

Public Power Corporation S.A.

Valuation report according to art. 17 of
Law 4548/2018

September 2024



To the Board of Directors of:

Power Public Corporation S.A.
Chalkokondyli 30,
104 32, Athens

12th September 2024

Dear Sirs,

Valuation report according to art. 17 of Law 4548/2018

With reference to the engagement letter we received from the Board of Directors of Public Power Corporation S.A. (the "**Management**" or the "**Assignor**"), we enclose a copy of our report and will be pleased to provide further copies upon request.

The purpose of this report is to determine the fair value of the assets and liabilities of the Laboratories, Certification & Inspection sector (the "**Sector**") of Public Power Corporation S.A. (the "**Company**" or the "**Transferring entity**") in the context of the spin-off and contribution of the Sector to a newly formed 100% subsidiary company (the "**Beneficiary**"), which will be established for this purpose.

This spin-off and contribution of the Sector will be carried out in accordance with the provisions of art. 4, 54 para. 3, 57 para. 3, 59-74, and 83-87 of Law 4601/2019, L.D. 1297/1972, as well as the provisions of Law 4548/2018, as currently in force (the "**Spin-off**").

Our conclusions are included within the "Executive Summary", but we stress that for a full understanding, it is necessary to read this in conjunction with our detailed commentary set out in the sections below.

Your attention is drawn to the important notice which is attached in Appendix II. This report is confidential and has been prepared exclusively for the Board of Directors of Power Public Corporation SA with notification to the competent authorities, in accordance with the provisions of Law 4601/2019, Law 4548/2018, and L.D. 1297/1972.

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Whilst other parties may be interested in receiving a copy of this report we stress that, to the fullest extent permitted by law, we cannot accept any responsibility whatsoever in respect of any reliance that these parties may place on our report in any decision that they may make in relation to the Spin-off.

Yours faithfully,

Dimitris Douvris
Certified Public Accountant
R.N. S.O.E.L. 33921

Stergios Ntetsikas
Certified Public Accountant
R.N. S.O.E.L. 41961

Contents

01	Executive Summary	4	Appendix	
02	Company Overview	7	I. Glossary of terms	34
03	Market Overview	17	II. Important notice	35
04	Valuation of Assets and Liabilities	27		

01

Executive Summary

Executive Summary

5

Executive Summary

Scope of work

- The purpose of this report is to conduct an independent valuation of the fair value of the assets and liabilities of the Laboratories, Certification & Inspection sector (the "**Sector**") of Public Power Corporation S.A. (the "**Company**" or the "**Transferring entity**") as of 31/12/2023, following the mandate we received from the management of Public Power Corporation S.A. (the "**Management**" or the "**Assignor**").
- The valuation is carried out in accordance with the provisions of art. 17 of Law 4548/2018, in the context of the spin-off and contribution of the Sector to a newly formed 100% subsidiary company (the "**Beneficiary**"), which will be established for this purpose.
- The spin-off and contribution of the Sector will be carried out in accordance with the provisions of art. 4, 54 para. 3, 57 para. 3, 59-74, and 83-87 of Law 4601/2019, L.D. 1297/1972, as well as the provisions of Law 4548/2018, as currently in force (the "**Spin-off**").
- The date set for the preparation of the transformation balance sheet (the "**Transformation Balance Sheet**") is 31/12/2023 (the "**Valuation Date**").

Valuation methodology

- For the estimation of the fair value of the Sector's assets and liabilities, the Adjusted Book Value (ABV) valuation approach was followed. Specifically, we reviewed and adjusted the book value of the Sector's assets and liabilities, where deemed necessary, in accordance with International Financial Reporting Standards (IFRS).
- Based on the above valuation methodology, the value of the assets and liabilities of the Sector is adjusted, following an assessment according to internationally accepted methods, if there are indications that their book value does not correspond to their current market value as of the valuation date.
- To determine the necessary adjustments to the book value of the assets and liabilities, the following were applied:
 - Review of the book values based on the relevant accounting principles.
 - Valuation based on internationally accepted methods for assets whose accounting measurement under IFRS is not carried out at their current market value.
 - Review of the Sector's financial figures as of the Valuation Date, in order to assess whether the contributed assets are at fair values. Specifically, the valuation of the Sector's assets and liabilities was carried out at fair values by adjusting the net asset value. This method requires a review of the Sector's assets and liabilities and adjustment of their book value if there are indications that the book value does not correspond to the fair values.
- It is noted that the review and adjustment of the assets and liabilities were based on the Sector's Transformation Balance Sheet as of 31/12/2023.

Executive Summary

Valuation results

- The results of the valuation of the fair value of the Sector's assets and liabilities are summarized as follows:

amounts in €	Adjusted Book Value
Fair value of Assets	3.995.972,57
(-) Fair value of Liabilities	2.081.434,88
Sector's Adjusted Net Assets	1.914.537,69
(-) Revaluation reserves	2.764.788,81
Sector's Share Capital	-850.251,12
Cash contribution	1.150.251,12
Sector's Share Capital incl. cash contribution	300.000,00

- The fair value of the transferred assets and liabilities of the Sector, as determined according to the Adjusted Book Value method, amounts to € 1.914.537,69, of which amount of € 2.764.788,81 concerns reserves from revaluation of tangible assets. This reserve will be transferred in its entirety to the equity of the Beneficiary, will remain as a reserve, and will not be capitalized in the share capital of the Beneficiary.
- According to the above, the share capital of the Sector amounts to € -850.251,12. The Management intends to contribute € 1.150.251,12 in cash from the Transferring entity so that, upon completion of the Spin-off, the share capital of the Beneficiary equals the minimum required share capital of € 300.000,00, in accordance with L.D. 1297/1972.
- Therefore, upon completion of the Spin-off, the share capital of the Beneficiary will amount to € 300.000,00, divided into 300.000 common, registered shares, with a nominal value of one euro (€ 1,00) each, consisting of the contributed net equity of the transferred assets and liabilities of the Sector amounting to € -850.251,12, plus € 1.150.251,12 in cash provided by the Transferring entity.
- Given that, as consideration for the contribution of the Sector, the Transferring entity will receive all the shares of the Beneficiary, i.e., 300.000 common, registered shares with a nominal value of one euro (€ 1,00) each, and, as a result, the Transferring entity will remain the indirect beneficiary of the transferred assets of the Sector, the exchange ratio is not practically significant, and the terms of the Spin-off can be considered fair and reasonable.
- We believe that the above values reflect the fair value of the Sector, based on the forecasts and assumptions provided to us by the Assignor, as well as the observations included in Annex II of this report.

02

Company Overview

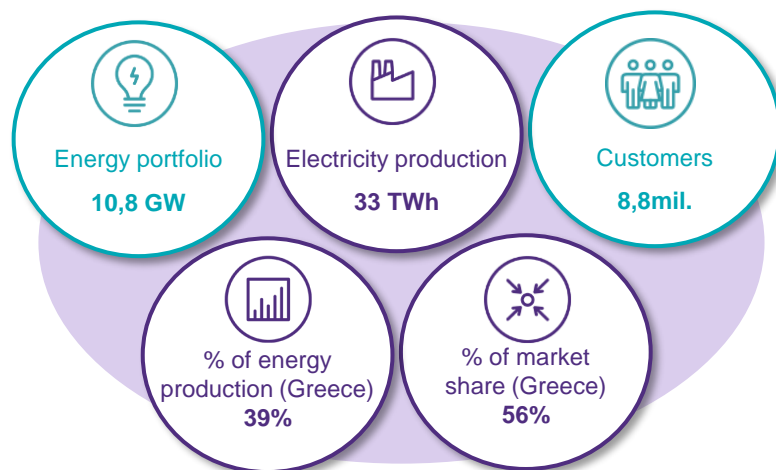
Company Overview Power Public Corporation SA	8
Sector Overview	12
Spin-off timeline	16

Company Overview

Company profile

- PPC is a leading energy company in Southeast Europe, with activities that include production, distribution, network operation and sale of energy products and services in Greece, Romania and North Macedonia. It is the largest electricity provider in Greece and Romania, serving a total of 8,8mil. customers and providing over 33 TWh of energy.
- PPC has 10,8 GW of production potential, with thermal and hydroelectric stations as well as Renewable Energy Sources (RES) installations. More specifically, Company's production capacity from RES reaches the 4,7 GW (44%) and PPC is considered the largest clean energy company in Southeast Europe.
- The environmental aspect is crucial for Company's strategy. Beyond complying with national and European environmental laws, PPC goes further by implementing extra measures to minimize the environmental impact across its operation.

