

REPORT OF THE BOARD OF DIRECTORS
OF THE SOCIETE ANONYME UNDER THE TRADE NAME
"Public Power Corporation Société Anonyme"
(with distinctive title "PPC S.A."), with G.E.MI. No 000786301000 and TIN 090000045

TO ITS SHAREHOLDERS
IN ACCORDANCE WITH ARTICLE 61 OF LAW 4601/2019
ON THE DEMERGER BY WAY OF SPIN-OFF OF A BUSINESS SECTOR AND ABSORPTION
THEREOF BY THE SOCIETE ANONYME UNDER THE TRADE NAME
"DEI OPTIKES EPIKOINONIES SINGLE MEMBER SOCIETE ANONYME"
(with distinctive title "FIBERGRID"), with G.E.MI. No 167796001000 and TIN 801994364

Dear shareholders,

In accordance with Article 61 of Law 4601/2019, the Board of Directors of the societe anonyme shall prepare a detailed report, explaining and justifying from a legal and financial point of view the draft demerger act and, in the case of Business Sector spin-off, the number of shares in the beneficiary that are allocated to the demerged entity.

In this case, the demerger concerns the spin-off of the wholesale telecommunications business sector (the "**Business Sector**") of PPC (the "**Demerged Entity**" or "**PPC**") and its absorption by the existing, wholly owned subsidiary of PPC, societe anonyme under the trade name "DEI OPTIKES EPIKOINONIES SINGLE MEMBER SOCIETE ANONYME" and the distinctive title "FIBERGRID" (the "**Beneficiary**" or "**Fibergrid**").

The Business Sector consists of PPC's "old" urban fiber optic network and related assets, which has been constructed from 2003 onwards, and is comprised of an underground infrastructure of installed pipes, polytubes, fiber optic cables, manholes, optical connectors and optical splitters, the ownership of which remains with PPC by virtue of Article 129 par. 1 of Law 4819/2021, the "new" fiber optic network under development and the related assets (equipment, machinery, etc.), as well as current assets consisting of inventories, materials and spare parts, consumables, information systems, etc. ("**assets of the Business Sector**") and short-term liabilities to third parties (contracts with suppliers, contractors, other persons, administrative and private licences for the granting of rights of way, etc.) ("**liabilities of the Business Sector**"). From an organisational point of view, all the above-mentioned assets and liabilities constitute an autonomous business activity, in other words a set capable of operating independently (monitoring of a separate profit centre in PPC's ERP, separate financial statements, BS & P&L from the other activities of the company). The difference between assets and liabilities less the revaluation reserve for fixed assets of the spin-off Business Sector shall constitute the share capital of the Business Sector, as indicated in paragraph 3 below.

For the purposes of completeness, it is expressly stated that the right to grant to third parties access to the Hellenic Electricity Distribution Network (hereinafter referred to as "**HEDN**") for the installation of fiber optics or other electronic communications network elements on the HEDN, which was retained by PPC, by virtue of Article 129 par. 1 of Law 4819/2021, and which PPC will continue to retain after the spin-off, **does not constitute an asset of the Business Sector and shall not be transferred to Fibergrid.**

I. The Board of Directors of PPC, by its decision of 9.4.2024, decided to initiate the demerger process by way of spin-off of the Business Sector and absorption thereof by Fibergrid. At the same time, by the same decision, the Board of Directors set 31.12.2023 as the reference date for the preparation of the financial statements of the spin-off,

selected "Q.A.S. Certified Public Accountants Ltd.", with reg. No SOEL E151, as the independent expert who will prepare the Valuation Report for the determination of the fair value of the assets and liabilities, which will be contributed to Fibergrid, in accordance with Article 17 of Law 4548/2018, as well as the preparation of a report pursuant to Articles 10 and 62 of Law 4601/2019 ("**Valuation Report**") and "American Appraisal Hellas LTD", as the independent valuer who will prepare the Valuation Report for establishing the market value of the fixed assets to be contributed to Fibergrid.

