**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

Approved by the Board of Directors on 28 May 2020[1]

GREECE

VISP - PPC LIQUIDITY RESPONSE

[Redacted in line with the EBRD's Access to Information Policy]

[Information considered confidential has been removed from this document in accordance with the EBRD's Access to Information Policy (AIP). Such removed information is considered confidential because it falls under one of the provisions of Section III, paragraph 2 of the AIP]

1 As per section 1.4.8 of EBRD's Directive on Access to Information (2019), the Bank shall disclose Board reports for State Sector Projects within 30 calendar days of approval of the relevant Project by the Board of Directors. Confidential information has been removed from the Board report.

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ABBREVIATIONS / CURRENCY CONVERSIONS

AEB	Agreement Establishing the Bank
AMI	Annual Mobilised Investment
ASE or Athex	Athens Stock Exchange
EAP	Economic Adjustment Programme
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EHS	Environmental, Health and Safety
ESAP	Environmental and Social Action Plan
ESD	Environmental and Sustainability Department
ESDD	Environmental and Social Due Diligence
ESP	Environmental and Social Policy
EU	European Union
EUR	Euro
GET	Green Economy Transition
GW	Gigawatt
IFIs	International Financial Institutions
IFRS	International Financial Reporting Standards
K	Thousand
LGD	Loss Given Default
mn or m	Million
MW	Megawatt
MWh	Megawatt-hour
OCCO	Office of the Chief Compliance Officer
OL	Operation Leader
OpsCom	Operations Committee
PD	Probability of Default
PSD	Project Summary Document
RAROC	Return on Risk-Adjusted Capital
RE	Renewable Energy
RES	Renewable Energy Sources
TC	Technical Cooperation
YE	Year End
y-o-y	Year on year

PRESIDENT'S RECOMMENDATION

This recommendation and the attached Report concerning an operation in favour of Public Power Corporation S.A. (the “Company” or “PPC”), a corporation incorporated in Greece, are submitted for consideration by the Board of Directors.

The facility will consist of a loan to the Company in the amount of up to EUR 160 million.

The operation, presented under the Vital Infrastructure Investment Programme (under the Solidarity Package, will provide emergency liquidity to PPC to address the impacts of the COVID-19 crisis. PPC is the largest power generator and supplier in Greece as well as the owner and operator of the country's electricity distribution network and the sole provider of electricity on the Greek islands that are not connected to the network. In this capacity PPC is critical to the smooth functioning of Greece's electricity network.

PPC is also central to Greece's efforts to implement the most ambitious decarbonisation strategy in Europe, aiming to close all of its existing coal fired power plants by end-2023 and to mothball one plant currently under construction by 2028. This demanding ambition requires a stable, well-functioning PPC to implement it.

The expected transition impact of the project is Resilience of the electricity sector as a whole by ensuring the stability of essential utility supplies and maintaining the momentum of Greece's decarbonisation strategy. In addition, the Bank is supporting the Company to establish an action plan to implement recommendations from the Task Force for Climate-related Financial Disclosure.

TC support for this operation has been provided by the Bank’s Special Shareholders Fund.

I am satisfied that the operation is consistent with the Bank’s Strategy for Greece, the Energy Sector Strategy and with the Agreement Establishing the Bank.

I recommend that the Board approve the proposed loan substantially on the terms of the attached Report.