Key performance indicators



Source: Published Financial Statements, Company's website



Board of Directors

Name	Position
Stassis Georgios	Chairman & CEO
Papadimitriou Pyrros	Vice Chairman
Paterakis Alexandros	Executive Member
Karakousis Georgios	Executive Member
Sinaniotou Charikleia	Independent Non-Executive Member
Glavanis Christos	Independent Non-Executive Member
Psillaki Maria	Independent Non-Executive Member
Doxaki Despoina	Independent Non-Executive Member
Kardamakis Stefanos	Independent Non-Executive Member
Dimitriadis Grigorios	Non-Executive Member
Fotakidis Alexandros	Non-Executive Member

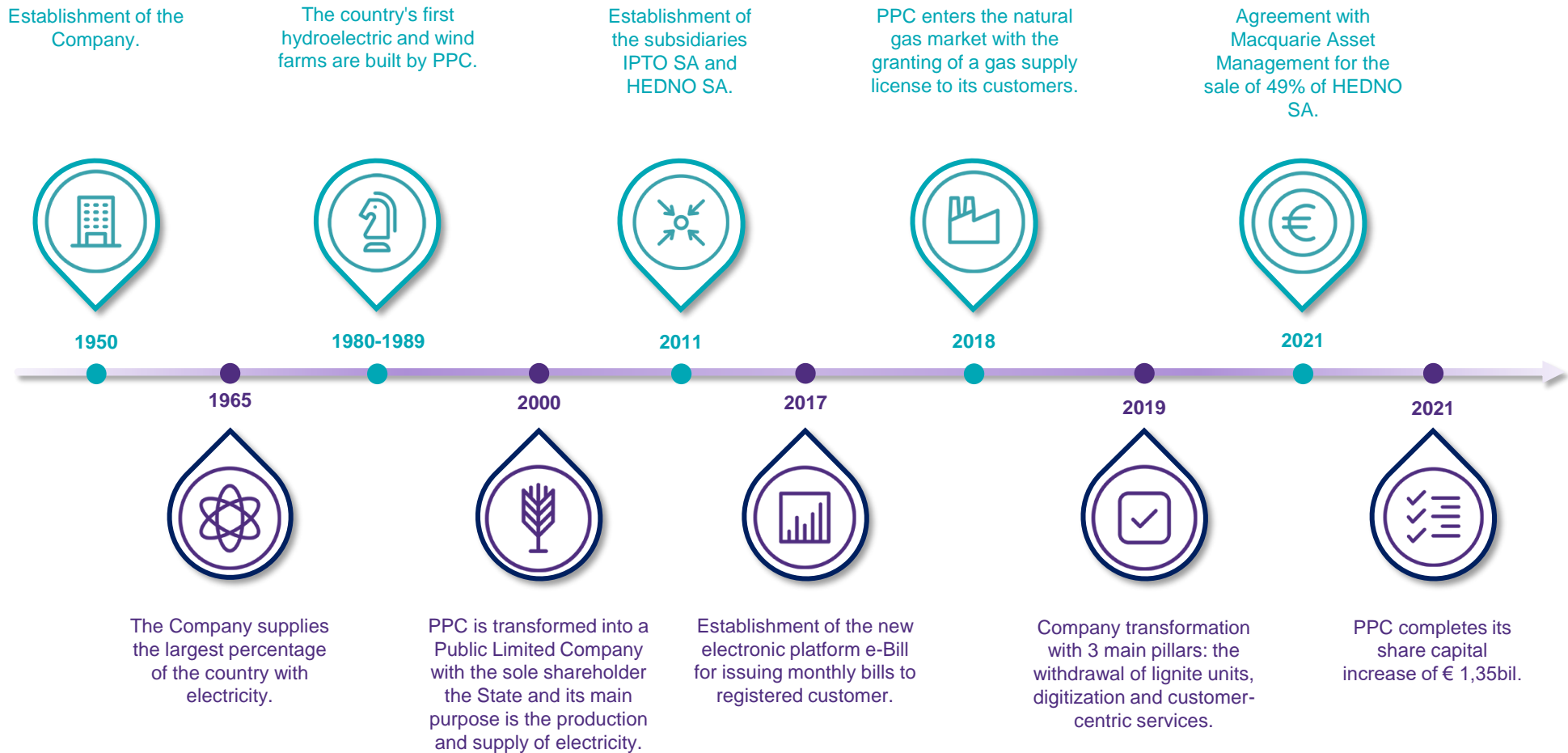
Note: Tenure from 12/03/2024 to 21/08/2025.
Source: General Commercial Register (GEMI)



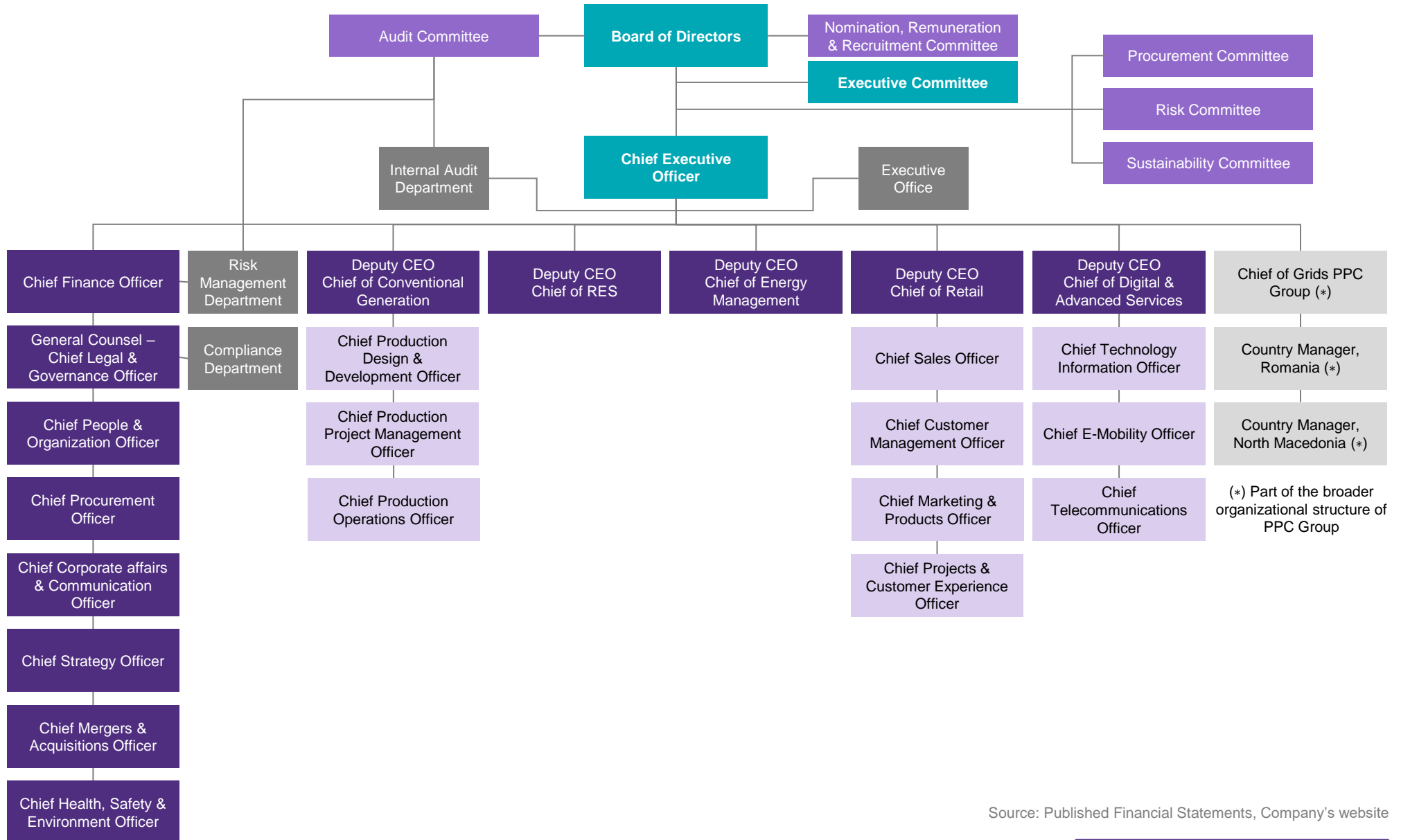
Key financial figures (Group)

	FY2022	FY2023
	(amounts in € mil.)	(amounts in € mil.)
Total revenue	11.253	7.687
EBT	(26)	622
Earnings after tax	(9)	485
EPS	(0,02)	1,31

Company Overview | Timeline



Company Overview | Organizational Chart



Source: Published Financial Statements, Company's website

Company Overview | Business Activity

PPC is involved in the production and supply of electricity, as well as the provision of energy-related services, including E-Mobility and PPC myStore.



Conventional generation

- Conventional generation includes thermal and lignite generation, as well as mining.
- Agios Dimitrios TPP is the active lignite-fired power plant of PPC. It consists of 5 units with a total installed capacity of 1.595 MW. The new lignite Unit of PPC, Ptolemaida V TPP, with an installed capacity of 660 MW, was commissioned in 2023.
- The lignite mines, owned by PPC for the most part and by private companies, in the regions of Aliveri, Kozani - Ptolemaida - Florina and Megalopolis have provided, since 1955 and for a period of about 65 years, the lignite, an important energy fuel for the Greek economy, on which the country's electrification has been based since the establishment of the Company.



