

SPECIAL REPORT

(According to provisions of Article 27 par. 1 of Law 4548/2018)

Of the Board of Directors of “Public Power Corporation S.A.” (the “Company”)

As, following its approval by the Board of Directors of the Company, held at 23 September 2021, has been finalised by the Chairman and CEO of the Company. Mr. Georgios Stassis

To the Extraordinary Meeting of its Shareholders, including any repeat, postponement or adjournment of such Meeting,

On Item 2 of the Agenda of the Extraordinary General Meeting, of 19 October 2021, as follows: *Increase of the Company’s share capital, in accordance with Article 6 of its Articles of Association and Article 24 par. 1, element (b), of Law 4548/2018. Disapplication of the pre-emption rights of the existing shareholders in accordance with Article 27 par. 1 of Law 4548/2018. Grant of Authorisation to the Board of Directors to increase the Company’s share capital, determine the terms of the share capital increase, as well as the manner and other terms of the offering of the shares to be issued.*

Dear Shareholders,

The Board of Directors of the Company having considered all requirements under applicable legislation, in relation to the Extraordinary General Meeting of the shareholders called for 19 October 2021 (and any repeat, adjourned or following a suspension Meeting thereof) (the “**EGM**”) has prepared and is submitting to the EGM the following report:

The Board of Directors of the Company is proposing to the EGM the granting of an authorisation to the Company’s Board of Directors (the “**Authorisation**”), in accordance with Article 24 par. 1, element b, of Law 4548/2018, so that the Board of the Directors has the authority to implement a share capital increase, in cash, in one or several transactions through the issuance of new, registered, voting, dematerialised shares under the terms that will be determined by the Company’s Board of Directors. In particular, it is proposed that the Company’s Board of Directors is authorised to resolve, with the quorum and majority provided for by law, the increase of the share capital of the Company, through payment in cash, by an amount that may not exceed the amount equal to the paid-up share capital of the Company as at the date of the authorisation to the Board of Directors, namely up to the amount of Euro 575,360,000, by issuing up to 232,000,000 new, common, registered, voting, intangible shares (the **Contemplated Share Capital Increase**). It is also proposed that the Authorisation will be valid for 3 months.

In the context of the Authorisation, the Company's Board of Directors is proposing that the EGM, already prior to the exercise of the Authorisation granted to the Company's Board of Directors, disapply the pre-emption rights of the existing shareholders of the Company, pursuant to Article 27 par. 1 of Law 4548/2018, for the reasons described herein below:

1. Aspects of the Proposed Structure of the Contemplated Share Capital Increase

The new shares to be issued in the context of the Contemplated Share Capital Increase are proposed to be:

- offered in Greece, to retail and qualified investors in the context of an offer to the public (the "**Public Offering**") within the meaning of point (d) of article 2 of Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "Prospectus Regulation"), in accordance with the Prospectus Regulation, the applicable provisions of Law 4706/2020 and relevant implementing decisions of the Board of Directors of the Hellenic Capital Markets Commission ("HCMC"); and
- placed outside of Greece, to qualified, institutional and other eligible investors, through a private placement book-building process, in reliance on one or more exemptions from the requirement to publish or passport a prospectus under the Prospectus Regulation and/or other national law provisions in relevant jurisdictions, including in the United States under Rule 144A (the "**Institutional Placement**" and jointly with the Public Offering the "**Combined Offering**").

It is proposed to apply a priority allocation mechanism of new shares to existing shareholders participating in the Combined Offering, as follows: The priority allocation in the Public Offering is proposed to be at least equal to the existing Shareholders' percentage of participation in the share capital of the Company (based on the ATHEXCSD electronic records), as at a record date to be determined by the Board of Directors, so that at least the same percentage of participation in the share capital is retained by those Shareholders after the Contemplated Share Capital Increase ("**Priority Allocation**"). It is also proposed that Company may apply a priority allocation mechanism similar to Priority Allocation to the New Shares to be allocated in the Institutional Placement, taking into account, among other allocation criteria, investors' behaviour, trading activity and commitment to the Company.

It is proposed that the Public Offering and the Institutional Placement run in parallel. The same offer price is proposed to apply to all investors participating in the Combined Offering.

