued under Greek law, for a principal amount up to €160.0 million, with the National Bank of Greece S.A. as bondholder agent, facility agent and bondholder (“NBG”). The NBG Bond Loan is unsecured. On 17 July 2020, NBG approved the extension of the NBG Bond Loan until 17 November 2023, with balance of €9.3 million on 30 June 2021.

The NBG Bond Loan has a customary cross-default that would cause PPC to be in default under the NBG Loan if PPC is in default of any other loan or financial indebtedness towards other banks or financial institutions, or if payments to third parties exceeding €10.0 million are overdue, unless NBG finds at its discretion that PPC reasonably disputes such obligations. Under the NBG Bond Loan, a change of control occurs if the Hellenic Republic’s ownership of PPC share capital falls below 34.0% (at which threshold the Hellenic Republic should maintain any and all shareholder rights, including its voting rights), and the Hellenic Republic ceases to control our management. A change of control constitutes an event of default and entitles NBG to accelerate the NBG Bond Loan.

The NBG Bond Loan also includes a negative pledge and an anti-disposal covenant, each subject to certain exceptions, including existing pledges and intragroup disposal of assets made in compliance with EU directives or laws. Payment obligations under the NBG Bond Loan must rank at least *pari passu* with all other present and future obligations, except those mandatorily preferred by law. Finally, the NBG Bond Loan restricts PPC’s ability to underwrite loans, and to grant loans, credits or guarantees to any third party and our affiliates, including subsidiaries, of an amount exceeding €30.0 million, but includes an exception that allows us to provide a guarantee to SPVs for the purpose of our Euro Medium Term Note Programme. Due to this restriction, PPC has obtained a waiver from NBG, allowing PPC to guarantee the Notes.

#### *HSBC overdraft facility agreement*

On 2 June 2011, we entered into an interest-bearing overdraft facility agreement with HSBC Bank plc up to the amount of €100.0 million, governed by Greek law (the “HSBC overdraft facility agreement”). At present, this amount has been reduced to the amount of €30.0 million after a relevant amendment to such agreement, dated as at 31 July 2019. By virtue of the amendment of 31 July 2019, HSBC Bank Plc has been succeeded by HSBC France.

#### *Black Sea Trade and Development Bank loan*

On 6 June 2019, the Company signed a bond loan equal to €160.0 million from the Black Sea Trade and Development Bank (“BSTDB”), of a five-year duration, with a balloon repayment at the loan’s maturity, guaranteed by the Hellenic Republic. The bond loan is governed by English law.

Under the bond loan, a change of control will occur if the Hellenic Republic ceases at any time to own, directly or indirectly, at least 51.0% of the issued and outstanding shares in PPC or ceases to otherwise control PPC without prior written consent of BSTDB. Such a change of control constitutes an event of default, triggering mandatory prepayment.

As part of the Hive-Down (see “*Trend Information—Sale of a 49.0% stake in HEDNO*”), our Black Sea Trade and Development Bank loan will be transferred to HEDNO.

#### *Alpha Bank COVID-19 bond loan*

On 10 September 2020, the Company made a drawdown of a principal amount equal to €30.0 million from Alpha Bank in the context of the COVID-19 business guarantee fund through an unsecured bond loan of a five-year duration, with the guarantee of the Hellenic Development Bank. The purpose of this loan is to fund the Company’s working capital needs that arose due to the COVID-19 pandemic. The said bond loan has a customary cross-default provision. Repayment and/or prepayment shall be made in eight equal tranches, whereas each tranche amounts up to €3.75 million and the first is envisaged to be on 31 March 2022. The bond loan also includes an annual guarantee premium rising progressively from 0.5 to 2.0% of the guaranteed amount of the loan, *i.e.* 80.0% of the principal amount. Obligations under this bond loan rank *pari passu* with our existing and future unsecured obligations (except for those mandatorily preferred by law).

If the Hellenic Republic ceases to directly or indirectly hold more than 34.1% of issued share capital this will result in an event of default triggering mandatory prepayment. The same term applies if the Hellenic Development Bank’s guarantee ceases to be in full force and effect.

#### *Optima Bank bond loan*

On 18 September 2020, the Company issued a common, unsecured €15.0 million bond loan of a three-year duration with Optima Bank S.A. (“Optima Bank”) as bondholder. The interest rate is equal to Euribor with duration equal to that of the applicable interest period (currently 6-months) plus margin 4.5%. The bond loan was used for general corporate purposes. This bond loan has a customary cross-default provision. The loan also includes a negative pledge (excluding any pledge created over PPC’s assets in the course of a securitisation transaction) with a materiality threshold of 1.0% of the book value of PPC’s total assets, unless there is the prior consent of the majority of bondholders. Obligations under this loan rank *pari passu* with our existing and future unsecured obligations (except for those mandatorily preferred by law). As at 30 June 2021, the principal amount outstanding under the bond loan of Optima Bank was €15.0 million.

Unless there is prior written consent of the bondholders and until the repayment of the bond loan, no change in the capital structure is permitted up to the extent that there is change of control for the Company. The disposal of shares up to the extent that the participation of the Greek State in the Company’s share capital is limited to less than 34.1% of the Issuer’s paid-up capital is not considered a change of control.

#### **EBRD loan**

On 25 September 2020, the Company made a drawdown of €80.0 million under a two-year unsecured loan dated 31 July 2020 and governed by English law, with the European Bank for Reconstruction and Development (“EBRD”) for an aggregate amount of €160.0 million to support the Company’s activities during the COVID-19 pandemic (the “EBRD loan”).

On 16 October 2020, the Company drew the remaining amount of €80.0 million out of the total amount of €160.0 million.

Under the EBRD loan, in the event that PPC sells, transfers or otherwise disposes any portion of its shareholding in HEDNO, it must use the proceeds to repay an equivalent amount of the EBRD loan within six months.

The EBRD loan also requires that we satisfy certain financial covenants including (i) PPC's net debt (excluding hedging obligations for non-speculative purposes) to annualised EBITDA shall at all times be equal or less than 6.0 to 1.0 and (iii) PPC's annualised EBITDA to annualised net interest shall at all times be equal to or greater than 2.0 to 1.0.

An event of default will occur if the Hellenic Republic ceases, at any time, to own directly or indirectly at least 33.0% of the issued and outstanding share capital in the Company, unless any other party has a higher than the Hellenic Republic's participation in the share capital and prior written consent of EBRD has been granted. Such event of default triggers mandatory prepayment. Additionally, under the EBRD loan, we have agreed to certain customary undertakings regarding, *inter alia*, our corporate governance regime and restrictions on profit distribution.

As at the date of this Prospectus, the outstanding balance of the EBRD loan was €80.0 million.

### **Senior Notes due 2026**

The Company issued €650.0 million 3.875% sustainability-linked senior notes due 2026 on 18 March 2021 (the "Original Senior Notes due 2026") and additional €125.0 million 3.875% sustainability-linked senior notes due 2026, issued on 24 March 2021 (the "Additional Senior Notes due 2026" and together with the Original Senior Notes due 2026, the "Senior Notes due 2026"), constituting the same series of securities with the Original Senior Notes due 2026, in offerings exempt from the registration requirements of the U.S. Securities Act.

The Senior Notes due 2026 are subject to customary covenants and events of default for securities of their kind. The Senior Notes due 2026 are general unsecured, senior obligations of the Company and rank (i) senior in right of payment to any and all of the existing and future indebtedness of the Company that is expressly subordinated in right of payment to the Senior Notes due 2026; and (ii) equally in right of payment with all existing and future unsecured indebtedness of the Company that is not expressly subordinated (and is not senior) in right of payment to the Senior Notes due 2026.

The Senior Notes due 2026 were issued pursuant to Law 4548/2018 and Law 3156/2003 as "Bonds" and are governed by New York law and listed on the Official List of Euronext Dublin.

The proceeds from the Senior Notes due 2026 were used for the partial repayment of our Syndicated Bond Loan A, the full repayment of our Syndicated Bond Loan B and Syndicated Bond Loan C, for general corporate purposes and to pay the costs and expenses relating to their offering.

### **Senior Notes due 2028**

The Company issued €500.0 million 3.375% sustainability-linked senior notes due 2028 on 21 July 2021 (the "Senior Notes due 2028").

The Senior Notes due 2028 are subject to customary covenants and events of default for securities of their kind. The Senior Notes due 2028 are general unsecured, senior obligations of the Company and rank (i) senior in right of payment to any and all of the existing and future indebtedness of the Company that is expressly subordinated in right of payment to the Senior Notes due 2028; (ii) equally in right of payment with all existing and future unsecured indebtedness of the Company that is not expressly subordinated (and is not senior) in right of payment to the Senior Notes due 2028.

The Senior Notes due 2028 were issued pursuant to Law 4548/2018 and Law 3156/2003 as "Bonds" and are governed by New York law and listed on the Official List of Euronext Dublin.

The proceeds from the Senior Notes due 2028 were used for the partial repayment of €495.0 million of our Syndicated Bond Loan A and to pay the costs and expenses relating to the offering.

### **Alpha Bank bond loan**

On 12 August 2021, the Company entered into an unsecured, common bond loan with a revolving credit mechanism with Alpha Bank S.A. as underwriter, initial mandated lead arranger, paying agent,

initial bondholder and bondholder agent up to the amount of €300.0 million. Eurobank S.A. joined as mandated lead arranger and initial bondholder (the “Alpha Bank bond loan”). The Alpha Bank bond loan will be used for general corporate purposes and will have a three-year tenor, which can be extended for two additional years if the Company requests such an extension, at least three months prior the initial maturity date. The outstanding balance of the Alpha Bank bond loan as at the date of this Prospectus was €300.0 million.

If the Hellenic Republic’s direct or indirect participation in the issued share capital of the Company is limited to less than 34.1% or in any other way the Hellenic Republic ceases to control the Company, unless prior written consent of the bondholders’ majority has been granted, this will result in an event of default triggering mandatory prepayment.

The loan also requires that we satisfy certain financial covenants, including that (i) the interest coverage ratio (EBITDA to net interest expense) shall be greater than 2.0 to 1.0; (ii) the net debt to equity ratio shall be lower than 2.0 to 1.0; and (iii) the ratio of net debt to EBITDA shall be less than 6.0 to 1.0. In addition, the initial spread of 3.25% may vary according to the ratio of net debt to EBITDA.

### **Share purchase agreement**

PPC is party, as seller, to a share purchase agreement (“SPA”) relating to the sale of 49.0% of the shares in HEDNO to MSCIF Dynami BidCo Single Member S.A., an entity incorporated under the laws of Greece with the aim of completing the transaction and a 100.0% subsidiary of Spear WTE Investments S.à r.l., a member of MAM, which was declared the preferred bidder for the transaction, for a consideration of €1.3 billion. The initial purchase price of €1,312 million is subject to a completion accounts price adjustment mechanism, whereby the consideration is adjusted following Completion (as defined below) by reference to any difference between (i) the net assets of HEDNO at completion of the transaction (“Completion”), as calculated in accordance with specific accounting policies agreed between the parties, and (ii) the equivalent reference net assets set out in *pro forma* accounts of HEDNO as at 31 December 2020. Subject to an agreed *de minimis* amount set at €1.0 million, below which no adjustment (whether positive or negative) will be made, and a cap at 115% of the initial purchase price, any increase in Completion net assets as against the *pro forma* accounts will increase the price payable, whereas any decrease will reduce the price, on a euro-for-euro basis, *pro-rated* for MAM’s 49.0% stake.

According to the SPA, MAM has provided a performance guarantee issued by ING Luxembourg S.A. in an amount equal to 5.0% of the initial purchase price (the “Performance Guarantee”). PPC may claim under the performance guarantee (as its sole remedy) if MAM does not pay any amount when due under the SPA, or if the SPA terminates before Completion due to a breach by MAM of certain of its SPA obligations.

The SPA assumes that the Hive-Down will occur following signing of the SPA as a condition precedent to Completion. Completion is also conditional on EU antitrust clearances having been obtained and the approval of the transaction (including approval of the Hive-Down) by the seller’s shareholders at a General Meeting. The latter was obtained in the Extraordinary General Meeting held on 19 October 2021. Satisfaction of the other conditions is subject to a longstop date falling nine months after signing of the SPA.

The SPA provides for customary interim covenants requiring HEDNO’s business to be operated in the ordinary course, and in accordance with the business plan disclosed to MAM during the interim period between signing and Completion, and restricting PPC from undertaking certain specific matters without the consent of MAM (including customary matters such as material asset acquisitions/disposals, non-ordinary course expenditure, amendments to material contracts, incurrence of material debt, conduct of material legal proceedings and dismissal of key employees).

PPC gives a range of warranties in respect of HEDNO at the SPA signing date. Certain “fundamental” warranties, including those relating to title to the sale shares, will be repeated by PPC at Completion. As is customary, PPC will not be liable for any breach of warranty which has been fairly disclosed to MAM. The SPA contains customary limitations on PPC’s liability in respect of the warranties. The SPA also provides for an indemnity by PPC in respect of certain identified pending litigation in respect of HEDNO, and is likewise subject to negotiated liability caps.

The SPA is governed by English law and disputes are to be determined by The London Court of International Arbitration (LCIA) in Geneva. The arbitration agreement is governed by Greek law.

### **Shareholders' agreement**

With respect to the sale of 49.0% of the issued share capital of HEDNO, a shareholders' agreement (the "SHA") has been agreed upon as part of the transaction and is in agreed form pursuant to the SPA. The SHA regulates the relationship of the parties regarding the operation of HEDNO and will be executed upon the closing of the transaction relating to the transfer of 49.0% of the issued share capital of HEDNO. This is expected to take place at the completion of the transaction by the end of the first quarter of 2022.

The majority of the board of directors will be appointed by PPC (six (6) out of eleven (11) members), four (4) will be appointed by MAM, and one (1) member will be elected by the employees. The chairman of the board will be nominated by the board's majority. In relation to management appointments, PPC will appoint the Chief Executive Officer and the Chief Operating Officer, while the minority shareholder will appoint the Chief Financial Officer, in all cases from a shortlist of five candidates to be prepared by an international headhunter for each executive position. From each shortlist, the non-appointing shareholder will have the right to remove one candidate. Further, typical veto rights will be provided to the minority shareholder, including the right to approve the business plan and annual budget of HEDNO but only if there is a significant deviation (10.0% or 15.0% depending on the relevant business plan period) in capital expenditure and operational expenditure compared to the business plan already approved by the board. If there is a deadlock with respect to a matter requiring the consent of both parties, a dispute resolution mechanism will be introduced, whereby that matter will be escalated to senior executives of both shareholders, who will seek to resolve the deadlock. In the case that no resolution is reached, the matter in question shall not proceed.

Share transfers will be subject to a lock-up period of three years (subject to exceptions for intra-group transfers), while following the lapse that period, share transfers will be subject to a right of first offer, with a prohibition on partial transfers. Further, following the fifth anniversary of the SHA, the minority shareholder will have the right to request an initial public offering (IPO), which will not result in any dilution of PPC's share capital of HEDNO and will need to be approved by both shareholders. Last, the minority shareholder will be provided with a right to request from PPC to acquire all its shares at the fair value at the relevant time, which will be exercisable on the condition that it has first requested an IPO and has attempted and failed to effect a private sale of its shares in HEDNO. This put option will only be exercisable within a limited period following the eighth anniversary of the SHA. Under the terms of the SHA, and subject to certain conditions, HEDNO will distribute as dividend the maximum of €85.0 million and the 95.0% of the previous year's net profits, of which 51.0% will be paid to PPC and the remaining 49.0% will be paid to HEDNO's non-controlling shareholder. Dividends will be distributed to shareholders on a semi-annual basis.

The SHA shall be governed by and construed in accordance with Greek law. Any dispute arising out of or in connection with the SHA, shall be referred to and finally resolved by arbitration under the LCIA Rules.

## 14. ELEMENTS OF REGULATORY FRAMEWORK

*All capitalised terms used in this section “Elements of Regulatory Framework” and not defined herein shall have the meaning given to them under “Glossary.”*

### 14.1. Overview of the Greek electricity market

#### ***Introduction***

The regulatory framework for the Greek energy market has changed significantly over the past two decades as a result of the implementation of EU legislation and Greek government measures aiming at the liberalisation of the sector and the enhancement of competition in a market whereby the former state-owned, vertically integrated monopolistic companies in both electricity and natural gas sectors have lost their monopoly and have been restructured according to the unbundling requirements of the 3rd EU Energy Package.

The Greek electricity market is organised around four key activities: generation, transmission, distribution, and supply and trading.

The structure of the market is schematically divided into two elements: the central element, which includes the activities of the networks, namely the construction, upgrading, management and exploitation of transmission and distribution infrastructures, and the flanking elements (the competitive activities) which include the generation activity, on the one hand and the supply and trading of electricity on the other hand. The flanking elements are the only ones that have been fully opened to competition. The infrastructures of transmission and distribution networks are considered as natural monopolies. These infrastructures provide third-party market players with access to them via the introduction of non-discriminatory regulated intervention rules subject to certain exemptions (the “third party access regime”), coupled with the implementation of the “unbundling” regime, namely the functional, control or structural-based separation of the generation and/or supply assets from the physical transmission or distribution networks achieved by member states through one of the relevant schemes provided in the respective 3rd EU Energy Package (namely either ownership or operational unbundling roll-outs).

The Greek electricity market is marked by the differentiation between the interconnected and non-interconnected areas of Greece, *i.e.* the parts of Greece that are interconnected to the Transmission System (mainland and certain islands interconnected to the grid via submarine cables) and the Non-Interconnected Islands. This geomorphic characteristic affects all four of the key activities in the market and, together with the distinction between extra high/high and medium/low voltage power and other factors, defines the operational characteristics of the Transmission System from one hand and the Distribution Network on the other.

The core legislative text underpinning the regulation of the Greek energy market is the Energy Markets Law which transposed into Greek law the 3rd EU Electricity Directive, as well as the 3rd EU Natural Gas Directive (also known as the 3rd EU Energy Package). Notably, the European energy markets framework is undergoing another substantial reform with the introduction of the “Clean energy for all Europeans package” (see “—*Recent developments in the Greek electricity market.*”)

#### ***The Regulator***

Monitoring of the energy sector is performed by the Ministry of Environment and Energy and RAE. The Ministry is in charge of setting out the energy policy while RAE is an independent administrative authority, established in 1999 by virtue of the Liberalisation Law, which is authorised to control, regulate and supervise the operations of all sectors of the energy market.

Although initially limited compared to other international practices, RAE’s role was enhanced notably following the implementation of the 3rd EU Energy Package by virtue of the Energy Markets Law (and the Law 4425/2016). Following the relevant reform, RAE is designated as the competent authority for the monitoring of the security of energy supply and the granting, modification and revocation of all producer certificates/production licences (until the implementation of the eventual



shift of RAE's competency to issue the said producer certificates to another administrative body under the provisions of Law 4685/2020) required for the undertaking of energy activities, including the production, transmission, distribution, supply and trading of electricity and natural gas. RAE's other competencies include, among others, the approval of the tariffs of non-competitive activities, the granting of exemptions to the third-party access regime and the certification of the transmission system operators for both electricity and gas and the certification of distribution system operators for gas. It is expected that the role and tasks of RAE are to be further expanded to include provisions of Directive 944/2019, upon it being transposed to the Greek legislation.

Finally, RAE is entitled to conduct studies, publish reports and resolve or propose the enactment of measures especially with respect to the observance of competition rules. RAE may enact regulatory measures in order to secure the smooth operation of the energy markets and cooperates closely with the Hellenic Competition Commission where this is necessary.

RAE is accountable to the Greek Parliament. Its decisions and actions over each year are reported in an annual report submitted to the Greek Parliament, the Minister for Environment and Energy, the Agency for the Cooperation of Energy (ACER) and the European Commission. The annual report also contains a review of the budget implementation.

## **Generation**

### *General regime—Interconnected System*

RAE is the authority responsible to grant producer's certificates (formerly production licences) in Greece (until the eventual shift of RAE's competency to another administrative body under the provisions of Law 4685/2020). The process, requirements and conditions to obtain such certificates/licences primarily depend on the type of the power plant (thermal, hydro, non-SHHP, RES, CHP) and take into account a number of different parameters, as depicted in the Producer's Certificate Regulation (Government Gazette, Issue B' 5291/2020). A producer's certificate has a specific, renewable term and can be revoked for, among other things, a breach of obligations or insolvency of the certificate holder. The issuance of a producer's certificate is followed by environmental and installation licensing and then, after the relevant conditions are met, by the operation licence. The scope of the currently applicable Law 4685/2020 is the further simplification and automatization of the first step of the licensing process, *i.e.* the issuance of the producer's certificate and its amendment, for RES and CHP projects. Various transitional provisions of practical significance are set out in the Law 4685/2020, applying also to holders of installation and operation licences.

In addition to its responsibility to grant producer's certificates for RES and CHP projects, RAE is also responsible for issuing licences for the construction of power stations and the generation of conventional electricity. The conventional power generation licences are granted in accordance with Article 13, paragraphs 1 and 2 and Article 135 of the Energy Markets Law, as well as Ministerial decision no. Δ5-ΗΛ/Β/Φ1/οικ.17951/6.12.2000 ("Power Generation and Supply Regulation"). The conventional power generation licences were introduced by virtue of the Liberalisation Law, according to which these licences were at the time granted by way of a decision of the Greek Minister for Development following the prior opinion of RAE and the incumbent power transmission operator.

The environmental licensing of projects and activities is governed by the provisions of Law 4014/2011, as amended by Law 4685/2020 and as each time in force and is differentiated depending in the type and the installed capacity of the RES plant. The approval of a project's environmental terms may be granted, following the evaluation by the environmental licensing authority of the environmental impact assessment study and the various opinions of other competent public bodies, such as the forestry, antiquities, and civil aviation authorities, etc. The decision on the approval of the environmental terms is valid for an initial period of 15 years. One of the most significant amendments introduced by Law 4685/2020 relates to the extension of the validity period of the approval of the environmental terms from 10 to 15 years, which can even reach 21 and 19 years respectively if the project has in place an Eco-Management and Audit Scheme (EMAS) or ISO 14001. It is worth mentioning that the above apply also to the approval of environmental terms decisions' being in force at the time of publication of Law 4685/2020 (*i.e.* on 7 May 2020) the term of which has been extended automatically in accordance, provided that the relevant projects meet the conditions set

out in that law. Law 4685/2020 has introduced shortened deadlines regarding the individual administrative steps for the issuance, amendment and renewal of Environmental Terms Approval. Furthermore, the role of the certified evaluators has been upgraded, and they may also be appointed by the public environmental authorities, following project company's request, in order to perform the duties initially undertaken by the environmental authorities.

The installation licence that follows the issuance of the producer's certificate/production licence represents the second major step in the licensing procedure (following the issuance of the Environmental Terms Approval) and the most critical during the pre-implementation stage of a Renewable power plant. This licence principally relates to the determination of planning, commissioning and environmental compliance measures of a Renewable power plant under development. In effect, only upon granting of the installation licence, the developer is entitled to proceed with the works for the construction of the power plant (upon the reservation that the licence holder will duly proceed with the issuance of the necessary building licences required), enter into an agreement with IPTO for the connection of the power plant with the Transmission System or with the Distribution Network. The operating licence is granted, following completion of the commissioning period, by the authority that is competent for the issuance of the installation licence. The operating licence is issued for a period of at least twenty (20) years and may be renewed for up to twenty (20) years. In relation to the solar-thermal parks the operating licence shall be valid for a period of twenty-five (25) years and may be renewed for an equal amount of time.