Commercial operations

- The commercial business unit is responsible for the sale of electricity to consumers of all categories throughout the country. It seeks to secure for PPC the maximum possible market share, through appropriate marketing and pricing policies, as well as appropriate sales promotion and customer communication measures.
- The strategic objectives of the commercial business unit are the development of a modern and extensive sales network, secure and easy e-service, the creation of alternative sales promotion channels, the shift to green energy and the development of new products and services.



E-Mobility

- PPC, as an energy leader, responding to its commitment to sustainable development and environmental protection, acknowledged its role in the penetration and development of e-mobility in the country.
- In 2020, e-mobility became part of the Company's core business activities. Its strategic objective is to position PPC as the most important player in the new e-mobility market by implementing a significant investment plan for the development, management and operation of the largest and most geographically extensive network of publicly accessible chargers in Greece, as well as by providing new, innovative value-added services.



PPC myStore

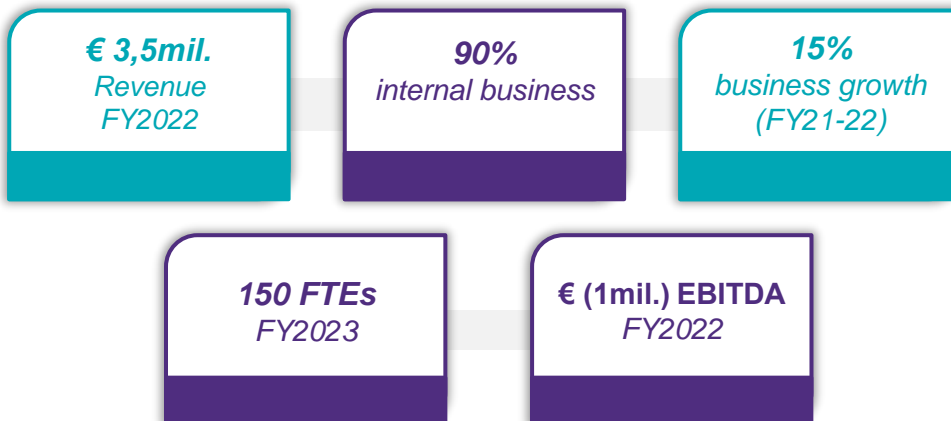
- PPC has created PPC myStore, a business development model that, when combined with the branches' innovative architectural and functional design, creates a highly appealing and profitable benefit for the franchisee partner.
- PPC portfolio of franchise partnerships includes the following:
 - ✓ A commercial policy that is both competitive and rewarding
 - ✓ Full support at all levels of store operation and customer service
 - ✓ Continuous training for the franchisee partner and their employees.
 - ✓ Consulting by a specialized team
 - ✓ Instruction manuals
 - ✓ PPC-specific promotional communication

Sector Overview

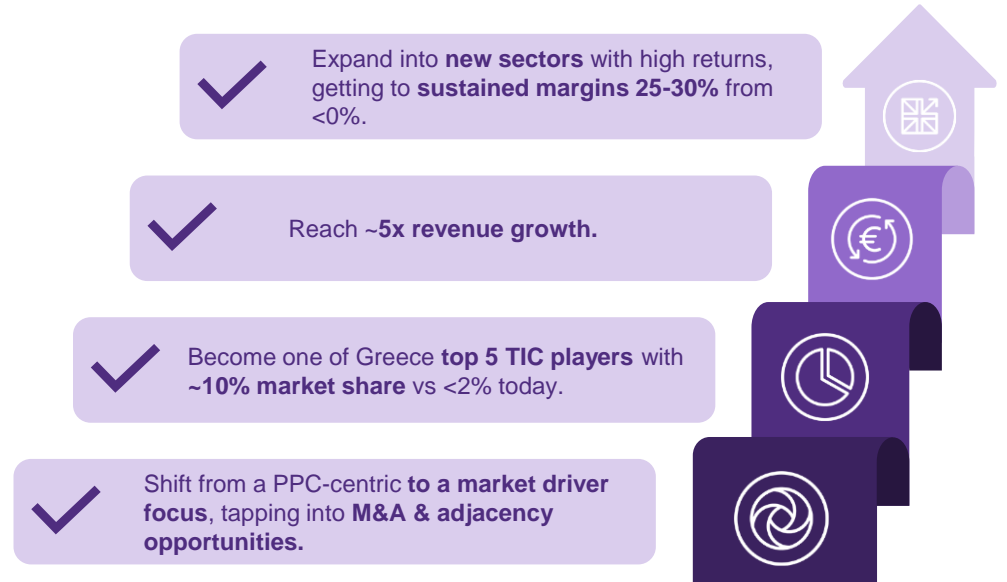
Sector profile

- The Sector's services include laboratory testing (i.e. mechanical and metallurgical testing, chemical analyses, electrical testing & measurements, quality control of civil work projects, IIOT sandbox), geotechnical investigations and studies, certifications, in-situ inspections, witnessing and evaluation of Factory Acceptance Tests, as well as calibration for electrical quantities.
- The Sector provides services not only to the units within the PPC Group but has expanded its operations and provides top class scientific services to the wider public sector as well as to a host of Greek industries.

Key performance indicators

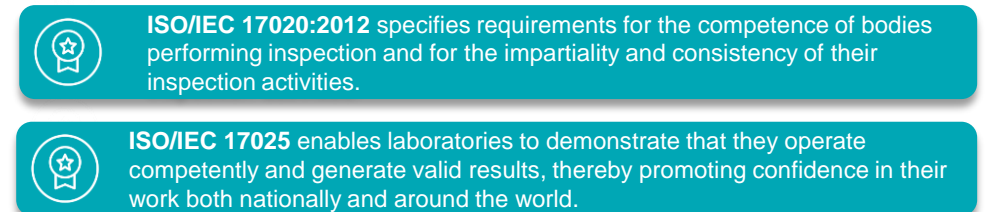


Ambition



Accreditations

- The Sector holds accreditation from the National Accreditation System, in accordance with the ISO 17020 and ISO 17025 standards. To retain accreditation from the Hellenic Accreditation System (ESYD), the Sector undergoes regular inspections to assess its operational processes and evaluates the tests and checks conducted, ensuring the reliability and the accuracy of the services provided.



Sector Overview | Laboratories



Mechanical & metallurgical labs and NDT inspections

- **Metallography laboratory:** It performs metallographic studies of a wide range of metals, with emphasis on steels.
- **Non-Destructive Testing Laboratory:** One of the first laboratories to use NDTs methods in Greece. The Lab is certified in all NDT methods.
- **Laboratory of mechanical testing:** It offers lab services for the determination of the mechanical properties of a wide range of materials and products.



Electrical testing and measurement labs

- **Electrical Tests and Electrical Measurements Laboratory:** It carries out tests on electrical low and medium voltage material, electromagnetic compatibility and immunity tests on electronics, water and solid objects IP grading, electrical aging tests, etc.
- **Metrology Laboratory:** It conducts calibrations for electrical quantities.
- **High Power Laboratory:** It conducts dynamic short-circuit resistance tests on electrical materials, internal arc tests on medium voltage electrical panels and compact substations, breaking capacity tests on fuse switch disconnectors, sound level and power quality measurements, etc.
- **Temperature Rise Laboratory:** It performs thermo-mechanical stress testing, temperature rise testing on any kind of electrical material, tensile testing on cables under high-temperature conditions, etc.
- **High Voltage and Dielectric Testing Laboratory:** It carries out dielectric tests on low, medium, and high voltage materials.



Chemical labs

- **Environmental lab:** It conducts physicochemical analyses on a plethora of matrices (water, liquid and solid waste, soil, sludges, ashes and their eluates). It also conducts testing on materials (corrosion, aging, planting testing, etc.).
- **Fuel & Lubricants Lab:** It conducts quality control of insulating oils and liquid fuels. It also analyses the physicochemical characteristics of industrial lubricant oils.
- **Microbiological Lab:** It conducts analyses on potable and facility water, sea water, sewage and liquid waste, surface and ground water, etc.

Sector Overview | Laboratories



Civil Engineering Works Studies & Quality Control

- **Concrete Lab:** It provides laboratory and in situ technical support and services geared towards the quality control of aggregates, cement, concrete, grout, and fly ash.
- **Soil Mechanics Lab:** It provides technical support and services regarding the geotechnical investigation and design of civil engineering projects (quality control and consulting on the design of infrastructure projects, in situ and laboratory soil and rock mechanics testing, etc.).



