June 28, 2019

PPC GROUP

Key operating and financial figures for 1Q2019

For comparability reasons, the presentation and comments take place on the figures of the continuing operations, namely excluding the figures of "Lignitiki Melitis S.A." and " Lignitiki Megalopolis S.A." for 1Q2018 and 1Q2019.

Key operating figures

Domestic electricity demand increased by 4.2% in 1Q2019, reaching 14,897 GWh compared to 14,291 GWh in 1Q2018. However, total electricity demand (including pumping and exports) marked a higher increase by 6.7% in 1Q2019, due to increased exports from third parties by 44.9%. This increase in exports is mainly attributed to the export of quantities acquired by third parties through "NOME".

PPC's average domestic retail market share, declined to 77.1%, compared to 83.8% in 1Q2018, resulting to a decrease in sales by 6.2%. In particular, the average retail market share in the Interconnected System was contained to 76.6% in March 2019 from 82.7% in March 2018, while PPC's average market share, per voltage, was 97.7% in High Voltage, 53.6% in Medium Voltage and 80.2% in Low Voltage compared to 96.8%, 65.2% and 86.8% in March 2018, respectively.

PPC's electricity generation and imports (excluding the Melitis and Megalopolis subsidiaries to be divested) covered 42.4% of total demand in 1Q2019 (38.9% in the Interconnected System), while the corresponding percentage in 1Q2018 was 47.8% (44.8% in the Interconnected System).

PPC's generation decreased by 6.6% to 6,285 GWh compared to 6,731 GWh in 1Q2018. Specifically the generation from:

- the lignite – fired units decreased by 16.6% or by 481 GWh
- the natural gas fired units increased by by 68.6% or 778 GWh
- the hydro power plants decreased by 46.6% or by 784 GWh since in 1Q2019 the hydro inflows in the reservoirs were very low.

In order to meet the demand of its customers, PPC purchased 5,257 GWh, an increase of 4% compared to the respective period last year.

Group Key financial figures

(in € m.)	1Q2019	1Q2018 (*)
Turnover (1)	1,137.9	1,134.7
Total Operating Expenses (excl. tax, depreciation, net financial expenses and share of profit/ (losses) in associated companies) (2)	1,189.2	977.6
EBITDA (3) = (1) - (2)	(51.3)	157.1
Depreciation, total net financial expenses, share of profit/ (losses) in associated companies (4)	182.2	175.8
Pre-tax profits / (Losses) (5) = (3) - (4)	(233.5)	(18.7)
Net income / (Loss) (6)	(205.1)	(12.6)

(*) The 1Q2018 figures have been restated due to the adoption, by the Parent Company and the Group, of the new standard IFRS 15 "Revenues from contracts with customers". The total positive impact of the restatement on Pre Tax profits/ (Losses) amounted to € 6.4 m.

For further information regarding definitions of ratios included in abovementioned figures, please refer to the Financial Report for the 12-month period ended December 31, 2018 (Report of the Board of Directors – Appendix)

Group turnover in 1Q2019 remained practically stable, since the lower sales volume due to market share loss was offset by the increase of average revenue due to the partial recovery of CO_2 emission allowances expenditure from the Medium and High Voltage tariffs.

The deterioration of operational expenses by 21.6% or € 211.6 m. is mainly attributed to the increased energy mix expenses despite the positive impact from the abolition, as of 1.1.2019, of the additional electricity suppliers' charge for the Special Account for Renewables and of the Special lignite levy.
Specifically it is attributed to:

- the higher expense for natural gas due to larger quantities as well as due to a 32.5% price increase
- the increase of the System Marginal Price (SMP) by 33.6% and therefore the higher expense for energy purchases
- the higher expense for CO_2 emission allowances due to the sharp increase of their price and
- the higher negative impact from NOME auctions, since in 1Q2019 the respective quantities exceeded the sum of lignite and hydro generation by 418 GWh.

On the other hand, total payroll cost and other controllable expenses decreased by € 5.7 m. (or 2.1%).

In addition, operational profitability in 1Q2019 was positively impacted by the reversal of bad debt provisions for electricity customers amounting to € 17.7 m. compared to a reversal of € 3.6m. in 1Q2018.

The above mentioned factors contributed to the reduction of operating profitability (EBITDA).