Suma Chakrabarti

BOARD DECISION SHEET

Greece – VISP PPC Liquidity Response - DTM 51981	
Transaction / Board Decision	Board approval[2] is sought for the provision of a senior unsecured short term working capital facility of up to EUR 160mn (the "WC Facility") by the EBRD to Public Power Corporation S.A. ("PPC", the "Company", the "Group" or the "Borrower"). The WC Facility will have a tenor of up to 24 months [REDACTED]. The transaction will support PPC's working capital needs at a time of customer payment volatility as a result of the COVID-19 outbreak in Greece. This transaction is presented under the Vital Infrastructure Support Programme. TC support for this operation has been provided by the Bank's Special Shareholders' Fund.
Client	PPC is Greece's largest utility, providing power generation and electricity supply and is also the owner of the distribution grid. The Company is listed on the ASE since 2001. Its main shareholders are the Greek State (51.1%, through the Hellenic Corporation of Assets & Participations) and Silchester International Investors ([9.9] %). As of end April 2020 PPC's market cap was EUR 637mn. In 2019, PPC generated turnover and adjusted EBITDA of EUR 4.9bn and EUR 334mn respectively, with total assets at EUR 13.6bn and equity at EUR 3bn.
Main Elements of the Proposal	Transition impact: Primary Quality: Create Resilience in the electricity system by injecting working capital to ensure vital payment capacity and liquidity are maintained during and beyond the COVID-19 crisis. The transaction would also preserve the transition of PPC towards decarbonisation by preventing the Company from suffering from potential financial difficulties [REDACTED]. Secondary Quality: Well-Governed. Provide TC support to implement the recommendations of the Task Force for Climate-related Financial Disclosure. The TC will also identify PPC's key climate risks and opportunities and develop an associated plan to mitigate and adapt to these risks. Additionality: Crisis response. EBRD financing effectively bridges a financing gap due to adverse market conditions. [REDACTED] Sound banking: The risk/return profile has been considered acceptable following the adoption of a business plan focussing on profitable segments and transforming PPC into a green utility.
Key Risks	Operational risk: PPC's profitability can be affected by movements in commodity market prices [REDACTED]. Collection risk: During the financial crisis in Greece, PPC faced an increase in unpaid receivables, similar to what it currently expects as a result of the COVID-19 crisis. It addressed these successfully [REDACTED]. Through this experience, PPC has developed good understanding of its clients' vulnerabilities and developed strategies and tools to address this risk. Regulatory risk: [REDACTED] Greece approved an updated NECP, including an increase in RES to 35% by 2030, which is in line with the Company's strategy to decommission its lignite plants and focus on RES.
Strategic Fit Summary	Strategy for Greece: "*provide support to Government's energy privatisation programme as well as SOE commercialisation as alternative to privatisation*". Energy Sector Strategy: "*engage with countries of operations with significant coal dependence to develop strategies to support a transition away from coal*".

[2] Article 27 of the AEB provides the basis for this decision.

ADDITIONAL SUMMARY TERMS FACTSHEET

EBRD Transaction	Senior unsecured short term working capital facility of up to EUR 160 mn (the "WC Facility") provided by the EBRD to Public Power Corporation S.A. ("PPC", the "Company", the "Group" or the "Borrower"). The WC Facility will have a tenor of up to 24 months [REDACTED]. The transaction will support PPC's working capital needs at a time of customer payment volatility as a result of the COVID-19 outbreak in Greece.
Existing Exposure	nil.
Maturity / Exit / Repayment	**Tenor**: 2 years [REDACTED]
Potential AMI eligible financing	N/A
Use of Proceeds	The WC Facility proceeds will be used to cover PPC's short-term working capital needs.[REDACTED]
Financing Plan	**SOURCES TOTAL: EUR 160mn** **USES TOTAL: EUR 160mn** EBRD Financing: EUR 160mn Working Capital: EUR 160mn
Key Parties Involved	**Borrower**: Public Power Corporation S.A.
Conditions to disbursement	Standard conditions for a corporate transaction.
Key Covenants	[REDACTED]
Security / Guarantees	Senior unsecured
Other material agreements	N/A
Associated Donor Funded TC and co-investment grants/concessional finance	**A. Technical Cooperation (TC)** 1. Main objective: The Bank is providing TC support to PPC to implement the recommendations of the Task Force on Climate-related Financial Disclosures. The TC will also identify PPC's key climate risks and opportunities over the short, medium and long term, and develop an associated plan to mitigate and adapt to these risks and maximise opportunities 2. Funding source: EBRD Special Shareholder Fund -partial 3. Amount/currency : EUR 74,500, confirmed [REDACTED]

[REDACTED]

INVESTMENT PROPOSAL SUMMARY

1. STRATEGIC FIT AND KEY ISSUES

1.1 STRATEGIC CONTEXT

This transaction is presented under the Vital Infrastructure Support Programme (the VISP) to provide emergency liquidity for providers of essential infrastructure services whose stability is threatened by the economic impacts of the COVID-19 crisis. The Bank will support the central utility in the Greek electricity sector, preserving the stability of that sector while also sustaining Greece's ambitious agenda of a rapid decarbonisation of its electricity sector.

PPC is the incumbent power utility and the largest electricity generator and supplier in Greece and the functioning of its operations are vital for the stability of the electricity sector as a whole. It provides critical functions along the sector value chain including generation, distribution and retail supply. It is also the key entity passing on payment from consumers to other sector participants, notably the transmission and distribution network operators and renewable generators depending on Greece's renewable support scheme. Its liquidity is thus key to the stability of both network provision and Greece's renewable sector. In addition, PPC is one of the largest employers in Greece.

The COVID-19 crisis and the related lockdown in Greece have seriously affected PPC's revenue collection. PPC management expects that a combination of physical inability to read meters or pay bills and financial stress on consumers will result in missing cashflow [REDACTED].