#### *PPC's status*

When the market was first liberalised in 1999, we were granted by operation of law a single production licence for all of our existing power plants and those under construction as at January 2002, whose terms have been specified in the Unified Power Production Licence. Major modifications to the operation of these plants will require us to apply for a modification of the Unified Power Production Licence. For all our existing power plants included in the aforementioned single production licence as well as for our power plants licensed until 3 December 2019, (other than those for which a stand-alone operating licence had been issued), including the power plants of our wholly-owned subsidiary PPC Renewables, we were subsequently granted a temporary unified operation licence which is currently into force until 31 December 2021, by virtue of Article 32 of Law 4643/2019. PPC will promptly submit a new request for the extension of this temporary unified operation licence in a timely manner. For the construction of new RES and CHP plants, we apply for new producer's certificates for each separate installation.

According to paragraph 6 of the Second Article of the Unified Power Production Licence, PPC shall notify any change affecting the control exercised over PPC to the Minister of Development and RAE. Change of control is permitted provided either that, upon RAE's opinion, the Minister of Development consents thereto in writing or after the expiry of a thirty-day deadline from the submission of the above notification. During such thirty-day period, the Minister of Development has the discretion, upon RAE's opinion and, to commence a process for the modification or revocation of the Unified Power Production Licence. As provided for therein, "the concept of control of the enterprise is: (a) as defined in Law 703/1977, as in force, as well as (b) any other transaction in PPC's shares for which notification is required under the rules of operation of the Athens Stock Exchange."

The above Unified Power Production Licence covers, among others, the power production from (a) 16 large-scale hydroelectric power plants, currently operated by PPC and (b) four hydroelectric power plants (two of them are currently under development by PPC). The Unified Power Production Licence provides for different expiration dates for each hydroelectric power plant. PPC was granted the exclusive right to build and operate hydroelectric power plants using the power derived from flowing water, rivers and lakes by virtue of Article 2 of Law 1468/1950. Pursuant to Article 1 of Law 1488/1984, it was provided that any private or forest land plots required for the construction by PPC of power generation plants/facilities may be secured through mandatory expropriations. Such mandatory expropriations are declared in favour of the Greek State and conducted by PPC, with the latter being responsible for the payment of the applicable expropriation compensations. Based on the same provisions, PPC has the exclusive right to use the expropriated land, while, once the expropriation above ceases to serve its purpose, PPC will be required to hand-over the relevant plots of land to the Greek State. Both (a) the exclusive right to build and operate hydroelectric power plants

and (b) the exclusive right to use the expropriated plots of land, are of indefinite duration and may be directly revoked through legislative provisions or indirectly revoked in the event that RAE does not renew the Unified Power Production License for specific hydroelectric power plants.

Moreover, we have been granted by virtue of Law 3734/2009 a production licence for the refurbishment and replacement of old power plants with new power plants of modern technology, without any limitation as to the installed capacity. Two months prior to the connection of each of our new power plants to the grid, we are to file an application to RAE indicating which of our old power plants of equal installed capacity are to be replaced by the new power plant(s). These old power plants are either decommissioned or are designated as Cold Reserve Units on the basis of a decision of RAE following the recommendation of the competent grid operator.

### *Non-Interconnected Islands*

Subject to special provisions for RES and CHP projects, for all Non-Interconnected Islands which are not qualified as Micro Isolated Systems, every two years RAE prepares a list of the new power plants which it considers to be required over the next five-year period in order to cover the electricity needs. This list includes existing power plants which need to be replaced and takes into account the productions licences that have been granted in accordance with the previous regime (Power Generation and Supply Regulation). A producer's certificate may be granted to us by virtue of the Energy Markets Law, upon a decision issued by RAE, in two cases: (i) upon an unsuccessful tender process initiated by RAE, should the latter considers that the granting of producer's certificate through the application process is insufficient, and (ii) in case of emergency, as confirmed by RAE.

In relation to Micro Isolated Systems, HEDNO is responsible for the uninterrupted supply thereto and for safeguarding the long-term financial operation of the electricity networks on these islands. Although a derogation had been granted to the Hellenic Republic by the European Commission from the provisions of the 3rd EU Energy Package, according to which authorisations for refurbishing, upgrading and expanding existing capacity within Micro Isolated Systems could be granted directly to PPC, such derogation has ceased to exist from 1 January 2021.

Furthermore, the Producer's Certificate Regulation, as described below under "*Further reform in the RES sector*," applies to RES and CHP projects. Apart from the general provisions of such regulation, especially for the Non-Interconnected Islands, the compatibility of the plant with the respective autonomous electricity distribution network of the Non-Interconnected Islands is examined. Special provisions apply for hybrid plants.

### *Transmission*

The Transmission System, often referred to as the "Interconnected System," spreads over the mainland of Greece. The Ionian Islands, along with certain Aegean Islands, are also included in the Interconnected System, to which they are connected through submarine cables. The electricity system of a significant number of the Hellenic islands is still not connected to the Interconnected System and comprises a separate network the "Non-Interconnected System." With the recent completion of the first phases of the project for the connection of specific Cyclades islands to the Interconnected System by IPTO, the electrical systems of Paros (including Naxos, Antiparos, Ios, Sikinos, Folegandros, etc.), Syros and Mykonos were interconnected. The majority of the Aegean islands (Crete, rest of the Cyclades islands, Dodecanese islands, NE Aegean) will also be interconnected with the Hellenic Electricity Transmission System in the period 2020-2030, starting with the interconnection of Crete with Peloponnese (the so-called "small interconnection" (Phase I)), which is already in commercial operation, followed by the interconnection of Crete with Attica (the so-called "large interconnection" (Phase II)), expected to be completed by 2023, in accordance with the interconnections planning of IPTO which is updated annually. The interconnection of Crete with the mainland is a project providing for reliable and sufficient power supply for Crete and reducing relevant PSOs. The large interconnection is expected to be part of Phase II interconnection between Greece, Cyprus and Israel as a supporting connection increasing the supply security. In addition, the project is expected to improve the environmental footprint due to the significant reduction of pollutant emissions, while also encouraging new investments in the RES sector.

Following completion of the grid interconnection projects for the non-interconnected islands, IPTO assumes responsibility of their electricity networks.

The operation of the Interconnected System is vested with the IPTO which was established by virtue of the Energy Markets Law. IPTO not only operates the system but is also the exclusive owner of the electricity system assets; it was PPC's 100.0% subsidiary which, following a divestment plan driven both by the 3rd EU Energy Package and the provisions of the Restructuring and Privatisations Plan, is currently owned partly (51.12%) by the State through DES ADMIE SA and partly (49.0%) by private investors, including the Chinese State Grid. As at 20 June 2017, IPTO has been following the Ownership Unbundling model in full harmonisation with the 3rd EU Electricity Directive.

IPTO is responsible for the operation of the transmission system, including the scheduling and dispatch of generating units, real time operation, the connection to other systems, the preparation and update of the system development plan, and the procurement of Ancillary Services and reserves. As from enactment of Law 4425/2016, IPTO is also responsible for the operation of the Balancing Market. IPTO must provide all services under transparent, objective and non-discriminatory criteria so as to avoid any discrimination among System users of other categories. RAE certified IPTO as an Independent Transmission Operator with its initial decision no. 672/26.07.2012 and, following the positive opinion of the European Commission, with its final decision no. 962A/5.12.2012, and further, as ownership unbundled transmission system operator by virtue of its decision no. 475/2017.

IPTO sets the unitary charges per category of users of the System and RAE approves the same on the basis of IPTO's annual required revenue (*i.e.* the sum of IPTO's annual System cost, plus the annual cost of any additional works for the expansion and/or the reinforcement of the System not covered by IPTO, as per the Grid Code), also taking into account: (i) adjustments regarding differences in budgeted amounts for new investments and operational costs (only for significant deviations); as well as (ii) any IPTO's revenues collected from interconnection congestion fees approved for reducing the use of System charges in accordance with Regulation (EU) 2019/943 (Article 19). These cost reflective tariffs enable the required investments for efficient transmission services and must not discriminate between System users. For this purpose, RAE approves annually the required System revenue for the next year with a reasonable profit for IPTO.

### ***Hybrid model for the operation of the electricity market in Crete***

RAE has recently opted for the implementation of a transitional hybrid solution for Crete, in order to cover the island's energy needs, enabling its participation in the Target Model wholesale energy markets, following the full commercial operation of Crete's small scale interconnection with Peloponnese (Phase I). The new interconnection line with Peloponnese acts as virtual power plant, given that it is expected to operate in its maximum capacity in order to cover Crete's increased demand. To achieve the immediate use of the small scale interconnection line (which is expected to result in reduced PSOs and, ultimately, costs for power supplied in Crete by ensuring the adequate commercial operation of the Phase I interconnection and the respective security of supply), RAE invited, through a public consultation, all interested parties to submit their views by 9 June 2021 on the two proposed hybrid models for the operation of the electricity markets in Crete.

Following the conclusion of the public consultation, RAE announced that the second proposed hybrid model was selected. Under the adopted transitional hybrid solution, Crete will purchase the electricity transmitted through the small-scale grid by participating in the target model electricity markets of the Interconnected System. HEnEX will submit the orders on behalf of the load representatives and thermal units generating and supplying electricity in Crete in the day-ahead and intra-day electricity markets of the Interconnected System, while DAPEEP will be in charge of submitting orders for RES production. This model will apply during the transitional period until the commencement of the operation of the Crete-Attica interconnection line (Phase II), which is expected by the end of 2023.

Based on Articles 106-108 of Law 4821/2021, and in accordance with Article 108D of the Energy Markets Law (added by 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 will pass from HEDNO to IPTO on 1 November 2021 according to the latest RAE decision no. 734/28.09.2021. The

optical-fibre cable network was exempted from such transfer. These provisions regulate, among others, the transitional model of the market following the electrification of the Crete's small scale interconnection with Peloponnese (Phase I) and the calculation method of the consideration for the transfer of the above assets. Employees of HEDNO whose scope of work was the operation of the control center of the Crete's transmission system may be transferred, upon their application, to IPTO.

### ***Distribution***

The Distribution Network is currently operated pursuant to RAE's decision no. 83/2014 by HEDNO, which was established in 2012 following the spin-off of the distribution segment from PPC to a wholly-owned subsidiary thereof as a means to achieve the legal and functional unbundling of electricity distribution network operation activities from the other activities of PPC's vertically integrated undertaking in accordance with the Energy Markets Law. By operation of law, PPC retained ownership of the Distribution Network and was granted an exclusive Distribution Network owner's licence (the "Network Ownership Licence") from RAE by virtue of its decision no. 82/2014. This licence covers all future extensions of the Distribution Network and specifies PPC's relevant rights and obligations, especially regarding its relationship with HEDNO and the securing of the latter's operational independence. HEDNO is responsible for the development, operation and maintenance of the Distribution Network under economically advantageous terms, so as to ensure its reliable, efficient and secure operation, as well as its long-term ability to respond to reasonable energy needs, while conscious of the environment and energy efficiency. As part of the ongoing process for the sale of 49.0% in HEDNO, PPC will transfer the ownership of all assets comprising the Distribution Network assets and liabilities from PPC to HEDNO by way of the Hive-Down. Upon completion of the Hive-Down process, HEDNO will be the owner of the assets and liabilities comprising the Distribution Network (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) and will continue operating the Distribution Network.

HEDNO is responsible for ensuring in the most economical, transparent, immediate and impartial manner the access of all users (consumers, producers and suppliers) to the Distribution Network, in order for them to engage in their activities.

In addition to Energy Markets Law, which outlines the operation, development, maintenance and access of users to the Distribution Network, the main regulatory text which defines the above is the "Hellenic Electricity Distribution Network Code," which was approved by virtue of RAE's decision no. 395/2016 and amended by virtue of RAE's decisions nos. 701/2017, 1442/2020 and 1238A/2020. The content of the aforementioned code regulates the rights and obligations of HEDNO, as well as the rights and obligations of Network users and suppliers, governing the issues related to the planning, development, operation and access to the Distribution Network, and the services provided by HEDNO. The details of the implementation of the provisions of the above code, as well as the necessary procedures and calculation methodologies required for its implementation, are set out in the application manuals which are an integral part of the code. The manuals already approved by RAE, which have been published and are in force, are the "Manual of Power Theft," which was approved by RAE's decision no. 236/2017 and the "Manual on Measurements Management and Regular Clearing of Network Providers," which was approved by RAE's decision no. 404/2015. In the context of improving the services provided to users, RAE has approved a programme called "Guaranteed Services to Consumers." The aforementioned code and manuals along with the supporting legislation provide among others for HEDNO's obligations towards Distribution Network users, whereby the company is committed to offer a specific quality of service in terms of maximum response time for a list of guaranteed services, such as response to written requests or complaints, maximum timing compliance to an agreed visit for technical inspection and maximum timing compliance for connection to the Distribution Network.

RAE adopted on 26 October 2020, the regulatory framework for the calculation of the allowed revenue for the electricity Distribution Network. RAE recently adopted decision no. 632/2021 for the approved cost and required revenue for the next regulatory period (2021-2024). The main elements introduced are summarised as follows: (i) pluriannual regulatory period (3-5 years) with first two regulatory periods set at four years (2021-2024 and 2025-2028), (ii) introduction of a revenue cap methodology, (iii) application of controllable operating expenses subject to efficiency incentives,

(iv) remuneration of the RAB, based on a calculation of the weighted average cost of capital (WACC) (the first regulatory period 2021-2024 is excluded from the calculation), (v) projects qualified as “projects of major importance,” eligible to additional premium, (vi) incentives to reduce the network losses (penalty/reward scheme), and (vii) introduction of incentives to improve the quality of service (penalty scheme for not meeting defined standards) and a (reward/penalty scheme) quality of supply standards.

The Non-Interconnected Islands Network (of which PPC is also an exclusive owner) is also operated by HEDNO that is appointed by law as the operator of the Non-Interconnected Islands Network on the basis of the code for the electricity system’s management of the Non-Interconnected Islands, effectively opening the Non-Interconnected Islands’ market to other suppliers, as of 1 January 2018. In implementation of the Non-Interconnected Islands electricity system management code, RAE has approved the “HEDNO S.A. Infrastructure Implementation Action Plan” in accordance with decision no. 2014/536/EC/14.08.2014 of the European Commission. The management of the Non-Interconnected Islands Network includes, *inter alia*, the operation of the local electricity distribution networks and the operation of the electricity markets in these islands. For this activity, HEDNO is obliged to obtain a licence for the operation of the Non-Interconnected Islands Network granted by RAE. RAE examines all contractual arrangements between PPC and HEDNO including the concession agreement signed between PPC and HEDNO for the management of the distribution system and the agreements related to the development of the Network as provided for in the respective licences. Moreover, the electricity distribution code, the Non-Interconnected Islands Management Code, the tariff regulation for electricity distribution and the respective tariffs (and all related parameters for their calculation) are approved by RAE. RAE also approves PSOs related to the reimbursement of the additional cost of electricity production at the non-interconnected islands (the “island-PSOs”). The island-PSOs are borne by all Greek consumers, collected by suppliers and recovered by HEDNO.

By virtue of Law 4819/2021 we may transfer the distribution assets (with the exception of (i) the Crete high voltage network, which as of 1 August 2021 became owned by IPTO and (ii) the right of access for the installation and operation of the optical-fibre network, which will remain with PPC) together with related liabilities to HEDNO through the Hive-Down. In June 2021 we commenced the Hive-Down process and the Extraordinary General Meeting held on 19 October 2021 approved the Hive-Down. The Hive-Down is expected to be completed within 2021.

For information relating to the Company’s announced sale of a 49.0% minority stake in HEDNO, please see “*Groups’ Business Overview—Business Overview—Distribution (including HEDNO).*”

## ***Supply and trading***

### *Licensing—entry into market*

The Energy Markets Law provides that eligible entities wishing to supply electricity to customers in Greece or perform wholesale electricity trading activities in Greece, shall be granted a supply or a trading licence, in accordance with the Licensing Regulation. The holder of an electricity supply licence is allowed to perform both activities of supply and wholesale trading, without being required to issue a trading licence, while a trading licence holder is only allowed to perform wholesale trading activities.

Electricity supply and trading licences are issued, amended or revoked by virtue of a RAE’s decision in accordance with the specific terms and conditions provided for in the Licensing Regulation. The power supply licence is granted for a period of up to 20 years and can be renewed following a written request submitted by the holder of the supply licence to RAE at least six months prior to the licence’s expiration date. The licence can be revoked for, among other reasons, a breach of any of the principal obligations of the licensee, as well as in case of insolvency of the licensee.

Third party access to the transmission and distribution systems may be granted to licensed generators and suppliers or traders, to those exempted from the obligation to hold such licences and to Eligible customers. The terms and conditions for the provision of transmission services and access to the transmission grid are regulated by the Grid Code and the rulebooks of the electricity markets

(“Market Rulebooks”), *i.e.* the Day-Ahead, Intra-Day, Balancing and Energy Derivatives Market Rulebooks which are intended to procure, *inter alia*, the non-discriminatory and objective use of the system and the operation of the wholesale power market.

#### *Supply contracts—doing business*

The Energy Markets Law provides for the issuance of a code for the supply of electricity to customers (“Electricity Supply Code”) which is drafted by RAE and ratified by a decision of the Minister of Environment, Energy and Climate Change published on the Government Gazette providing, *inter alia*, for the terms and conditions for the conclusion, amendment and termination of electricity Supply Contracts and, in particular, terms for the protection of consumers (extrajudicial procedures, right to change the supplier, provision of information, indemnification right, etc.). Based on the said provision, the Electricity Supply Code was issued by the Minister of Environment, Energy and Climate Change in April 2013 (Issue B’ 832/09.04.2013), following an opinion from RAE, and amended by the ministerial decision no. 177367/2016 (Government Gazette, Issue B’ 1463/24.05.2016).

Special provisions apply to and are included in Supply Contracts with small customers, *i.e.* household customers regardless of their connection power and non-household customers with connection power up to 25 kVA, and Vulnerable customers.

#### *Switch of Supplier*

Based on the Electricity Supply Code, Supplier switching is allowed following unilateral termination of the previous Supply Contract, either by the customer or by the new Supplier provided it has been given written authorisation by the customer, under the condition that the customer has either previously paid all its overdue debts arising from its contract with its initial Supplier, or it has settled its debts vis-à-vis its initial Supplier under the latter’s debt settlement scheme. Further, based on the Electricity Supply Code, if following switch to another Supplier, the indebted customer fails to make the scheduled settlement payments on the relevant due dates, the previous supplier can request HEDNO to cut-off such customer’s power supply, even though a new power supply contract with the new Supplier is in place. The new Supplier is obliged to submit a meter representation declaration form to the relevant grid operator (*i.e.* IPTO or HEDNO), in accordance with the Grid Code and the Market Rulebooks, within 15 days from the signature of the new Supply Contract.

Such restrictive provisions obliging the customers to having paid or settled any overdue debts before switching Supplier and granting to the previous Supplier the right to request disconnection of customers who fail to meet their obligations under the settlement scheme, had been introduced by the ministerial decision no. 177367/2016 and recently have been annulled by the Greek Council of State on the grounds that they disproportionally confine the customers’ rights. The Greek Council of State, however, recognised that provisions of this kind are public interest provisions and are necessary to prevent the proliferation of debts to Suppliers, noting that pre-existing less restrictive measures had been effective (decision no. 1888/2020).

The respective framework regarding the switch of Supplier, under public consultation until recently, is expected to be revisited. PPC submitted its proposals in all consultation phases on the basis of European practice. RAE, taking into consideration the proposals made by Suppliers has put forward the following new measures.

In brief, RAE proposed:

1. the implementation of a debt-flagging system for consumers having two consecutive unsettled electricity-bills, flagging them with “red,” if energy debt settlement agreements have not been reached, resulting to deprivation of the right to switch Suppliers (debt blocking), or with “green” if energy debt settlement agreements have been reached, allowing, thus, Supplier switching; and

2. power supply cut measures for consumers owing electricity bill amounts, even if a new Supply Contract has been signed with a new Supplier:
  - (i) following termination of the supply contract by the old Supplier, provided that: (aa) the consumer has overdue and unsettled amounts corresponding to two consecutive electricity-bills issued while the supply contract with the old Supplier was still active; and (bb) the old supplier has submitted to the competent grid operator a request for power supply deactivation; and
  - (ii) following termination of the supply contract by the consumer, provided that: (aa) the debt settlement provisions with the old Supplier have not been met; and (bb) the old Supplier has submitted to the competent grid operator a request for power supply deactivation and a debt-flagging request for the consumer within two (2) months following the latter's payment default of its debt settlement scheme. The right of the old Supplier to proceed with the supply deactivation of the consumer rests for twelve months following the completion of the Supplier switch by the consumer, in the first case, or the debt-flagging of the consumer, in the second case.

RAE proposed that these measures be implemented for a one-year period before being reassessed. A ministerial decision is pending regarding the final status of Supplier switching.

In any case, Suppliers may exercise their lawful rights for claims against customers related to unsettled debt irrespective of switching.

#### *PPC's status*

We hold a supply licence of 11,500 MW, which is valid until 10 December 2027. Our Supply business unit carries out this licensed activity. Our current Supply Contracts are fully harmonised with the Electricity Supply Code requirements and the pertinent regime.

#### *Tariffs*

After a long period of regulated prices, electricity supply tariffs to customers were fully liberalised and freely set by Suppliers, with Low Voltage tariffs being the final stage of the liberalisation as of July 2013. According to the tariff setting principles set out under the Electricity Supply Code, Suppliers are obliged to adopt specific basic principles during pricing and tariff setting, in order to ensure fair competition in the electricity market and protect the interests of consumers. For this purpose, the tariffs set must reflect the actual cost of electricity supply, not discriminate between customers of the same category and characteristics, not distort competition, and be clear and transparent towards the customers.

Following RAE's decision no. 409/2020 (Gazette B 1364/14.4.2020) regarding regulatory guidelines for transparency in Low Voltage tariffs and due to the high increase in prices in the energy sector globally, RAE launched a public consultation on 9 August 2021 (which, following an extension, was eventually completed on 15 September 2021) regarding the necessary legal and regulatory provisions in order to align the Greek legal framework with Directive 2019/944 focusing on the strengthening of the position of customers and the promotion of fair competition among power suppliers; these new provisions shall address matters such as the provision of appropriate information to the customers, securing of fundamental customers rights, as well as the enhancement of transparency and comparability of the power supply tariffs. In summary, the key changes proposed by RAE are the following:

1. Abolition of the minimum fixed payment in all invoices, suggesting that the suppliers should not be able to recover other costs or profits from such fixed amounts;
2. Abolition of the withdrawal clause in the power supply contracts of customers with floating tariffs (*i.e.* those exposed to fluctuations in the wholesale market), in order to facilitate the switching of suppliers without imposition of penalties;



3. Introduction of two general categories of invoices for each supplier: (i) a fixed charge invoices, *i.e.* securing changes independent of wholesale price fluctuations and (ii) floating charge invoices, *i.e.* exposing customers to market conditions;
4. Measures to secure transparency in the activation of adjustment clauses. Indicatively, specific margins and limits to be introduced on adjustments based on the Market Clearing Price for customers with floating changes contracts; and
5. Defined procedure on the notification of consumers of a modification in pricing policy through an adjustment clause.