The assets of the spin-off Business Sector to be transferred to the Beneficiary are reflected in the balance sheet of the spin-off as at 31.12.2023 ("**Transformation Balance Sheet**") and are valued for the purposes of the demerger in accordance with the Valuation Report dated 14.5.2024.

II. Evaluation of the Draft Demerger Agreement from a financial point of view.

1. The decision of PPC's Board of Directors regarding the spin-off of the Business Sector is part of its strategic decision, from as early as March 2022, to expand PPC into new activities and value-added products, and in particular to become a provider of telecommunications services in the wholesale market, along the lines of similar energy companies abroad. In this context, PPC started the pilot deployment of the Fiber to the Home (FTTH) Network in Peristeri and 13 other selected municipalities of the Attica basin. In 2022, PPC was granted by the Hellenic Telecommunications and Post Commission (EETT) a General Authorisation of electronic communications provider, while the further development, management and operation of the FTTH infrastructure will be carried out through Fibergrid, which will provide wholesale broadband access services to existing electronic communications providers.

Through the proposed spin-off of the Business Sector, the organizational unbundling of the PPC Group's business activities is sought in order to achieve a simplification of the Group's structure by creating an autonomous business unit, which will exclusively deal with the provision of telecommunication services in the wholesale market, through a new, flexible scheme, which will offer significant economies of scale and full utilization of the operational autonomy of the relevant business sector, optimal utilization of human resources, know-how and capital resources, by developing the Beneficiary. The new scheme, will, by way of illustration, enhance the alignment of operational and financial cash flows and the operational and financial flexibility, with significant benefits in terms of administration of the affairs of the Demerged Entity and the Beneficiary and liquidity management, while allowing optimal allocation of capital to high yield investments.

Fibergrid was established in December 2022 and its object under its Article of Incorporation is the engagement in commercial activities in the electronic communications sector and indicatively:

- a. The development, installation, operation of all types of networks and infrastructures of electronic communications networks, as well as IT infrastructures and the provision to third parties of electronic communications services of any kind and in general the engagement in the field of electronic communications, electronics as well as information and communications technology (ICT) and any other related and/or ancillary to the above activity.
- b. The design, development, as well as the provision of all kinds of systems, means and infrastructure to serve all of the above, the installation and operation of all kinds of telecommunications, electronic communications

and/or information technology equipment and systems (including the supply of terminal equipment, telecommunications equipment in general, computers and programs, components and spare parts thereof) for the provision of the above services, in its own facilities and/or in the facilities of third parties and/or through the Internet or other emerging Internet technologies.

c. The development and provision of integrated technological solutions, network infrastructures and applications for the undertaking and management of IT, telematics, Internet of Things, cloud computing, smart city management and technology projects as well as solutions and services in general.

d. The provision of maintenance and technical support services for the operation of the above networks and services of Fibergrid and/or third parties. This strategic move marks a pivotal shift in the Greek ultra broadband market, aligning with EU objectives for a European Gigabit Society and offering cutting-edge performance up to 10 Gbps. For the achievement of Fibergrid's statutory purpose and its operation in the wholesale market, it is necessary for PPC to transfer all the fixed assets, inventories, contracts, receivables, liabilities, etc. of its telecommunications activity in the wholesale market by way of business sector spin-off.

2. In the context of implementation of the spin-off, the assets and liabilities of the PPC S.A. Business Sector to be contributed, as they appear in the Transformation Balance Sheet dated 31.12.2023, a copy of which is attached to the Draft Demerger Agreement as Annex 1, and as they will be formed until the completion of the spin-off, shall be transferred as items of the balance sheet of the Beneficiary. This spin-off shall not affect the financial results of PPC S.A. Group, given that the Beneficiary shall be fully consolidated, since PPC has and will continue to have full ownership thereof.
3. The increase in the share capital of the Beneficiary is determined on the basis of the value of the Business Sector, as reflected in the Valuation Report of 14.5.2024 of the audit firm "Q.A.S. Certified Public Accountants Ltd.", a copy of which is attached to the Draft Demerger Agreement as Annex II, in accordance with the provision of Article 17 of Law 4548/2018. On this basis, the equity of the Business Sector is broken down as follows:

	Amounts in euro
Revaluation reserve for fixed assets of the spin-off business sector	7,400,470
Goodwill arising from the revaluation of fixed assets according to the valuation report of 14.5.2024 under Article 17 of Law 4548/2018	1,019,691
Equity Balance	32,582,293
Total Equity	41,002,454

It is noted that the amount to be capitalized is thirty-three million six hundred and one thousand nine hundred and eighty-four euro (€33,601,984), as we

recommend the capitalization of the goodwill resulting from the revaluation of fixed assets according to the valuation report of 14.5.2024 under Article 17 of Law 4548/2018.