It is noted that the above mentioned financial results do not include a) the recovery of € 21.9 m. for Public Service Obligations (PSOs) for the years 2012-2016 following a revision of the relevant deficit by RAE collected in May 2019 and b) the rebate of € 99.3 m. from the surplus created in the Special Account for Renewables in 2018, following the issuance of a relevant credit invoice in June 2019.

It is noted that, an amount of € 202 m. reflecting accumulated provision for overdue interest claims from IPTO, and from 1.4.2019 from the Operator of Electricity Market (DAPEEP), due to the overdue payment of invoices is included in the Company's liabilities as of 31.3.2019. It is clarified that for the majority of those invoices for which there are claims for overdue interest, the operators pass the charges through, such as invoices for the Renewables Levy (ETMEAR).

Total CAPEX amounted to € 203.8 m in 1Q2019 compared to € 182.8 m in 1Q2018.

Net debt stood at € 3,625.3 m. on 31.3.2019, a reduction by € 119.5 m. compared to 31.12.2018 and by € 91.4 m. compared to 31.3.2018.

Net Debt evolution

(in € m)	**31.3.2019**	**31.12.2018**	**31.3.2018**
Gross Debt (1)	4,200.4	4,023.7	4,158.0
Cash and cash equivalents / Restricted cash*/ Financial assets at fair value (2)	575.1	278.9	441.3
Net Debt (3) = (1) - (2)	3,625.3	3,744.8	3,716.7

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

Group Key financial figures including discontinued operations

(in € m)	**1Q2019**	**1Q2018 (*)**
Turnover (1)	1,138.2	1,134.8
Total Operating Expenses (excl. tax, depreciation, net financial expenses and share of profit/ (losses) in associated companies) (2)	1,204.6	979.5
EBITDA (3) = (1) - (2)	(66.4)	155.3
Depreciation, total net financial expenses, share of profit/ (losses) in associated companies (4)	182.1	190.1
Pre-tax profits / (Losses) (5) = (3) - (4)	(248.5)	(34.8)
Net income / (Loss) (6)	(218.2)	(24.0)

(*) The 1Q2018 figures have been restated due to the adoption, by the Parent Company and the Group, of the new standard IFRS 15 "Revenues from contracts with customers". The total positive impact of the restatement on Pre Tax profits/ (Losses) amounted to € 6.4 m.

For further information regarding definitions of ratios included in abovementioned figures, please refer to the Financial Report for the 12-month period ended December31, 2018 (Report of the Board of Directors – Appendix)

Commenting on the operating and financial results of the period, Mr. Emmanouil Panagiotakis, Public Power Corporation's Chairman and Chief Executive Officer said:

"First quarter 2019 financial results, following the respective figures for 4Q2018, reflect the negative impact of exogenous factors, beyond the control of the Company. Specifically, we emphasize the increase in the natural gas price by 32.5% combined with the increase in quantity by 59.8%, the sharp increase of CO2 emission allowances and the increase of the System Marginal Price (SMP) by 33.6% (at which the Company purchases energy to cover the needs of its customers). We also note the extremely low generation of hydro power plants which directly resulted, combined with the increased NOME quantities, to the need for higher energy purchases. The Company avoided passing through the impact from the abovementioned negative factors to the consumers.

PPC's financial statements include the litigation provisions for overdue interest claims by third parties which have a negative impact. Although there is optimism for a positive outcome for a number of them, the Company, complying with the International Financial Reporting Standards, records all required provisions.

A very positive outcome for the Company is the reduction of debt by € 119.5 m. At the same time CAPEX reached € 203.8 m. out of a total capital expenditure of € 790 m. for the full year.

A positive factor was the ongoing reversal of bad debt provisions and the reduction in payroll expense.

In the next few days the actions for the improvement of collection will escalate with additional actions concerning overdue receivables from end – customers. At the same time we expect an improvement in the fuel mix and the respective cost as a consequence of the successful supply of LNG as well as the settlement of issues related to the generation of lignite fired units.

Furthermore, the rebate of € 99.3 m. from the surplus of the Special Account for Renewables and the recovery of € 21.9 m for Public Service Obligations, which will be recorded on the financial results for the second quarter of 2019, are noted.

The recent official recognition by RAE of part of PPC's claim for the Public Service Obligations of 2011 amounting to € 160 -200 m., is very important and when realized, will boost PPC's financial results.

Finally the Company is intensifying its efforts for the successful divestment of the lignite units within the existing deadlines and develops significant business initiatives in RES, natural gas etc."

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