



**Clarifications on the item on the Agenda
of the Extraordinary General Meeting of PPC's Shareholders
to be held on 30.3.2023**

By virtue of Law 4759/2020 (Modernization of the Spatial and Urban Planning Legislation, Official Government Gazette issue A' No245) and more in particular under article 155 thereof ["Lignite phase-out Zones - Special Urban Plans"], as amended by article 17 Law 4872/2021 and in force, the Regional Units of Kozani and Florina of the Western Macedonia Region and the Municipality of Megalopolis of the Peloponnese Region were characterized as "Lignite Phase-out Zones", while it is provided that within these Lignite Phase-out Zones actions and programmes are drawn up and implemented, interventions are carried out and measures are taken to serve the purposes of the fair development transition of the lignite areas.

The said article, in particular, paragraphs 3 and 4, provide the conclusion between PPC SA [hereinafter called "PPC" or "the Company"] and public entities:

- I. of a Framework Programme Contract for the purpose of entrusting PPC with the task of carrying-out Tendering procedures, at the Company's expense, for the elaboration of studies for the preparation of Special Urban Plans in the Lignite Phase-out Zones of the Regional Units of Kozani, Florina and the Municipality of Megalopolis (Framework Programme Contract under paragraph 3).
- II. of a Framework Programme Contract, which is subject to ratification by the Hellenic Parliament, for the implementation of new land uses and the upgrading of the land, the ownership or use of which was acquired by PPC for the generation of electricity from lignite and which is included in the Lignite Phase-out Zones. Moreover, the said Contract will determine the way in which the land owned by PPC that was or is used for the extraction of lignite will be transferred to the Hellenic Republic (Framework Programme Contract under paragraph 4).

The two (2) Contracts have already been signed, while the Framework Programme Contract under par. 4 was ratified by the Hellenic Parliament by virtue of Law 4956/2022 (Official Government Gazette issue A' No140).

The said Framework Programme Contract under par. 4 regulates, inter alia, the terms and conditions based on which the ownership of the underlying land of the Mines will be transferred to the Hellenic Republic and specifically to its wholly-



owned subsidiary "METAVASI S.A.", as defined in articles 27 and 29 of Law 4872/2021 (perimeter to be transferred). The transaction involves three (3) main steps:

1. Hive-down of the Business Sector of Post-Lignite Exploitation of the Core Lignite Phase-out Zones of PPC S.A.

PPC (the "Demerged Entity") shall proceed to the hive-down of its legally defined Business Sector pursuant to Law 4872/2021, as a result of which the company "METALIGNIKI S.A." that will be established (the "Beneficiary") will acquire ownership of all kinds of assets and rights of the Business Sector of Post Lignite Exploitation of the Core Lignite Phase-out Zones of PPC [hereinafter called the "Business Sector" or "Post Lignite Exploitation Business Sector"]. The book value of the Business Sector was assessed by an independent valuator, pursuant to the provisions of article 27 of Law 4872/2021 and article 17 of Law 4548/2018. It should be noted that the rights to explore and exploit the underlying lignite deposits, as well as the responsibility to restore the lands included in the assets to be transferred, remain with PPC.

2. Transfer (by virtue of sale) of "METALIGNIKI S.A." to the Hellenic Republic via "METAVASI S.A."

Upon completion of the hive-down, PPC will transfer at once to "METAVASI S.A." all the shares of "METALIGNITIKI S.A." in order to become its sole shareholder, for a consideration equal to the value of the Business Sector. In order to pay off the consideration, "Metavasi S.A." will be paying the contractors carrying out restoration works on the transferred assets on the account of PPC.

3. Absorption of "METALIGNITIKI S.A." by "METAVASI S.A."

Following the completion of the transfer of the shares, "METAVASI S.A." will initiate the process for the absorption of the company "METALIGNITIKI S.A." in order to become the beneficiary of all rights to the real estate, the buildings and the fixed assets transferred by PPC.