In addition to its central role in the electricity sector PPC is crucial to Greece's significant decarbonisation commitments. In September 2019 the new Greek [government] committed to a rapid phase-out of all its coal-fired generation capacity. Accordingly PPC, which currently relies on coal for 40% of its generation, will close all its existing coal-fired plants by end-2023. It will commission one new coal-fired plant (currently in the final stages of construction) in 2021 and operate that to provide essential system stability until 2028. In other words, Greece will, within eight years, exit entirely from an energy source which has been the backbone of its electricity sector for decades.

PPC is inevitably central to this hugely demanding transition. In particular it is the key actor in delivering a just transition for the Greek coal-mining regions as well as having an important role to play in developing large volumes of renewable capacity to replace decommissioning coal plant. This role however requires financial stability. A COVID-19 induced challenge to PPC's liquidity thus threatens both the immediate stability of Greece's electricity sector and the country's long-term decarbonisation strategy.

While the Company is 51% owned by the Greek government, the government owns a 17% stake through the Hellenic Republic Asset Development Fund [REDACTED].

The Bank's proposed emergency liquidity loan responds to this urgent need. The Bank's loan will have a systemic impact at a time when the Company's cash flow stream will be temporarily curtailed, by i) allowing continuity for PPC to continue to provide electricity as a vital service, ii) ensuring pass-through of revenues to renewable energy producers, other generators and network operators and iii) ensuring the company's plans for lignite plant decommissioning and renewable investment continue uninterrupted. The loan is complemented and strengthened by a Bank-led TC project to support PPC in implementing the recommendations of the Task Force on Climate-related Financial Disclosures, helping it assess, manage and disclose its climate-related risks. This Project builds on the Bank's longstanding engagement with PPC which resulted in the Board approving a participation in PPC's proposed bond issuance in January 2019 [REDACTED].That issuance did not proceed because of worsening market conditions [REDACTED]

The Project has been prepared in close coordination with other IFIs active in the sector. [REDACTED] More broadly the Bank is already working closely with both EIB and the World Bank on preparation of a Just Transition support programme for PPC and particularly vulnerable regions, notably western Macedonia.

The investment is consistent with the objectives stated in the Bank's (a) Strategy for Greece, which states that the Bank aims to ensure financial stability for renewable energy investments to which the Project ultimately contributes by requiring PPC to commit to passing on liquidity to the sources that funds operating renewable projects; and (b) the Energy Sector Strategy which promotes decarbonisation of energy sectors of which PPC, with its ambitious decarbonisation plans, is a forerunner in the Bank's CoOs.

1.2 TRANSITION IMPACT

The tables below set out the TI Objectives and details of the project.

Primary Quality: Resilient

Obj. No.	Objective	Details
1.1	*Financial Stability*	The main transition would be derived by creating resilience in the electricity system by injecting working capital to ensure vital payment capacity and liquidity are maintained throughout the value chain during and beyond the COVID-19 crisis. The transaction would also preserve the transition of PPC towards decarbonisation by allowing the Company to pursue lignite plant decommissioning, implement its strategy to mitigate the impacts from mine and lignite plant closures and continue investments in renewables. [REDACTED]

Secondary Quality: Well-Governed

Obj. No.	Objective	Details
2.1	*Prepare an Action Plan to implement the recommendations of the Task Force on Climate-related*	The Bank is providing TC support to PPC to implement the recommendations of the TCFD. [REDACTED] The TC will also identify PPC's key climate risks and opportunities over the short, medium and long term, and develop an associated plan to mitigate and adapt to these risks and maximise opportunities. A detailed list of the

	Financial Disclosures ("TCFD")	climate risks is under discussion under the framework of the TC with the aim to include it in the company's reporting system in line with the TCFD recommendations.

[REDACTED]

1.3 ADDITIONALITY

Identified triggers	**Description**
A significant share (at least 30%) of the project is to finance working capital (subject to sector characteristics).	The use of proceeds is 100% for working capital to cover short term liquidity needs arising out of the COVID-19 crisis in Greece and expected to result in delays of customer payments to PPC.
Additionality sources	**Evidence of additionality sources**
Financing Structure Crisis response: EBRD financing effectively bridges a financing gap due to adverse market conditions.	The COVID-19 crisis has so far led to a) a significant reduction in capital markets activity, even more sever[e] for sub-investment grade corporates while PPC had originally planned to proceed with its bond issuance in early 2020, however investor presentations in March 2020 had to be cancelled due to COVID-19 measures and b) increased PPC's liquidity requirements as the Company expects a delay in payments [REDACTED].
Risk mitigation EBRD's ability to absorb risk in a certain country/region, where other IFIs/commercial financiers reached their limit exposure. EBRD helps the client to mitigate climate governance risks and take climate action, such as to improve its internal corporate governance for managing climate risks.	The main lenders to PPC are EIB, BSTDB and the Greek banks. [REDACTED] The currently on going TC for the development of an Action Plan in line with TCFD recommendations is a major part of the Bank's assistance and the Bank is considering to provide further assistance in the implementation of the Action Plan if needed.