Following receipt of the market's feedback, the outcome of the above public consultation process is expected to be reflected in the upcoming broader amendment of the Electricity Supply Code.

#### *Public Service Obligations (PSOs)*

According to the provisions of the Energy Markets Law, PSOs, other than the specific PSOs undertaken by the Supplier of Last Resort and the Universal Service Provider which fall exclusively under item (ii) below, may be imposed by virtue of a ministerial decision of the Minister of Environment and Energy either: (i) to all companies exercising the relevant activity or (ii) to companies selected through tender procedures on the basis of the possibility to provide the relevant service at an optimal cost (which include, among others, customers on the Non-Interconnected Islands). The methodology of calculating the consideration to be paid for the provision of such services and the costs to be incurred by us in this respect are set forth by virtue of RAE's decision.

Customers located in the Non-Interconnected Islands enjoy electricity supply service at the same tariffs as any other customer, regardless of the cost of their connection and supply. The difference between the cost of providing electricity to the customers in the Non-Interconnected Islands and the tariffs applied to the customers in the Interconnected System is considered as provision of public service, and should be compensated by a special charge for PSOs. The PSO levy constitutes a regulated separate charge which is allocated based on a specific methodology stipulated by a decision of RAE.

Vulnerable customers who are eligible for receiving SRTs include the following categories: (i) SRT Category A: customers who meet the criteria for the social solidarity payment and (ii) SRT Category B: customers who meet concrete fiscal and income criteria and income thresholds, combined with cases of households with one or more individuals who are 67.0% or more disabled, or requiring mechanical support from medical devices or having additional minor members.

Vulnerable customers who are eligible for receiving SRTs have a discount on the household tariff (reduced tariffs) irrespectively of the Supplier. The discount is considered as PSO.

Suppliers of last resort supply customers not represented by a Supplier for reasons for which their most recent Supplier is responsible. This type of supply is temporary and is provided for a maximum of three months, in order to give customers sufficient time to negotiate a new contract with a Supplier of their choice. Following the issuance of a new successful tender by RAE on 22 June 2020, the role of Supplier of Last Resort was assigned until 28 September 2022 to another electricity Supplier, namely Elpedison S.A. by virtue of RAE's decision no. 1352/2020.

Following RAE's unsuccessful tender to nominate a single Universal Service Provider we are currently vested, according to ministerial decision no. 57469/2612 (Government Gazette, Issue B' 2440/17.06.2020), with the obligation to provide the relevant service until 22 June 2022, along with four other suppliers having a significant market share in the Interconnected System (in total five suppliers who have the most significant market shares). As Universal Service Provider, we supply household customers and small enterprises with connection capacity up to 25kVA, who either fail to exercise their right to select a Supplier or are unable to find a Supplier in the liberalised market at the same commercial terms they previously had.

## 14.2. Recent developments in the Greek electricity market

### *Overview of the “Clean energy for all Europeans package”*

Based on the European Commission’s proposals published in November 2016, the “Clean energy for all Europeans package” was adopted in 2019, which is expected to gradually transform the internal energy market towards a sustainable, low carbon and environmentally friendly economy. It consists of eight legislative acts as follows:

- the recast Renewables Directive (2018/2001/EU) which sets a new binding renewable energy target for the EU for 2030 of at least 32.0% (with a clause for a possible upwards revision). It also comprises sectoral measures for enabling the achievement of the above goal. Such measures include new provisions for enabling self-consumption of renewable energy, an increased 14.0% target for the share of renewable fuels in transport by 2030 and strengthened criteria for ensuring bioenergy sustainability. This Directive has not yet been transposed into Greek law;
- the Energy Performance of Buildings Directive (EU 2018/844) which sets forth specific measures for the building sector amending provisions which were already in force by virtue of Directive 2010/31/EC; it has been transposed into Greek law by virtue of Articles 56-71 of Law 4685/2020 (Government Gazette, Issue A’ 92/07.05.2020) as well as by virtue of Articles 21-24 of Law 4710/2020 (Government Gazette, Issue A’ 142/23.07.2020);
- the revised Energy Efficiency Directive (Directive 2018/2002) which sets forth energy efficiency targets of at least 32.5% for 2030 and is expected to be transposed into Greek law shortly, as the draft law by virtue of which such directive will be transposed into Greek law has already been submitted to the Greek Parliament. The national transposition was due 25 June 2020, other than the transposition of points 5 to 10 of Article 1 and points 3 and 4 of the Annex which should have occurred by 25 October 2020;
- the Regulation on the governance of the energy union and climate action (EU) 2018/1999 which sets forth strategies and measures ensuring that the EU’s targets are met. Such measures include the enhancement of cooperation between member states, the reduction of administrative measures the updating of the currently applicable monitoring and reporting system which include member states’ obligation to prepare integrated national energy and climate plans (NECPs) covering ten-year periods starting from 2021 to 2030; and
- the electricity market design set of measures which comprises four different sets of measures as follows: (i) the Directive on common rules for the internal market for electricity (EU) 2019/944, which, *inter alia*, establishes the energy storage framework, aiming to stabilise fluctuations in demand and supply of energy and to play a key role in the transition towards a carbon-neutral economy. The distinctive transposition deadlines of this Directive were 31 December 2019, 25 October 2020 and 31 December 2020. Greece has transposed partially the said Directive by virtue of specific Articles of Law 4643/2019 (Government Gazette, Issue A’ 193/03.12.2019) with regard to the points which had to be transposed by 31 December 2019, (ii) Regulation (EU) 2019/943 on the internal market for electricity which introduces a new limit for power plants eligible to receive subsidies as capacity mechanisms and also setting forth rules and provisions enhancing consumers’ protection; harmonisation by virtue of Article 26 of Law 4643/2019, (iii) Regulation 2019/941 on risk preparedness in the electricity sector requiring Members States to prepare plans for how to deal with potential future electricity crises, and (iv) Regulation (EU) 2019/942 establishing an EU Agency for the cooperation of energy Regulators.

### *Implementation of the EU Target Model*

The EU Target Model is the main regulatory vehicle for achieving energy market integration in the EU. It establishes common rules to facilitate efficient use of cross-border capacity and to encourage harmonisation of the European wholesale market arrangements, price coupling of the electricity markets being the main objective. Across the market coupled area as a whole, consumers benefit from lower prices as demand is automatically matched with the cheapest generation in Europe as long as there is sufficient cross-border transmission capacity.

In Greece, the EU Target Model went live on 1 November 2020 replacing the Pool. According to the new market design, the following markets currently operate:

- *Day-Ahead Market (the “DAM”)*: The DAM refers to buy and sell trades of electricity with an obligation of physical delivery for the next Delivery Day D. The Greek day-ahead price is calculated at the same time and through the same process as prices in neighbouring markets. Prices across borders are expected to converge when sufficient cross border capacity is available.
- *Intra-Day Market (the “IDM”)*: The IDM refers to buy and sell trades of electricity with an obligation of physical delivery by submitting respective orders after the DAM gate closure time. Market participants are able to buy or sell energy to fine-tune their positions taking into account changes in demand or outages. The purpose is to be allowed cross-border trading of electricity closer to real time. For intermittent generators, intra-day trading provides an opportunity to manage their positions effectively as the accuracy of their forecast generation improves closer to real time.

According to the DAM and IDM Trading Rulebook, participation in the DAM is optional for all participants except for the producers registered in the participants registry. The DAM constitutes a compulsory market for producers, which are obligated to submit DAM sell orders for the available capacity of the generating units they represent, which has not been already allocated via physical delivery nominations and/or mandatory hydro injections. Participation in the IDM is optional for all participants. The DAM and the IDM are operated by HEnEx, a Nominated Electricity Market Operator (NEMO) for the Greek Bidding Zones. HEnEx was founded through a spin-off from the electricity market branch of LAGIE, *i.e.* the previous market operator, by virtue of Law 4512/2018.

- *Balancing Market*: Following gate closure, the EU Target Model requires balancing between transmission system operators (TSOs) using any remaining available capacity. The Balancing Market, which is operated by IPTO, is the market where participants offer electricity, used by IPTO to maintain the System frequency within a predetermined range, *i.e.* to maintain the smooth operation of the System, as well as the balance between electricity generation and demand, while observing the electricity exchange programmes with neighbouring countries. It includes the Balancing Capacity Market, the Balancing Energy Market and the Imbalances Settlement. Certain participants representing dispatchable generating units have the obligation to submit offers, with the obligation of physical delivery of all their available power, while other participants representing dispatchable RES portfolios or dispatchable load portfolios have the right to submit offers to IPTO. Consumers should benefit from lower balancing costs and improved security of supply as this improves the national grid’s access to cheaper balancing resources in neighbouring markets, when available. Notably, RAE recently imposed restrictions on Balancing Market offers, by virtue of its decision no. 54/2021 (Government Gazette, Issue B’ 531/10.02.2021).

In addition, a regulated Energy Derivatives Market operates as of 23 March 2020, following the approval of the HCMC. The participation in this market allows participants to hedge the risk of fluctuations in electricity power prices or on arbitrage. The organisation and support of its transactions is realised by HEnEx, whereas the clearing is under the responsibility of ATHEXClear, a company member of the Hellenic Exchanges Group (HELEX). This market allows participants to enter into contracts for the purchase and sale of electricity outside of it (bilateral agreements), with the option of physical delivery as of 1 November 2020, as defined in the relevant market regulation and to trade energy financial instruments.

In the longer term the EU Target Model will accelerate the development of cross-border markets based on increasingly harmonised long-term rights to access capacity on interconnectors (long-term transition rights). These changes are expected to enhance long term hedging opportunities for all Greek market participants.

Further RAE’s decision no. 1008A/2020 has set forth specific market power mitigation measures touching upon power suppliers with a market share above 4.0%. Specifically said decision set forth a threshold of 20.0% regarding the capacity which may be supplied through bilateral agreements by the

above-mentioned category of suppliers. By virtue of RAE's decision no. 1657/2020, the validity of the above-mentioned decision is extended, and, thus, the relevant measure is applicable until 31 December 2021. RAE will re-define the percentages for the next year, taking into consideration the data that will be collected until then.

### ***Regulatory mechanisms and special fees in place***

#### *The Long-Term Power Capacity Compensation Mechanism*

With Article 15 of Law 4618/2019 which superseded Article 95 of Energy Markets Law the establishment of a Permanent (Long-Term) Power Capacity Compensation Mechanism is provided for on the basis of a competitive process, through the auctioning by the IPTO of reliability rights for a predetermined period. The selected providers will be reimbursed for the power availability service at a fee paid by the IPTO. The Long-Term Power Capacity Compensation Mechanism will be funded by charges that the IPTO will impose on the electricity suppliers. Given that the said Mechanism constitutes a form of state aid under the meaning of Article 108 of the Treaty on the Functioning of the European Union (TFEU), the implementation of the Mechanism requires the prior clearance of the European Commission which is currently pending.

#### *Special fee for the reduction of CO<sub>2</sub> emissions (ETMEAR—formerly RES Fee) and Renewables Special Account*

In Greece, the support for electricity from RES and High Efficiency Generation (“HEC”) is financed through various sources gathered in the Renewables Special Account. All RES and HEC units in the Interconnected System and on the Non-Interconnected Islands are financed via the Renewables Special Account, by DAPEEP and HEDNO, respectively. DAPEEP is designated as the entity responsible for managing the Renewables Special Account.

One of the inflow components of the Renewables Special Account is a special fee for the reduction of gas emissions, the so-called ETMEAR levy, imposed on the consumers of electricity through their suppliers. From 1 January 2019 onwards (see Article 143 of Energy Markets Law, as currently in force), a single ETMEAR charge (“Base Charge”) is imposed on all electricity consumers on the electricity consumed. The Base Charge is annually determined by a RAE's decision (see for instance, RAE's decision no. 1654/2020 (Government Gazette, Issue B' 5928/31.12.2020) regarding the determination of Base Charge for 2021).

Reduced tariffs are provided for specific categories of consumers, *i.e.* energy-intensive users, following the issuance of the EC decision SA.52413 (2018/NN). By ministerial decisions are determined the rates of reduced fees of ETMEAR per customer category, the procedure for applying for reduced fees, the eligibility criteria, the obligations of the beneficiaries of the reduced fees as well as other applicable details (see indicatively, Decisions YPIEN/ΔHE/74949/926 (Government Gazette, Issue B' 3152/30.07.2020), YPIEN/ΔHE/108553/2053 (Government Gazette, Issue B' 4295/27.11.2019)).

Law 4759/2020 (Government Gazette, Issue A' 245/09.12.2020) has introduced a number of measures to address the deficit of the Renewables Special Account, which are summarised as follows:

- a one-off special contribution for 2020 in relation to RES projects that are on a Feed-in Tariff regime and were commissioned before 31 December 2015. The extraordinary contribution aims to counteract the side effects of the COVID-19 pandemic and will be equal to 6.0% of the eligible RES projects' annual turnover for 2020;
- a one-off extraordinary fee imposed on suppliers, equivalent to €2.0/MWh for the year 2021; such fee is established as a contribution of electricity suppliers in the Renewables Special Account's financial stability. While, as from 1 January 2021, a charge based on the average variable cost of thermal units imposed on suppliers was abolished; and

- a special “green” tax imposed on the consumption of diesel fuel equal to €0.03/litre, aiming to further support “green” projects and actions that contribute to the reduction of emissions (indicatively, support for the development of RES projects, development of electric vehicles, etc.).

#### *NOME auctions discontinued*

NOME (per the acronym of the respective French regime) auctions were introduced by Law 4389/2016 as a transitory regulatory measure aiming at reducing PPC’s retail electricity market dominance effectively by auctioning electricity generated by its lignite and hydropower plants to its competitors. This measure was abolished in 2019. However, recently, third parties have gained access to energy produced from lignite plants through futures contracts traded on energy exchanges, as a result of an agreement between the European Commission and the Greek State. Legislation is pending on the above issue.

#### *Further reform in the RES sector*

A first batch of rules introducing material reforms in the RES sector was introduced through the enactment of Law 4685/2020, which touched upon the production licence, replaced by the producer’s certificate and the environmental clearance of RES projects. By delegation of such law, in December 2020 the Producer’s Certificate Regulation was enacted by virtue of ministerial decision YIEN/ΔΑΠΕΕΚ//114746/4230 (Government Gazette, Issue B’ 5291/2020). The key pillar of such law is the replacement of the production licence with the so called “producer’s certificate” which shall be henceforth issued electronically and shall require the payment of a one-off levy to be calculated on the basis of the respective project’s capacity. Another significant amendment consists in the introduction of specific deadlines within which RES projects need to be developed. This law also introduced significant amendments notably through the extension of the duration of the Environmental Terms Approval issued for various projects (including RES) and the simplification and acceleration of the environmental licensing process. Further to the first set of rules enacted in May 2020, the Greek government is currently examining to adopt specific “corrective” measures touching upon the actual implementation and operation of the projects, aiming to address the abundance of applications made within the first licensing cycles by entities which had not secured land rights over the areas of interest. The envisaged measures include the obligation to submit a letter of guarantee and the explicit consent of the owner of the land where the project is to be located upon submission of the application for the issuance of the producer’s certificate. In this context, pursuant to Law 4819/2021, RES investors applying for producer certificates concerning RES projects over 1 MW need to submit accompanying letters of guarantee to RAE equal to an amount of €35,000 per MWh as part of the application process. Such amount may be amended from time to time by virtue of a ministerial decision. This obligation also applies to holders of a production licence or a producer’s certificate issued before the entry into force of this law (*i.e.* 23 July 2021) in case an application for the binding grid connection offer has not been submitted yet—in respect of these projects, the letters of guarantee should be submitted to RAE by 28 February 2022 at the latest. The below categories of projects are exempt from the above obligation: (a) stations that have either been qualified as strategic investments under Laws 3894/2020 and 4608/2019 or in relation to which a relevant application has been filed with Enterprise Greece before 23 July 2021; and (b) stations developed by municipalities, prefectures, foundations, public-benefit institutions (including healthcare facilities and schools but excluding energy communities). Failure to provide the letter of guarantee results in an automatic revocation of the production licence or producer’s certificate as the case may be, as well as any other permit or approval issued thereafter for the relevant projects.

Moreover, another set of measures touching upon the issue of binding connection offers, the installation as well as operation licences required for RES projects is also expected to be introduced within 2021. Such new set of rules aims to further expedite and modernise the licensing procedure for the issuance of the installation and operation licences, opting for a simplified, transparent, and efficient licensing for RES projects. A specific regulatory framework is also expected to be introduced for new RES technologies, such as offshore wind farms and storage of energy in implementation of Directive (EU) 2019/944 on common rules for the internal market for electricity, establishes, *inter alia*, the energy storage framework (“Storage Directive”). With reference to the offshore wind farms framework, the Ministry of Environment and Energy has committed to introduce the relevant bill

within 2021, taking into consideration all key issues of concern, such as the spatial planning, the special licensing process, national security matters affecting the Greek seas, as well as the compensation mechanism to be applied. It should be also noted that the Greek government, is examining the establishment of an interim framework for offshore wind parks to accommodate the soaring investment appetite. On the other hand, the Storage Directive sets the rules applying to the storage of electricity or the conversion and storage in other energy forms, with the subsequent reconversion (or not) to electricity. Hence, conversion technologies (such as power-to-gas, while remaining technology-neutral) are included. The deadline for the transposition of the aforementioned Directive into Greek law was by the end of 2020. A special task force has been formed by the Ministry of Environment and Energy aiming to identify the required regulatory initiatives in order to finalise the storage licensing framework, as well as the rules of participation of energy storage units in the energy markets. The task force (the composition of which includes representatives of HEnEx, RAE and the transmission and distribution operators), may also explore the need to introduce specific financial incentives for the development of energy storage units. However, any such financial aid would be subject to approval by the European Commission under the applicable state aid rules. As per the latest announcements made by the Greek government, the relevant energy storage framework is expected to be introduced by autumn 2021. Another new RES technology, which is expected to be introduced in the Greek energy market is “green hydrogen,” in implementation of the goal set by the Greek government in its NECP to explore the use of new applications and technologies for hydrogen production (such as projects for the production of hydrogen from electrolysis of water and electricity from RES, hydrogen as shipping fuel, hydrogen refuelling stations, and other).

#### *RES projects over 250 MW*

RES power plants with a capacity of more than 250 MW as well as RES station clusters with common interconnection point with the System and an aggregate capacity of more than 250 MW are exempted from the obligation to participate in the competitive process of Article 7 of Law 4414/2016. The eligible projects will be specified by virtue of a decision issued by the Minister for Environment and Energy, which determines, *inter alia*, the minimum supporting documents and information to be included in the application file requesting the granting of aid. The applications submitted to the Ministry of the Environment and Energy are examined by the Committee for Monitoring the Support Schemes of RES and CHP stations, which opines to the Ministry of the Environment and Energy on the necessity to notify European Commission for the provision of the aid.

#### *Certain provisions on Energy market liberalisation, PPC modernisation, DEPA privatisation and RES support*

Law 4643/2019 enabled us to focus on updating our corporate governance framework, and among others such law provided or the following:

- actions and time-plan for the implementation of the EU Target Model for the integration of the European single electricity market;
- provisions for the modernisation of PPC: enhancement of corporate governance, release from restrictions imposed on *stricto sensu* public sector;
- provisions for the improvement of debt collections: ability to engage and benefit from the experience of regulated entities under Law 4354/2015, release from the obligation to exclusively provide the service of Universal Service Provider;
- provisions for the privatisation of DEPA and the unbundling of the natural gas distribution networks; and
- provisions for the support of the power generation from RES.

For information relating to how Law 4643/2019 has affected the Company’s governance, please refer to “*Group’s Business Overview—Environmental, Social and Governance matters—Governance.*”

### ***Greek State subsidy of low-voltage electricity consumption through the Energy Transition Fund***

Article 61 of Law 4839/2021 (Government Gazette A' 181/2.10.2021) provides for the establishment of a new special account, under the name "Energy Transition Fund." DAPEEP shall be the operator of such account while, at the same time, a provision regarding the financing of the Energy Transition Fund by the Greek State's budget will be made.

By virtue of such amendment, Low Voltage customers shall receive a subsidy through the Energy Transition Fund. Beneficiaries of this subsidy will be determined by virtue of a common ministerial decision taking into consideration several criteria, such as economic and social criteria, arrangements of awarding of the subsidy (including the amount, procedure, method and time), clearing time, the period of consumption and the minimum and maximum consumption thresholds.

Finally, the amendment envisages the possibility for a subsidy to be provided by the Energy Transition Fund to the domestic consumers of natural gas, following the issuance of a common ministerial decision. The subsidy shall be credited to the beneficiaries' accounts as a discount given by the suppliers. Also in this case, beneficiaries will be determined by virtue of a common ministerial decision taking into consideration several criteria, such as those outlined above.

### ***Entering into Greek futures contracts***

As a measure to the satisfaction of the commitments of the Hellenic Republic, dated 1 September 2021 and, by virtue of Articles 44 *et seq.* of Law 4843/2021, which was adopted by the Greek Parliament on 20 October 2021, we will be obliged to sell a quantity of electricity equal to 50.0% and, after the third quarter of 2022, 40.0%, of our production of electricity from our lignite plants, for the period of time until the earlier of (i) the cessation of production of our existing lignite plants (provided that it occurs before the entry into operation of the Ptolemaida V plant) and (ii) 31 December 2024, through the NECP, with the underlying value being the average hourly clearance price of the Day-Ahead Market. In this context, we are not allowed to enter into agreements with third parties for the sale and repurchase of electricity in relation to the above quantities of electricity.

## **14.3. Specific aspects of the Greek electricity market**

### ***RES***

The landscape in the Renewables sector has radically changed in the last couple of years with a surge in investment appetite, both by local as well as foreign entities. The change is driven by a change in the regulatory framework implemented, *inter alia*, in an effort to meet the country's EU renewable energy obligations as well as by a shift in the economic environment and what appears to be an increasing demand for clean energy.

The legislative reform which took place in 2016 by virtue of Law 4414/2016 set out new rules for the Greek RES market notably through the introduction of a support scheme in the form of Feed-in Premiums which were introduced to gradually replace the Feed-in Tariffs, which had been applicable for more than 20 years. Under the pertinent provisions, RES projects are required to participate in the wholesale market either independently or through RES Aggregators and Last Resort RES Aggregators. This support scheme consists of an operational aid in the form of a Feed-in Premium put in addition to the wholesale market price, so as to reach a Reference Tariff which from 2017 onwards has been determined through the competitive procedures organised and implemented by RAE.