Therefore, the total share capital of the Beneficiary, which currently amounts to thirty million euro (€30,000,000), divided into thirty million (30,000,000) registered shares, with a nominal value of one euro (€1) each, will be increased by the amount of thirty-three million six hundred and one thousand nine hundred and eighty-four euro (€33,601,984), by the issue of thirty-three million six hundred and one thousand nine hundred and eighty-four (33,601,984) new registered shares, with a nominal value of one euro (€1) each, to be acquired by the Demerged Entity. Upon completion of the spin-off, the share capital of the Beneficiary will amount to a total of sixty-three million six hundred and one thousand nine hundred and eighty-four euro (€63,601,984), divided into sixty-three million six hundred and one thousand nine hundred and eighty-four (63,601,984) registered shares with a nominal value of one euro (€1) each and the Demerged Entity will continue to hold 100% of the share capital of the Beneficiary.

4. Given that in exchange for the contribution of the spin-off Business Sector, the Demerged Entity will acquire all the new shares of the Beneficiary, while it is already the sole shareholder of the Beneficiary and therefore the Demerged Entity will remain indirectly the beneficiary of the assets of the spin-off Business Sector, the exchange ratio is irrelevant in this case, and the terms of the demerger are considered fair and reasonable, in accordance with the provisions of Article 57 par. 3 of Law 4601/2019. According to the experts Report on the draft demerger agreement of the audit firm "Q.A.S. Certified Public Accountants Ltd.", the terms of the demerger and in particular the value of the Demerged Entity's shareholdings are considered fair and reasonable: *"This Business Sector spin-off act is fair and reasonable as the Demerged Entity shall acquire all the new shares of the Beneficiary in exchange for the assets to be contributed while the Beneficiary shall remain a wholly owned subsidiary of the Demerged Entity"*.
5. The Beneficiary's shares which will be acquired by the Demerged Entity shall entitle the Demerged Entity to participate in the profits of the Beneficiary, in relation to any dividend distribution that will take place as of the Demerger Date and henceforth.
6. No other special conditions or special terms shall be provided with regard to the right of the Demerged Entity to participate in the profits of the Beneficiary and no special advantages shall be provided to experts, pursuant to Article 62 of Law 4601/2019, as well as to members of the Board of Directors or internal auditors of the Demerged Entity.
7. All the operations and transactions of the Demerged Entity relating to the Business Sector **until the completion of the spin-off** of the Business Sector are considered from an accounting and tax point of view to be carried out on its behalf and not on behalf of the Beneficiary, and the financial results that will arise during the interim period, namely from 31.12.2023 until the Demerger Date, will benefit or be borne solely by the Demerged Entity. If, during the aforementioned interim period, the Demerged Entity makes a profit, such profit shall belong to the Demerged Entity, and in the event that the Demerged Entity makes a loss during this period, such loss shall be covered by the Demerged Entity, by payment of an amount equal to the loss, in cash.

8. **From the date of completion of the spin-off** of the Business Sector, all acts and transactions of the Demerged Entity relating to the Business Sector shall be deemed to be performed in the name and on behalf of the Beneficiary and the Demerged Entity shall be discharged from all liabilities to any third party, including the State and insurance funds, in respect of which it is substituted by the Beneficiary.
9. No special difficulties arose during the valuation process of the Business Sector assets. The valuation of the Business Sector assets, as they appear in the Transformation Balance Sheet has been conducted by the audit firm "Q.A.S. Certified Public Accountants Ltd.", with reg. No SOEL E151 and the certified public accountants Panagiotis Varvitsiotis (Reg. No SOEL 19861) and Dimitrios Ganotakis (Reg. No SOEL 19241).