1.4 SOUND BANKING - KEY RISKS

Risks	**Probability / Effect**	**Comments**
Operational risk	Medium/ Medium	PPC's profitability and going concern can be affected by movements in commodity market prices for its generation business [REDACTED]. Mitigants: The Company has established an updated business plan that aims to reduce its operational costs, reduce its reliance on thermal generation and focus future investments on distribution and renewable energy assets. [REDACTED]
Commodity price input risk	Medium/ medium	PPC is exposed to price movements in i) natural gas for its thermal electricity generation, ii) liquid fuel for electricity generation on the non-interconnected islands and iii) CO2 prices for its thermal electricity generation [REDACTED]. Mitigants: The Greek wholesale market reflects natural gas plants as the marginal generator which allows PPC to operate those plants profitably. It is expected that the importance of

		natural gas plants in the system will increase as coal plants are phased out. [REDACTED]
Electricity price risk	Medium/ Medium	PPC i) is a net buyer of electricity for its supply operations and ii) competes with its electricity generation capacity with other generators. Mitigants: As a net electricity buyer, PPC generally benefits from lower electricity wholesale prices mainly because of its significant hydro generation that can recover their costs even at low market prices.
Collection risk	High/High	During the financial crisis in Greece, PPC faced an increase in unpaid receivables, similar to what it currently expects as a result of the COVID-19 crisis. Mitigants: PPC has started addressing previous collection delays successfully [REDACTED]. Given that this risk has materialised previously the Company has developed a very good understanding of its customers' vulnerability, experience in dealing with this and has monitoring and collection strategies in place to allow it to react appropriately.
Regulatory risk	Medium/ High	The laws, regulations and policies of Greece and the EU affect PPC's business and financial performance. [REDACTED]

During the last few years various risks have materialised putting the Company in a financially vulnerable situation. However, measures introduced in September 2019 to reduce the concentration of previous burdensome measures on PPC have shown evidence of improvements to the financial situation of PPC during Q4 2019. These measures and the resulting improvements in profitability are seen as evidence of satisfying sound banking criteria.

2. MEASURING / MONITORING SUCCESS

Overall objectives of project	*Monitoring benchmarks*	*Implementation timing*
- Good financial and operational performance - On-time project implementation	- Achievement of EBITDA targets - Payment of regulated charges and non-abandonment of its investment plan	[REDACTED]

Primary Quality: Resilient

Obj. No.	Monitoring indicator	Details	Baseline	Target	Due date
1	Payables	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Secondary Quality: Well-Governed

Obj. No.	Monitoring indicator	Details	Baseline	Target	Due date
2.1	Development of corporate climate action priorities	Development of Task Force for Climate-related Financial Disclosures ("TCFD") Action Plan, to improve performance on recommended disclosures to reach average performance of European peers, and endorsement by PPC management of the Action Plan covering TCFD recommendations.	[REDACTED]	[REDACTED]	[REDACTED]
2.2	TCFD Introduction of climate-related disclosures in line with internationally recognised methodologies and guidelines	Implementation of TCFD Action Plan as actions become due.	[REDACTED]	[REDACTED]	[REDACTED]

3. KEY PARTIES

3.1 BORROWER

PPC is the incumbent power utility and the largest electricity generator in Greece. PPC's electricity generation and imports covered 46% of total demand in 2019 [REDACTED].The Company is the largest supplier in the retail market, with an average market share of 75% in 2019 and a market share of 70% in March 2020 [REDACTED]PPC is also the 100% owner of HEDNO, which is responsible for the management, operation, development and maintenance of Greece's distribution network. PPC is the direct owner of the majority of the Regulated Asset Base ("RAB") related to Distribution assets and is entitled to a regulated return on these assets.

PPC has been listed on the Athens Stock Exchange since 2001. Its main shareholders are the Greek State (51.1%) and Silchester International (9.9%). PPC's market cap was EUR 637mn as of 27 April 2020.

Two central themes of discussions between Greece's official creditors and the government over the preceding years have been (1) reducing PPC's dominance of generation and supply and (2) reducing the state ownership in PPC. In relation to the first goal PPC's market share has fallen significantly since 2015 as noted above and will fall much further as it closes its coal plants in the coming years. [REDACTED]

In relation to the second goal of reducing state ownership the government has transferred a 17% stake in PPC to the Hellenic Republic Asset Development Fund (HRDAF) with the mandate to sell this stake and thus reduce the government's position to a minority. That sale was on hold [REDACTED]. It is expected that these efforts will restart once the financial benefits of the Company's new strategy are manifest. In the meantime the government has also announced plans to sell up to 49% of HEDNO to further increase private participation in the Company's activities.

