



**Clarifications on the 9<sup>th</sup> item of the Agenda of the Invitation  
to the Ordinary General Meeting of the Shareholders of PPC S.A.  
on 27.6.2024**

**Item 9<sup>th</sup>:** Approval of the demerger by way of spin-off of the wholesale Telecommunications Business Sector of PPC S.A. and contribution thereof to its wholly owned subsidiary under the trade name "DEI OPTIKES EPIKOINONIES SINGLE MEMBER SOCIETE ANONYME" and the distinctive title "Fibergrid", with G.E.MI. No 167796001000, in application of the provisions of Articles 4, 54, 57, 59-73 and 83-87 of Law 4601/2019, Law 4548/2018, the more specific provisions of Article 52 of Law 4172/2013 and Article 61 of Law 4438/2016, including the approval of the Draft Demerger Agreement along with its Annexes and granting of relevant authorizations.

By its decision no 20/31.03.2022, the Board of Directors approved, in the context of launching the implementation process of investment of PPC S.A. (hereinafter referred to as the "Corporation" or the "Company" or the "Demerged Entity") in telecommunications, the establishment of the company under the trade name "DEI Optikes Epikoinonies Single Member Societe Anonyme" and distinctive title Fibergrid (hereinafter referred to as the "Beneficiary"), a wholly owned subsidiary of PPC. Fibergrid was established in December 2022.

**1. Brief background - FTTH network deployment**

Since 2022, PPC was granted by the Hellenic Telecommunications and Post Commission (EETT) a General Authorisation of electronic communications provider, as part of the strategic decision of the Company 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 ("Pilot"). 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. In order for Fibergrid to operate in the wholesale market, the assets and liabilities of the wholesale telecommunications business sector of PPC S.A. must be transferred to Fibergrid, by way of spin-off of the PPC Business Sector and its contribution to Fibergrid. The forthcoming transformation will be carried out in accordance with the provisions of Articles 4, 54, 57, 59-73 and 83-87 of Law 4601/2019, Law 4548/2018, the more specific provisions of Article 52 of Law 4172/2013 and Article 61 of Law 4438/2016.

The spin-off process of the wholesale Telecommunications Business Sector of PPC S.A. was initiated by the decision of its Board of Directors no. 37/09.04.2024, while by the decision of the Board of Directors no 44/20.5.2024, the Draft Demerger Agreement was approved,



along with the Transformation Balance Sheet dated 31.12.2023 and the Valuation Report of the fair value of the Business Sector, which was prepared and signed on the account of the independent valuator "Q.A.S. Certified Public Accountants Ltd", by the certified public accountants Panagiotis Varvitsiotis (Reg. No SOEL 19861) and Dimitrios Ganotakis (Reg. No SOEL 19241). The Draft Demerger Agreement was signed by the legal representative of the Demerged Entity and published in the General Electronic Commercial Register (G.E.MI.) along with the accompanying documents, pursuant to the provisions of Law 4548/2018 and Law 4601/2019. The above decision also approved the report of the Board of Directors to the General Meeting of Shareholders of PPC S.A. dated 20.5.2024.

On the date of registration of the final demerger agreement, to be drawn up in the form of a notarial deed, in the General Commercial Registry (G.E.MI.) along with all other documents provided for by the law (relevant approval resolutions of the General Meetings of Shareholders of the Demerged Entity and the Beneficiary, to be taken pursuant to Article 66 of Law 4601/2019), the spin-off procedure will be completed and the Beneficiary will become the sole owner, possessor, holder and beneficiary of all movable and immovable assets to be transferred to it, as these are reflected in the Transformation Balance Sheet and formed until the completion of the Demerger ("Demerger Date") and shall be substituted ipso iure as universal successor of the Demerged Entity, for the rights and obligations of the latter relating to the Business Sector, in accordance with Article 70, par. 2 of Law 4601/2019.