The Feed-in Premium contract entered into between DAPEEP and RES projects which have successfully participated in RAE's auction is an Operating Aid Agreement whereby the Feed-in Premium payable to the energy generator is calculated against the Reference Tariff achieved through RAE's auction after having deducted the SMP (or "ETA," as per its Greek acronym) determined by DAPEEP. In case the SMP is above the Reference Tariff, the excess is returned to the special account kept by DAPEEP. The Feed-in Premium contract for all technologies, save for solar thermal energy projects, is 20 years, a period during which the Reference Tariff is secured. With respect to solar thermal energy projects, the duration of the contract is 25 years. The current regime secures a predictable long-term revenue stream for potential investors especially at a time when other EU

countries are moving away from subsidy schemes. As noted above, entering into a Feed-in Premium regime is subject to the successful participation in RAE's auctions. The Pilot Auction took place in 2016 and the support scheme will continue until 2025 subject to the approval of the European Commission. RAE's auctions are open to RES projects which are mature from a licensing standpoint, *i.e.* have a valid production licence/producer's certificate and have either entered into a Grid Connection Agreement or have at least secured a Final Grid Connection Offer. Once successful, RES projects need to comply with specific commissioning times. Although support in the form of Feed-in Tariffs, *i.e.* secured Reference Tariffs throughout the relevant Corporate PPA's term is gradually phasing out there are several RES projects which continue to benefit from such Feed-in Tariffs. These included small scale RES projects with an installed capacity of less than 500 KW, wind energy projects with an installed capacity of less than 3 MW, innovative projects and others. Based on Law 4643/2019 and in compliance with Regulation (EU) 2019/943, as of 1 January 2020, all RES plants with a capacity equal to or higher than 400 KW are only eligible for Feed-in Premium contracts awarded through RAE's auctions, while at the same time undertaking balancing obligations in the HEnEx market (this threshold is expected to be lowered to 200 KW in 2026 in compliance with EU legislation). Further to the above, according to the draft law submitted to the Greek Parliament on 6 October 2021, if passed, RES stations selected in RAE's auctions opened from 1 January 2021 and onwards shall be required to enter into Feed-in Premium contracts and not allowed to terminate such contracts. In case of termination in violation of such provision, a fine shall be imposed and shall be deposited in the Renewables Special Account.

With the gradual transition to the EU Target Model, RES electricity producers participate in the electricity market, either directly (Article 5, paragraph 1 Law 4414/2016) or represented by the Cumulative Representation Bodies ("RES Aggregator" or "FOSE" as per Greek acronym), which, are identified as legal entities that concentrate the production from various RES production units and aim precisely at representing more owners of RES stations in the electricity market.

In practice, FOSEs are companies that manage a wide range of geographically dispersed RES units and submit competitive bids to the HEnEx from the producers they represent. They also develop tools for optimal portfolio management and accuracy forecasting, which guarantee profit for the represented RES producers, by providing balancing services to the system administrator. In this way, the balancing responsibility is transferred from IPTO to the producers represented by FOSE, who ultimately participate in the markets, through their representatives.

According to Law 4414/2016, and especially paragraph 4 of Article 5, the owners of RES stations are required to be registered in the register of participants kept by HEnEx and ADMIE or to execute a contract with a FOSE for their representation in the energy markets and submit the relevant declaration regarding their representation to DAPEEP.

### *De-lignitisation*

One of the Greek government's priorities is the withdrawal of all coal fired plants by the year 2028 with a majority being shut down by 2023. The relevant process began in the beginning of 2010s through the gradual reduction of coal related activities in Greece. From 2011 to 2019 coal related activities were gradually reduced by 10.0% on an annual basis in the Western Macedonia and Megalopoli plants. The Greek government elaborated a Master Plan in this respect, which is based on three main pillars: (i) employment protection, (ii) set off of the socio-economic impact of the transition, and (iii) energy self-sufficiency of the lignite areas and the country. The Master Plan entails the transition to clean energy investments, such as photovoltaic plants which are now constructed in the areas of Megalopolis and Western Macedonia by PPC Renewables, which is our subsidiary as well as other investors.

Law 4759/2020 aims to set a coherent, sustainable and long-term plan for the future of the lignite regions and the basis for the provision of sufficient funding for its implementation. The financing of the transition, the coming months will be crucial as the allocation criteria of the resources of the European Just Transition Fund among member states will be finalised. Greece will claim significant funds from the EU's Just Transition Mechanism, which was set up to boost EU member states' green transition away from fossil fuels like coal, lignite, peat and oil shale, and also provide tailored financial and practical support. PPC, in its capacity as owner of lignite stations, areas and neighbour



mines of Western Macedonia/Megalopolis is aiming to the restoration of such areas and installations of RES station through PPC Renewables and respective project companies.

According to the provisions of Law 4759/2020, programme agreements will be entered into between the Greek State and PPC:

- setting out the framework for the tenders (to be launched by PPC) for the preparation of the special spatial plans' studies for the lignite areas in Western Macedonia / Megalopolis; and
- for the designation/implementation of the new land uses and the upgrade of the areas owned by PPC within the lignite areas. This programme agreement will determine, *inter alia*, the terms and conditions of the development and the upgrade of the lignite areas by PPC, the monitoring of the performance of programme agreement, the financing of the projects as well as the way of transfer of the areas owned by PPC within the lignite fields to the Greek State and the transfer of the related rights and/or obligations to the latter.

The programme agreements, following their execution, will be ratified by law.

Article 48 of a draft law, submitted to the Greek Parliament, on 6 October 2021, provides the possibility of the merger into PPC of the companies "LIGNITIKI MEGALOPOLIS SINGLE-MEMBER SOCIETE ANONYME" and "LIGNITIKI MELITIS SINGLE-MEMBER SOCIETE ANONYME." Following this merger, we will assume the rights and obligations of the aforementioned companies by operation of law.

#### *PPC's market share below 50.0%*

The pertinent regime provides that PPC's market share in both the generation (plus imports) and the supply markets in the Interconnected System should have fallen below 50.0% by no later than the end of 2019. While PPC's generation market share has reached the required threshold, its share in the supply market remains above 60.0%.

#### **14.4. Overview of the Greek natural gas market**

The transmission system is owned and operated by DESFA SA ("DESFA") which is the only gas transmission system operator for gas in Greece. It was established in 2007 as subsidiary of DEPA by virtue of presidential decrees 33 and 34/2007 which were enacted in implementation of the relevant provisions of Law 3428/2005. Law 4602/2019 provided for the split of DEPA commercial and infrastructure activities. Subsequently, based on Law 4643/2019, amending Law 4602/2019, DEPA was divided into three separate legal entities: "DEPA Infrastructure S.A.," comprising all the distribution gas activities of DEPA; "DEPA Commercial S.A.," where all DEPA's gas-related activities (both wholesale and supply) are transferred; and "DEPA International S.A." comprising all the international infrastructure projects in which DEPA participates. Under the same law, the sale process of HRADF's total shares in DEPA Commercial S.A. and DEPA Infrastructure S.A. has been proceeded, excluding shares of DEPA International S.A.

In the context of the restructuring plan for Greece, the HRADF initiated a tender procedure to sell the 66.0% of the share capital of DESFA. The consortium selected was SENFLUGA Energy Infrastructure Holdings S.A., composed of the companies Snam S.p.A (60.0% participation); Fluxys Europe B.V. (20.0% participation) and Enagas Internacional S.L.U. (20.0% participation). The remaining 34.0% is owned by the Hellenic Republic, represented by the Minister of Environment and Energy. Therefore, DESFA complies with the requirements of the Ownership Unbundling model as laid down in the Energy Markets Law and in accordance with RAE's decision no. 1220/2018.

DESFA is responsible for granting access to third parties, managing, upgrading and balancing the transmission system as well as providing reserves. The above are conducted in accordance with the provisions of the Natural Gas Transmission System Code (the "NNGTS Code") which was recently modified and codified by virtue of RAE's decision no. 123/2018. The use of the system (through reserving capacity thereto) is subject to the entering into the standard framework agreement for transmission and the standard use LNG facility agreement. The entering into the relevant agreements is

conditional on having been registered with the National Natural Gas Transmission System (“NNGTS”) Users Register which is kept by RAE. The NNGTS users are classified as either Natural Gas Suppliers, eligible customers pursuant to Article 82 of the Energy Markets Law or third parties with sufficient financial solvency and technical adequacy. The NNGTS User’s Regulation which has been approved by virtue of ministerial decision Δ1/A/5816 (Government Gazette, Issue B’ 451 16.4.2010) sets forth the terms and conditions that need to be met by NNGTS users including the financial guarantees that need to be provided by the same. Transmission and LNG use tariffs are calculated by virtue of RAE’s decision. For the year 2021, such charges are set forth by virtue of RAE’s decision no. 1038/2020.

The applicable framework regulating natural gas activities in Greece does not provide for a “gas trading licence” but rather for a gas supply licence. However, according to the relevant provision of the Energy Markets Law, as amended and in force, a gas supply licence is not required for the activities of import, export and sale of natural gas to Natural Gas Suppliers or wholesale customers.

We currently hold a gas supply licence which has been granted to us by virtue of RAE’s decision no. 239/2018. The gas supply activity is regulated by the Energy Markets Law. As per the relevant provisions, the supply licence allows holder thereof to supply gas to selecting customers which as from 1 January 2018 include household users. The activity of gas supply to customers is governed by ministerial decision no. 174842 (Government Gazette, Issue B’ 1969/2018), *i.e.* the Natural Gas Supply Code, which regulates the rights and obligations of Natural Gas Suppliers and customers, also applying in the case of natural gas supply to customers outside the NNGTS and the natural gas distribution network. The activity of supply is conditional upon the use of NNGTS as per what is described above. RAE is empowered to monitor the performance of the gas licensees.

#### **14.5. Emissions regulatory framework**

##### ***European Directive 2010/75/EU (Industrial Emissions Directive “IED”)***

The IED provides a coherent framework for the integrated prevention and pollution control from the industry and for the avoidance or (if not) the limitation of the emissions in atmosphere, water and soil, as well as the prevention of waste production in order to achieve a high level of environmental protection. Additional investments that might be required to the already existing units will be assessed, taking into account remaining operational life of the units. This Directive has been transposed into national law by the joint ministerial decision no. 36060/1155/E.103 (Government Gazette, Issue B’ 1450/14.6.2013).

Following the provisions of Article 32 of Directive 2010/75/EU, the Transitional National Emissions Reduction Plan (or “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 26 November 2013. In December 2013, PPC submitted to the competent authority an application for several changes to the TNERP, along with its declaration to use the limited lifetime derogation right (Article 33) for certain power. The plan has expired on 30 June 2020. Following this date every lignite plant in operation in Greece, as well as most of the power plants on the islands are required to comply with the limits set forth by EU Directive 2010/75/EC. After 1 August 2021, such plants must additionally comply with the new best available techniques for reducing the pollution caused by its operation, as provided in a relevant EU decision of 2017.

##### ***European Directive 2016/2284 (the new National Emission Ceilings Directive “NECD”)***

The EU Directive on national emission ceilings for certain atmospheric pollutants has been adopted, repealing Directive 2001/81/EC. Although this Directive does not currently have a material effect on the Company’s business, the national emission ceilings for 2020-2029 and 2030-onwards require a reduction of NH<sub>3</sub> (ammonia) emissions by 7.0% and 10.0% respectively and a reduction of fine airborne particles emissions by 35.0% and 50.0% respectively and may have a strong impact on future business. This Directive has been transposed into national law by the joint ministerial decision no. 67467/3577 (Government Gazette, Issue B’ 4740/23.10.2018).

## ***European Directive 2003/87/EC (European Trading Scheme Directive “ETSD”)***

### *CO<sub>2</sub> emissions framework*

The European Trading Scheme Directive establishes a scheme for greenhouse gas emission allowance trading within the European Community in order to promote reductions of greenhouse gas emissions in a cost-effective and efficient manner. This Directive also provides for increased reductions of greenhouse gas emissions so as to contribute to the levels of reductions that are considered scientifically necessary to avoid dangerous climate change and lays down provisions for assessing and implementing a stricter European Community reduction commitment.

According to the current European and national legislation (Directive 2003/87/EC, joint ministerial decisions no. 54409/2632/2004 and 57495/2959/E103/2010, all as amended and in force), PPC is obliged to purchase and deliver emissions allowances for compliance purposes for the 100.0% of the verified emitted emissions of its plants for the 3rd phase of implementation (from 1 January 2013 to 31 December 2020) of the European Union Emissions Trading System (EU ETS), and there are no longer free emissions allowances allocated to its power plants in the mainland. Nevertheless, under Directive (EU) 2018/410, Greece can claim allowances up to 25.0 million for decarbonisation purposes, which are not allocated for free by 31 December 2020. This can allow for a 60.0% co-financing of the decarbonisation of the Non-Interconnect System.

For the reduction of its CO<sub>2</sub> emissions PPC has implemented a number of measures including the undertaking of investments for the replacements of old power plants with new state-of-the-art technology and high efficiency, improvements of the environmental performance of existing installations, improvement of energy mix characteristics so as to further enhance hydroelectric plants and renewable energy sources, promotion of energy saving actions etc. In addition, PPC participates in research programmes and remains informed on the development of CO<sub>2</sub> capture and storage, so as to apply efficient technologies for lignite combustion.

## ***European Directive 2008/50/EC (Ambient air quality Directive)***

The EU Directive on ambient air quality merges most existing legislation into a single directive. This Directive lays down measures aimed, *inter alia*, at defining and establishing objectives for ambient air quality designed to avoid, prevent or reduce harmful effects on human health and the environment as a whole, assessing the ambient air quality in member states on the basis of common methods and criteria, obtaining information on ambient air quality in order to help combat air pollution and nuisance and to monitor long-term trends and improvements resulting from national and EU measures and maintaining air quality where it is good and improving it in other cases. Most existing air quality objectives remain unchanged although there are new air quality objectives for PM<sub>2.5</sub> (fine particles) including targets to limit the amount and the concentration of exposure, as well as targets to reduce the exposure, to fine particles. This Directive has been transposed into national law by the joint ministerial decision no. 14122/549/E.103 (Government Gazette, Issue B' 488/30.03.2011).

## ***REMIT Regulation***

The Regulation on Wholesale Energy Market Integrity and Transparency (“REMIT”) came into force in 2011 to support open and fair competition in the European wholesale energy markets. By prohibiting any trading based on inside information and deterring market manipulation, REMIT sets the ground for increased market transparency and integrity, and ultimately protects the interests of companies and consumers. REMIT also deters market participants from manipulating the market, while ensuring trust in the functioning of these markets and fostering market integration. Doing so also protects the interests of companies and consumers.

Multiple authorities and players cooperate and contribute in ensuring and delivering the transparency and integrity of wholesale energy market under REMIT. These include the European Agency for the Cooperation of Energy Regulators, national regulatory authorities, persons professionally arranging transactions, market participants, or any person observing potential market abuse. Any of those can notify a potential REMIT breach observed either in the analysis of REMIT data, continuous market monitoring, or in their daily practice.

REMIT regulation covers the wholesale energy products in trading and derivative markets, regulated markets, standard contracts (electricity and natural gas contracts traded in an organised market) and non-standard contracts (all other electricity and natural gas contracts between two parties, *i.e.* bilateral agreements, not traded in an organised market). Therefore, REMIT is an EU regulation enacted to harmonise the European energy markets and protect them from market manipulation and abuse. REMIT regulation transposed into Greek legislation by virtue of Article 2 of Law 4643/2019.

#### **14.6. Fibre optics networks**

Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks has been transposed into Greek law by law 4463/2017. The aim of Directive 2014/61 is to facilitate and incentivise the roll-out of high-speed electronic communications networks by promoting the joint use of existing physical infrastructure and by enabling a more efficient deployment of new physical infrastructure so that such networks can be rolled out at lower cost. According to the directive, undertakings providing, among others, a physical infrastructure intended to provide a service of production, transport or distribution of electricity, are considered network operators. Network operators have the obligation upon a written request of an undertaking providing or authorised to provide public communications networks to meet all reasonable requests for access to their physical infrastructure under fair and reasonable terms and conditions, including price, with a view to deploying elements of high-speed electronic communications networks. According to Article 122 of the Energy Markets Law (as amended by Article 129 of Law 4819/2021), following completion of the hive-down of the assets of the distribution network to HEDNO, PPC will qualify as the network operator within the meaning of Law 4463/2017 and Directive 2014/61/EU, will assume the rights and obligations deriving from such capacity and will consequently be subject to the obligation of giving third-party access to the physical infrastructure.

## 15. DOCUMENTS AVAILABLE

### 15.1. Documents made available to investors

For the whole duration that this Prospectus remains valid, *i.e.* for a period of 12 months after its approval, the following documents, which can be inspected, will be made available to the investors on our website: <https://www.dei.gr/el/i-dei/enimerwsi-ependutwn/share-capital-increase-2021> in the same section as the Prospectus.

- our Articles of Association;
- an excerpt from the minutes of our General Meeting held on 19 October 2021, which, among others, approved an increase of our share capital, pursuant to Article 24, paragraph 1(b) of Law 4548/2018, approved the disapplication of preemption rights of PPC's existing shareholders and authorised the Board of Directors to approve the Share Capital Increase, determine the price and specify the terms and timeline of the Share Capital Increase; and
- an excerpt from the minutes of meeting of our Board of Directors held on 29 October 2021, which, among other matters, approved the Share Capital Increase and determined the terms of the Share Capital Increase and the Combined Offering.
- The report dated 1 November 2021 on agreed upon procedures, which have been carried out by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. in accordance with the International Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information.”
- The report dated 29 October 2021, carried out by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A., in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information with reasonable assurance regarding the compliance of the Company with the Articles 14 (excluding paragraphs 3(j) and 4), 15 and 16 of Law 4706/2020 (excluding paragraphs 3 and 4), Article 44 (excluding paragraphs 2, 4(a), 5 and 6) of Law 4449/2017, as well as Article 4 of decision 5/204/14.11.2000 of the Board of Directors of HCMC.

Other information included on our website does not form part of this Prospectus.

### 15.2. Documents incorporated by reference

The annual report for the year ended 31 December 2020 including the audited consolidated financial statements as at and for the year ended 31 December 2020, the notes thereto and the independent auditor's report: <https://www.dei.gr/Documents2/OIKONOMIKA%20APOTELESMATA%202020/FY%202020/FINANCIAL%20REPORT%202020%20FINAL%20n.pdf>.

The half-year report for the six months ended 30 June 2021 including only the undaudited interim condensed consolidated financial statements as at and for six months ended 30 June 2021 and the notes thereto and the independent auditor's review report: [https://www.dei.gr/Documents2/OIKONOMIKA%20APOTELESMATA%202021/H1%202021/FINANCIAL%20REPORT%206M%202021%20ENG\\_final.pdf](https://www.dei.gr/Documents2/OIKONOMIKA%20APOTELESMATA%202021/H1%202021/FINANCIAL%20REPORT%206M%202021%20ENG_final.pdf)

Other information included on our website does not form part of this Prospectus.

## SECURITIES NOTE

### 16. ESSENTIAL INFORMATION

#### 16.1. Interest of natural and legal persons involved in the Public Offering

PPC, taking into consideration as a criterion any form of compensation previously provided to the Lead Underwriters and the Underwriter, as well as the following criteria based on the ESMA guidelines: whether any of the Lead Underwriters or the Underwriter (i) holds equity securities of PPC or its subsidiaries; (ii) has a direct or indirect economic interest that depends on the success of the Public Offering; or (iii) has an understanding or arrangement with major shareholders of PPC, declares that, there are no interests or conflicting interests of the Lead Underwriters and the Underwriter that are material to the Public Offering.

PPC, taking into consideration the declarations made by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. based on the following criteria pursuant to ESMA guidelines on: (a) ownership of securities, (b) former employment or compensation, (c) membership, (d) connections to financial intermediaries involved in the Public Offering or listing of the securities, (e) direct or indirect economic interest that depends on the success of the Public Offering and (f) understanding or arrangement with major shareholders of PPC, declares that Ernst & Young (Hellas)—Certified Auditors-Accountants S.A. does not have (i) a material interest in PPC, and (ii) any interests or conflicting interests that are material to the Public Offering.

NBG, taking into consideration, as criterion, any form of compensation previously received from PPC as well as the following criteria based on the ESMA guidelines: (i) whether it holds equity securities of PPC or its subsidiaries; (ii) whether it has a direct or indirect economic interest that depends on the success of the Public Offering; or (iii) whether has any understanding or arrangement with major shareholders of PPC, declares that it does not have any interests or conflicting interests that are material to the Public Offering.

In addition, in the context of the execution of investment banking, banking and brokerage services, it states that:

1. NBG will receive fees related to the Public Offering (see “*Expense of the Issue/Offer*”);
2. NBG and its subsidiaries (within the meaning of Article 32 of Law 4308/2014, as in force) have provided and/or may in the future provide investment banking, banking and other investment or ancillary services in the ordinary course of their business either to PPC or to its related companies for which they receive and/or may in the future receive fees and/or commissions;
3. There is no other agreement with PPC’s major shareholders, other than contracts, for the provision of banking operations, as well as investment or ancillary services performed in the normal course of their business, which all are unrelated contracts and transactions to the Public Offering; and
4. With 25 October 2021 as reference date, NBG directly held 126,000 shares of PPC and had concluded 85 derivative agreements with open positions of approximately €79.2 million. As at 25 October 2021, NBG Securities, a company related to NBG (within the meaning of Article 32 of Law 4308/2014, as in force), is a market maker for derivatives of PPC and held in such capacity 122,000 shares of PPC, 15,000 of which are pledged. It also held 3,000 shares of PPC in its own account. On 25 October 2021, the balance of loans and letters of guarantee granted to the Group by NBG and NBG’s related companies (within the meaning of Article 32 of Law 4308/2014, as in force) stood at approximately €129.0 million.

Alpha Bank S.A., taking into consideration, as criterion, any form of compensation previously received from PPC as well as the following criteria based on the ESMA guidelines: (i) whether it holds equity securities of PPC or its subsidiaries; (ii) whether it has a direct or indirect economic interest that depends on the success of the Public Offering; or (iii) whether has any understanding or arrangement with major shareholders of PPC, declares that it does not have any interests or conflicting interests that are material to the Public Offering.

In addition, in the context of the execution of investment banking, banking and brokerage services, it states that:

- (1) Alpha Bank S.A. will receive fees related to the Public Offering (see “*Expense of the Issue/Offer*”);
- (2) Alpha Bank S.A. and its subsidiaries (within the meaning of Article 32 of Law 4308/2014, as in force) have provided and/or may in the future provide investment banking, banking and other investment or ancillary services in the ordinary course of their business either to PPC or to its related companies for which they receive and/or may in the future receive fees and/or commissions;
- (3) There is no other agreement with PPC’s major shareholders, other than contracts, for the provision of banking operations, as well as investment or ancillary services performed in the normal course of their business, which all are unrelated contracts and transactions to the Public Offering;
- (4) As at 25 October 2021, the balance of loans (including letters of guarantee and credit cards) granted to PPC and its subsidiaries by Alpha Bank S.A. and its subsidiaries stood at approximately €290.4 million;
- (5) Alpha Bank S.A. entered into derivative contracts with the Company as at 25 October 2021;
- (6) Alpha Bank S.A. entered into pledge agreements on shares of the Company, with the number of pledged shares amounting to 7,326 shares as at 25 October 2021.

Alpha Bank S.A. has taken all necessary measures to ensure its independence to the Company.