New laboratories

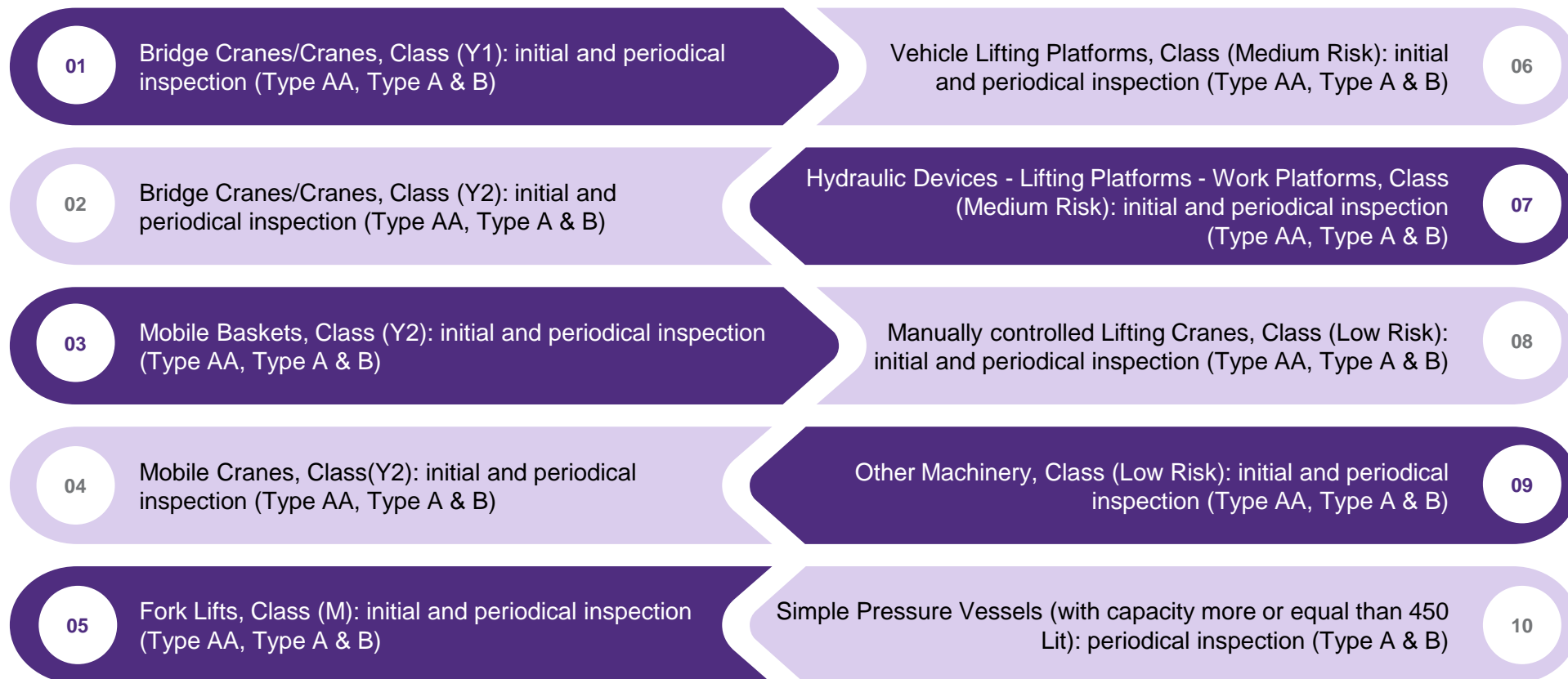
- **Robotics Lab:** it conducts inspections on critical energy infrastructure (PV parks, wind turbines, electricity transmission and distribution systems, etc.) with the use of drones
- **E-mobility Lab:** it conducts tests on EV charging stations, digital communication testing between EV, EV charging stations and CPMS.
- **Industrial Internet of Things Lab:** cybersecurity testing and grid simulations

Sector Overview | Inspection & Certification Body

Inspection & Certification Body

- The Inspection Body (I.B.) conducts assessments and certifies Lifting Equipment, other Work Machinery, and Simple Pressure Vessels with a capacity of 450 liters or more that are part of the existing installations of the PPC S.A. Group.
- The I.B. has the necessary portable certified equipment, enabling it to carry out inspections across various locations, production units, and other facilities within the PPC S.A. Group.

Main tests



Spin-off timeline

General information

- The Board of Directors of Public Power Corporation S.A. decided, in its meeting on 17/09/2024, to proceed with the spin-off of the Laboratories, Certification & Inspection sector (the "**Sector**") of Public Power Corporation S.A. (the "**Company**" or the "**Transferring entity**") and its contribution to a new company that will be established as a 100% subsidiary of the Transferring entity (the "**Beneficiary**"), by implementing the spin-off through the contribution of the Sector, in accordance with the provisions of art. 4, 54 para. 3, 57 para. 3, 59-74, and 83-87 of Law 4601/2019, the provisions of Law 4548/2018, and the provisions of L.D. 1297/1972, as currently in force (the "**Spin-off**").
- Specifically, the Spin-off will involve the transfer to the Beneficiary of all the assets and liabilities of the Sector, and the establishment of a new company, a 100% subsidiary of Public Power Corporation S.A., through universal succession.
- In the context of the Spin-off, it is required to conduct an assessment of the value of the contributed assets by two (2) certified auditors in accordance with art. 17 of Law 4548/2018 and Law 4601/2019, as currently in force. In this regard, we have undertaken the valuation of the Sector's net assets, which is presented in detail in this report.

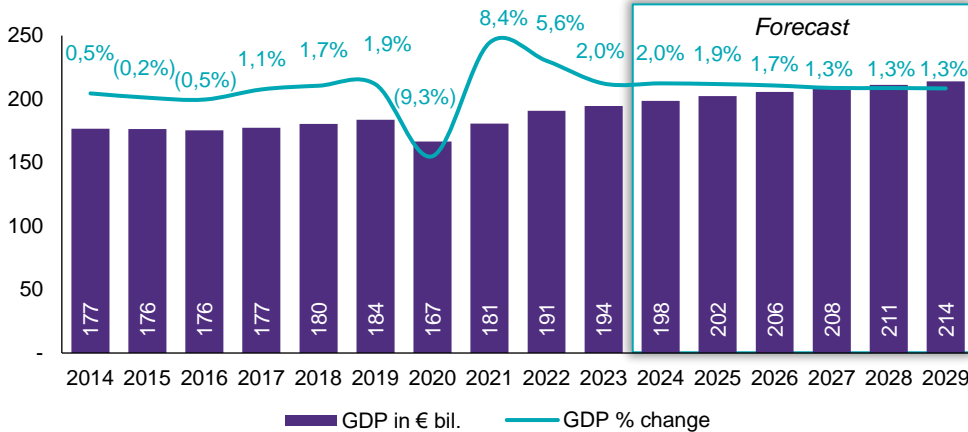
Market Overview

Macroeconomic Environment of Greece	18
Key insights	19
Market overview of TIC sector	20
Conformity assessment	21
Fields of Conformity assessment	22
Third party testing and certification	23
Benefits of TIC sector	24
Market size and trends	25
TIC sector in Europe	26

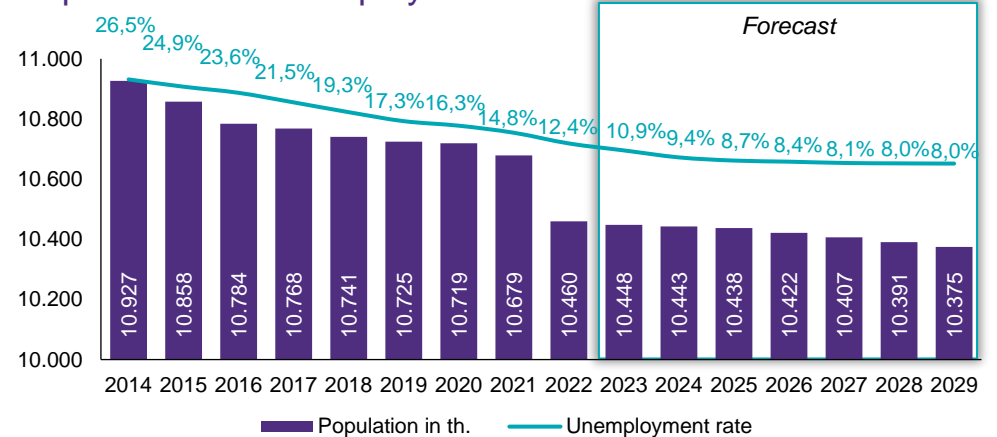
Macroeconomic Environment of Greece

The impact of Covid-19 halted the positive course of the economy in 2020, however, since 2021 the economy is experiencing a strong recovery which is accompanied by inflationary pressures