PPC owns all lignite power plants in Greece. It is therefore central to Greece's ambitious decarbonisation goals. It has already shut down 1.2 GW of lignite capacity since 2010. In December 2019 PPC disclosed a new business plan in line with Greece's National Energy and Climate Plan, announcing the closure of all its existing coal plants by end-2023 (with the exception of one plant currently under construction that will nonetheless be closed or converted to low-carbon fuels by 2028) and a significant expansion of its renewable capacity in an effort to transform its business model to a green energy utility.

3.2 FINANCIAL HIGHLIGHTS

[REDACTED]

4. MARKET CONTEXT

Greece possesses limited domestic energy resources, resulting in a heavy dependence on imported energy sources (natural gas and oil products), though with a significant potential for renewable energy. The Greek electricity system consists of the interconnected network (continental part and certain connected islands) and the non-interconnected part (the majority of the islands, "NII").

- **Installed capacity:** As of Dec-19, Greece had an installed generation capacity of 20.5GW, of which 89% in the interconnected electricity network. Thermal power plants account for half of the installed capacity (19% lignite, 24% natural gas and 9% oil), with RES and large hydro units adding another 33% and 15% respectively. PPC owns all the hydro and lignite power plants, with the IPPs being only involved in gas-fired generation and RES.
- **Generation/imports:** Greece generated approximately 41TWh of electricity in the interconnected system in 2019 and imported another 10TWh (net of exports), with the electricity consumption exceeding 51TWh, which is close to the average demand the country has seen the past decade, however still 9% down from the pre-crisis peak of 57TWh in 2008.
- **Retail market:** PPC had a market share of 70% as of March 2020, with the largest private suppliers are Elpedison, Mytilineos and Heron having market shares of 5%-6% each. EU authorities and the Greek State had agreed a goal that PPC will lower its share in the domestic market [REDACTED].
- **Wholesale market:** The wholesale electricity market in Greece has been organised as a mandatory pool since its inception in 2005, in which the scheduled demand and supply are matched on a day-ahead market. The anticipated transition towards the EU target model in 2020 currently introduces the intra-day, forward and balancing markets. PPC is the largest power producer, owning all the lignite and hydro assets in Greece, with the large private generators being only engaged in gas-fired generation and renewables. The largest private generation companies are Elpedison, Heron and Mytilineos.
- **Distribution:** HEDNO, a 100% subsidiary of PPC, is responsible for the development, operation and maintenance of the distribution network as well as the management of the markets of NII.
- **Transmission:** Until Jun-17, PPC fully owned the Independent Power Transmission Operator ("ADMIE"), responsible for the transmission system in Greece. Following its partial privatisation and unbundling, ADMIE's main shareholders are now the Greek State (51%) and State Grid of China (24%). PPC accordingly has no stake in ADMIE.

Relevant developments in the regulatory framework:

- **Electricity auctions:** With an aim to reduce PPC's dominance in generation and supply markets, the Greek Government and EU authorities agreed on the implementation of NOME-type auctions of lignite and hydro production in 2016, allowing alternative suppliers to gain access to low cost production and eventually become more aggressive in their market share expansion strategy. In late 2019, NOME auctions were abolished by the government as they were deemed ineffective in reducing PPC's market share while incurring significant losses to the Company. To cover the electricity supplier needs pursuant to the termination of NOME auctions, the energy ministry launched the energy exchange's futures market in March 2020.

- **Generation Capacity Reserves mechanism:** A temporary capacity payment mechanism ha[s] been implemented, with all natural gas units and selective hydro units being eligible to receive capacity payments as compensation for being available in the system [REDACTED].
- **RES fee on suppliers and lignite fee:** In Oct-18, the Ministry of Energy announced the abolition of these fees, in consultation with EU supervising authorities, effective from 2019. The RES fee was introduced in 2016 in order to eliminate the deficit in the Special Account for Renewables ("SAR") through which RE producers are compensated. For 2017, the RES fee for the market totalled EUR 411 m, 86% of which burdened PPC's P&L. The lignite fee was introduced in 2012, as a EUR 2.0/MWh charge on lignite fired production. The abolition of these fees was possible due to higher prices of CO2 emission allowances in 2018-19, whose proceeds fund the SAR.
- **Public Service Obligations ("PSOs"):** PSOs are paid by the electricity consumers to mainly provide for i) the higher generation costs in the non-interconnected islands system (extensive use of oil fired units) and ii) provision of lower electricity tariffs to socially vulnerable groups.

