



AUDIT COMMITTEE

PUBLIC POWER CORPORATION S.A.

Annual Report of the Audit Committee
for the Year 2024



I. Introduction

The Audit Committee (AC) submits this annual report to inform the Company's Shareholders of its activities for the year ended on December 31, 2024 (1.1.2024 - 31.12.2024), demonstrating its significant contribution to the Company's compliance with the laws and regulations governing its operations, in an environment characterized by complex challenges and intense uncertainties.

Despite external challenges, the Company has taken significant steps towards implementing its plan of transforming into a modern, outward-looking, and sustainable energy company. In this context, the AC focused on strengthening the Internal Control System through its regular activities, actively contributing to Management's efforts in safeguarding the Company's proper operation and decision-making in an environment where laws and best corporate governance practices are applied and risks are identified and managed, as required for the Company's sustainability.

II. Audit Committee's Purpose - Responsibilities

The AC operates according to the provisions of Article 44 of Law 4449/2017, as in force, Article 10 of Law 4706/2020 "on corporate governance," as well as the provisions of secondary legislation, such as the relevant circulars and decisions of the Hellenic Capital Market Commission (HCMC) as in force (indicatively, circulars/letters 1302/28.4.2017, 1508/17.7.2020, 427/21.2.2022, 428/21.2.2022), of the Directorate of Listed Companies of the HCMC, and Regulation No. 537/2014 of the European Parliament and of the European Council of 16 April 2014.

The purpose of the AC is to assist the Board of Directors in fulfilling its duties and responsibilities towards the Company's shareholders and the investors community, particularly in ensuring the integrity, objectivity, adequacy, and effectiveness of:

1. The process of preparation and submission of the financial statements and the sustainability statement, and in particular the process of financial reporting and the process of the audit of the individual and consolidated financial statements and of the sustainability statement by independent Certified Auditors - Accountants.
2. The selection and evaluation of the independence of the Certified Auditors -



Accountants.

3. The Internal Control System, including risk management, compliance, and the Internal Audit Unit.
4. The Corporate Governance System.
5. The Company's procurement function.

The AC role, responsibilities and mode of operation are reflected in its Rules of Procedure, which is in accordance with the current legal and regulatory framework, is approved by the Company's Board of Directors, and is available at the following link on the corporate website: <https://www.ppcgroup.com/en/ppc-group/corporate-governance/organization-of-the-company/bod-committees/audit-committee/>

III. Type -Structure- Composition of the Audit Committee

The AC is an independent, "mixed" committee, consisting of independent non-executive members of the Board of Directors and third-parties non-members of the Board of Directors, in accordance with Article 44, paragraph 1, case (a), subcase (ab), of Law 4449/2017, as in force.

The AC consists of six (6) members, appointed by the General Meeting of Shareholders (GMS), of which:

- Four (4) members of the Board of Directors or/and non-members of the Board of Directors. In general, any combination may be determined, provided that there is at least one member of the Board of Directors and the majority of the members are independent of the Company, according to Article 9, paragraphs 1 and 2 of Law 4706/2020. The AC members must have sufficient knowledge of the sector in which the entity operates, and at least one (1) of them, that is independent of the Company, as per the provisions of Law 4706/2020, must have sufficient documented knowledge and experience in auditing and accounting.
- Two (2) members, who are independent of the Company, within the meaning of the provisions of Law 4706/2020, are selected from a list of persons with proven experience in the field of contract and procurement management of projects and services.

Following the above, the current Audit Committee was formed into a body at its meeting on December 20, 2024.

Two (2) of the above-mentioned members, namely Ms. Maria Psillaki and Mr. Christos - Stergios Glavanis, according to Article 44 of Law 4449/2017, as amended by Article 74 of Law 4706/2020 and in force, have sufficient knowledge and experience in auditing or accounting.

In 2024 the AC received training in the areas of corporate governance and sustainability.