In the context of compliance with the above legal framework, PPC is called to fulfil its relevant obligation and implement those mentioned above under 1. Specifically, the General Meeting of PPC shareholders is called to approve the demerger in question, namely, the hive-down of the Business Sector of Post Lignite Exploitation of the Core Lignite Phase-out Zones of PP S.A. with establishment of a new company ("Metalignitiki S.A.") and contribution of the Business Sector to the established company, pursuant to Laws 4601/2019 and 4872/2021, as in force, the Framework Programme Contract ratified by Law 4956/2022, Article 5 par. 4 of Law 2859/2000, Article 52 of Law 4172/2013, and Article 61 of Law 4438/2016, including the approval of the Draft Demerger Act of the Business Sector along with its annexes attached thereto.



The hive-down process of the Business Sector of Post-Lignite Exploitation was initiated by the decision of the Board of Directors of PPC No. 116/4.10.2022, while by the decision of the Board of Directors No. 11/20.2.2023, the Draft Demerger Act, including the draft Articles of Incorporation of the societe anonyme under the trade name "Metalignitiki Single Member Societe Anonyme" to be established, was approved along with the Transformation Balance Sheet dated 31.7.2022 and the Fair Value Valuation Report of the Business Sector, which was prepared and signed on behalf of the independent valuator "Grant Thornton Chartered Accountants and Management Consultants S.A." by the Chartered Auditors Mr. Dimitrios Douvris (SOEL Reg. No. 33921) and Mr. Stergios Detsikas (SOEL Reg. No. 41961). The Draft Demerger Act was signed by the legal representative of the Demerged Entity and was published on the General Electronic Commercial Register (G.E.MI.) along with the accompanying documents, pursuant to the provisions of Laws 4548/2018 and 4601/2019.

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

a. The Draft Demerger Act, which includes as Annexes the Transformation Balance Sheet dated 31.7.2022 and the Valuation Report of the assets of the hived-down Business Sector, dated December 2022,

[Draft Demerger Act](#)

b. The Report of the PPC Board of Directors to the General Meeting of its Shareholders, dated 20.2.2023, which explains and justifies from an economic and legal point of view the Draft Demerger Act,

[Report of the Board of Directors](#)

c. The Opinion Report on the Draft Demerger Act, dated 20.2.2023,

[Opinion Report](#)

d. The annual Financial Statements and the annual Management Reports of the Board of Directors of PPC for the last three (3) years,

[Annual Financial Statements](#)

e. The Six-month Financial Report of PPC for the period 1.1.2022 - 30.6.2022.

[Six-month Financial Report](#)



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

a) to approve the demerger, namely, the hive-down of the Business Sector of Post-Lignite Exploitation of the Core Lignite Phase-out Zones of PPC S.A. with establishment of a new company ("Metalignitiki S.A.") and contribution of the Business Sector to the company that will be established, pursuant to Laws 4601/2019 and 4872/2021, as in force, the Framework Programme Contract ratified by Law 4956/2022, Article 5 par. 4 of Law 2859/2000, Article 52 of Law 4172/2013, and Article 61 of Law 4438/2016.

b) to approve the Draft Demerger Act along with its Annexes attached thereto, as approved by the Board of Directors of PPC.

c) to authorise the Chairman and CEO of the Company to appoint the Members of the first Board of Directors of the new company to be established with the distinctive title "Metalignitiki S.A.", to finalize and sign on the account of PPC the Notarial Deed of Demerger (Hive-down) of the Business Sector of Post-Lignite Exploitation of the Core Lignite Phase-out Zones of PPC S.A. with establishment of a new company and contribution of the Business Sector thereto, under the basic terms included in the Draft Demerger Act, as well as to sign any other documents connected to the completion of the demerger and the transfer of the shares of METALINITIKI S.A. to METAVASI S.A., granting him in parallel the right to sub-authorise executives of the Company to finalize and sign any additional notarial deeds, which may be required for the transcription/registration of the assets with the competent authorities all over the country, as well as any other 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 (Hive-down) and its approval by the competent authorities.