Eurobank S.A., taking into consideration, as criterion, any form of compensation previously received from PPC as well as the following criteria based on the ESMA guidelines: (i) whether it holds equity securities of PPC or its subsidiaries; (ii) whether it has a direct or indirect economic interest that depends on the success of the Public Offering; or (iii) whether has any understanding or arrangement with major shareholders of PPC, declares that it does not have any interests or conflicting interests that are material to the Public Offering.

In addition, in the context of the execution of investment banking, banking and brokerage services, it states that:

- (1) Eurobank S.A. will receive fees related to the Public Offering (see “*Expense of the Issue/Offer*”);
- (2) Eurobank S.A. and its subsidiaries (within the meaning of Article 32 of Law 4308/2014, as in force) have provided and/or may in the future provide investment banking, banking and other investment or ancillary services in the ordinary course of their business either to PPC or to its related companies for which they receive and/or may in the future receive fees and/or commissions;
- (3) There is no other agreement with PPC’s major shareholders, other than contracts, for the provision of banking operations, as well as investment or ancillary services performed in the normal course of their business, which all are unrelated contracts and transactions to the Public Offering; and
- (4) With 25 October 2021 as reference date, Eurobank S.A. did not directly hold any shares or derivative agreements of PPC. As at 25 October 2021, Eurobank Equities, a company related to Eurobank S.A. (within the meaning of Article 32 of Law 4308/2014, as in force), is a market maker of PPC equities and derivatives and held in such capacity 649,941 shares of PPC, 95,000 of which are pledged. It also held a negative aggregate position in the derivatives market through futures and options which corresponded to 605,167 shares. In the light of the above, the net exposure of Eurobank Equities amounted to 44,774 shares of PPC. On 25 October 2021, the balance of loans and letters of guarantee granted to the Group by Eurobank S.A. and Eurobank S.A.’s related companies (within the meaning of Article 32 of Law 4308/2014, as in force) stood at approximately €202.0 million. In August 2021, HEDNO signed a term sheet on financing terms referring to the issuance by HEDNO of a common

bond loan of up to €660.0 million with a maximum duration until the end of 2033 (drawdowns available until 31 January 2027) with Eurobank S.A., among others, acting as mandated lead arranger, syndicate manager and underwriter. The purpose of the loan is to cover financing needs of HEDNO in respect of capital expenditure (which forms part of the regulatory asset base), working capital and fees payable for the said facility at closing date. The consummation of the transactions contemplated in the above mentioned term sheet is subject to customary conditions, such as performance of due diligence, satisfactory documentation and satisfactory market conditions as well as the completion of the sale of a 49.0% stake in HEDNO (for more information, see “*Material Contracts—Share Purchase Agreement*”). As at the date of the Prospectus, the financing agreement referred to in the above mentioned term sheet has not been signed.

Piraeus Bank, taking into consideration, as criterion, any form of compensation previously received from PPC as well as the following criteria based on the ESMA guidelines: (i) whether it holds equity securities of PPC or its subsidiaries; (ii) whether it has a direct or indirect economic interest that depends on the success of the Public Offering; or (iii) whether has any understanding or arrangement with major shareholders of PPC, declares that it does not have any interests or conflicting interests that are material to the Public Offering.

In addition, in the context of the provision of investment banking, banking, investment or ancillary services, it states that:

- (1) Piraeus Bank will receive fees related to the Public Offering (see “*Expense of the Issue/Offer*”);
- (2) Piraeus Bank and its subsidiaries (within the meaning of Article 32 of Law 4308/2014, as in force) have provided and/or may in the future provide investment banking, banking and other investment or ancillary services in the ordinary course of their business either to PPC or to its affiliated companies, for which they receive and/or may in the future receive fees and/or commissions.

Piraeus Bank, with reference date 25 October 2021, has concluded a syndicated bond loan agreement with PPC with a total outstanding amount of approximately €265.8 million, where Piraeus Bank’s participation is approximately €72.0 million and other financial agreements of total outstanding amount €8.9 million regarding the outstanding amount of letters of guarantee as at 25 October 2021.

- (3) There is no other agreement with PPC’s major shareholders, other than agreements for the provision of banking operations, as well as investment or ancillary services performed in the normal course of their business, which all are unrelated contracts and transactions to the Public Offering; and
- (4) With 25 October 2021 as reference date, Piraeus Bank directly held 2,500 shares of PPC on its own account, in addition to 8,220 shares due to pledge agreements in the context of loan agreements with debtors, and 297 shares of PPC indirectly, through its subsidiary (within the meaning of Article 32 of Law 4308/2014, as in force) PIRAEUS SNF DESIGNATED ACTIVITY COMPANY also pledged due to loan agreements with debtors. Furthermore, Piraeus Bank had a pledge over 100% of the shares of PPC Renewables S.A. as collateral for a loan that has been fully repaid with the pledged shares to be released in due course. As at 25 October 2021, PIRAEUS SECURITIES S.A., a company related to Piraeus Bank (within the meaning of Article 32 of Law 4308/2014, as in force) held 172,187 shares of PPC as a market maker of derivatives of PPC, 41,565 shares of PPC as a market maker of shares of PPC, and had pledge over 3,010 shares of PPC due to pledge agreements.

Euroxx Securities S.A., taking into consideration, as criterion, any form of compensation previously received from PPC as well as the following criteria based on the ESMA guidelines: (i) whether it holds equity securities of PPC or its subsidiaries; (ii) whether it has a direct or indirect economic interest that depends on the success of the Public Offering; or (iii) whether has any understanding or arrangement with major shareholders of PPC, declares that it does not have any interests or conflicting interests that are material to the Public Offering.

In addition, in the context of the execution of investment banking and brokerage services, it states that:

- (1) Euroxx Securities S.A will receive fees related to the Public Offering (see “*Expense of the Issue/Offer*”);



- (2) Euroxx Securities S.A and its subsidiaries (within the meaning of Article 32 of Law 4308/2014, as in force) have provided and/or may in the future provide investment or ancillary services in the ordinary course of their business either to PPC or to its related companies for which they receive and/or may in the future receive fees and/or commissions;
- (3) There is no other agreement with PPC’s major shareholders, other than contracts for the provision of investment or ancillary services performed in the normal course of their business, which all are unrelated contracts and transactions to the Public Offering; and
- (4) With 25 October 2021 as reference date, Euroxx Securities S.A. did not directly hold any shares or derivative agreements of PPC. As of 25 October 2021, Euroxx Securities S.A., in its capacity as a market maker, held 21,000 shares of PPC.

Optima bank S.A., taking into consideration, as criterion, any form of compensation previously received from PPC as well as the following criteria based on the ESMA guidelines: (i) whether it holds equity securities of PPC or its subsidiaries; (ii) whether it has a direct or indirect economic interest that depends on the success of the Public Offering; or (iii) whether has any understanding or arrangement with major shareholders of PPC, declares that it does not have any interests or conflicting interests that are material to the Public Offering.

In addition, in the context of the execution of investment banking, banking and brokerage services, it states that:

- (1) Optima bank S.A. will receive fees related to the Public Offering (see “*Expense of the Issue/Offer*”);
- (2) It and its subsidiaries (within the meaning of Article 32 of Law 4308/2014, as in force) have provided and/or may in the future provide investment banking, banking and other investment or ancillary services in the ordinary course of their business either to PPC or to its related companies for which they receive and/or may in the future receive fees and/or commissions;
- (3) There is no other agreement with PPC’s major shareholders, other than contracts, for the provision of banking operations, as well as investment or ancillary services performed in the normal course of their business, which all are unrelated contracts and transactions to the Public Offering; and
- (4) With 25 October 2021 as reference date, Optima bank S.A. held 175,959 shares of PPC as a market maker. In the derivatives market, Optima bank S.A., had a negative aggregate position as a market maker through futures and options, which corresponds to 200,878 shares. In aggregate, as at 25 October 2021 the net exposure of Optima bank S.A. to PPC is 24.919 shares with a nominal negative value of €226,015.33. The balance of loans granted to PPC by Optima bank S.A. and its related companies (within the meaning of Article 32 of Law 4308/2014, as in force), as at 25 October 2021, stood at approximately €15.0 million.

## **16.2. Reasons for the Share Capital Increase and use of proceeds**

We plan to raise capital of up to approximately €1,350.0 million through the Share Capital Increase. The vast majority of the net proceeds from the Combined Offering, estimated at €1,294.6 million (*i.e.* the total amount to be raised pursuant to the Share Capital Increase less the issuance expenses), assuming that the final offering price for the New Shares will be the maximum price of the Price Range, will be applied to facilitate the execution of our transformation and business strategy (see “*Group’s Business Overview—Our transformation strategy and five-year business plan*”). Such net proceeds, which we presently intend to deploy by 2024, will provide us with sufficient liquidity to commit financing to high value projects and enable us to achieve our operational targets. In particular, the net proceeds of the Combined Offering are intended to be used between 2022 and 2024 by PPC and/or other Group companies or our existing or future joint ventures to provide a portion of the €5.0 billion of capital expenditures we have budgeted for certain projects from 2022-2024 (which excludes approximately €1.0 billion of capital expenditures budgeted for HEDNO’s distribution network during this period, which are expected to be directly funded by cash generated by, or debt incurred by, HEDNO) and for general corporate purposes, including:

- (a) to provide a portion of the approximately €3.2 billion we have budgeted for capital expenditures on renewable energy projects through 2024, including hydroelectric power generation and projects in adjacent markets, aiming to reach an installed RES capacity of 7.2 GW by 2024;
- (b) to provide a portion of the approximately €1.7 billion we have budgeted for capital expenditures through 2024 on conventional power generation, our supply business unit, the construction of a waste-to-energy plant, digitalisation, 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.

In relation to capital expenditures described in paragraphs (a) and (b) above, the net proceeds from the Share Capital Increase are intended to be deployed to the relevant projects in the chronological order that the relevant projects are implemented at our discretion following the completion of the Share Capital Increase.

In the event that net proceeds of the Combined Offering are allocated to the above through a Group company (other than PPC), a joint venture or a special purpose vehicle, such allocation will be made via an equity contribution (either at formation or through a subsequent share capital increase) to any such entity by PPC.

Pending final application in accordance with the use of proceeds set forth above, we may opt to use proceeds to engage in customary treasury, hedging and cash management operations in the ordinary course of business or make temporary investments in cash equivalents, time deposits, commercial paper, government securities or other highly rated instruments.

In the event of under-subscription to the Combined Offering, we will fund the relevant proportion of our planned capital expenditure not covered by the Share Capital Increase through alternative sources.

The Share Capital Increase and the Combined Offering, are described in detail under “*Terms and Conditions of the Share Capital Increase and Public Offering*” of this Prospectus.

Our management undertakes to inform the ATHEX as well as the HCMC, pursuant to Articles 4.1.2 and 4.1.3.9 of ATHEX Regulation and the decision 25/06.12.2017 of the Board of Directors of ATHEX and the decision 8/754/14.4.2016 of the Board of Directors of HCMC, as in force, about the use of proceeds from the Share Capital Increase. The investors are kept informed about the above use of proceeds through the ATHEX website, PPC's website and the Daily Bulletin of the ATHEX, as well as, where necessary, by the means provided for in Law 3556/2007, as amended and currently in force. After the end of the Public Offering and before the commencement of trading of the New Shares, according to ATHEX Regulation and decision no. 25/17.07.2008 of ATHEX, PPC undertakes to inform the investment public, the HCMC and the ATHEX of the use of funds, which will be finalised, based on the realised proceeds of the Public Offering.

In addition, we undertake that for any modifications to the use of the funds raised, as well as for any additional relevant information, it will comply with the provisions of Article 22 of Law 4706/2020, as in force and will inform the investment public, through the ATHEX and PPC's websites and the Daily Bulletin of the ATHEX, the shareholders, the HCMC and the Board of Directors of ATHEX, in accordance with the provisions of the capital markets legislation.

In addition, our management undertakes to make public any inside information related to the use of proceeds in accordance with Regulation (EU) 596/2014, the provisions of Law 4443/2016, as in force, and any other applicable laws and regulations.

### **16.3. Working capital statement**

In our opinion, our working capital is sufficient for our present requirements for the next twelve months.

## 16.4. Capitalisation and indebtedness

The following table sets out (i) our consolidated indebtedness as at 30 June 2021 and (ii) our consolidated capitalisation as at 30 June 2021 and after giving effect to the successful and full completion of the Combined Offering.

(€ in millions)	As at 30 June 2021		
	Actual	Adjusted for the Combined Offering with the Minimum Price of the Price Range and the minimum number of New Shares	Adjusted for the Combined Offering with the Maximum Price of the Price Range and the maximum number of New Shares
<b>CAPITALISATION</b>			
<b>Total Current Debt<sup>(1)</sup> (A)</b>	<b>447.9</b>	447.9	447.9
Guaranteed <sup>(2)</sup>	204.4	204.4	204.4
Secured <sup>(3)</sup>	6.7	6.7	6.7
Unguaranteed/Unsecured	236.8	236.8	236.8
<b>Total Non-Current Debt<sup>(1)</sup> (B)</b>	<b>3,687.7</b>	3,687.7	3,687.7
Guaranteed <sup>(2)</sup>	1,697.6	1,697.6	1,697.6
Secured <sup>(3)</sup>	39.0	39.0	39.0
Unguaranteed/Unsecured	1,951.1	1,951.1	1,951.1
<b>Shareholder Equity (C)</b>	<b>3,319.3</b>	4,371.1	4,613.9
Share Capital	575.4	897.8	947.4
Share Premium	106.7	836.2 <sup>(4)</sup>	1,029.3 <sup>(4)</sup>
Legal Reserves	128.3	128.3	128.3
Statutory Revaluation Surplus	(947.4)	(947.4)	(947.4)
Revaluation Surplus	4,804.2	4,804.2	4,804.2
Other Reserves	174.2	174.2	174.2
Retained Earnings	(1,522.4)	(1,522.4)	(1,522.4)
Non-Controlling Interest	0.3	0.3	0.3
<b>Total (D) = (A) + (B) + (C)</b>	<b>7,454.9</b>	8,506.7	8,749.5

<sup>(1)</sup> Total current and non-current debt does not include gain from loan modifications and loan issuance fees.

<sup>(2)</sup> Debt which is both secured and guaranteed is included in Guaranteed Debt and amounts to €94.3 million, of which €9.3 million debt is secured by cash collateral and guaranteed by NBG. A further €85.0 million debt is secured by pledge of claims under the Corporate PPAs and guaranteed by the Hellenic Republic. The remaining debt of €1,807.7 million is guaranteed by the Hellenic Republic. The Hellenic Republic guarantees the majority of our debt obligations towards EIB and BSTDB.

<sup>(3)</sup> Secured debt consists of cash collateral in favour of the lender and an assignment by way of pledge of the borrower's claims under the Corporate PPAs relating to certain existing or future plants of PPC Renewables entered, or to be entered, into between PPC Renewables and LAGIE or HEDNO (see "Material Contracts").

<sup>(4)</sup> Includes estimated expenses for the Share Capital Increase based on each of the assumptions presented above (€53.1 million and €55.4 million, respectively).

Source: Data based on our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

(€ in millions)	As at 30 June 2021
	Actual
<b>INDEBTEDNESS<sup>(1)</sup></b>	
Cash <sup>(2)</sup>	885.1
Cash Equivalents <sup>(3)</sup>	347.5
Other Current Financial Assets <sup>(4)</sup>	0.7
<b>Liquidity (A)</b>	<b>1,233.3</b>
Current Financial Debt (Including Debt Instruments, but Excluding Current Portion of Non-Current Financial Debt)	9.7
Current Portion of Non-Current Financial Debt <sup>(5)</sup>	438.2
Short-Term Financial Liability from the Securitisation of Trade Receivables	158.5
<b>Current Financial Indebtedness (B)</b>	<b>606.4</b>
Non-Current Financial Debt (Excluding Current Portion and Debt Instruments)	3,687.7
Debt Instruments	—
Non-Current Trade and Other Payables	—
Long-Term Financial Liability from the Securitisation of Trade Receivables	318.5
<b>Non-Current Financial Indebtedness (C)</b>	<b>4,006.2</b>
<b>Total Financial Indebtedness (D) = (C) + (B) - (A)</b>	<b>3,379.3</b>

- (1) There is no indirect or contingent indebtedness.
- (2) Cash includes cash at banks and cash in hand as at 30 June 2021.
- (3) Cash Equivalents includes time deposits of €301.4 million and restricted cash pledged as cash collateral pursuant to certain loan facilities of €46.1 million as at 30 June 2021.
- (4) Other current financial assets includes financial assets measured at fair value through other comprehensive income. It excludes derivatives held for hedging purposes.
- (5) The current portion of non-current financial debt excludes loan issuance fees.

Source: Data based on our unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2021.

As at 30 June 2021, our total capital amounted to €7,454.9 million and our net financial debt to €3,379.3 million. The management declares that there are no significant changes to the capital structure and net financial debt up to the date of this Prospectus apart from the approval of the Share Capital Increase pursuant to the Extraordinary General Meeting held on 19 October 2021 and the resolution of the Board of Directors made on 26 October 2021, by virtue of the authority given to it by the Extraordinary General Meeting and those disclosed under “*Financial Information Concerning the Issuer’s Assets and Liabilities, Financial Position and Profits, and Losses—Significant change in the Issuer’s financial position.*”

We also present our actual consolidated indebtedness and equity capitalisation as at 30 June 2021 and on an as adjusted basis after giving effect to the sale of 49.0% of our stake in HEDNO, had the transaction been completed on 1 January 2020 (see “*Trend Information—Sale of a 49.0% stake in HEDNO*”).

(€ in millions)	As at 30 June 2021		
	Actual	Adjustments	As adjusted
<b>CAPITALISATION</b>			
<b>Total Current Debt (A)</b> .....	<b>447.9</b>	—	447.9
Guaranteed .....	204.4	—	204.4
Secured .....	6.8	—	6.8
Unguaranteed/Unsecured .....	236.8	—	236.8
<b>Total Non-Current Debt (B)</b> .....	<b>3,687.7</b>	—	<b>3,687.7</b>
Guaranteed .....	1,697.6	—	1,697.6
Secured .....	39.1	—	39.1
Unguaranteed/Unsecured .....	1,951.2	—	1,951.2
<b>Shareholder Equity (C)</b> .....	<b>3,319.3</b>	—	<b>3,319.3</b>
Share Capital .....	575.4	—	575.4
Share Premium .....	106.7	—	106.7
Legal Reserves .....	128.3	—	128.3
Statutory Revaluation Surplus .....	(947.4)	—	(947.4)
Revaluation Surplus .....	4,804.2	—	4,804.2
Other Reserves .....	174.2	—	174.2
Retain Earnings .....	(1,522.4)	645.1	(877.3)
Non-Controlling Interest .....	0.3	666.9	667.2
<b>Total (D) = (A) + (B) + (C)</b> .....	<b>7,454.9</b>	<b>1,312.0</b>	<b>8,767.2</b>

Source: Data based on our standalone financial statements as at and for the six months ended 30 June 2021. The adjustments have not been audited or reviewed.

<u>(€ in millions)</u>	<u>As at 30 June 2021</u>		
	<u>Actual</u>	<u>Adjustments</u>	<u>As adjusted</u>
<b>INDEBTEDNESS</b>			
Cash .....	885.1	1,312.0	2,197.1
Cash Equivalents .....	347.5	—	347.5
Other Current Financial Assets .....	0.7	—	0.7
<b>Liquidity (A) .....</b>	<b>1,233.3</b>	<b>1,312.0</b>	<b>2,545.3</b>
Current Financial Debt (Including Debt Instruments, but Excluding Current Portion of Non-Current Financial Debt) .....	9.7	—	9.7
Current Portion of Non-Current Financial Debt .....	438.2	—	438.2
Short-Term Financial Liability from the Securitisation of Trade Receivables .....	158.5	—	158.5
<b>Current Financial Indebtedness (B) .....</b>	<b>606.4</b>	<b>—</b>	<b>606.4</b>
Non-Current Financial Debt (Excluding Current Portion and Debt Instruments) .....	3,687.7	—	3,687.7
Debt Instruments .....	—	—	—
Non-Current Trade and Other Payables .....	—	—	—
Long-Term Financial Liability from the Securitisation of Trade Receivables .....	318.5	—	318.5
<b>Non-Current Financial Indebtedness (C) .....</b>	<b>4,006.2</b>	<b>—</b>	<b>4,006.2</b>
<b>Total Financial Indebtedness (D) = (C) + (B) - (A) .....</b>	<b>3,379.3</b>	<b>(1,312.0)</b>	<b>2,067.3</b>

Source: Data based on our standalone financial statements as at and for the six months ended 30 June 2021. The adjustments have not been audited or reviewed.

The proceeds from the minority stake sale will be used for the repayment of certain of our existing indebtedness and for capital expenditure to develop our renewable energy pipeline. The use of proceeds is not reflected in the above tables.

## 17. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING

### 17.1. General information

The shares issued by PPC are ordinary registered and dematerialised shares with voting rights, the nominal amount of which is expressed in euro (the “Ordinary Shares”); the Ordinary Shares are dematerialised, listed on the ATHEX and trade in Euro in the Main Market of the Regulated Securities Market of the ATHEX under ISIN (International Security Identification Number) GRS434003000. Trading unit is one (1) share. The New Shares are to be issued pursuant to the resolution of the Extraordinary General Meeting held on 19 October 2021 on the approval for the Share Capital Increase, and a relevant authorisation granted to our Board of Directors by the Extraordinary General Meeting to determine the offer price. See “*Terms and Conditions of the Share Capital Increase—Share Capital Increase and the Public Offering.*”

As at 30 June 2021, the share capital of PPC amounted to €575,360,000 consisting of 232,000,000 Ordinary Shares, with a par value of €2.48 each.

No mandatory or voluntary tender offer has been submitted for the acquisition of our Ordinary Shares, and hence the provisions of Law 3461/2006, which transposed Directive 2004/25/EC into Greek legislation, as amended and in force, relating to the squeeze out and sell out of the minority shareholders of PPC do not apply at the time of this Prospectus.

PPC has not entered into any market-making contracts in respect of the Ordinary Shares.

### 17.2. Transfer of shares

The Ordinary Shares are freely transferable, and no restrictions are provided for in the Articles of Association in respect of transfers of the Ordinary Shares. Transfers of ownership of Ordinary Shares are carried out as prescribed by Greek law either through the ATHEX trading system or OTC through the DSS operated by the ATHEXCSD. All transfers are finally registered with the DSS on completion of the applicable clearing and settlement process.

### 17.3. Issue of shares and pre-emptive rights

The share capital may be increased pursuant to a decision of the General Meeting by increased quorum and majority.

New shares issuable pursuant to a share capital increase which is not effected through contributions in kind or conversion of convertible bonds shall be offered on a pre-emptive basis to the existing shareholders at the relevant record date *pro rata* to their shareholding participation in the existing share capital, unless the pre-emptive rights of the shareholders have been restricted or disapplied by a decision of the General Meeting taken by increased quorum and majority and pursuant to the other related provisions of Greek Corporate Law. If and to the extent the existing shareholders do not exercise their pre-emptive rights within the period prescribed by the competent body of PPC (which shall be at least 14 days), the Board of Directors can freely dispose of the unsubscribed shares.

In addition, the Board of Directors may decide to increase the share capital provided it has received within the last five years a special authorisation by the General Meeting in accordance with Greek Corporate Law. Again, the existing shareholders will have pre-emptive rights in respect of such share capital increase, unless such pre-emptive rights have been restricted or disapplied in the manner described above.

