

Clarifications on the 1st item of the
Agenda regarding the Invitation
to the Extraordinary General Meeting of PPC S.A. Shareholders
to be held on May 23rd, 2017.

ITEM ONE: Sale and transfer of shares issued by IPTO S.A., corresponding to 25% of its share capital, from PPC S.A. to the Public Holding Company ADMIE (IPTO) Societe Anonyme (P.H.C. A.D.M.I.E. (I.P.T.O.) S.A.).

By Law 4389/2016, as amended and in force (the "Law") and especially articles 142-149 thereof, the full ownership unbundling of the company "Independent Power Transmission Operator Societe Anonyme ("IPTO") from "Public Power Corporation Société Anonyme" ("PPC") is being implemented, pursuant to article 9 of the Directive 2009/72/EU and to the alternative plan to the full privatisation of IPTO, as provided for in subpar. 4.3, par. C of Law 4336/2015.

Pursuant to the aforementioned provisions, the General Meeting of PPC shareholders dated 11.07.2016 resolved, inter alia, that PPC shall proceed with:

- The establishment of a holding société anonyme ("Holding Company"), having PPC as sole founding shareholder, to which it shall contribute in kind 51% of the share capital of IPTO. Then, pursuant to the Law, PPC shall proceed with the decrease of its share capital and the return in kind to its shareholders of its shares held in the Holding Company (carve out).
- Sale and transfer of shares issued by IPTO S.A., corresponding to 25% of its share capital, from PPC S.A. to the PUBLIC HOLDING COMPANY ADMIE (IPTO) SOCIETE ANONYME (P.H.C. A.D.M.I.E. (I.P.T.O.) S.A.).
- The launching of an international tender procedure with the purpose of selecting a preferred Strategic Investor, to which a percentage of 24% of the share capital of IPTO will be sold and transferred.

According to that decision, the final approvals for the closing of the aforementioned transactions should be granted by subsequent resolutions of the General Meeting of PPC shareholders.

With regard to the selection of the Strategic Investor, following the launching of the international tender procedure and the completion of the relevant procedures, PPC Board of Directors decided the selection of «State Grid International Development Ltd» (SGID) as the Preferred Strategic Investor for the sale by PPC of its stake of 24 % in IPTO share capital, for three hundred and twenty million euro (320,000,000), and the convocation of an Extraordinary General Meeting of PPC S.A. shareholders (EGM) for approval and definitive decision making on this issue.

The EGM held on 24.11.2016 approved, by relevant resolution, the sale of the 24% of IPTO share capital to SGID and the agreed Draft Share Sale and Purchase Agreement. The said agreement was signed by PPC and SGID on 16.12.2016.

With regard to the establishment by PPC of a holding société anonyme to which it will contribute in kind its stake of 51% in IPTO share capital, the said actions were decided by the Decision of the Board of Directors no 142/21.12.2016 and the subsequent Resolution of the Extraordinary General Meeting of PPC shareholders dated 17.1.2017. The company was established on 1.2.2017, with company name "HOLDING COMPANY ENERGIAKI S.A." and the distinctive title "ENERGIAKI HOLDING S.A.". It is noted that by resolution of the Extraordinary General Meeting of ENERGIAKI HOLDING S.A. dated 24.04.2017, the company name and the distinctive title were changed to HOLDING Company ADMIE (IPTO) S.A. and ADMIE (IPTO) HOLDING S.A. respectively.

By the same resolution of the EGM of PPC shareholders dated 17.1.2017 and in compliance with article 143 par. 1 item e) sub-item aa) of the Law, the amendment of article 5 of the PPC Articles of Incorporation was approved, due to the decrease of the share capital with a view to distribute in kind to its shareholders at a subsequent stage. The said resolution was published in the General Commercial Registry (Companies and G.E.MI. Department). Against that resolution, PPC creditors were entitled to raise objections within a period of sixty (60) days as of its publication to the General Commercial Registry. The said period expired on 6.4.2017, without any objection being raised.

Following the contribution in kind by PPC of its stake of 51% in IPTO share capital to ENERGIAKI HOLDING S.A. [currently ADMIE (IPTO) HOLDING S.A.], which was carried out via the Protocol of Delivery-Acceptance of Share dated 31.3.2017, and since no objections were raised by its creditors, PPC will transfer to its existing shareholders, at the time determined in the following paragraph, via the corporate procedure of share capital decrease and distribution to its shareholders of shares instead of cash (carve out), the total of ADMIE (IPTO) HOLDING S.A. shares held by the company, pro rata to their participation in the share capital of PPC.