5. FINANCIAL / ECONOMIC ANALYSIS

5.1 FINANCIAL PROJECTIONS

[REDACTED]

5.2 SENSITIVITY ANALYSIS

[REDACTED]

5.3 PROJECTED PROFITABILITY FOR THE BANK

[REDACTED]

6. OTHER KEY CONSIDERATIONS

6.1 ENVIRONMENT

Categorised B (2019 ESP). The Bank's use of proceeds are designated for short term working capital and will not be used for any capital investments in thermal power generation or mining.

ESD undertook a corporate level ESDD of the Company in line with the ESD's ESDD approach to CV-19 Solidarity Package projects, to gain an understanding on how EHS issues are managed and the Company's strategy to comply with current and future EU legislation. This included review of publicly available documentation, as well as remote meetings with the Company's EHS and CSR team to understand the Company's plans to comply with current and future EU legislation. Overall, based on the ESDD, it has been concluded that PPC has sufficient Environmental, Health and Safety management systems and the capacity in place to fully implement the Bank's Performance Requirements. The Company is in the process of publishing its non-financial information in line with EU requirements.

The key challenge of the Company will be associated with compliance with the new BAT Conclusions at the existing power plants, and reducing the carbon footprint at the same time increasing the share of renewable energy generation. The Company is making efforts to address this and has made strong public commitments to implementing a decarbonisation policy. This will include decommissioning of 3.4 GW of lignite assets by 2023 and the remaining 0.6GW by 2028.

Based on the ESDD, an Environmental and Social Action Plan (ESAP) has been agreed with the Company in principle and will be finalized prior to Board consideration. This will ensure PPC’s future compliance with the Bank's Performance Requirements and include a commitment to a decarbonisation strategy as well as disclosure of climate related information.

The Bank's financing will explicitly exclude coal and mining assets from receiving EBRD's proceeds in order to meet various EBRD policy requirements.

The Bank will monitor the implementation of the ESAP.

6.2 INTEGRITY

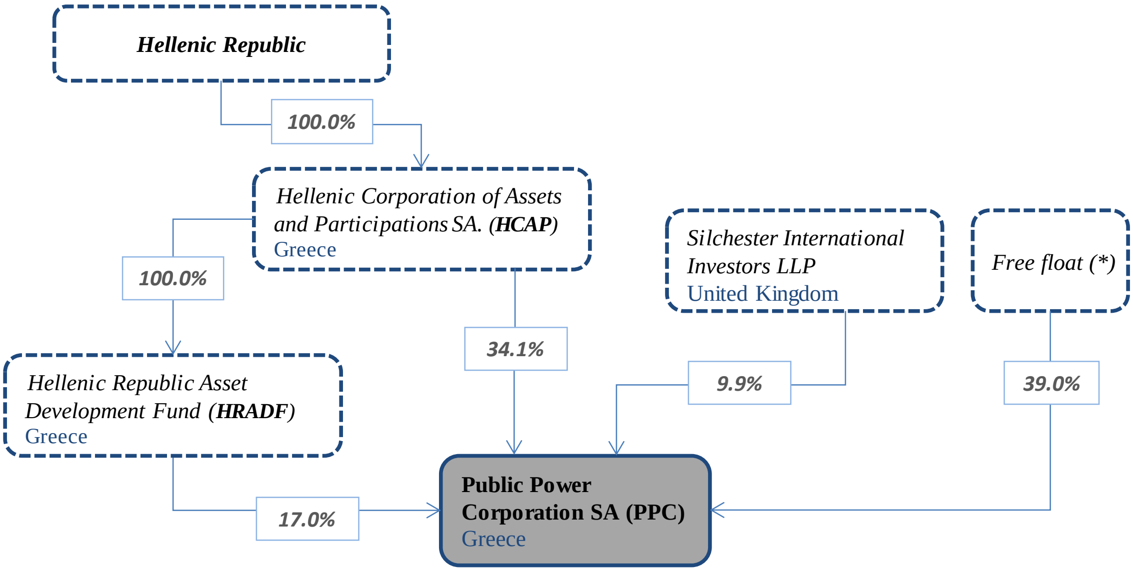
In conjunction with OCCO, integrity due diligence was undertaken on PPC, its shareholders, senior management and other relevant parties. The [REDACTED] project does not pose an unacceptable reputational risk to the Bank. [REDACTED]

All actions required by applicable EBRD procedures relevant to the prevention of money laundering, terrorist financing and other integrity issues have been taken with respect to the project, and the project files contain the integrity checklists and other required documentation which have been properly and accurately completed to proceed with the project.

ANNEXES TO OPERATION REPORT

ANNEX 1 – SHAREHOLDING STRUCTURE

Hellenic Republic owns 51.1% of PPC through the Hellenic Corporation of Assets and Participations S.A. (“HCAP”, or the “Superfund”).