Such share capital increases constitute an amendment to the Articles of Association and are reflected therein by the Board of Directors following of each share capital increase.

#### **17.4. Rights of shareholders**

The ATHEXCSD issues certificates to shareholders evidencing their capacity as shareholders and providing information on the share identification data, the number of Ordinary Shares owned, the reason for the certificate's issue as well as any possible encumbrances over Ordinary Shares. These certificates are issued by the ATHEXCSD following a shareholder's request addressed to the ATHEXCSD, either directly or through participants or registered intermediaries or other intermediaries, within the meaning of Regulation (EU) No 2014/909 ("CSDR"), Greek law 4569/2018 and the Rulebook of ATHEXCSD.

The person whose name appears in the ATHEXCSD's records will be considered to be the holder of the relevant Ordinary Shares and will benefit from the rights below.

Law 4569/2018 introduced the structure of omnibus securities accounts at the register of ATHEXCSD, *i.e.* accounts held by intermediaries for the benefit of end-investors (referred to as "clients' securities accounts"). In case of shares held in clients' securities accounts, shareholder *vis-à-vis* the company is the person identified as such by the registered intermediary holding the clients' securities account in accordance with Article 17(1) of Law 4569/2018. In a similar vein, Law 4569/2018 explicitly provides that ownership of shares as well as the holder of rights in rem over securities is evidenced through the relevant records in the books of the registered intermediary, as well as through any written proof. Accordingly, a shareholder within the meaning of Article 17(1) of Law 4569/2018 holding shares registered in an omnibus account can rely on the aforementioned provisions, by providing a certificate delivered by the relevant intermediary. An identification process can be initiated upon request of the issuer concerned, addressed to an intermediary in accordance with Article 27 of Law 4706/2020 in conjunction with Implementing Regulation (EU) 2018/1212, or the ATHEXCSD, to the extent the ATHEXCSD provides shareholder register services to such issuer. In the latter case and in accordance with Article 14 of Law 4569/2018 and Article 1.2.3 of Section VIII of the ATHEXCSD Rulebook, in respect of clients' securities accounts, the ATHEXCSD is responsible for (i) collecting the information regarding shareholder identity, including where there is more than one intermediary in a chain of intermediaries and, (ii) transmitting the information to the issuer concerned. Following the licensing of the ATHEXCSD under CSDR by virtue of the HCMC's decision no. 6/904/26.02.2021 and the entry into force of the ATHEXCSD Rulebook, on 12 April 2021, clients' securities accounts have become fully operational in Greece.

Furthermore, in accordance with Article 29 of Law 4706/2020, intermediaries are required to facilitate the exercise of the rights by the shareholder, including the right to participate and vote in general meetings, by comprising at least one of the following: (i) making the necessary arrangements for the shareholder or their proxy to be able to exercise themselves the rights; (ii) exercising the rights deriving from the shares upon the explicit authorisation and instruction of the shareholder and for the shareholder's benefit. In addition, when votes are cast electronically an electronic confirmation of receipt of the votes is sent to the person that casts the vote immediately following the general meeting. In any case, the shareholder or their proxy can obtain, upon request and within a three month deadline commencing from the date when the general meeting was held, confirmation that his votes have been validly recorded and counted by the company, unless that information is already available to the shareholder. Where such confirmation is received by an intermediary it should be transmitted without delay to the shareholder or their proxy. Where there is more than one intermediary in the chain of intermediaries the confirmation shall be transmitted between intermediaries without delay, unless the confirmation can be directly transmitted to the shareholder or their proxy.

#### ***General rights***

Each Ordinary Share incorporates rights in proportion to the percentage of the share capital which it represents. The shareholder's liability is limited to the nominal value of the Ordinary Shares it holds. Where Ordinary Shares are jointly owned, the rights of the joint owners are exercised only by their common representative. The joint owners may be held liable jointly and severally for the fulfilment of the obligations arising from the jointly owned Ordinary Shares.

Each Ordinary Share incorporates all rights and obligations provided for by Law 4548/2018 and the Articles of Associations and in particular:

- the right to participate and vote in the General Meetings;
- the right to receive dividend from PPC's profits. For a detailed description of the relevant regulatory framework, PPC's dividend policy and any restrictions thereto, please see "*Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profits, and Losses—Dividends and dividend policy.*" If declared, the right to receive dividend is time-barred upon the lapse of a five-year period from the end of the year during which distribution of such dividend was approved by the General Meeting;
- the right to receive out of the liquidation proceeds or capital returns the amount corresponding to the Ordinary Shares owned;
- pre-emptive rights in every increase of the share capital (other than through contributions in kind) and every issuance of convertible bonds, as long as the General Meeting, or the Board of Directors, as applicable, has not limited or repealed such rights;
- the right to receive copies of the financial statements and the reports of the auditors and the Board of Directors ten days before the annual General Meeting; and
- for the rights of minority shareholders, see "*—Rights of minority shareholders.*"

#### ***Rights of minority shareholders***

Law 4548/2018 provides that upon request by shareholders representing 5% of the paid-up share capital and subject to any requirements set out therein:

- the Board of Directors shall convene an Extraordinary General Meeting within 45 days of service of the request;
- the Board of Directors shall include additional items to the agenda of the General Meeting already convened;
- draft resolutions proposed by such shareholders in relation to any General Meeting agenda items shall be made available to the other shareholders;
- the chairman of the General Meeting is obliged to allow one postponement of the adoption of resolutions by the General Meeting provided an adjourned meeting is convened within 20 days to reconsider the resolutions;
- the resolution of any matter included on the agenda for the General Meeting must be adopted by a roll call;
- the Board of Directors shall disclose to the General Meeting any amounts distributed or any other benefits granted to the directors and senior management during the course of the last two years and any agreements concluded between us and such persons;
- a competent court shall review the operations of PPC if it is believed that actions taken by the Board of Directors violated applicable law, the Articles of Association or resolutions of the General Meeting; and
- the Board of Directors shall resolve on bringing an action against any of its members whose acts or omissions damaged PPC.

In addition, shareholders representing 5% of the issued share capital may request the annulment of a General Meeting's decision on the grounds that the resolution was made without the required information having been made available to the shareholders, despite a relevant request.



The annulment of a General Meeting's decision may also be requested by shareholders representing 2% of the paid-up share capital, whether such shareholder(s) did not attend a General Meeting or attended and objected to the decision-making, which (decision) was taken: (i) in violation of the law or the Articles of Association; (ii) by a General Meeting not properly convened or constituted; or (iii) by abuse of the rights of the majority shareholders.

Shareholders representing 10% of the paid-up share capital may: (i) request that the Board of Directors provides them with information on the conduct of the business and the financial condition of PPC at the General Meeting; and (ii) object to a decision of the Board of Directors, whereby PPC is to waive or settle its claims against the directors.

Shareholders representing 20% of the paid-up share capital have the right to request a competent court to review PPC's operations, when it is believed that it is not properly managed.

Shareholders representing 33.33% of the paid-up share capital may ask from the competent court the dissolution of PPC provided a significant reason exists therefor which renders its continuation impossible in an obvious and permanent way.

Any shareholder may request the Board of Directors to provide to the General Meeting certain information concerning the affairs of PPC, to the extent they are useful for the evaluation of the items on the agenda.

The Board of Directors may refuse to provide information requested by a shareholder on reasonable grounds, which must be recorded in the minutes in accordance with the law.

### ***Rights on liquidation***

In accordance with Greek corporate law, PPC may be dissolved in the following cases: (i) expiration of its statutory duration as provided by its Articles of Association; (ii) a relevant decision of the General Meeting taken by an increased quorum and majority; (iii) upon declaration of PPC into bankruptcy; (iv) upon rejection of a bankruptcy application due to insufficiency of PPC's assets for such procedure; or (v) a decision of the competent court following a request by any person having legal interest or by PPC's shareholders in accordance with, and subject to, the relevant provisions of Law 4548/2018. A liquidation procedure will follow dissolution of PPC.

During liquidation, the General Meeting is entitled to all rights under the Articles of Association and Greek law and has the authority to designate one or more liquidators who have all the rights ordinarily held by the board of directors. The board of directors will cease to exist upon the appointment of the liquidators.

Upon the passing of the resolution on liquidation, the liquidator(s) should draw up an inventory of all assets, complete all pending transactions, collect all receivables, discharge all debts and liquidate all assets to the extent necessary to discharge the company's liabilities. Following the discharge of all liabilities, the liquidator(s) should distribute any remaining assets to the company's shareholders *pro rata* to their shareholding therein.

### **17.5. General Meeting**

Pursuant to the Articles of Association and Greek law, the General Meeting, the supreme corporate body of a Greek *soci  t   anonyme*, is entitled to decide on any and all of its affairs. Its resolutions are binding on the Board of Directors as well as of all ordinary shareholders, including those absent from the relevant session of the General Meeting and those dissenting. Shareholders are entitled to attend the General Meeting, and vote on resolutions, either in person or through a proxy. The appointment or revocation of proxies and the relevant notification to the Company may take place electronically through email as per the relevant General Meeting invitation.

Any natural or legal person that is indicated as a shareholder at the beginning of the fifth day before the date of the relevant General Meeting (record date) either by the ATHEXCSD (when providing registry services to the company concerned in accordance with the relevant provisions of the ATHEXCSD Rulebook) or the relevant DSS Participant is entitled to attend and vote at the General Meeting.

Greek law requires the board of directors to ensure that a detailed invitation to each General Meeting and all related documents and information—including, among other things, draft proposed resolutions or the board of directors' comments on each agenda item and the total number of Shares and voting rights that exist at the date of the invitation—are available to shareholders at least 20 days in advance. The invitation must include, among other things, information regarding the time and place (unless the General Meeting convenes in full with the participation of the shareholders remotely by electronic means) of the General Meeting, the agenda, instructions on how to participate and exercise voting rights, in person or by proxy, including the proxy voting procedures, the rights of minority shareholders and the Company's website address, where information about the General Meeting required by Greek law is available.

The General Meeting is the only body competent to decide on, among other matters, (i) the extension of PPC's duration, merger (subject to certain exemptions), conversion, revival, demerger or dissolution; (ii) amendments to our Articles of Association (subject to certain exceptions provided in the law); (iii) increases or reductions of our share capital (except for increases authorised by the board of directors according to Greek law and increases imposed by other laws) or the issuance of bonds that are contingent on our profits or convertible bonds (unless the General Meeting has authorised the Board of Directors to approve the issuance of any such bonds); (iv) election of the members of the Board of Directors (except for replacement by the Board of Directors of any members thereof who have resigned, deceased or otherwise ceased to be directors) and statutory auditors; (v) the distribution of annual profits; (vi) the approval of the annual financial statements; (vii) any remunerations and advances thereof to board members, as well as the remuneration policy and relevant report with respect to board members and senior management; (viii) the approval of PPC's management and release of statutory auditors from liability upon approval of the financial statements; and (ix) the appointment of liquidators.

A simple quorum for the General Meeting is met whenever shareholders holding at least 20% of our paid-up share capital are present or represented at the General Meeting. Generally, any action taken by the General Meeting requires a simple majority of the votes cast.

However, certain extraordinary resolutions by the General Meeting require an increased quorum of 50.0% and majority of two-thirds of the paid-up share capital to be present either in person or by proxy. Such quorum falls to 20% for the repeat session of the General Meeting with the required majority remaining at two-thirds. These extraordinary resolutions include, among other things, (i) increases or reductions of our share capital, subject to certain exemptions; (ii) a change in PPC's jurisdiction of incorporation; (iii) a merger, demerger, conversion, extension of duration, or dissolution; and (iv) changes to PPC's corporate object.

The holders of Ordinary Shares are entitled to receive from PPC the annual financial statements and the relevant reports of the Board of Directors and the statutory auditors ten days before the annual General Meeting. In any case PPC, from the date of the publication of the invitation of the General Meeting until the date of the General Meeting's session, must post on its website, among other things, all the documents that need to be submitted to the General Meeting.

## **17.6. Greek tax considerations**

### ***Introduction***

The following is a summary of certain Greek tax considerations that may be relevant to the acquisition, ownership and disposition of our Ordinary Shares. The following summary is based on the provisions of the Income Tax Code, as well as on the relevant interpretative guidance circulars and decisions by the Independent Authority for Public Revenue. Prospective purchasers of our Ordinary Shares should consult their own tax advisers as to the Greek or other tax consequences arising from the acquisition, ownership and disposition of ordinary shares, having regard to their particular circumstances. The tax laws of the jurisdiction of a prospective investor may also have an impact on the income received from the New Shares. The summary below does not extend to the necessary documentation that a taxpayer may need to file as regards income or other taxes relating to our ordinary shares in order to claim exemption from those taxes. Individuals are assumed not be acting in a business-professional capacity.

## ***Taxation of dividends***

Pursuant to the provisions of the Income Tax Code, dividends are subject to withholding tax currently at a rate of 5% (subject to the provisions of applicable double taxation treaties, the Directive 2011/96/EU and the domestic legislation). The double taxation treaty between the United States and Greece does not reduce the 5% withholding tax rate. Such withholding tax discharges the Greek tax liability of the beneficiary, if the beneficiary is either an individual or a legal person or legal entity (“*nomiko prosopo*” or “*nomiki ontotita*”) which is neither a tax resident of nor has a permanent establishment in Greece through which the Ordinary Shares are held. For legal persons and legal entities that are Greek tax residents, subject to the application of Directive 2011/96/EU described immediately below, the amount of dividends received is grossed up with the addition of the amount of dividend tax withheld and of the amount of income tax of the payor corresponding to the dividends. The amount derived is calculated as income of the recipient of the dividend. At the same time, the amount of dividend tax withheld over the said dividends and the amount of income tax of the payor corresponding to the dividends is deducted from the income tax of the recipient of the dividends. If the amount of dividend tax withheld is greater than the income tax of the recipient of the dividends, the difference is returned to the recipient of the dividends.

Dividend payment to an EU legal person or entity may be exempted from the 5% withholding tax if cumulatively all of the following conditions are met: (i) such legal person receiving dividends holds shares or participation interest of at least 10% in value or in number of share capital, profits rights or voting rights of the company which declares and distributes the dividend; (ii) such minimum holding of shares or participation interest is held for at least 24 months (in lieu of this condition a bank guarantee equal to the tax amount that would be due in case of no tax exemption may be provided that will expire on the completion date of 24 months’ holding of the minimum participation interest); (iii) such legal person receiving dividends should have one of the forms listed in Annex I part A of Directive 2011/96/EU; and (iv) such legal person should be a tax resident of an EU member state according to the legislation of such EU member state and should not be considered a tax resident of a third non-EU country based on the applicable provisions of the double tax treaty signed with such third country, and is subject, without the right of choice or exemption, to one of the taxes referred to in Annex I part B of Directive 2011/96/EU or to any other tax that in the future may replace one of these taxes. Exemption from the corporate income tax may apply to intragroup dividends received by legal persons that are tax residents in Greece, provided that requirements similar to the aforementioned conditions apply.

Dividend payment to a Greek collective investment in transferable securities (the “UCITS”), or an EU or EEA UCITS or Greek Investment Company (AEEX) is exempted from the withholding tax, subject to providing appropriate documentation (Article 46(c) of the Income Tax Code for Greek, EU and EEA UCITS and AEEX).

## ***Transaction tax***

A transaction tax of 0.2% will apply on the sale of shares listed on the ATHEX. Such tax is calculated on the shares’ sale price and is borne by the seller, whether the seller is an individual, legal person or entity or association of persons or assets, irrespective of nationality, residence or location of corporate seat and irrespective of whether the seller is subject to any tax or duty exemption pursuant to provisions of other laws. Such tax is applicable both to market and OTC transactions, as well as transactions executed on a multilateral trading facility. The ATHEXCSD charges such tax, daily upon settlement, on the investment firms and credit institutions acting as custodians settling share sale transactions on behalf of the sellers. According to Law 4799/2021, the procedure for the collection of the 0.2% transaction tax changes so as to also apply to omnibus accounts. Furthermore, it is provided that, if the New Shares are held via an omnibus account and settled outside the central securities depository, in the event that the 0.2% transaction tax is not paid or is not timely paid, then such 0.2% and the respective interest and fines can be assessed to the participant or/and to any other intermediary or registered intermediary who may be involved in the relevant share sale transactions.

Moreover, pursuant to the Resolution 18 of the board of directors of ATHEXCSD entitled “Price list”, as amended, each of the transferor and the transferee is charged with transaction costs by ATHEXCSD: (i) at 0.08% for over the counter transactions due to sale, donation/parental benefit, benefit in kind to executives/shareholders and tender offer; (ii) at 0.0325% (minimum €20) for any

transactions via market participants, in connection with the settlement of a transfer of shares listed on the ATHEX, as well as with a freely negotiable commission to the brokers.

### ***Capital gains tax***

Gains arising from a sale of listed shares, such as the New Shares, are, in principle, subject to income tax in Greece which is borne by the seller, subject to certain exceptions. Generally, the taxable capital gain equals the positive difference between the consideration received from the disposal of the shares, such as the New Shares, and the acquisition price of same shares. For purposes of calculating the taxable gains, any expenses directly linked to the acquisition or sale of the shares are added to the acquisition price and, respectively, deducted from the sale price. More specifically:

- Tax treatment of a seller that is a legal person or a legal entity.
- A seller being a legal person or a legal entity which neither resides, for tax purposes, in Greece nor maintains a permanent establishment in Greece to which the New Shares are attributable is exempt from Greek tax on the gains arising from a sale of listed shares, such as the New Shares, on the basis of the Greek domestic tax law provisions, as no income is deemed to have been generated in Greece. Separately and additionally, an exemption from the Greek tax may be also sought on the basis of a double taxation treaty (“DTT”) between Greece and the state of tax residence of such a seller, on condition that said seller files with the custodian the appropriate standard form tax residence certificate. Because Greek tax law treats gains arising from the sale of listed shares as business income, the United States’ DTT with Greece provides for an exemption from Greek income tax in this context if the selling entity does not maintain a permanent establishment in Greece.
- For a seller that is a legal person or a legal entity residing, for tax purposes, in Greece or maintains a permanent establishment in Greece to which the New Shares are attributable, the gain arising from the sale of listed shares is considered as ordinary business income and is taxed via the annual corporate income tax return at the rate of 22% as per Law 4799/2021. Credit institutions that have been submitted in the scope of the deferred tax assets regime (*i.e.* under Article 27A ITC) are taxed at 29%. In any event, if the final annual tax result is a loss, such a loss is carried forward for five (5) years according to the general provisions.
- If the seller is a legal person residing, for tax purposes in Greece, such seller can be exempt from the Greek corporate income tax on the gains arising from a sale of shares, such as the New Shares, if such seller holds at least 10% of the issuer’s capital or voting rights for at least two (2) consecutive years (Article 48A ITC). For such a seller, the exemption from the Greek corporate income tax is final.
- Tax treatment of a seller who is an individual (natural person).
- An individual is subject to Greek income tax on the gains from a sale of listed shares, such as the New Shares, only if the individual participates in the share capital of the Issuer with a percentage of at least 0.5%. The remainder of this section assumes that the individual so participates. Accordingly:
- An individual who is a tax resident of Greece will be subject to Greek income tax on the gain at a flat rate of 15%. For the calculation of the gain, the critical date is the date of the settlement of the transactions. This 15% tax exhausts the Greek income tax liability of such a seller in respect of said revenue. In case the sale transaction generates a loss, the loss may be carried forward for five (5) years and may be set off against gains realised in the context of similar transactions only, that is, indicatively, gains from a sale of listed shares etc. (Article 42 ITC).
- A seller who is an individual being a resident, for tax purposes, in a foreign country having a DTT with Greece is exempt from Greek income tax on the gains realised from the sale of listed shares, on condition that such individual files with the custodian the appropriate tax residence certificate.

- A seller who is an individual being a resident, for tax purposes, in a foreign country which does not have a DTT with Greece, will be subject to Greek income tax in the same manner as a Greek tax resident individual; accordingly, such a seller will have to file a Greek annual return. According to the Greek Ministry of Finance, if said seller resides in a “non-cooperative” jurisdiction or state (*i.e.* a non-EU member state which: (i) has not concluded a treaty for administrative assistance in tax matters with Greece or has not signed the OECD Convention on mutual administrative assistance in tax matters, (ii) has not committed to the automatic exchange of financial information starting from 2018 at the latest, (iii) has been assessed, in respect of its status, by the OECD and has not been classified as “largely compliant”), the tax which is chargeable on the gain is payable before the transfer of the New Shares via the filing of a special tax return; the procedure and the details for such filing have not been determined yet.

### ***Special solidarity levy***

Individuals who are Greek tax residents and individuals who are non-Greek tax residents, whose global income and Greek income, respectively, including dividends and capital gains from the sale of our Ordinary Shares, exceeds €12,000, are subject to a special solidarity levy. The rate of the solidarity contribution rises progressively from 2.2% to 10% and is calculated with reference to both taxable and tax-exempt annual income (with specific exceptions) in Greece exceeding €12,000. According to Guidelines of the Independent Authority for Public Revenue E.2009/2019 and decision no. 2465/2018 of the Council of State, the solidarity levy is not imposed on income generated in Greece and acquired by a non-Greek tax resident when Greece is not entitled to impose tax to this type of income on the basis of a DTT. Accordingly, a non-Greek tax resident may be exempt from, or be entitled to a credit for, the solidarity levy pursuant to the provisions of an applicable DTT. Law 4799/2021 published in the Official Gazette no. A78/18-05-2021, provides for an exemption from the solidarity levy in respect of individual holders of the New Shares for income generated in the year 2021.

### ***Inheritance and gift taxes for ATHEX listed shares***

According to the provisions of Articles 12, 29 and 44 of the Greek Code of Inheritance, Gift, Parental Donation and Gambling Tax (Law 2961/2001), where shares listed on the ATHEX are transferred on the basis of inheritance, gift, or parental donation, the market value of these shares as of the day preceding the date when the tax obligation becomes due, is subject to tax on a progressive system (tax scale) which depends on the degree of the relationship between the parties in accordance with Article 29 of such Code. Such tax is also levied on persons who are not Greek tax residents, subject to any exemption under the provisions of a limited number of applicable tax treaties for the avoidance of double inheritance taxation and under the condition of reciprocity.

### ***Share lending tax***

Pursuant to the provisions of Article 4, paragraph 4 of Law 4038/2012, a 0.2% tax is applicable on the OTC lending of listed shares, such transactions, including the respective agreement or other relevant act, being exempt from stamp duty. The tax is borne by the lender (whether the lender is an individual or association of persons or assets or legal person or legal entity and whether the lender is a Greek tax resident or not) and is calculated on the value of lent shares.