III. Evaluation of the Draft Demerger Agreement from a legal point of view.

1. The demerger shall be carried out by way of Business Sector spin-off and absorption thereof, in conjunction with the provisions of Articles 4, 54, 57, 59-73 and 83-87 of Law 4601/2019, of Law 4548/2018 and the more specific provisions of Article 52 of Law 4172/2013 and Article 61 of Law 4438/2016. Law 4172/2013 provides for exemptions from taxation of the resulting goodwill at both Demerged Entity and Beneficiary level, while it provides for exemptions from all indirect taxes and fees. The Beneficiary shall retain on its books the tax value and depreciation of the assets of the business sector at the level of the Demerged Entity prior to the spin-off.
2. On the date of registration of the final demerger agreement, which shall be drawn up in the form of a notarial deed (hereinafter referred to as the "**Demerger Date**") in the General Commercial Registry (G.E.MI) where all other documents provided for by the law shall be also submitted together with the relevant approval resolution of the General Meetings of Shareholders of the Demerged Entity and the Beneficiary, to be adopted pursuant to Article 66 of Law 4601/2019, the spin-off process shall be completed and the following results shall occur ipso iure and simultaneously, both between the Demerged Entity and the Beneficiary, as well as vis-à-vis third parties:
 - (a) the Beneficiary shall be substituted ipso iure and without any other formality being required, as universal successor, in accordance with Article 70, par. 2 of Law 4601/2019, to all property to be transferred to it (assets and liabilities of the spin-off Business Sector) and shall become the sole owner, possessor, holder and beneficiary of all movable and immovable assets of the property to be transferred to it, as they are reflected in the Transformation Balance Sheet and as formed until the Demerger Date.
 - (b) by virtue of the aforesaid spin-off, the Beneficiary shall acquire all rights, obligations and in general all legal relations of or relating to the Business Sector to be spun off from the Demerged Entity, with the exception of those obligations and rights, not included in the Business Sector and therefore not to be transferred to the Beneficiary, which arise from Law 4463/2017 (A' 42), according to which PPC shall remain the Network Operator and shall be liable to provide to third parties rights of access to the Hellenic Electricity Distribution Network (HEDN), as well as all contracts, agreements, and legal transactions arising from and related to PPC as Network Operator, as specified in the above law, which (rights) have been granted to the Demerged Entity and remain with it pursuant to Article 129 of Law 4819/2021.

(c) the Beneficiary shall be the owner, possessor, holder, and beneficiary of all movable and immovable assets of the Demerged Entity, of any claims of the latter against third parties for any reason whatsoever and all assets in general relating to the Business Sector, unless otherwise specified in the Demerger Agreement and the law.

(d) in the context of the spin-off, any other right, intangible asset, claim, collateral or other asset relating to the above Business Sector of the Demerged Entity, even if not yet specifically referred to or precisely described herein, either by omission or by oversight, licenses of any kind granted by the authorities, as well as the rights or legal relations arising from any other relevant contract or legal transaction, which, upon the legal completion of the Business Sector spin-off and upon completion of the formalities and conditions required by the standing provisions, shall be transferred to the Beneficiary which shall have full ownership thereon.

(e) in addition, all contracts, agreements, and legal transactions concluded between the Demerged Entity and any third natural or legal person and related to the Business Sector to be spun off shall be transferred to the Beneficiary and shall be continued by the latter under the same terms and agreements.

(f) any assets, any kind of licenses, rights, claims, or legal relations of the Demerged Entity concerning the spin-off Business Sector shall be transferred to the Beneficiary, even if not explicitly stated in the Transformation Balance Sheet.

(g) any pending legal proceedings of the Demerged Entity to the extent that they relate to the Business Sector shall be continued ipso iure by or against the Beneficiary, with no further formality being required on its part for their continuation and without any violent interruption of such proceedings as a result of the spin-off.