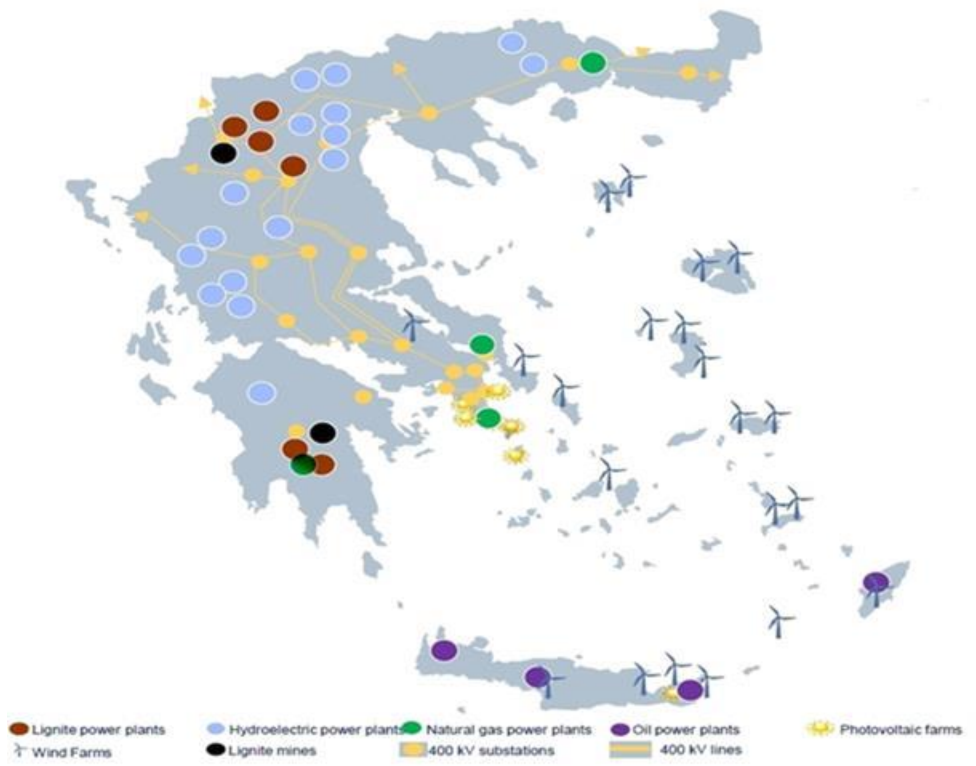


(*) The Greek Single Social Security Institution (EFKA) and PPC's Pension Funds (TAYTEKO/TEAPAP-PPC) own a 3.9% stake in PPC.

ANNEX 2 – OVERVIEW OF BUSINESS ACTIVITY

Business Overview

- PPC has been listed on the Athens Stock Exchange ("ASE") since 2001. Its main shareholders are the Greek State (51.1%) and Silchester International Investors (9.9%). As of end-April 2020 PPC's market cap was EUR 637mn.
- The Company is Greece's largest electricity generator and the principal supplier of electricity in the country, holding assets in lignite mines, power generation and distribution. PPC's current power portfolio accounts for approximately 54% of the total installed capacity in the country and consists of conventional thermal units (lignite 3.9GW, gas-fired 2.7GW, oil-fired 1.8GW), hydroelectric power plants (3.2GW), and renewable energy sources "RES" (121MW).
- The Hellenic Electricity Transmission System (HETS), managed by the independent operator ADMIE and often referred to as the "Interconnected System", spreads over the mainland of Greece. The Ionian islands, along with certain Aegean islands in close proximity to the mainland, are also included in the Interconnected System, to which they are connected through submarine cables.
- All remaining islands, which are referred to as the "Non-Interconnected Islands" or "NIIs", are served by autonomous oil-fired power plants. In most of the islands, demand is also covered by RES. The largest power plants in the Non-Interconnected Islands are located in Crete and Rhodes.
- The following map shows the geographical distribution of the Company's generation assets, however it excludes 32 thermal power stations located in the interconnected system or the NIIs (apart from these of Crete and Rhodes):



- PPC's electricity generation and imports covered 4[6]% of total demand in 201[9] (2015: 63%), while its generation market share was 54% in 201[9] (2015: 72%). The Company is the largest supplier in the retail market, with an average market share of 75% in 2019, significantly down from a 96% share in 2015, which is a result of intensified efforts to open up competition in the retail supply market in Greece.