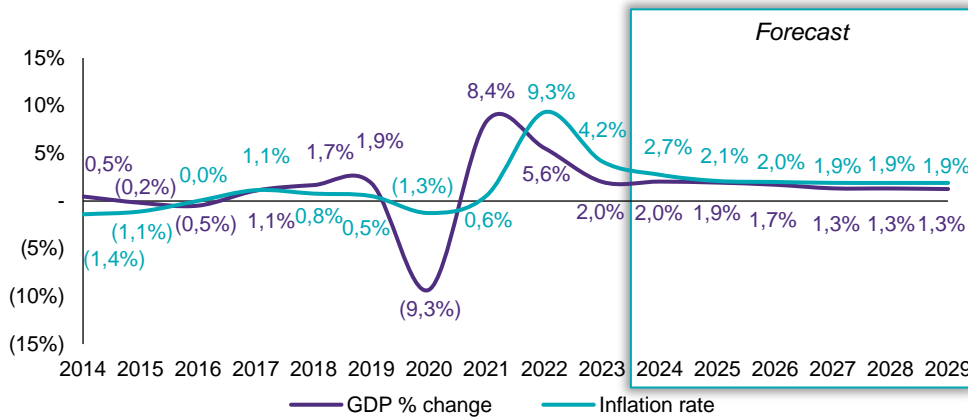
Real GDP



Population and unemployment



Inflation



Macroeconomic Environment

- The Covid-19 pandemic halted the positive course of the economy and led to a recession similar to that of 2011. The economy started to rebound in 2021.
- Unemployment decreased significantly in (2023: 10,9% vs 2022: 12,4%) while it is expected to wane even more in coming years falling to 8,0% in 2029. The fall in unemployment is driven by GDP growth and partially by the decline in population.
- Inflation was at very low levels in the period 2017-2020, while due to the impact of the Covid-19 pandemic, further deflationary pressures were created on the economy. However, following 2021, the restart of the economy coupled with the disruption in supply chains caused by the pandemic and geopolitical tensions, led to a significant increase in inflationary pressures worldwide. It should be noted that further escalation of geopolitical tensions may lead to renewed inflationary pressures.
- As far as, Greece's sovereign debt is concerned, in 2023 it regained investment grade by S&P, DBRS and Scope.

Key insights

Conformity assessment

Conformity assessment may comprise a variety of activities, ranging from testing and inspection, through validation and verification, to certification, and pre- or post-market surveillance or some combination thereof.



Market size

As of 2020, estimates of the size of the conformity assessment sector globally, including first, second- and third-party activities, are approximately \$ 215bil., and are expected to surpass \$ 260bil. by 2025 (CAGR: +3,9%).

Benefits of the TIC sector

The varied activities of the TIC sector generate numerous advantages for the stakeholders involved and can provide benefits to consumers, workers, businesses, patients, policymakers, and the general public.



TIC sector in Europe

Owning approximately a third of the global TIC market, the European conformity assessment sector in 2020 is estimated at approximately at \$ 71bil., and is expected to grow to \$ 85 – 98bil. by the end of 2025 (CAGR: +3,7% - +6,7%).

Third-party TIC sector

The independent TIC sector is currently estimated to account for approximately 40% of market size. A trend of increased outsourcing of TIC services to third parties, has contributed to the growth of the independent share of the market from approximately 36% in 2017.



Market overview of TIC sector

The Testing, Inspection and Certification (TIC) sector is a major contributor to the global economy and the quality of daily life around the world by providing trust and confidence that products are safe, secure, effective, reliable, of quality and sustainable.

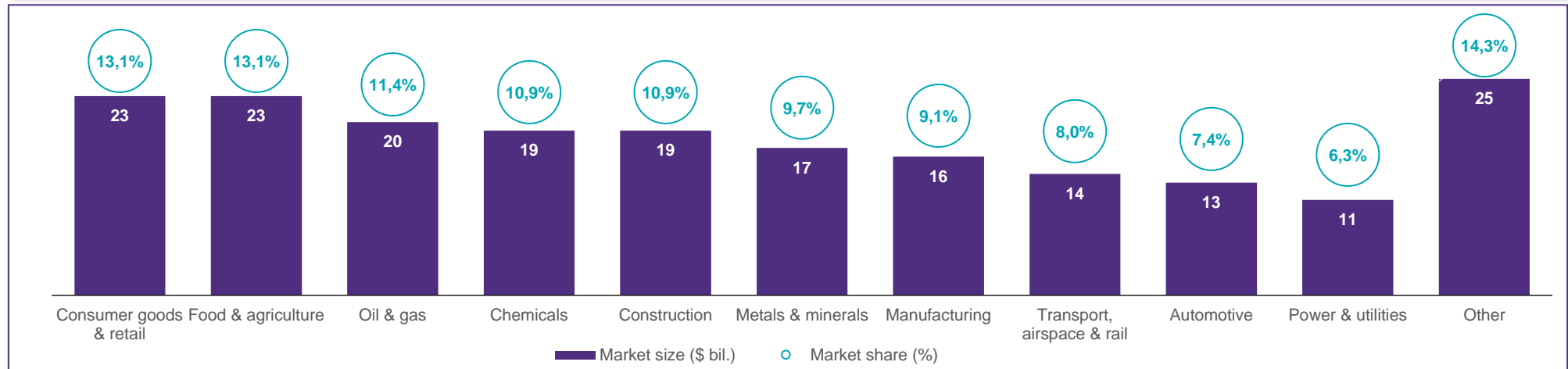
Overview of the TIC sector

- TIC companies offer conformity assessment services to a diverse range of industry sectors, from energy and utilities to food and agriculture and chemicals, as well as with respect to matters that cut across industry sectors, such as climate change and artificial intelligence. Conformity assessment may comprise a variety of activities, ranging from testing and inspection, through validation and verification, to certification, and pre- or post-market surveillance or some combination thereof.
- Applications of conformity assessment to products, services, and systems enhance trust and confidence that required or desired characteristics are consistently met in the fields of public health, safety and welfare, environmental protection, agriculture and food safety, data privacy and cyber security, and consumer protection, and can enable market access for businesses large and small.

Importance of the TIC sector

- The TIC sector covers a wide range of applications, making it sensitive to various global trends. Traditionally, TIC services have played a key role in supporting international trade, a role that is becoming even more important as concerns about slowing globalization emerge. These concerns are seen in new trade policies, national security measures, and the shift towards onshoring production, all of which are affecting global supply chains.
- In addition to its traditional role, the TIC industry is increasingly involved in supporting growth areas like the Internet of Things (IoT) and the circular economy. As these sectors expand, the need for rigorous testing, inspection, and certification services is growing, making the TIC industry a vital player in navigating these global shifts.

Size of TIC in areas of application globally



Source: TIC Council

Conformity assessment

Conformity assessment is the demonstration that a specified standard or requirement relating to a product, process, system, person or body is fulfilled.

The process of conformity assessment

1

Setting the standard or requirement

- The first step involves establishing a standard or requirement that specifies how an object of conformity, whether it's a product, process, system, person, or organization, should perform.

2

Conducting the conformity assessment

- The next step is to carry out activities to examine and determine whether the object of conformity meets the standard. Conformity assessment can involve various activities, including testing, inspection, validation, verification, certification, or a combination of these.

3

Attestation of compliance

- Third, a person or body must attest to the fulfilment of the terms of the standard or requirement by the object of conformity, using information obtained from one or more conformity assessment activities. The attestation could come from: a first party (e.g., manufacturer, or supplier), second party (e.g., a purchaser or user); or third party (e.g., a person or body that is independent of the first two parties).



- The TIC industry provides independent third-party conformity assessment services in a variety of contexts (e.g., to support regulatory frameworks or industry oversight programs) using technical experts to carry out impartial testing and evaluation, audits, inspections, and other services on products, systems, or personnel against various private, national and international standards and regulations.
- Accreditation bodies assess TIC service providers to ensure that they meet the applicable international standards and specific programmatic requirements for conformity assessment bodies and activities.
- They also check whether TIC providers meet competency requirements and have the necessary qualifications and facilities to perform conformity assessment activities.

Fields of conformity assessment

The applications of conformity assessment include consumer products, medical devices, food and agriculture, petroleum, mining and metals, among others, and enhance trust and confidence in the following fields.

Health, safety, and welfare



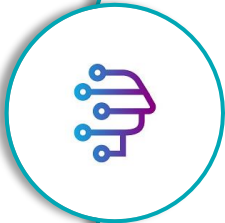
Through providing services such as laboratory analysis of drinking water, medical diagnosis and testing, certification of safety equipment, and testing air quality of indoor spaces, conformity assessment services are crucial for addressing hazards and risks and providing confidence to patients, doctors and other health professionals, workers, employers and health authorities.

Environment



Environmental protection can be supported by TIC services, including those that detect trace pollutants and other potential environmental contaminants. Further, the TIC industry is well positioned to improve the use of companies' data to measure their vulnerability to related risks, validate mitigation strategies, and help demonstrate compliance with emerging regulatory and market requirements.

Disruptive technologies



The TIC sector is supporting the development and safe adoption of innovative technologies for both consumer and commercial uses, including AI, autonomous transport and connected devices. It also uses these technologies to improve its own service provision: examples include using drones to conduct inspections by remotely accessing physical infrastructure and using driving robots to act as obstacles when testing autonomous vehicles.