## 18. TERMS AND CONDITIONS OF THE SHARE CAPITAL INCREASE AND PUBLIC OFFERING

### 18.1. Share Capital Increase and the Public Offering

#### *Resolutions of the Extraordinary General Meeting held on 19 October 2021*

The Extraordinary General Meeting of our shareholders, held on 19 October 2021, approved, among other matters, the increase of the Company's share capital, pursuant to Article 6 of the Company's Articles of Association and Article 24, paragraph 1(b) of Law 4548/2018, the disapplication of the preemption rights of the existing shareholders, in accordance with Article 27, paragraph 1 of Law 4548/2018, in the context of the Share Capital Increase, with which the Board of Directors of the Company was authorised to proceed according to Article 24, paragraph 1(b) of Law 4548/2018, as well as the grant of authorisation to the Board of Directors to:

- (a) resolve, with the quorum and majority provided for by law, the increase of the share capital of the Company, through payment in cash, by an amount that may not exceed the amount equal to the paid-up share capital of the Company as at the date of this authorisation to the Board of Directors, namely up to the amount of €575,360,000, by issuing up to 232,000,000 new, common, registered, voting, dematerialised shares;
- (b) determine the specific terms and time plan of the Share Capital Increase in accordance with the applicable provisions of Law 4548/2018, including indicatively the structure of the Share Capital Increase, the offer price of the new shares, the offer of the new shares in a public offering in Greece and a private placement of the new shares outside of Greece, the categories of investors eligible to participate in the Share Capital Increase, the criteria of allocation between the different categories of investors in Greece or/and abroad who shall subscribe for new shares in the context of the Share Capital Increase, including the adoption of a mechanism for the priority allocation of the new shares to the existing shareholders of the Company participating in the offering of new shares, the conclusion of the necessary contracts with foreign or/and domestic financial intermediaries, arrangers, coordinators or managers, or/and other credit institutions and investment firms, any act and action in general for the implementation and completion of the Share Capital Increase, including the relevant amendment to the Company's Articles of Association and the admission of the new shares to trading on the Athens Exchange; and
- (c) the power to authorise one or more of the members of the Board of Directors or other executives of the Company, each acting jointly or severally, to take any decision or other action relevant to the above under (b), which will not require approval by the Board of Directors pursuant to the law or/and the Company's Articles of Association.

The Board of Directors was authorised to exercise the power to increase the Company's share capital in one or more transactions, with such authorisation being valid only for three (3) months.

#### *Resolutions of the Board of Directors held on 29 October 2021*

By virtue of the authority given to it pursuant to the resolution of the General Meeting held on 19 October 2021, our Board of Directors in its meeting held on 29 October 2021, approved, among other matters, the following:

1. the increase of the nominal share capital of the Company by an amount which shall not be lower than €322,400,000 or higher than €372,000,000, through payment in cash and the issuance of New Shares, each having a par value of €2.48, whose number shall not be lower than 130,000,000 or higher than 150,000,000, in accordance with the provisions of Article 24 paragraph 1(b) of Law 4548/2018 and the Company's Articles of Association. The total number of the New Shares will be equal to the quotient of the final amount raised pursuant to the Combined Offering divided by the Offer Price of each New Share and will be determined pursuant to a subsequent decision of the Board of Directors. No fractions of New Shares will be issued. Any difference between the nominal value of the New Shares and the Offer Price will be credited to the own funds account under the caption "issuance of shares above par."

2. that the deadline for paying the Share Capital Increase is set at 2 months from the date of the resolution of the Board of Directors, which will determine the Offer Price, in accordance with Article 20, paragraph 2 and Article 25, paragraph 2 of Law 4548/2018.
3. that the share capital of the Company will be increased up to the final subscription amount, in accordance with Article 28 of Law 4548/2018, if the Share Capital Increase amount is not fully subscribed for, namely in case of partial subscription of the Share Capital Increase.
4. that the net proceeds from the Combined Offering (namely the gross proceeds from the Combined Offering after deduction of the relevant expenses) will be used for the funding of the five-year business plan of the Company approved by the Board of Directors on 23 September 2021, as it will be adjusted and further updated by the Chairman and Chief Executive Officer.
5. In addition, the Board of Directors resolved that the New Shares will be:
  - (i) offered in Greece, to Retail Investors and Qualified Investors pursuant to the Public Offering in accordance with the Prospectus Regulation, the applicable provisions of Law 4706/2020 and the relevant implementing decisions of the HCMC; and
  - (ii) placed outside Greece, to Qualified Investors, Institutional Investors and other eligible investors, through a private placement book building process, in reliance on one or more exemptions from the requirement to publish or passport a prospectus under the Prospectus Regulation and/or other national law provisions in relevant jurisdictions, including in the United States under Rule 144A.
6. In particular, the following will apply:
  - (i) 15 % of the New Shares will be initially allocated to investors subscribing in the Public Offering and 85% of the New Shares will be initially allocated to investors subscribing in the Institutional Offering. However, the final number of the New Shares which will be allocated to investors participating in the Public Offering and the Institutional Offering, will be determined after the end of the Combined Offering based on the demand expressed by such investors;
  - (ii) the Board of Directors may amend and finalise the above allocation at its discretion, based on the demand that will be expressed in each part of the Combined Offering, without prejudice to the implementation of the Preferential Allocation; and
  - (iii) New Shares initially allocated to, but not subscribed for, in the Public Offering or the Institutional Offering, as applicable, may be reallocated to investors subscribed in the other part of the Combined Offering, as long as the orders submitted in such other part exceed the above initial allocation and support this reallocation.
7. that the Price Range will not be lower than €8.50 and higher than €9.00 per New Share. The final offer price for each New Share within the Price Range will be determined by the Board of Directors after the closing of the book building process for the Institutional Offering, in agreement with the Joint Global Coordinators and will be identical for all investors participating in the Combined Offering.
8. that the Public Offering and Institutional Offering will run in parallel, and their duration will be three business days.
9. that the procedure for subscribing for New Shares in the Public Offering shall be as described below under “—*Procedure for the Public Offering of the New Shares.*”
10. that the rules for allocating New Shares subscribed for by Retail Investors and Qualified Investors shall be as described below under “—*Allocation.*”

### **General information on the Share Capital Increase**

The Cornerstone Investor has agreed to acquire, pursuant to the terms of the Institutional Offering and subject to customary terms and conditions of a firm “cornerstone” commitment of this nature, and PPC has agreed to allocate to the Cornerstone Investor, New Shares at the offer price of the Combined Offering for a total investment amount not exceeding €395.0 million, subject to certain conditions being satisfied, including the subscription price for the newly issued shares being no greater than €9.00 per newly issued ordinary share. In addition, PPC has agreed in the CVC Cornerstone Investment Agreement that, subject to the terms and conditions therein, the Cornerstone Investor shall be guaranteed an allocation of such number of common shares, so that immediately after the completion of the Share Capital Increase it will hold at least 10.0% of the total outstanding voting share capital of PPC. The Cornerstone Investor will acquire the newly issued shares pursuant to, and as part of, the Institutional Offering outside Greece. The Cornerstone Investor has committed to a 180-day lock-up period following completion of the Share Capital Increase, subject to certain limited exceptions.

In accordance with Article 12.4 of its Suitability Policy, PPC, through its relevant committees and corporate governance procedures, intends to take appropriate steps to achieve a wider range of representation on its Board of Directors of shareholders holding (individually or together with other shareholders) at least 10.0% of its share capital. Therefore, subject to the Suitability Policy, if, as a result of its subscription for PPC’s New Shares pursuant to the terms of the CVC Cornerstone Investment Agreement, CVC holds at least 10.0% of PPC’s share capital, the relevant committees of PPC will favourably consider the nomination of a candidate proposed by CVC for election to PPC’s Board of Directors. More specifically, if such nomination(s) is/are made and one or more seats on the Board of Directors is/are vacated, the PPC’s Nomination, Remuneration and Recruitment Committee will convene as soon as practicable to examine the suitability of the candidate(s) and make a recommendation to the Board of Directors, in accordance with the Articles of Association, PPC’s Internal Rules of Operation, as well as PPC’s Suitability Policy, and applicable legal provisions.

On 30 October 2021, HCAP communicated to PPC its support for the Share Capital Increase and its intention to subscribe for the acquisition of such number of New Shares, through its participation in the Institutional Offering, that will result, following the completion of the Share Capital Increase, in HCAP having a holding, directly and indirectly (including the stake of HCAP’s subsidiary, HRADF), of 34.123% of the total number of ordinary voting shares of PPC.

Holders of the New Shares shall be entitled to receive dividend, subject to all applicable laws (please see “*Financial Information Concerning the Issuer’s Assets and Liabilities, Financial Position and Profits, and Losses—Dividends and dividend policy*”).

PPC declares that it has complied with all legal procedures regulating the convening and conduct of the Extraordinary General Meeting of 19 October 2021, which, *inter alia*, approved the increase of the Company’s share capital, in accordance with Article 24, paragraph 1(b) of Law 4548/2018 and the disapplication of existing shareholders’ preemption rights and authorised the Board of Directors to approve the Share Capital Increase, as well as with all applicable provisions regarding the convening and conduct of the Board of Directors’ meeting on 29 October 2021, which, *inter alia*, approved the Share Capital Increase and undertakes to comply with the legal procedures applicable to its Share Capital Increase, and that for any additional relevant information PPC will inform the investors, the HCMC and the ATHEX.

According to decision no. 26/17.07.2008 of the Board of Directors of the ATHEX, as in force, the price of the existing Ordinary Shares will not be adjusted as a result of the Share Capital Increase with the disapplication of the preemption rights of its existing shareholders.

<b>General Information on the Share Capital Increase</b>		
Number of Ordinary Shares before the Share Capital Increase	232,000,000	Ordinary Shares
Issue of New Shares with the disapplication of the preemption rights of the existing shareholders	from 130,000,000 to 150,000,000	Ordinary Shares
Total number of Ordinary Shares after the Share Capital Increase	from 362,000,000 to 382,000,000	Ordinary Shares



Nominal value per Ordinary Share	€2.48	
Price Range	€8.50 - €9.00	
Proceeds raised through the Share Capital Increase	from €1,105,000,000 to €1,350,000,000	

## 18.2. Procedure for the Public Offering of the New Shares

### *General remarks on the offering of the New Shares through the Public Offering*

The Public Offering in Greece is addressed to both Retail Investors and Qualified Investors.

The participation in the Public Offering by the same natural or legal person simultaneously under the capacity of both Retail Investor and Qualified Investor, is prohibited. If an investor subscribes in the Public Offering both as a Qualified Investor and a Retail Investor, such investor shall be treated as a Retail Investor, with the exception of subscriptions submitted through DSS Participants for the same omnibus securities' depository accounts in both categories of investors.

Investors' attention is drawn to the subscription application for New Shares, which must include the number of the Investor Share, the Securities Account and the code number of the DSS Participant, and if any of these numbers is erroneous, the investor shall be excluded from the allocation of New Shares.

Investors in the Public Offering shall subscribe for New Shares at the maximum price of the Price Range. The value of the investors' participation in the Public Offering will be equal to the product of the number of the subscribed New Shares multiplied by the maximum price of the Price Range.

Each investor, including existing shareholders, subscribing in the Public Offering shall subscribe for at least one New Share and for integral multiples thereof, up to the maximum number of New Shares that may be issued pursuant to the Share Capital Increase, namely up to 150,000,000 New Shares, at the maximum price of the Price Range. If an existing shareholder submits a subscription application for New Shares in excess of such shareholder's percentage of participation in the share capital of the Company as at the Record Date (oversubscription), then Preferential Allocation (as presented below) will be given to such shareholder up to such shareholder's *pro rata* participation in the share capital and not for the excess.

Upon completion of the Public Offering, all subscriptions for New Shares as in force at that moment shall be considered final.

If, following the end of the Public Offering, more than one subscriptions made by or on behalf of the same natural or legal person are detected based on the DSS data or PPC detects multiple subscriptions, all such subscriptions shall be consolidated and treated as a single subscription.

Investors subscribing for New Shares shall bear no costs and taxes for the registration of the New Shares allocated to them with their Investor Share and Securities Account.

The Public Offering and the subscription of the interested investors shall last three business days.

Investors shall be informed of the commencement and expiry date of the Public Offering, as well as of any other details about the aforementioned procedure through the publication of the respective announcement-invitation addressed to investors, in accordance with the Prospectus Regulation and Delegated Regulation (EU) 979/2019.

It is noted that, following the certification by the Board of Directors of PPC that the funds in respect of the Share Capital Increase have been paid in full and registration thereof with the General Commercial Registry, the revocation of the Share Capital Increase shall be no longer possible for any reason.

The New Shares will be delivered to the investors entitled thereto in dematerialised form by registration thereof with their Investor Share and Securities Account held in the DSS which will have been provided by such investors.

### ***Procedure for the offering of the New Shares through the Public Offering to Retail Investors***

Retail Investors may subscribe for New Shares in the Public Offering from the first until 16:00, Greek time, of the last day of the Public Offering period, by submitting a relevant subscription application during normal business days and hours through the branches of the Lead Underwriters and the Underwriter as well as through their DSS Participants (investment firms or banks' custody).

Retail Investors who subscribe for New Shares through the Lead Underwriters' and the Underwriter's branches will be required to present their identification card or passport, their tax registration number and a print-out of their DSS data setting out their Investor Share and Securities Account. If Retail Investors do not already hold a deposits account with them, they will also be required to furnish all necessary documents needed for the account opening according to the procedures of the Lead Underwriters and Underwriter.

The subscription applications of the interested Retail Investors shall be acceptable, provided that an amount equal to their total subscription has been either deposited or blocked at any of their accounts held with, as applicable, the Lead Underwriters, the Underwriter as well as the DSS Participants.

The subscription applications of the Retail Investors shall be acceptable only if the interested investors are the beneficiaries or co-beneficiaries of the accounts from which they subscribe.

Every Retail Investor, who is a natural person may subscribe to the Public Offering either through his/her own individual Investor Share or through one or more Joint Investor Shares (the "JIS") in which he/she participates as a co-beneficiary. Piraeus Bank shall inspect all applications so that each such beneficiary receives New Shares in only one Securities Account. Should there be detected more than one subscription applications from a single investor for delivery of the New Shares subscribed for to one or to more Securities Accounts, then the total amount of all these subscriptions shall be considered as a single subscription of the investor.

Following the finalisation of the number of New Shares that each Retail Investor is entitled to receive through the Public Offering as well as the offering price, any excess amount paid shall be returned to the beneficiary by the Lead Underwriter, the Underwriter or DSS Participant through which they subscribed in the Public Offering. Any excess amount paid shall be returned with no interest.

### ***Procedure for the offering of the New Shares through the Public Offering to Qualified Investors***

Qualified Investors may subscribe for New Shares in the Public Offering from the first until 16:00, Greek time, of the last day of the Public Offering period by submitting a relevant subscription application exclusively through the Lead Underwriters and the Underwriter.

The subscription applications of the interested Qualified Investors shall be acceptable provided that an amount equal to their requested participation will have been made available to the Lead Underwriters and the Underwriter in accordance with their instructions.

During the Public Offering period, Qualified Investors shall be entitled to amend their subscriptions and each subscription shall be deemed to cancel the preceding ones.

On the last day of the Public Offering period, all subscription in force at that time shall be considered final.

Following the finalisation of the number of the New Shares that each Qualified Investor is entitled to acquire through the Public Offering, any excess amount paid in cash shall be returned to the relevant beneficiary with no interest.

## **18.3. Allocation**

### ***General Information***

Allocation of the New Shares being offered in the Combined Offering has been initially split between the Public Offering and the Institutional Offering as follows: (i) 15.0% ( corresponding to

19,500,000 of the New Shares, assuming that the minimum number of New Shares are issued, or 22,500,000 of the New Shares, assuming that the maximum number of New Shares are issued) will be allocated to investors subscribed in the Public Offering and (ii) 85.0% (corresponding to 110,500,000 of the New Shares, assuming that the minimum number of New Shares are issued, or 127,500,000, assuming that the maximum number of New Shares are issued) will be allocated to investors subscribed in the Institutional Offering. The Board of Directors of PPC may amend and finalise this allocation split at its discretion, based on the demand expressed in each part of the Combined Offering, without prejudice to the implementation of the Preferential Allocation.

New Shares initially allocated to, but not subscribed for in the Institutional Offering, may be reallocated to investors subscribed for in the Public Offering, as long as orders submitted in the Public Offering exceed the above initial allocation and support this reallocation.

New Shares allocated to, but not subscribed for in, the Public Offering may be reallocated to investors subscribed for in the Institutional Offering, as long as orders submitted in the Institutional Offering exceed the above initial allocation and support this reallocation.

Allocation of New Shares to investors subscribed for in the Institutional Offering will be made at the discretion of the Board of Directors of PPC.

#### ***Allocation of New Shares in the Public Offering—Preferential Allocation***

Of the total number of New Shares initially allocated in the Public Offering, the final number of New Shares that will be allocated to Retail Investors and Qualified Investors will be determined at the end of the Combined Offering, having regard to the demand expressed by investors in the Combined Offering.

Retail Investors and Qualified Investors who are registered shareholders of PPC in accordance with its shareholders' register electronically kept through the ATHEXCSD as at the commencement of trading of the existing Ordinary Shares on the Record Date and subscribe for in the Public Offering (the "Priority Investors"), will be entitled to a priority allocation of the New Shares allocated in the Public Offering, which will be proportionate to the shareholding participation of a Priority Investor in PPC ("Preferential Allocation"). The Preferential Allocation in the Public Offering will be at least equal to the Priority Investors' shareholding participation in the share capital of PPC (based on the electronic records of ATHEXCSD) as at the commencement of trading of the existing Ordinary Shares on the Record Date, so that such shareholders maintain at least the same shareholding participation after the Share Capital Increase. However, Priority Investors that subscribed in both the Public Offering and the Institutional Offering, as the case may, will be deprived of their Preferential Allocation.

Existing Shareholders participating in the Public Offering and entitled to Preferential Allocation for their shareholding participation in the Company should appear, through a Securities Account held in their name, with the relevant shareholding participation, in the ATHEXCSD electronic records as shareholders of the Company as at the commencement of trading of the existing Ordinary Shares on the Record Date.

If a Priority Investor subscribes for New Shares in excess of such investor's shareholding percentile participation in PPC, as described above (over-subscription), only the portion corresponding to such percentile participation of such Priority Investor in PPC will be subject to the Preferential Allocation.

Following the Preferential Allocation described above, subscriptions for New Shares made by Priority Investors that have not been satisfied, will be added to the subscriptions made by new subscribing investors and will be satisfied proportionately, to the extent unsubscribed New Shares are still available.

If subscriptions for New Shares made by Retail Investors or Qualified Investors are higher than the total number of New Shares allocated to them, such subscriptions will be satisfied *pro rata*.

After the above calculation, the number of New Shares that will be allocated to each investor will be rounded down to the nearest integer number of shares. If, as a result of such rounding per investor, New Shares remain unallocated, one additional New Share will be allocated to the investors, having, per investor, the highest unsatisfied fractional shares.

If the Public Offering is subscribed for in part, Retail Investors and Qualified Investors will be allocated all (100.0%) New Shares subscribed for by them.

Piraeus Bank will execute all necessary checks and processes to ensure the implementation of the Preferential Allocation rules for Priority Investors.

Allocation of New Shares in the Public Offering will not be dependent upon the manner or the financial intermediary subscription applications have been submitted.

Delivery of New Shares will be completed through the final registration thereof with the Investor Share and Securities Account of the Retail Investors and Qualified Investors entitled thereto. Such registration will be made following completion of the relevant processes and the exact date thereof will be publicly announced by PPC through the ATHEX at least one business day prior to the commencement of trading of the New Shares on the Main Market of the Regulated Securities Market of the ATHEX.

#### **18.4. Withdrawal right**

If a supplement to this Prospectus is published in accordance with Article 23 of the Prospectus Regulation, investors who subscribed for New Shares will have the right to withdraw their subscription made prior to the publication of the supplement within the time period set forth in the supplement (which shall not be shorter than three business days after the publication of the supplement).

#### **18.5. Placement**

National Bank of Greece S.A. (86 Aiolou Street, 10232 Athens, Greece), Alpha Bank S.A. (40 Stadiou Street, Athens, 102 52 Greece), Eurobank S.A. (8 Othonos Street, Athens 10557, Greece), Piraeus Bank S.A. (4 Amerikis, 105 64 Athens, Greece) and Euroxx Securities S.A. (7 Paleologou, Halandri, 152 32 Athens, Greece) act as Lead Underwriters, and Optima bank S.A. (32 Aigialeias & Paradissou Street, Maroussi, 151 25 Athens, Greece) acts as Underwriter, in connection with the Public Offering. However, the Lead Underwriters and the Underwriter assume no liability if the Public Offering is aborted or the New Shares are not so admitted to trading, in each case whether due to a cause attributable to PPC or otherwise. Also, National Bank of Greece S.A. acts as Issue Advisor of the Public Offering.

PPC will pay a fee to the Lead Underwriters and the Underwriter in consideration for their services thereunder, amounting to approximately €9.9 million assuming that the final offering price for the New Shares will be the maximum price of the Price Range and the maximum number of New Shares are issued.

All costs and expenses for the provision of the Lead Underwriters' and the Underwriter's services are included in the overall costs and expenses relevant to the Share Capital Increase and will be paid out of the net proceeds of the Combined Offering.

The Lead Underwriters and the Underwriter have undertaken to distribute and place the New Shares in the Public Offering without a firm commitment. All matters relevant to the placing services and process are set forth in a placing agreement entered into on 1 November 2021 among PPC, the Lead Underwriters and the Underwriter (the "Placing Agreement").

The Lead Underwriters and the Underwriter do not guarantee that all of the New Shares allocated in the Public Offering will be subscribed and paid for by investors and, in such case, the Lead Underwriters and the Underwriter are not required to subscribe and pay for any unsubscribed New Shares, as the Lead Underwriters and the Underwriter have undertaken only to distribute and place New Shares to investors in Greece.

Neither the Lead Underwriters nor the Underwriter will perform transactions to stabilise the market price of the New Shares following the commencement of trading thereof on the ATHEX.

### ***Information on the Placing Agreement***

Under the Placing Agreement, the Lead Underwriters and the Underwriter have also undertaken to ensure the due and timely payment of the offering price for the New Shares allocated to investors in the Public Offering. The Lead Underwriters and the Underwriter are fully and solely responsible to secure that investors subscribing for New Shares in the Public Offering through either the Lead Underwriters and the Underwriter or other financial intermediaries, have actually paid the funds in connection with their subscriptions.

The Lead Underwriters and the Underwriter are entitled to terminate the Placing Agreement upon the occurrence of certain events, including, indicatively, the following and in accordance with the specific terms of such agreement:

1. If transactions in securities on the ATHEX or in the international capital markets are suspended, restricted or ceased for a significant period of time;
2. If there occur economic or other events in Greece or internationally adversely affecting the Issuer or the Group and/or the success of the Public Offering, including strikes or disruption of banking activities, or other events which may have a material adverse effect on the success of the Public Offering and/or the trading of the New Shares on the ATHEX upon commencement thereof;
3. If certain force majeure events occur, as those are defined in the Placing Agreement;
4. If the trading of the Ordinary Shares on the ATHEX is suspended or ceased;
5. If the Issuer or the Group breaches any of its obligations, undertakings or statements under the Placing Agreement, or if any of its statements included in this Prospectus proves to be false, inaccurate or misleading;
6. If the admission of the New Shares to trading on the ATHEX is not approved or the Public Offering and/or the Institutional Offering is cancelled or aborted or suspended for any reason whatsoever, except where such reason is attributable to willful misconduct or gross negligence by the Lead Underwriters and/or the Underwriter;
7. If a material adverse effect (within the meaning of the Placing Agreement) occurs;and
8. If, after the publication of a supplement to this Prospectus, withdrawal rights in respect of a material number of New Shares have been exercised by investors, which, in the reasonable opinion of the Lead Underwriters and the Underwriter, may not ensure (i) that such New Shares are allocated to and subscribe for in the Institutional Offering, (ii) the satisfaction of the minimum free float requirement in accordance with the ATHEX rules with respect to the Ordinary Shares and (iii) the orderly admission to trading of the New Shares on the ATHEX.