It is clarified that:

(a) The right to grant to third parties access to the Hellenic Electricity Distribution Network ("HEDN") for the installation of fiber optics or other electronic communications network elements on the HEDN, which remains with PPC, as well as all contracts, agreements, legal transactions arising from and related to this right, is not transferred to Fibergrid.

(b) In the case of assets, rights, obligations and in general other assets or liabilities or legal relations of or relating to the spin-off Business Sector which are governed by foreign law that does not recognize the under the Greek law universal succession on Business Sector spin-off, the following shall apply: The Demerged Entity and the Beneficiary shall ensure that they take the necessary action to complete the transfer of the said assets, rights, obligations and legal relations to the Beneficiary in accordance with the provisions of the law as in force from time to time. To the extent that it is not possible to transfer the above to the Beneficiary as per above, on the one hand, in the case of non-transferred obligations, the Beneficiary expressly and irrevocably shall undertake to perform such obligations, to pay to the Demerged Entity any amounts charged to the latter without significant delay and to indemnify the Demerged Entity for any costs or damages that may arise due to failure to perform such obligations, and, on the other hand, in the case of rights, the Demerged Entity expressly and irrevocably shall undertake to collect or liquidate them in accordance with the instructions of the Beneficiary, without the right to reinvest in them, and then deliver the proceeds to the Beneficiary without significant delay, while it shall not be obliged to pay any amount to the Beneficiary if it fails to collect it. Moreover, the Demerged Entity shall not be allowed to dispose of any such

assets in any way other than for securing their delivery to the Beneficiary, subject to the prior written consent of the Beneficiary.

3. As a result of the spin-off of the Business Sector from the Demerged Entity and its contribution to the Beneficiary and according to the financial data of the Transformation Balance Sheet and the Valuation Report, the share capital of the Beneficiary will be increased by the amount of thirty-three million six hundred and one thousand nine hundred and eighty-four euro (€33,601,984), through issuance of thirty-three million six hundred and one thousand nine hundred and eighty-four (33,601,984) new registered shares with a nominal value of one euro (€1) each, the total of which will be received by the Demerged Entity on the Demerger Date. Therefore, the total share capital of the Beneficiary will be formed as described below: Sixty-three million six hundred and one thousand nine hundred and eighty-four euro (€63,601,984), divided into sixty-three million six hundred and one thousand nine hundred and eighty-four (63,601,984) registered shares with a nominal value of one euro (€1) each. For the said capital increase, the Articles of Incorporation of the Beneficiary will be amended, and the latter shall be obliged upon completion of the contribution of the Business Sector to deliver immediately to the Demerged Entity thirty-three million six hundred and one thousand nine hundred and eighty-four (33,601,984) shares issued by it with a nominal value of one euro (€1) each, of which the Demerged Entity shall acquire full ownership, possession and occupation, thus remaining the sole 100% shareholder of the Beneficiary and indirectly the beneficiary of the assets of the spin-off Business Sector, as well as to take all necessary actions to register the Demerged Entity as the sole shareholder in the register of shareholders kept by the Beneficiary, pursuant to Article 40 par. 2 of Law 4548/2018.
4. It is estimated that the Beneficiary shall be able to meet any future claims made by the creditors of the Demerged Entity which were assumed by the Beneficiary as a result of the spin-off of the Business Sector.
5. Additional information on the legal and financial position of affiliated companies of PPC Group is not required, as the legal and financial position of these companies is not considered necessary for the explanation and justification of the Draft Demerger Agreement by way of Spin-off and Contribution of Business Sector.

Dear Shareholders,

For all the above financial and legal reasons, the Board of Directors of PPC considers that the spin-off of the Business Sector and its absorption by Fibergrid are fully justified from a financial and legal point of view and serve the corporate interest and, in this regard it has prepared and submits the present report and recommends to the General Meeting of Shareholders of PPC to approve the proposed spin-off, as well as the relevant Draft Demerger Agreement, the accompanying documents thereof and in general all related acts, announcements and documents to this purpose.

Athens, May 20th, 2024

FOR PPC S.A. BOARD OF DIRECTORS

Chairman of the Board of Directors and Chief Executive Officer

Georgios Stassis