## **2. Wholesale Telecommunications Business Sector to be Spun off**

The scope of the Wholesale Telecommunications Business Sector, i.e. the assets and liabilities to be transferred to the Beneficiary, consists of:

- a) The already developed "old" urban fiber optic network of PPC, 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,
- b) The under development "new" fiber optic network and related assets (equipment, machinery, reserves, materials & spare parts, consumables, information systems, etc.) and liabilities, such as short-term liabilities to third parties (contracts with suppliers, contractors, third parties, administrative and private licenses for rights of way, etc.). In addition, all active Contracts concluded between PPC and third parties (contractors, suppliers, etc.) and which concern the Business Sector shall be transferred to Fibergrid.



It is clarified that, pursuant to Law 4819/2021, PPC reserves 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 optical communications elements on the HEDN, since it remains the Network Operator and is liable to provide access and rights of ways to third parties (including to Fibergrid) on the HEDN, having the rights and obligations under Law 4463/2017, as well as that all contracts, agreements, legal transactions arising from and related to this right are not transferred to Fibergrid. The said rights and obligations are retained by PPC and are not integrated into the spin-off Business Sector, as they do not concern the wholesale telecommunications activity.

All the aforementioned assets and liabilities of the spin-off Business Sector to be transferred to Fibergrid are reflected in the Transformation Balance Sheet dated 31.12.2023 and are valued for the purposes of the spin-off by the independent expert "Q.A.S. Certified Public Accountants Ltd.", with SOEL No E151, which has prepared relevant Valuation Report of the Business Sector, in the context of Article 17 of Law 4548/2018.

With regard to the financial data and based on the Valuation Report and the Transformation Balance Sheet, the value of the total assets of the Business Sector is estimated at €56.1 million, while the total value of liabilities is estimated at €15.1 million. The difference between the assets and liabilities, totalling €41 million, is the equity of the spin-off Business Sector.

Of the total equity, the amount to be capitalized is estimated at approximately €33.6 million, which includes the goodwill resulting from the revaluation of fixed assets according to the Valuation Report as at 14.5.2024 under Article 17 of Law 4548/2018, with the remainder being a reserve resulting from previous revaluations of PPC's fixed assets, amounting to €7.4 million, which shall not be capitalized. The already paid share capital of the Beneficiary, which currently amounts to €30 million, 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 €33.6 million. Following the completion of the spin-off of the Business Sector from the Demerged Entity and its contribution to the Beneficiary, the share capital of the Beneficiary will amount to €63.6 million, while the new shares of a nominal value of one euro (€1) each will be acquired by the Demerged Entity on the date of completion of the Demerger.

All the above are detailed in the Report of the Board of Directors to the General Meeting of PPC's Shareholders, where the forthcoming spin-off of the Business Sector and its absorption by Fibergrid are evaluated from a financial and legal point of view and the approval of the transformation is proposed to the General Meeting.



### **3. General Meeting of Shareholders - Approvals**

The General Meeting of PPC's Shareholders is called upon to approve the demerger in question, namely the demerger by way of spin-off of the wholesale Telecommunications

Business Sector of PPC S.A. and its contribution to the wholly owned subsidiary company under the trade name "DEI OPTIKES EPIKOINONIES SINGLE MEMBER SOCIETE ANONYME" and the distinctive title "Fibergrid", with G.E.MI. No 167796001000, pursuant to the provisions of Articles 4, 54, 57, 59-73 and 83-87 of Law 4601/2019, Law 4548/2018, the more specific provisions of Article 52 of Law 4172/2013 and Article 61 of Law 4438/2016, including the approval of the Draft Demerger Agreement along with its Annexes and the granting of relevant authorizations.