Agriculture and food



Robust conformity assessment systems, as well as national and international standards, help to ensure the safety of food for human consumption and improve consumer confidence. Some TIC firms offer “farm-to-fork” conformity assessment services that seek to ensure that food safety requirements and standards are met at each link of the supply chain using innovative techniques such as live data feeds on crops.

Privacy and security



Telecommunications providers and users rely on TIC services to demonstrate that the reams of personal and commercial data they handle are kept confidential and that telecom systems are secure and resilient. TIC services also ensure that security equipment meets national standards and have helped to facilitate the use of biometric identification.

Infrastructure integrity



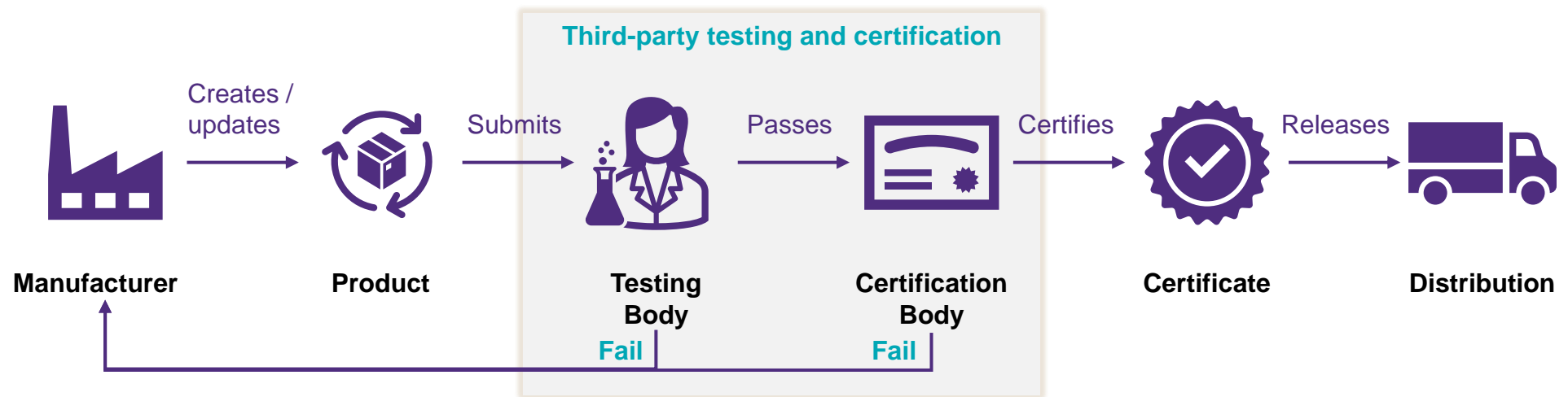
TIC services are crucial in ensuring the safety and integrity of critical infrastructure, including bridges, roads, and power plants. Regular inspections and certifications help prevent catastrophic failures by identifying and addressing potential weaknesses before they lead to accidents.

Third-party testing and certification

TIC companies certify for consumers, patients, workers, regulatory authorities, governments, and firms up- and down-stream in the chain of production, that a product meets a set of specified requirements, whether to address a specific hazard or risk, ensure quality, or meet some other objective.

Third-party testing and certification process

- When utilising third-party TIC assessment, a manufacturer submits its product to a third party to be tested and certified. A third-party testing laboratory reports whether the product has met the applicable testing requirements. If the product does not satisfy the requirements, the manufacturer must take corrective action to ensure that the product meets the requirements and then re-submit the product for re-testing. Once the product has satisfied the testing requirements, a third-party certification body (which may or may not be the same body as the testing laboratory) evaluates the test results. If the product meets the applicable requirements, the certification body approves the product and issues a certificate.



- There may be other requirements that are not covered by the certification but against which products can be tested by a third-party TIC firm. Furthermore, sometimes third-party certification relates to a market requirement or a voluntary government program that is not mandatory.

Benefits of TIC sector

The varied activities of the independent TIC sector can generate numerous advantages for stakeholders, and those advantages are innately tied to the sector's reputation for competence, impartiality, and consistency.

Benefits to various stakeholders

- The varied activities of the TIC sector generate numerous advantages for the stakeholders involved. Conformity assessment can provide benefits to consumers, workers, businesses, patients, farmers, policymakers, and the general public.
- Whilst some benefits are experienced exclusively by one stakeholder, the benefits accruing to one stakeholder often 'spill' into the realm of another, passing through the same impacts (and potentially multiplying the overall benefit) or producing new ones. Equally, aspects of conformity assessment that may be less advantageous for one stakeholder may benefit another.



Consumers

- The products and services consumers use are safer, true to their advertised claims, and consistently reliable and high-quality.
- Easier for consumers to compare and contrast products and services, hence reducing 'search costs'.
- Enhanced competition among products and services, which may result in lower prices and a greater variety of products.

Businesses

- Higher levels of regulatory compliance.
- Businesses may achieve medium- and long-term cost savings through reliance on independent third-party conformity assessment services.
- Enhanced demand from the trust and confidence that the use of such services generates in the marketplace.
- Enabling market entry and market access, as well as potentially even market creation.

Policymakers

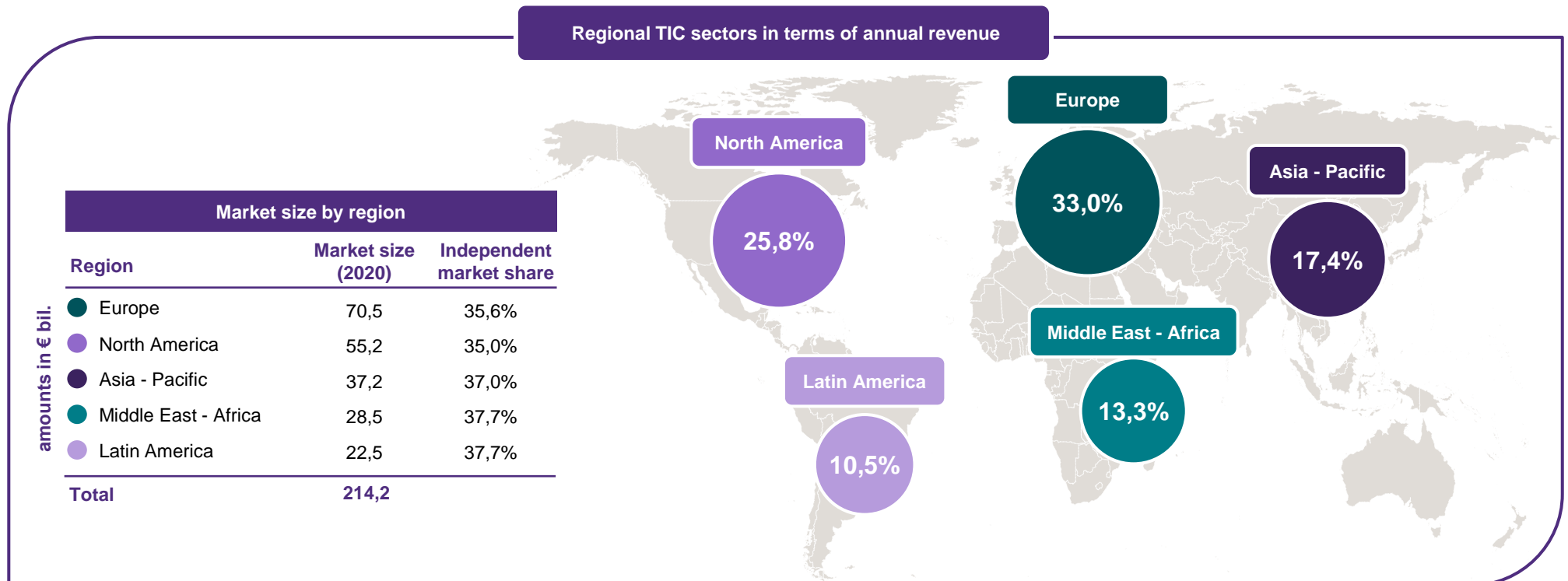
- Scarce public resources may be saved when the safety or security of products improves.
- Assistance with designing regulations and other government programs.
- Ensure compliance with requirements, potentially at a lower cost to the taxpayer.
- Increase the volume of trade.

Market size and trends

The one million TIC employees scattered in more than 160 countries around the globe offer conformity assessment services that are vital for the quality infrastructure of the countries they serve.