Within the context of implementation of the ownership unbundling of IPTO, upon completion of the transfer by PPC to its shareholders of the shares that the company holds in ADMIE (IPTO) HOLDING S.A., the latter, pursuant to Article 146 of the Law, "applies, without delay, for its listing on the regulated market of securities of the Athens Exchange (ATHEX) having proceeded to this effect with all necessary actions, such as in particular the drawing up of the listing prospectus". The above actions are in progress, with the collaboration and surveillance of the competent authorities (Capital Market Committee and ATHEX). The implementation of ADMIE (IPTO) HOLDING carve out will take place as soon as the company will be ready for listing on the ATHEX and all requirements for the closing of the ownership unbundling transaction will have been fulfilled.

B. SALE OF 25% OF IPTO SHARES TO P.H.C. A.D.M.I.E. (I.P.T.O.) S.A

Pursuant to the provisions of the Law and in particular article 143 par. 1 item f. sub-item aa) in conjunction with article 145 thereof, as well as to the relevant Resolution of the General Meeting of its shareholders, PPC is compelled to transfer 25% of IPTO shares to the PUBLIC HOLDING COMPANY ADMIE (IPTO)

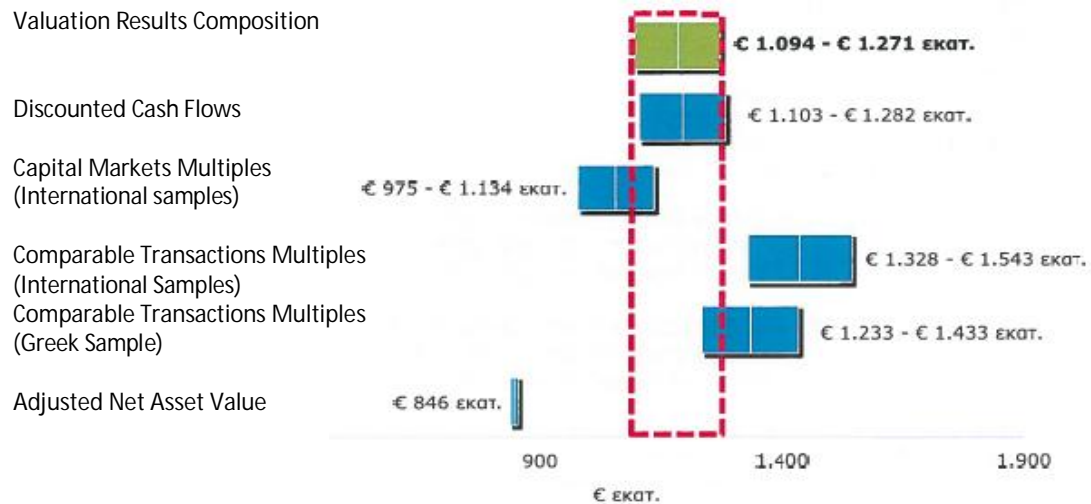
SOCIETE ANONYME (P.H.C A.D.M.I.E. (I.P.T.O.) S.A.), for a consideration per share, originally intended to be equal to that to be paid by the Strategic Investor who would purchase the 24% of IPTO, namely State Grid International Development Ltd. By a subsequent amendment of the Law, following the adoption of L. 4447/2016, the consideration per share was decided to be set following the valuation of the 25% of the share capital of IPTO as a distinct whole. The valuation will be carried out by an independent valuator to be jointly selected by P.H.C. A.D.M.I.E. (I.P.T.O.) S.A. and PPC S.A.

P.H.C. A.D.M.I.E. (I.P.T.O.) S.A. was established pursuant to article 145 of the Law, having as its sole shareholder the Hellenic Republic, holder of a unique non-transferrable share, and with a view to acquiring from PPC shares issued by IPTO, corresponding to at least 25% of its share capital. Furthermore, by a subsequent amendment of the Law by L. 4467/2017, it was provided that, right after the carve out by PPC to its shareholders of its shares held in ADMIE (IPTO) HOLDING, P.H.C. A.D.M.I.E. (I.P.T.O.) S.A. will obtain the total of ADMIE (IPTO) HOLDING shares to be held by the Hellenic Republic and the HRADF.

B.1 PRICE FOR THE SALE

PPC S.A. and P.H.C. A.D.M.I.E. (I.P.T.O.) S.A. jointly decided to assign the valuation of the 25% of IPTO share capital as a distinct whole to Deloitte Business Solutions S.A. The said company had also valued the 51% of IPTO's shares, for the purposes of the contribution in kind by PPC to Energiaki Holding S.A. and had already the know-how required.