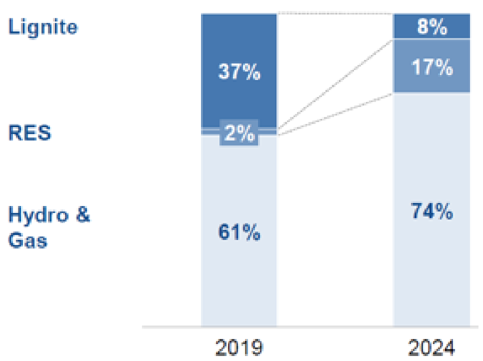
- Moreover, PPC is the 100% owner of HEDNO, which is responsible for the management, operation, development and maintenance of Greece's distribution network. PPC is the direct owner of the majority of the Regulated Asset Base ("RAB") related to Distribution assets and is entitled to a regulated return on these assets. The Greek government has announced its intention to partially privatise HEDNO, through a minority (49%) stake sale of the distribution grid.
- Given that PPC owns all the lignite power assets in Greece, the Company is central to Greece's ambitious decarbonisation goals. It has already shut down 1.2GW of lignite capacity since 2010, while its recent efforts for the divestiture of another 1.4 GW were stalled following a failed auction process. In Dec-19 PPC disclosed a new business plan, announcing the close down of all of its coal plants sooner than expected and the expansion of its renewable capacity in an effort to transform its business model to a green energy utility.

New Business Plan

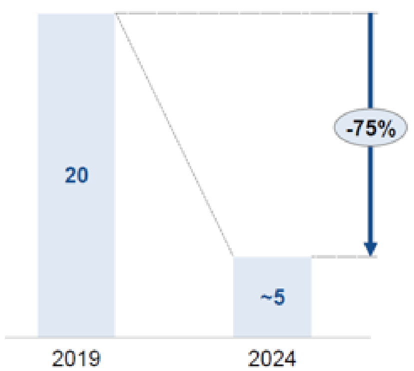
PPC's newly appointed management delivered the company's medium-term strategic priorities to modernise the company including further commercialisation, investments in renewables and networks and an ambitious decarbonisation of the business.

PPC will commit to shut down all existing lignite units by 2023, deploying more than 1.0GW of RES by 2024 [REDACTED].

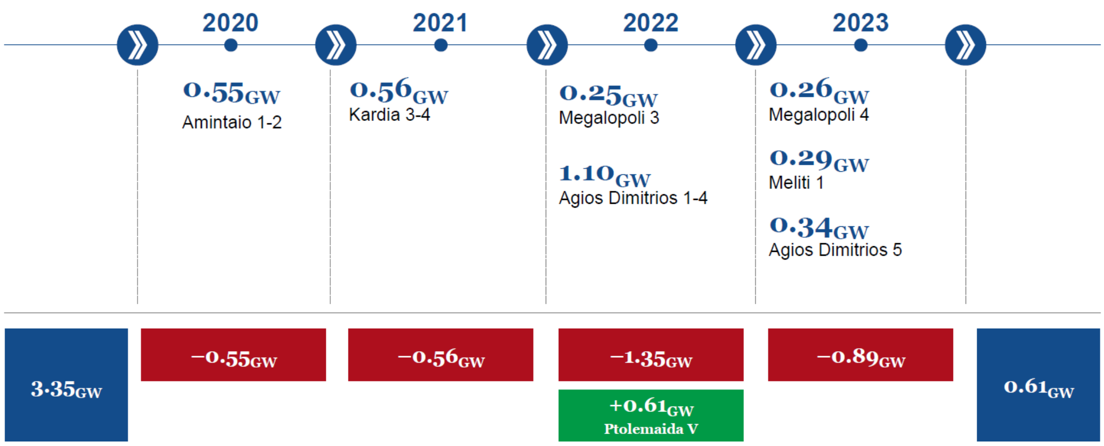
PPC expected capacity mix



PPC CO2 emissions in the interconnected system *(mn tons)*



Decommissioning of 3.4GW of coal assets by 2023 in line with Greece's National Energy & Climate Plan



PPC will decommission 0.55GW of capacity at Amintaio and 0.56GW at Kardia at the end of 2020 and 2021, respectively. Additionally it will shut another 1.35GW and 0.89GW in 2022 and 2023 while bringing on line the new Ptolemaida V in 2022, as planned. The company announced the switch of the new Ptolemaida unit to an alternative fuel (natural gas, biomass or waste) before 2028 to meet emission goals set under the NECP.

Holistic approach to the decommissioning of lignite assets and assistance toward the Just Transition of the coal-mining regions

Workforce	Repositioning and reskilling of workforce Fair retirement / exit schemes (VRS/VES) self-financed by PPC
Physical	Responsible environmental restoration and safe handling of hazardous materials Value extraction options for PPC's assets incl. land, buildings, equipment, inventory
District heating	Working with local communities to find alternative solutions including new gas delivery models before unit decommissioning
Local community	Introduce new investments in the local community (e.g. PV plants) Fully supporting the government's master plan to counterbalance the impact of the decommissioning to the affected communities