2. The Contemplated Share Capital Increase for purposes of accelerating PPC's strategic transformation plan

The Contemplated Share Capital Increase will contribute to the financing of the updated Strategic Plan of the Company and will allow the Company to pursue an upsized capex plan of €5.3 bn over the next 3 years, and €8.4bn by 2026, with a target of 7.2GW of installed RES

capacity (including hydro) by 2024, and 9.1GW by 2026, which will in turn support EBITDA targets of €1.7 bn in 2026.

The Company will also explore opportunities in new activities where there is significant untapped potential in the Greek market where the Company can leverage its positioning in the Greek market and extensive expertise to pursue opportunities in the e-mobility and telecommunications space.

Moreover, the Share Capital Increase will allow the Company to explore a highly selective and disciplined expansion plan into adjacent markets in Southeastern Europe to capture regional growth opportunities, utilizing the Company's differentiated long position on supply, and positioning the Company to play a critical role in driving the Energy Transition not only in Greece, but also in the broader region.

Finally, the Share Capital Increase will increase the Company's strategic and operational flexibility via a more efficient and sustainable capital structure.

3. Reasons for the disapplication of the pre-emption rights

The disapplication of the pre-emption rights of the Company's existing shareholders to be voted on is considered, under the present market conditions, as justified and obviously in the interest of the Company, due to the following significant benefits:

- The time plan of the transaction execution and the completion of the relevant processes are substantially accelerated, by at least one month, thus enabling the Company to benefit from the highly favorable investment time and minimize the risk of market conditions deteriorating (including actual and investment risks relating to the course of the pandemic and other potentially adverse geopolitical or macroeconomic changes), with obvious benefits for the reception of the transaction by the investment public in Greece and abroad and the maximization of the value of the Company's capital.
- The disapplication of the pre-emption rights to be voted on is the only alternative (and applicable in practice) transaction structure that ensures the transparent, fair and fully competitive setting of the offer price of the new shares, through the book-building process. Pre-emption rights, in the international market practice, may discourage strong investment interest expression by the rest of the investors who do not enjoy such pre-emption rights, since most of the investors, mainly the strongest and serious, tend to refrain from similar transactions where the offer of shares to the wide investment public remains under the condition of the participation of the existing shareholders, and thus highly uncertain and hypothetical, up until literally the last moment. For this reason, in international practice and recent examples in the Greek market, it is an always reasonable concern that similar pre-emption rights act as a deterrent to creating a positive climate in the wide investment public, slow down the investment interest expression and discourage, with few exceptions, large investment funds managers seeking more certainty as to the timetable and completion of transactions, as well as the transparency and certainty offered by the

book-building process. It goes without saying that, to the extent the investor participation and the share demand increase, the competition of the offers in the book and, subsequently, the value of the company's capital is substantially increased and, thus, the value of the shares offered is maximized.

- The disapplication of the pre-emption rights to be voted on enables the Company to widen its shareholder base and enhance free float and marketability of shares, with related and subsequent benefits for the liquidity of the secondary market and the access of the Company to new investors with the capital base, knowledge and experience to support the Company in its strategic choices in the medium and long term.

In any case, taking into account the above advantages, nevertheless the preferential participation of the existing shareholders is foreseen, through the proposed priority allocation of new shares to existing shareholders, in a manner and under conditions, however, not compromising but fully preserving the above benefits deriving from the disapplication of pre-emption rights.

4. Offer Price

The Board of Directors is proposed to determine the Offer Price of the New Shares, in the context of the Authorisation, based on the results of the book-building process to take place in the context of the Institutional Placement. In any case, the offer price shall not be lower than the nominal value of Euro 2.48 per share. The nominal value has been set as the minimum offer price for the obvious reason of avoiding, even connotatively, investment public having the impression that the Company may regard a specific price as commercially acceptable. On the contrary, it is self-evident that the Company seeks, through the open and competitive book-building process, to increase, as much as possible, investor participation and share demand, so that the competition of offers in the book is substantially increased and, thus, the value of the company's capital, as well as the value of the shares offered is maximized.