Market size and trends

- As of 2020, estimates of the size of the conformity assessment sector globally, including first, second- and third-party activities with all their constituent applications, are approximately \$ 215bil., and are expected to surpass \$ 260bil. by 2025 (CAGR: +3,9%).
- The independent TIC sector is currently estimated to account for approximately 40% of this amount. A trend of increased outsourcing of TIC services to third parties, coupled with a diverse range of regulatory, standard, procurement, and other requirements, has contributed to the growth of the independent share of the market from approximately 36% in 2017.
- Between 2009 and 2016, revenue growth of the TIC sector outperformed general income growth experienced in the major developed economies.
- In Europe, North America and the Asia and Pacific, firms and governments are increasingly outsourcing conformity assessment activities to third parties to allow them to focus on their core business and to reduce pressure on the public purse, respectively.
- The TIC sector is also growing in the Middle East, Africa and South America. TIC services in developing countries are helping to facilitate the sustainable transition from developing to industrialised economies



Source: TIC Council

TIC sector in Europe

Owing to a high level of regulation and complexity across different countries in the region, the European TIC industry is generally considered to be the world's largest.

The European TIC sector

- Owning approximately a third of the global TIC market, the European conformity assessment sector in 2020 is estimated at approximately at \$ 71bil., of which the independent TIC sector accounts for approximately 35,8%, and is expected to grow to \$ 85 – 98bil. by the end of 2025 (CAGR: +3,7% - +6,7%).
- TIC activities in Europe are in greatest demand in the energy and utilities (14%), food and beverages (13%), and chemical (12%) sectors.
- The European TIC growth forecast reflects a trend in the increased outsourcing of conformity assessment services to independent accredited third-party conformity assessment bodies.
- In addition, a continuous increase in the development of international standards to replace regional, national, and private standards has been further contributing to the demand for TIC services recently. Furthermore, a growth in product-safety related standards development activity may be a consequence of an observed increase in the incidence of non-compliance scandals which have triggered central authorities to implement more stringent requirements.

Major players

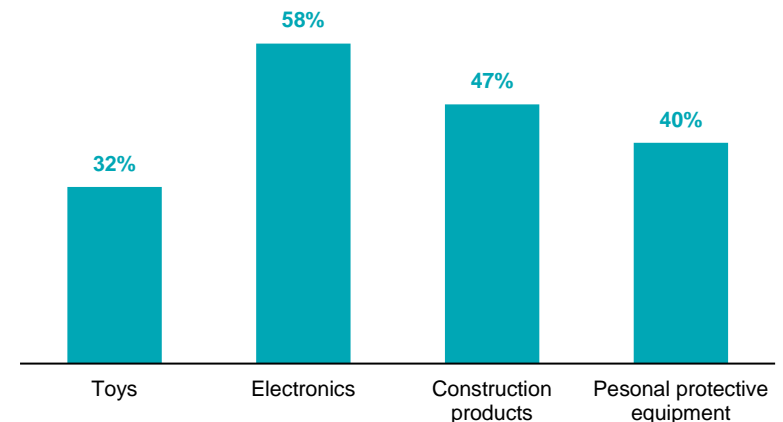


Source: TIC Council

Regulatory compliance in Europe

- According to the European Association for Injury Prevention and Safety Promotion (EuroSafe), in 2011 half of all fatal injuries and over three quarters of hospital-treated injuries occurred in the home and in leisure time, the vast majority of which resulted from consumer products and services.
- In 2017, the European Commission noted that as many as 32% of toys, 58% of electronics, 47% of construction products, and 40% of personal protective equipment inspected did not meet the requirements for safety or consumer information set out in EU legislation.

Equipment not meeting the requirements for safety or consumer information in Europe



04

Valuation of Assets and Liabilities

Valuation methodology	28
Transformation Balance Sheet	29
Fair Value of Assets and Liabilities	30
Conclusions	32

Valuation methodology

Valuation of the Sector's Assets and Liabilities

- Based on the Transformation Balance Sheet provided by Management, the value of each asset and liability under assessment was adjusted where there were indications that its book value did not correspond to the fair value as of the Valuation Date.
- To determine the necessary adjustments to the book value of assets and liabilities, the following procedures were implemented:
 - Review of book values, based on the relevant accounting principles.
 - For those assets which are not measured at their fair value in accordance with IFRS, a valuation was carried out using commonly accepted valuation methodologies.
 - Review of the Sector's financial figures as of the Valuation Date to evaluate whether the contributed items are at fair values. Specifically, the valuation of the Sector's assets and liabilities was conducted at fair values by adjusting the net equity value. This method requires a review of the Sector's assets and liabilities and an adjustment of their book value to their fair value if there are indications that the book value does not correspond to the fair values.

Adjusted Book Value (ABV)

- According to the Adjusted Book Value (ABV) method, the value of a company is equal to its net assets, as presented in the financial statements, after making the necessary adjustments to the assets and liabilities based on the information provided to us.
- ABV is defined as the difference between the adjusted assets and the adjusted liabilities of the company or the sector under review.
- ABV involves assessing the book value of assets and liabilities in relation to whether they align with current market values. This method (with the corresponding adjustments) is appropriate in cases such as:
 - Specific types of companies like property ownership and real estate development or investment management.
 - Where the liquidation value of the company exceeds the value derived from its continued operation (e.g., inactive companies).
- ABV incorporates the value of assets (after the repayment of liabilities) not just at market prices but within the context of their contribution to the company's continued operations.
- Therefore, the ABV approach for estimating the fair value of a company's equity reflects the ability to utilize existing resources. The valuation should include both on-balance sheet and off-balance sheet items (e.g., contingent claims and liabilities) where applicable.
- ABV differs from exercises aimed at estimating liquidation value, as the latter is used when there are doubts about the company's ability to continue as a going concern. Liquidation value is the sum of the value from the forced sale of assets (significantly reduced) after repaying liabilities and liquidation costs.
- The aforementioned methodology was considered appropriate for the valuation of the fair value of the Sector's assets and liabilities.

Transformation Balance Sheet

Transformation Balance Sheet

amounts in €	Note	Book value (31/12/2023)	Fair value adjustments	Adjusted Book Value
Assets				
Tangible assets	1	3.307.387,16	-	3.307.387,16
Intangible assets	2	67.561,26	-	67.561,26
Deferred tax asset	3	41.157,04	-	41.157,04
Trade receivables	4	424.438,55	-	424.438,55
Accrued and other receivables	5	155.428,56	-	155.428,56
Total Assets		3.995.972,57	-	3.995.972,57
Liabilities				
Provisions	6	187.077,46	-	187.077,46
Deferred tax liabilities	7	100.550,73	-	100.550,73
Trade payables	8	1.478.645,32	-	1.478.645,32
Accrued and other payables	9	315.161,37	-	315.161,37
Total Liabilities		2.081.434,88	-	2.081.434,88
Net Assets		1.914.537,69	-	1.914.537,69
Revaluation reserves		2.764.788,81	-	2.764.788,81

Notes

- The adjustment table presents the Transformation Balance Sheet of the Sector as of 31/12/2023, incorporating the fair value adjustments of assets and liabilities.

Fair Value of Assets and Liabilities

1 Tangible assets

amounts in €	Book value (31/12/2023)	Fair value adjustments	Adjusted Book Value
Mechanical equipment	0,02	-	0,02
Vehicles	46.045,21	-	46.045,21
Furniture & other equipment	3.261.341,93	-	3.261.341,93
Total	3.307.387,16	-	3.307.387,16

- In the above table, the tangible assets of the Sector as of 31/12/2023 are presented in detail.
- Furniture and other equipment constitute the most significant tangible asset of the Sector, with a book value amounting to € 3.261.341,93. Furthermore, tangible assets also include vehicles with a book value of € 46.045,21, as well as mechanical equipment with a book value of € 0,02.
- It is noted that in the financial statements of the Public Power Corporation S.A., tangible assets are recorded at their cost of acquisition minus accumulated depreciation. Additionally, up to December 31, 2023, cumulative adjustments to the fair value of the tangible assets of the Sector amounting to € 2.764.788,81 have been made, which are recorded in a reserve account for assets revaluation in PPC's equity. This amount will be transferred in its entirety to the equity of the Beneficiary, will remain as a reserve, and will not be capitalized into its share capital.
- The fair value of the tangible assets was estimated to be equal to their book value amounting to € 3.307.387,16.

2 Intangible assets

amounts in €	Book value (31/12/2023)	Fair value adjustments	Adjusted Book Value
Software	42.995,88	-	42.995,88
Capitalized expenses	24.565,38	-	24.565,38
Total	67.561,26	-	67.561,26

- The intangible assets of the Sector include software amounting to € 42.995,88 and capitalized expenses amounting to € 24.565,38.
- The fair value of the intangible assets was estimated to be equal to their book value.

3 Deferred tax assets

- Deferred tax assets amount to € 41.157,04.
- The fair value of this item was estimated to be equal to its book value.

4 Trade receivables

amounts in €	Book value (31/12/2023)	Fair value adjustments	Adjusted Book Value
Domestic customers	424.016,95	-	424.016,95
Trade receivables from state law entities	421,60	-	421,60
Total	424.438,55	-	424.438,55

- Domestic customers constitute the largest part of the trade receivables, which have a book value of € 424.016,95 as of December 31, 2023. Additionally, trade receivables include trade receivables from the state law entities amounting to € 421,60.
- The fair value of the trade receivables was estimated to be equal to their book value.