The main conclusion of the Valuation Report elaborated by Deloitte is shown below:



For 100% of shares
€ 1,093,751 th. - € 1,271,116 th.
medium estimated value € 1,182,434 th.

For 25% of shares
€ 273,438 th. - € 317,779 th.
medium estimated value € 295,608 th.

Following the above, the value on 31/12/2016 of the 25% of IPTO shares, as a distinct whole and for the purpose of the specific transaction, namely their sale to P.H.C. A.D.M.I.E. (I.P.T.O.) S.A. and taking into consideration the benefits for the specific shareholder (the Hellenic Republic), reflecting its characteristics and its financial objectives, is fixed to EUR 295,608,000. The said value, in order to constitute the Final Consideration for the acquisition of 25% of IPTO shares shall be subject to confirmation-updating by Deloitte at the moment of closing of the transaction, as mentioned in the Share Sale and Purchase Agreement agreed between the two parties (PPC S.A. and P.H.C. A.D.M.I.E. (I.P.T.O.) S.A.). Taking into account that the said transaction is expected to close promptly within a short period of time, it is estimated that the value of the shares will not change.

The abovementioned valuation amounting to EUR 295.6 million for the 25% of IPTO shares and corresponding to the company's value totaling EUR 1,182.4 million for the 100% of shares, is different from the respective value estimated by Deloitte for the purposes of the contribution of 51% of IPTO S.A. to the Energiaki Holding S.A., which was amounting at that time to EUR 964.3 million, since for the purposes of that specific transaction, the term "valuated price" referred to the price at which the company's shares would change ownership, between a willing purchaser and a willing seller, none of whom would be under pressure to purchase or sell and each of them would be acquainted with the necessary data for the company's evaluation. Consequently, the specific study took into consideration the commercial value of the company for all potential investors and was not performed in light of a specific transaction with the Hellenic Republic being the investor, via P.H.C A.D.M.I.E. (IPTO) S.A. For this purpose, during implementation of the Discounted Cash Flows Method (DCF), a discount rate equal to 8.5% was taken into account in accordance with the market data, as opposed to the current transaction where a discount rate of 6.4% was taken into account based on RAE's decision No 572/2014, which assesses the company's Weighted Average Cost of Capital (WACC) for the period 2015-2017. The specific discount rate (before tax, in real terms), represents essentially the desired return on the Regulatory Asset Basis (RAB) and determines the Allowed Revenue for the company. Moreover, based on comparable data from respective foreign companies, the discount rates are found to be at the same, or even lower levels. Furthermore, the estimated value, in view of the contribution of 51%, was based on the 9M2016 financial results of IPTO S.A., while the current valuation is based on the entire year 2016. Moreover, in all valuation methods, except for the Discounted Cash Flows, financial data which does not concern IPTO S.A. (e.g. market value of listed companies) were updated.

B.2 SHARE SALE AND PURCHASE AGREEMENT

The Share Sale and Purchase Agreement (SPA) to be signed by the Seller (PPC) and the Purchaser (PHC ADMIE) was mainly based on the corresponding SPA between PPC and State Grid, albeit with several differences. More specifically,

given the fact that it concerns a transaction between two parties controlled by the same basic shareholder and that IPTO will continue to be controlled by the Hellenic Republic (via P.H.C. A.D.M.I.E. S.A.), the necessary adjustments were made to the agreement in order to release PPC of its liabilities vis-a-vis State Grid, in particular with regard to Warranties and Leakages, while it was further provided that PPC will receive an one-off payment for the consideration resulting from the Deloitte's valuation, upon completion of the Agreement, without any further claims for additional amounts or interests.

Following the above, by its decision no 49/27.4.2017, the Board of Directors approved the following:

- The sale and transfer of shares issued by IPTO S.A., corresponding to 25% of its share capital, from PPC S.A. to P.H.C. A.D.M.I.E. (IPTO) S.A., based on the shares value which results from the Valuation Study dated 21/4/2017 elaborated by Deloitte Business Solutions, and in accordance with the Draft Share Sale and Purchase Agreement that was agreed between the two parties.
- The authorization of the Chairman and Chief Executive Officer of PPC to sign the Share Sale and Purchase Agreement and any other document related to abovementioned transaction.
- To submit the above for approval and decision making by the Extraordinary General Meeting of PPC shareholders to be called, inter alias, to this effect.