At the same time, the following documents have been made available to the Company's shareholders on its website (<https://www.ppcgroup.com/en/ppc-group/>), pursuant to the provisions of Article 63 of Law 4601/2019:

- a. The Draft Demerger Agreement along with its Annexes, the Transformation Balance Sheet dated 31.12.2023 and the Valuation Report of the assets and liabilities of the spin-off Business Sector dated 14.5.2024, (<https://www.ppcgroup.com/en/investor-relations/corporate-events/contribution-of-ppc-wholesale-telecommunications-sector-to-its-100-subsi-dary-with-the-name-dei-optikes-epikoinonies-single-member-sa-and-dt-fibergrid-spin-off/>)
- b. The Report of the Board of Directors of PPC to the General Meeting of its Shareholders, dated 20.5.2024, which justifies from a financial and legal point of view the Draft Demerger Agreement, (<https://www.ppcgroup.com/en/investor-relations/corporate-events/contribution-of-ppc-wholesale-telecommunications-sector-to-its-100-subsi-dary-with-the-name-dei-optikes-epikoinonies-single-member-sa-and-dt-fibergrid-spin-off/>)
- c. The Report of the Board of Directors of Fibergrid to the General Meeting of its Shareholders, dated 21.5.2024,
- d. The experts Report on the Draft Demerger Agreement, dated 20.5.2024, (<https://www.ppcgroup.com/en/investor-relations/corporate-events/contribution-of-ppc-wholesale-telecommunications-sector-to-its-100-subsi-dary-with-the-name-dei-optikes-epikoinonies-single-member-sa-and-dt-fibergrid-spin-off/>)
- e. The annual Financial Statements and the annual Management Reports of the Board of Directors of PPC for the last three (3) years, (<https://www.ppcgroup.com/en/investor-relations/corporate-events/contribution-of-ppc-wholesale-telecommunications-sector-to-its-100-subsi-dary-with-the-name-dei-optikes-epikoinonies-single-member-sa-and-dt-fibergrid-spin-off/>)
- f. The Financial Statement and the Management Report of the Board of Directors of Fibergrid for the 1<sup>st</sup> fiscal year (from 21.12.2022 to 31.12.2022),



<https://www.ppcgroup.com/en/investor-relations/corporate-events/contribution-of-ppc-wholesale-telecommunications-sector-to-its-100-subsiary-with-the-name-dei-optikes-epikoinonies-single-member-sa-and-dt-fibergrid-spin-off/>)

g. The 15.5.2024 Balance Sheet of Fibergrid under Article 63 par. 1, item (c) of Law 4601/2019, for the period 1.1.2024 - 31.3.2024 ( <https://www.ppcgroup.com/en/investor-relations/corporate-events/contribution-of-ppc-wholesale-telecommunications-sector-to-its-100-subsiary-with-the-name-dei-optikes-epikoinonies-single-member-sa-and-dt-fibergrid-spin-off/>)

#### **4. Proposals of the Company's Board of Directors to the General Meeting of Shareholders**

Following the above, the Board of Directors of the Company proposes to the General Meeting of the Company's shareholders:

A) The approval of the demerger by way of spin-off of the wholesale Telecommunications Business Sector of PPC S.A. and its contribution to the wholly owned subsidiary company under the trade name "DEI OPTIKES EPIKOINONIES SINGLE MEMBER SOCIETE ANONYME" and the distinctive title "Fibergrid", with G.E.MI. No 167796001000, pursuant to the provisions of Articles 4, 54, 57, 59-73 and 83-87 of Law 4601/2019, Law 4548/2018, the more specific provisions of Article 52 of Law 4172/2013 and Article 61 of Law 4438/2016,

B) The approval of the Draft Demerger Agreement along with its Annexes, as approved by the Board of Directors of PPC.

C) The authorization of the Chairman and Chief Executive Officer of the Company to sign on behalf of PPC the Notarial Deed of Demerger (Spin-off) of PPC S.A. wholesale Telecommunications Business Sector and any other document related to the completion of the demerger, and in parallel the granting of the right to sub-authorize executives of the Company to finalize and sign any relevant document for the completion of the demerger and to settle any pending issues regarding the Notarial Deed and the whole process of the Demerger (Spin-off) and its approval by the competent Authorities.