Fair Value of Assets and Liabilities

5 Accrued and other receivables

amounts in €	Book value (31/12/2023)	Fair value adjustments	Adjusted Book Value
Loans to employees	14.742,13	-	14.742,13
Debit balances of employees	478,82	-	478,82
Advance payments for travel	3.068,51	-	3.068,51
Prepaid taxes & duties	1.371,56	-	1.371,56
Accrued bank fees	88,54	-	88,54
Accrued income	135.679,00	-	135.679,00
Total	155.428,56	-	155.428,56

- Accrued and other receivables include accrued income amounting to € 135.679,00, loans to employees amounting to € 14.742,13, advance payments for travel amounting to € 3.068,51, prepaid taxes & duties amounting to € 1.371,56, debit balances of employees amounting to € 478,82 and accrued bank fees amounting to € 88,54.
- The fair value of the aforementioned item was estimated to be equal to its book value.

6 Provisions

- Employee compensation provisions amount to € 187.077,46.
- The fair value of provisions was estimated to be equal to its book value.

7 Deferred tax liabilities

- Deferred tax liabilities amount to € 100.550,73.
- The fair value of deferred tax liabilities was estimated to be equal to its book value.

8 Trade payables

amounts in €	Book value (31/12/2023)	Fair value adjustments	Adjusted Book Value
Domestic suppliers	1.111.221,89	-	1.111.221,89
Foreign suppliers	367.423,43	-	367.423,43
Total	1.478.645,32	-	1.478.645,32

- Trade liabilities consist mainly of liabilities to domestic suppliers amounting to € 1.111.221,89. Additionally, trade liabilities include amounts owed to foreign suppliers totaling € 367.423,43.
- The fair value of the trade payables was estimated to be equal to its book value.

9 Accrued and other payables

amounts in €	Book value (31/12/2023)	Fair value adjustments	Adjusted Book Value
Employment tax	54.420,36	-	54.420,36
Liabilities to insurance funds	71.368,29	-	71.368,29
Accrued expenses	189.372,72	-	189.372,72
Total	315.161,37	-	315.161,37

- Accrued and other payables include accrued expenses amounting to € 189.372,72, liabilities to insurance funds amounting to € 71.368,29 and employment tax amounting to € 54.420,36.
- The fair value of accrued and other payables was estimated to be equal to their book value amounting to € 315.161,37.

Conclusions

Conclusions

- The results of the valuation of the fair value of the Sector's assets and liabilities are summarized as follows:

amounts in €	Adjusted Book Value
Fair value of Assets	3.995.972,57
(-) Fair value of Liabilities	2.081.434,88
Sector's Adjusted Net Assets	1.914.537,69
(-) Revaluation reserves	2.764.788,81
Sector's Share Capital	-850.251,12
Cash contribution	1.150.251,12
Sector's Share Capital incl. cash contribution	300.000,00

- The fair value of the transferred assets and liabilities of the Sector, as determined according to the Adjusted Book Value method, amounts to € 1.914.537,69, of which amount of € 2.764.788,81 concerns reserves from revaluation of tangible assets. This reserve will be transferred in its entirety to the equity of the Beneficiary, will remain as a reserve, and will not be capitalized in the share capital of the Beneficiary.
- According to the above, the share capital of the Sector amounts to € -850.251,12. The Management intends to contribute € 1.150.251,12 in cash from the Transferring entity so that, upon completion of the Spin-off, the share capital of the Beneficiary equals the minimum required share capital of € 300.000,00, in accordance with L.D. 1297/1972.
- Therefore, upon completion of the Spin-off, the share capital of the Beneficiary will amount to € 300.000,00, divided into 300.000 common, registered shares, with a nominal value of one euro (€ 1,00) each, consisting of the contributed net equity of the transferred assets and liabilities of the Sector amounting to € -850.251,12, plus € 1.150.251,12 in cash provided by the Transferring entity.
- Given that, as consideration for the contribution of the Sector, the Transferring entity will receive all the shares of the Beneficiary, i.e., 300.000 common, registered shares with a nominal value of one euro (€ 1,00) each, and, as a result, the Transferring entity will remain the indirect beneficiary of the transferred assets of the Sector, the exchange ratio is not practically significant, and the terms of the Spin-off can be considered fair and reasonable.
- We believe that the above values reflect the fair value of the Sector, based on the forecasts and assumptions provided to us by the Assignor, as well as the observations included in Annex II of this report.

Appendices

I. Glossary of terms	34
II. Important notice	35

I. Glossary of terms

General terms	
Assignor / Management	The management of Power Public Corporation SA
Company / Transferring entity	Power Public Corporation SA
Beneficiary entity	The new, 100% subsidiary company of PPC which all assets and liabilities of the Sector will be transferred
bil.	Billions
BoD	Board of Directors
BP	Business Plan of the Sector
CAGR	Compound annual growth rate
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CRP	Country risk premium
DCF	Discounted Cash Flow
DFCF	Discounted free cash flow
EBITDA	Earnings before interest, tax, depreciation and amortisation
ERP	Mature equity market risk premium
FTEs	Full Time Employees
FY	Fiscal year
GDP	Gross Domestic Product
GW	Gigawatt

General terms	
i.e.	That is
IFRS	International Financial Reporting Standards
mil.	Millions
MW	Megawatt
RES	Renewable Energy Sources
RRF	Recovery and Resilience Facility
Sector	Laboratories, Certification & Inspection sector
Spin-off	The separation and contribution of the Sector into the Beneficiary entity
th.	Thousands
Transformation Balance Sheet	The transformation balance sheet of the Sector as of 31/12/2023
TWh	Terawatt hour
Valuation Date	31/12/2023
WACC	Weighted average cost of capital
“ ”	Decimal separator
“ . ”	Thousands separator

II. Important notice

The following list contains the sources of information in relation to the valuation of the fair value of the transferred assets and liabilities of the Sector:

- Published financial statements of PPC S.A. for the fiscal years 2021, 2022 and 2023.
- Trial balance of the Sector for the period 1/1-31/12/2023 prepared and provided to us by the Management.
- Transformation Balance Sheet of the Sector as of 31/12/2023 prepared in accordance with IFRS and provided to us by the Management.
- Published data and Grant Thornton's experience with respect to the industry in which the Sector operates.
- Analyses and explanations provided to us by the Management.
- International Monetary Fund, World Economic Outlook Database, April 2024.
- General Commercial Registry
- NYU Stern School of Business (<http://pages.stern.nyu.edu/~adamodar/>)
- Website: <https://innovationhub.dei.gr/en/>
- International Databases

We would like to underline the following limitations with respect to our engagement:

- This report was compiled by Grant Thornton Greece for use by the BoD of Power Public Corporation S.A.
- All documents, historical facts, and information were given to us by the Management. This information and historical data regarding the Sector have not been audited and/or reviewed by us as per their accuracy and/or completeness. The same is also the case with regard to estimates relating to the financial parameters and figures of the Sector. Therefore Grant Thornton Greece cannot guarantee to anyone reading this report, the accuracy and reliability of the documents, historical facts, and future estimates that were given to us by the Assignor.
- This valuation report does not constitute a full audit or review in accordance with International, Greek, or other Accounting and Auditing Standards and does not include an assessment of the Company's internal control system for any period of time. It also cannot serve as a basis for the disclosure of any material weaknesses, errors, or irregularities of the Company under review, if any exist.

- Furthermore, Grant Thornton Greece does not accept any responsibility or liability in case any information or fact presented herein proves to be inaccurate, wrong, misleading, or non-acceptable. Grant Thornton does not accept any responsibility or liability if proven that the Assignor withheld important documents or facts.
- Most of the information used for this valuation was based on the latest available and updated data. The estimation of the fair value of the Sector's assets and liabilities is based on both the objective and qualitative evaluation of the facts, which were assessed according to our experience and knowledge.
- The present valuation report does not cover any legal, technical, regulatory, or tax issues related to the intended spin-off but is strictly limited to financial valuation matters.
- Our opinion is also based on the economic, business, and other conditions that were prevailing in the market at the date of the valuation. We have no obligation to restate our opinion in case conditions change at a later date, unless we are requested in writing to do so by the BoD of Power Public Corporation SA.
- It is noted that future financial performance may differ materially from the one estimated by the Management, due to changes in the economic, business, or other market conditions. Should this prove to be the case, it is possible that the results of our valuation and opinions no longer apply or are materially different from the ones stated in the valuation.
- It is suggested that anyone interested in this report should evaluate, based on his personal judgment, the relevant economic facts and data. It is recommended that further analysis by economic, legal, or financial analysts is carried out so that any business decision is not based solely on this report.
- This report is confidential and is addressed exclusively to the BoD of Power Public Corporation S.A, with notification to the competent authorities, in accordance with the provisions of Law 4601/2019, Law 4548/2018, and L.D. 1297/1972.



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