## 19. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

The existing Ordinary Shares are traded, and application shall be made for the New Shares to be admitted to trading, on the Main Market of the Regulated Securities Markets of the ATHEX under the symbol “PPC.”

The date for the commencement of trading of the New Shares will be determined by PPC and publicly announced at its website and the website of the ATHEX. Dealings on the New Shares will be made electronically through the trading system of the ATHEX and over-the-counter, if so permitted by the applicable provisions of the law and the rules of the ATHEX.

Registration of the New Shares in book-entry form with the DSS and the keeping of the electronic record for all Ordinary Shares, including the New Shares, is made by the ATHEXCSD, as administrator of the DSS, in accordance with the ATHEXCSD Rulebook and the enabling decisions of the ATHEXCSD, as in force from time to time. Clearing of market transactions in Ordinary Shares, including the New Shares, will be made by the ATHEXClear in accordance with the regulation on clearing of transferable securities in book-entry form.

Set out below is the expected indicative timetable for the Public Offering and the admission of the New Shares to trading on the Main Market of the Regulated Securities Market of the ATHEX:

Date	Event
19 October 2021	Extraordinary General Meeting resolution on authorisation to the Board of Directors to approve the Share Capital Increase.
29 October 2021	Approval of the Share Capital Increase by the Issuer’s Board of Directors—Announcement of the Price Range.
1 November 2021	HCMC approval of the Prospectus.
1 November 2021	Publication of the Prospectus on the Issuer’s, Lead Underwriters’, the Underwriter’s, HCMC’s and ATHEX’s website.
1 November 2021	Publication of announcement regarding the availability of the Prospectus in the Daily Statistical Bulletin of the ATHEX and on the Issuer’s website.
2 November 2021	Publication of the announcement for the invitation of the investors and the commencement of the Public Offering.
2 November 2021	Commencement of the Public Offering.
4 November 2021	End of the Public Offering.
5 November 2021	Publication of the announcement regarding the final offering price in the Daily Statistical Bulletin of the ATHEX and on the Issuer’s website.
10 November 2021	Publication of a detailed announcement concerning the outcome of the Public Offering in the Daily Statistical Bulletin of the ATHEX and on the Issuer’s website.
12 November 2021	ATHEX approval regarding the admission of the New Shares to trading.*
12 November 2021	Publication of the announcement stating the trading commencement date of the New Shares in the Daily Statistical Bulletin of the ATHEX and on the Issuer’s website.
16 November 2021	Commencement of trading of the New Shares.

*Investors should note that the above timetable is indicative and subject to change, in which case PPC will duly and timely inform the investors pursuant to a public announcement.*

*\* Subject to the competent ATHEX committee meeting on that date.*

The admission of the New Shares to trading is subject to ATHEX approval which is given following the submission of the required supporting documentation and inspection thereof by the ATHEX.

## 20. EXPENSE OF THE ISSUE/OFFER

The total net proceeds and the total expense of the Share Capital Increase through the Combined Offering are estimated as follows:

<u>Description of Estimated Total Net Proceeds and Total Expenses<sup>(1)</sup></u>	<u>Amount in € millions</u>
Legal fees .....	2.5
Fees of the statutory auditors .....	0.3
Financial advisers' fees .....	37.8
Lead Underwriters' and Underwriter's fees .....	9.9
ATHEX and ATHEXCSD rights .....	1.0
HCMC's fees .....	0.3
HCC's fees .....	0.4
Capital raise tax .....	1.9
Other expenses .....	1.3
<b>Total Expenses</b> .....	<b><u>55.4</u></b>
<b>Gross Proceeds</b> .....	<b><u>1,350.0</u></b>
<b>Net Proceeds</b> .....	<b><u>1,294.6</u></b>

<sup>(1)</sup> Amounts have been calculated at the maximum price of the Price Range.

No costs will be charged to investors by PPC.

The amounts presented in the table above constitute estimates.

## 21. DILUTION

The table below sets out PPC's shareholding structure as at 25 October 2021 before the Share Capital Increase:

<u>Shareholders<sup>(1)</sup></u>	<u>Number of shares<sup>(2)</sup></u>	<u>% percentage of share capital</u>
Hellenic Corporation of Assets and Participations S.A. (HCAP) . . . . .	79,165,114	34.12%
Hellenic Republic Asset Development Fund S.A. (HRADF) . . . . .	39,440,000	17.00%
Institutional investors and general public <sup>(3)</sup> . . . . .	113,394,886	48.88%
<b>Total</b> . . . . .	<b><u>232,000,000</u></b>	<b><u>100.00%</u></b>

<sup>(1)</sup> Refers to shareholders' register as at 25 October 2021.

<sup>(2)</sup> One Ordinary Share corresponds to one voting right.

<sup>(3)</sup> Including Helikon Long Short Equity Fund Master ICAV.

The table below sets out PPC's shareholding structure after the Share Capital Increase, assuming that (a) HCAP participates in the Share Capital Increase so that they retain, directly and indirectly through HRADF, a 34.123% stake (see the statement made by HCAP included in section "Major Shareholders"), (b) CVC participates in the Institutional Offering according to the CVC Cornerstone Investment Agreement so that it holds a 10.0% stake after the completion of the Share Capital Increase and (c) Pre-Share Capital Increase shareholders (< 5.0%) do not subscribe in the Combined Offering.

<u>Shareholders<sup>(1)</sup></u>	<u>Minimum number of New Shares</u>		<u>Maximum number of New Shares</u>	
	<u>Number of shares<sup>(2)</sup></u>	<u>% percentage</u>	<u>Number of shares<sup>(2)</sup></u>	<u>% percentage</u>
Hellenic Corporation of Assets and Participations S.A. (HCAP) . . . . .	84,085,260	23.2%	90,909,860	23.8%
Hellenic Republic Asset Development Fund S.A. (HRADF) . . . . .	39,440,000	10.9%	39,440,000	10.3%
Pre-Share Capital Increase Shareholders < 5.0% <sup>(3)</sup> . . . . .	113,394,886	31.3%	113,394,886	29.7%
CVC . . . . .	36,200,000	10.0%	38,200,000	10.0%
Share Capital Increase Shareholders . . . . .	88,879,854	24.6%	100,055,254	26.2%
<b>Total</b> . . . . .	<b><u>362,000,000</u></b>	<b><u>100.00%</u></b>	<b><u>382,000,000</u></b>	<b><u>100.0%</u></b>

<sup>(1)</sup> Refers to shareholders' register as at 25 October 2021.

<sup>(2)</sup> One Ordinary Share corresponds to one voting right.

<sup>(3)</sup> Including Helikon Long Short Equity Fund Master ICAV.

### 21.1. Net asset value per share

As at 30 June 2021 and 31 December 2020, the net asset value per share amounted to €14.30 and €13.29 (without taking into account any subsequent corporate actions and adjustments), respectively. After the Share Capital Increase, the net asset value per share will stand between €12.07 (assuming that the final offering price for the New Shares will be the minimum price of the Price Range and that the minimum number of New Shares are issued) and €12.08 (assuming that the final offering price for the New Shares will be the maximum price of the Price Range and the maximum number of New Shares are issued). Net asset value per share is calculated as the Group's total equity attributable to equity holders as at 30 June 2021 divided by the total number of shares.



## 22. PROFIT FORECASTS

This Prospectus includes certain information relating to our medium- to long-term targets for financial performance assuming the successful and timely execution of our transformation strategy and five-year business plan. This information represents our targets for medium- to long-term financial performance and may be deemed to be profit forecasts for purposes of the Prospectus Regulation. The execution of our transformation strategy and five-year business plan, and the achievement of the targets represented by these profit forecasts, are subject to significant risks and uncertainties. See *“Risk Factors—Risks related to our business—We may not be able to successfully implement our key strategies and we may fail to achieve our operational targets and this could have a material adverse effect on our business, financial condition and results of operations,” “Risk Factors—Risks related to our business—Our targets for medium- to long-term financial performance could differ materially from our actual results of operations,” “Risk Factors—Risks related to our business—We operate in a capital-intensive business sector, and a significant increase in capital costs could have a material adverse effect on our business, financial condition, prospects or results of operations. No assurance can be given that we will be able to generate and/or raise the financing required for our planned capital expenditure on acceptable terms or at all,” “Risk Factors—Risks related to our business—We may not be able to raise the entire amount of the Share Capital Increase through the Combined Offering and this may have an adverse impact on our planned transformation and business plan, our business, financial condition and results of operations,” “Risk Factors—Risks related to macroeconomic conditions in Greece and the European Union—Adverse developments in the global and Greek economy have had, and are likely to continue to have, material and adverse effects on our business, results of operations and financial condition” and “Risk Factors—Risks related to macroeconomic conditions in Greece and the European Union—We may face risks related to the impact of the COVID-19 pandemic.”*

### 22.1. Management targets

We have established management targets for medium- and long-term financial performance, all of which assume the successful and timely execution of our transformation strategy and five-year business plan. On 23 September 2021, we announced our updated strategic business plan to transform PPC into an environmentally sustainable modern and cutting-edge utility provider, which was further revised on 29 October 2021 as set forth in this Prospectus. Pursuant to this plan, we have budgeted to make capital expenditure aggregating approximately €9.3 billion for the years 2022-2026, of which we intend to invest €6.0 billion during the next three years. Of this €6.0 billion, we intend to allocate as follows: (i) approximately €3.2 billion 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; (ii) approximately €1.0 billion for capital expenditures on our distribution business unit through 2024, with particular focus on network development, network automation, market facilitation and the provision of better customer service; and (iii) approximately €1.7 billion for capital expenditures through 2024 on conventional power generation, our supply business unit, the construction of a waste-to-energy plant, digitalisation, telecommunications and electric vehicle charge-points.

Pursuant to our transformation strategy and five-year business plan, we plan to redirect much of the capital expenditure currently used for conventional generation towards RES. For instance, while for the year ending 31 December 2021, we expect to commit capital expenditure of €218.4 million to conventional generation, we are targeting a 90.0% reduction of this figure by the year ending 31 December 2026, to €23.0 million. In total, we intend to invest approximately €5.1 billion in capital expenditure for RES projects during the years 2022 and 2026. This amount represents 55.0% of our total €9.3 billion of targeted capital expenditure within that period of time. Based on this accelerated RES build-up, we are aiming for Renewables generating capacity to comprise 36.0% and 39.0% of our annual Recurring EBITDA by the financial years 2024 and 2026, respectively. More generally, we are planning to accelerate our capital expenditure in the short term and subsequently to sustain it at high levels in the long term. The targeted acceleration is intended to peak in 2024, at approximately €2.5 billion for the year, before stabilising at a lower level after 2026.

Moreover, we aim to support the adoption of electric vehicles in Greece, by investing a total of approximately €110.0 million by 2030. Through such investment, we are targeting a run-rate EBITDA of approximately €50.0 million per year by 2030. We also intend to further develop our optical-fibre

infrastructure. By committing approximately €680.0 million of investments in the years 2022 and 2026, we aim to leverage our existing infrastructure for the low-cost, rapid deployment of a nationwide optical-fibre infrastructure platform and become the leading national wholesale provider of access to optical-fibre and high data connections to households and businesses across Greece. By 2030, we are targeting a customer base of approximately 1.0 million customers, annual revenues of approximately €120.0 million per year and a run-rate EBITDA of approximately €100.0 million per year.

Based on the assumptions set forth below, including, in particular, the successful completion of our capital expenditure plans for 2022-2026 and the successful execution of our updated strategic plan, we are targeting Recurring EBITDA of €1.7 billion and a net leverage ratio in the range of 3.0x to 3.5x for the financial year ending 31 December 2026.

These management targets reflect the forward-looking expectations of the Group, which are based on a number of assumptions and estimates about future events and actions, including management's current assessment of opportunities and risks. The data and assumptions used by the Group in setting these management targets are subject to change as a result of uncertainties due to the operational, economic, financial, accounting, competitive, regulatory and tax environments, among others, or as a result of other factors of which we are unaware of at the date of this Prospectus. Should one or more of these assumptions prove to be inappropriate or incorrect, our actual results could be materially different from the above targets. Accordingly, prospective investors should treat this information with caution and should not place undue reliance on our targets. In addition, the materialisation of any of the risks laid out in "Risk Factors" of this Prospectus could have an impact on our operations, financial position, results, prospects or outlook, and thus materially and adversely affect our ability to attain our forecasts. Furthermore, achieving these targets presupposes the successful implementation of our transformation strategy and five-year business plan. As a result, we make no undertaking and give no assurance as to the achievement of our targets.

## 22.2. Basis of preparation

Our targets and the underlying assumptions discussed below were prepared in accordance with the provisions of delegated Regulation (EU) No. 2019/980 and the ESMA recommendations on forecasts.

We use Recurring EBITDA as a means to provide guidance on estimates because we believe that this metric more accurately reflects our true financial performance by excluding the impact arising from exceptional and non-recurring events, which are necessarily more uncertain and harder to anticipate by the market.

We have prepared our targets on the basis of the assumptions set forth below. Our targets are inherently uncertain and there can be no guarantee or assurance that any of the factors listed or referred to below will or will not occur and/or, if they do, what would be their actual effect on our results of operations, financial condition or financial performance. Our targets should therefore be read in this context and construed accordingly. In the preparation of these targets, we have carefully considered factors that we deem relevant, including, without limitation, the following:

- (i) ***Our past results***: In preparing our targets, we have reviewed detailed analyses of our current and historical financial performance and operating results, with due consideration given to our historical operating experience and anticipated changes in our operations in light of pending strategic initiatives and an evolving market and macroeconomic conditions. Our targets have been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with our accounting policies. We have prepared our medium- to long-term financial targets by using financial results data available to 30 June 2021 as a starting point and then adjusting this data based upon our business plans, key strategic initiatives, market data and projections and certain assumptions, including those set forth below.
- (ii) ***Market analysis and our market share and market position in Greece***: our financial targets are based upon our analysis of, and certain assumptions relating to, developments in the Greek economy, key market segments within which our business units operate (or intend to

expand our operations into), including anticipated economic growth, the impact of the Green Deal and trends relating to Greece's and the EU's transition to a lower carbon economy. We believe these developments and considerations are particularly relevant to our business given our market share and market position in Greece, and the relevance of these developments to our results.

- (iii) ***Our strategic evolution:*** on 23 September 2021, we announced our updated strategic business plan to transform PPC into an environmentally sustainable and modern utility provider, which will leverage renewable energy technology to capture Greece's abundant solar and wind energy resources. By 2023, we plan to have completed the phase-out of our existing lignite-fired generation plants, while at the same time investing in new renewable energy capacity, upgrades to our Distribution Network, digitalisation and operational efficiency and a modern, customer-centric retail offering. For further information on our transformation strategy and five-year business plan, see "*Group's Business Overview—Our transformation strategy and five-year business plan.*"
- (iv) ***The successful completion of the sale of a 49.0% stake in HEDNO:*** As part of our ongoing transformation, we have begun the reorganisation of our Distribution Network assets and are in the process of selling a minority stake in HEDNO, our wholly-owned subsidiary that operates our Distribution Network. Subject to further approvals, we anticipate the sale to be completed by the end of 2021. However, there can be no assurance that we will complete the sale in this timeframe, or at all or that such sale will be completed on the terms described in this Prospectus. For more information, see "*Trend Information—Sale of a 49.0% stake in HEDNO.*"
- (v) ***Legal and regulatory developments:*** we are subject to extensive regulation under applicable sector-specific and environmental legislation and regulation, and our financial performance targets have factored in key changes to the legal and regulatory environment in which we operate. These include contemplated governmental responses to the COVID-19 pandemic, as well as ongoing regulatory developments, in particular as relates to our tariff policy, the legally mandated decrease of our supply market share in Greece to below 50.0% and Greece's climate change and environmental commitments under the NECP.

The main drivers of our future profitability are expected to be (i) the higher contribution from the increase of RES capacity following the deployment of our RES pipeline capital expenditure, (ii) the optimisation of the performance of our generation business mainly due to the phasing out of loss making lignite units, and (iii) the higher investment in Distribution Network infrastructure, which yields higher returns.

These targets are based on a range of expectations and assumptions regarding, among other things, our present and future business strategies (including, in particular, our strategies relating to the implementation of our transformation strategy and five-year business plan), cost efficiencies, and the market environment in which we operate, some or all of which may prove to be inaccurate.

In order to assist investors to evaluate and compare our management targets to our historical financial results, we have set forth below a side-by-side comparison of our historical results for the year ended 31 December 2020 to our short-term (2022-2024) and medium-term (2024-2026) financial targets. The management targets set forth below have been compiled and prepared on a basis that is both comparable with our historical financial information and consistent with our accounting policies. The information relating to these targets has not been audited or reviewed by our independent auditors.

(€ in millions)	Historical Financial Information	Management Targets*	
	Year ended 31 December 2020	Year ended 31 December 2024	Year ended 31 December 2026
<b>Total Revenues</b> .....	<b>4,649.4</b>	<b>4,881.9</b>	<b>5,330.1</b>
Total Expenses before Depreciation and Amortisation, Financial Expense, Finance Income, Reversal of Impairment Loss on Assets, Gains from Associates and Joint Ventures and Foreign Currency (Gains)/Losses .....	3,828.9	3,514.7	3,553.5
Recurring EBITDA** .....	885.8	1,314.6	1,736.6
Depreciation and Amortisation, Net Financial Expense, Finance Income, Reversal of Impairment Loss on Assets, Gains from Associates and Joint Ventures and Foreign Currency (Gains)/Losses Adjusted for Provision for Personnel Severance Payment and Retroactive Charge for Special Allowances from the Implementation of the Collective Labour Agreement for the Period 2021-2024 <sup>(1)</sup> ...	818.8	759.8	812.5
<b>Profit Before Tax</b> .....	<b>67.0</b>	<b>554.8</b>	<b>924.0</b>
<b>Net Income</b> .....	<b>35.2</b>	<b>384.5</b>	<b>665.7</b>
<b>Net Income Attributable to Non-Controlling Interest</b> ....	<b>0.04</b>	<b>26.1</b>	<b>54.8</b>

\* Amounts represent management targets for the periods presented assuming, among other factors, the successful and timely completion of our transformation strategy and five-year business plan.

\*\* EBITDA and Recurring EBITDA are non-IFRS measures and have not been audited, reviewed or compiled by, nor have any procedures been performed by, our independent auditors with respect thereto, except as described in “Independent Auditors—Procedures performed by Ernst & Young (Hellas)—Certified Auditors-Accountants S.A.” For more information, please see “Financial Information Concerning the Issuer’s Assets and Liabilities, Financial Position and Profits, and Losses—Alternative performance measures.”

<sup>(1)</sup> For the adjustments, see note 3 of the reconciliation table of Recurring EBITDA to EBITDA in “Financial Information Concerning the Issuer’s Assets and Liabilities, Financial Position and Profits, and Losses—Alternative performance measures.”

### 22.3. Assumptions

The targets set forth above are derived from management targets set forth in our updated strategic business plan, approved by our Board of Directors on 23 September 2021 and further revised on 29 October 2021 as set forth in this Prospectus. These targets for medium- to long-term financial performance assume the successful and timely execution of our transformation strategy and five-year business plan and are otherwise based on a range of expectations and assumptions, some or all of which may prove to be inaccurate. Accordingly, there can be no assurance that we will achieve any of our targets, whether in the short, medium- or long-term. Our ability to achieve these targets is subject to inherent risks, many of which are beyond our control and some of which could have an immediate adverse impact on our earnings and/or financial position, which could materially affect our ability to realise the targets described below.

The key assumptions underlying our profit forecasts include, but are not limited to, the following:

- successful execution of our plan to invest €9.3 billion in capital expenditure from 2022 to 2026;
- reaching a RES capacity of 9.5 GW by 2026, which would generate 39.0% of our Recurring EBITDA in accordance with our transformation strategy and five-year business plan;
- completion of the sale of a 49.0% stake in HEDNO;
- capital expenditure of €1,880.0 million (out of the total €9.3 billion planned capital expenditure from 2022 to 2026) in our Distribution Network and the ongoing performance of this business unit (together with the continuity of the current incentive-based regulatory framework and 6.7% of WACC);
- our expansion into Bulgaria and Romania in accordance with our five-year business plan and the growth of these markets by 15.0% and 8.0% by 2030, respectively;
- successful deployment of capital expenditure in our optical-fibre infrastructure in accordance with our five-year business plan and securing a leading position as a national wholesale provider of access to optical-fibre and high-speed data connections;

- growth of electric vehicles sales to represent more than 30.0% of total passenger car sales by 2030 and the successful roll-out of our electric vehicle charge-point network to enter the market as a charge point operator and electric vehicles services provider;
- accuracy of our modelling and assumptions with respect to supply and demand dynamics, market developments and pricing for the purposes of determining targets relating to our supply and conventional generation business units;
- GDP growth for the Greek economy will range between low and mid-single-digit rate per annum;
- interest rates will remain low for a prolonged period;
- weather conditions are in line with the long-term average for hydro, wind and solar generation;
- there are no non-recurrent or exceptional items that occur after 1 October 2021;
- no change in market conditions (including, without limitation, in relation to client or customer demand or competitive environment);
- no change in inflation, interest or tax rates compared with those assumed in our targets;
- no change in the political and/or economic environment, which are material in the context of the targets, aligned with the current level of the market;
- no change in taxes or tariffs to the energy sector in the jurisdictions in which we operate and that are material in the context of the targets;
- no change in general sentiment towards us and/or our operations which has an impact on us which is material in the context of the targets;
- no business disruptions affect us, our clients, customers, supply chain or other stakeholders (such as, without limitation, natural disasters, severe adverse weather, acts of terrorism, cyber-attacks, health and safety issues or technological issues) which are material in the context of our targets;
- no changes in legislation or regulatory requirements relating to us or the legislative or regulatory environment within which we operate which are material in the context of our targets;
- no changes in the accounting standards or policies which were used for the targets, which are material in the context of our targets;
- no event occurs that has a material adverse effect on our results of operations, financial condition or financial performance;
- no issues arise in respect of our contracts which are material in the context of our targets;
- no additional acquisitions or disposals are completed in the near- to medium-term, other than disclosed in this Prospectus;
- no deterioration in our relationships with clients or customers which are material in the context of our targets;
- no delays in energy production and distribution which are material in the context of our targets;
- no concession losses or non-renewals which are material in the context of our targets;
- meeting our regulatory obligation of reducing our market share in both the generation (plus imports) and the supply markets in the Interconnected System to below 50.0%;

- no change in our management which is material in the context of our targets;
- no change in our strategy which is material in the context of our targets;
- no additional costs for the phase-out of the lignite production are assumed, as the relevant provisions recognised on the balance sheet are deemed adequate;
- there is no other issue that is material in the context of our targets, beyond those issues that are already known to us as of the date of this Prospectus.