IV. Audit Committee Meetings

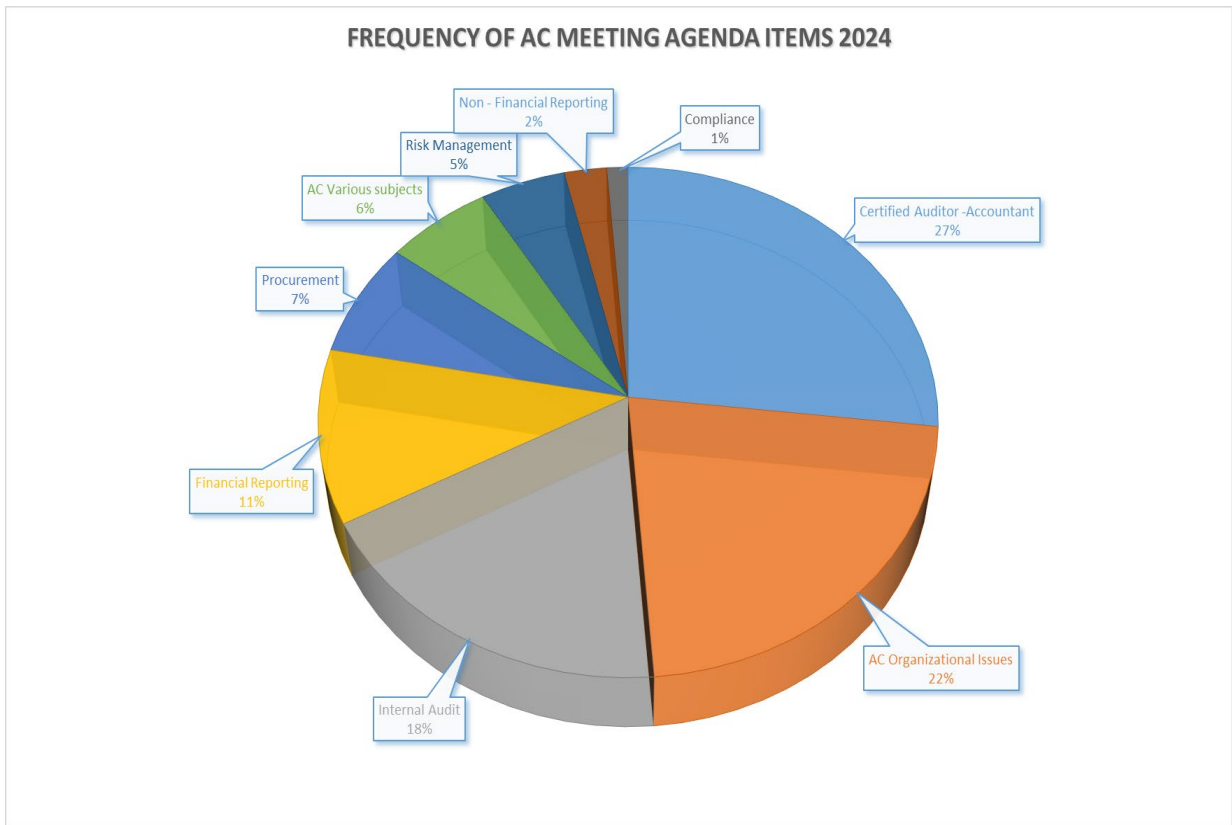
In 2024, the AC held twenty (20) meetings. The participation of the members of the AC in these meetings is summarized in the table below:

Name	Position	Tenure	Participation
Maria Psillaki	Chair of the AC, Independent Non - Executive Member of the Board of Directors	Initial term of office 17.12.2021 - 16.12.2024 Automatic extension due to term of office termination until the next annual ordinary GM and no later than 10/9/2025	20/20
Despoina Doxaki	Independent Non- Executive Member of the Board of Directors	27.06.2019 - 26.06.2022 29.06.2022 - 28.06.2025	15/20
Stefanos Kardamakis	Independent Non- Executive Member of the Board of Directors	22.08.2019 - 21.08.2022 22.08.2022 - 21.08.2025	19/20
Christos – Stergios Glavanis	Independent Non- Executive Member of the Board of Directors	14.12.2022 - 13.12.2025	20/20

Evangelos Angeletopoulos	Independent Non-Board Member	08.05.2020 - 07.05.2023 08.05.2023 - 07.05.2026	20/20
Nikitas Glykas	Independent Non-Board Member	07.03.2023 - 07.05.2023 08.05.2023 - 07.05.2026	20/20

According to the provision of Article 5 of the Rules of Procedure of the AC "Representation of Third Parties in Meetings", during 2024, the Chief Internal Audit Officer PPC Group was invited and participated in the AC meetings. Additionally, the AC held meetings with the participation of the Company's executives, such as the Deputy CEO -Chief of Conventional Generation PPC Group, the Chief Legal Affairs & Governance Officer PPC Group, the Chief Procurement Officer PPC Group, the Chief Finance Officer PPC Group, the Chief Production Operations Officer and the Directors of Compliance, Risk Management, Sustainable Development, Accounting Services, Procurement System Transformation, Renewable Energy Procurement among others. Moreover, the AC was briefed by the Internal Audit Director of PPC Romania on the Division's operation. The Certified Auditor Accountant of the 2024 financial statements was also invited and participated in meetings, as required. Finally, the Secretary of the AC attended all meetings of the AC.

The supporting material for the meetings was distributed to all members through the PPC portal. Minutes were kept for all AC meetings held in 2024. The AC meetings addressed topics in the following thematic areas



A. External Audit/ Financial Reporting Process

Selection of External Independent Certified Auditor - Accountant

The AC is responsible for the selection of the certified auditors-accountants and proposes to the BOD the certified auditors -accountants or the audit firms to be appointed, in accordance with Article 16 of Regulation (EU) No 537/2014, unless paragraph 8 of Article 16 of Regulation (EU) No 537/2014 applies.

In 2023, the AC, following a proposal by the Finance Group Function (F/GrF) evaluated the existing relationship with the then audit firm ERNST YOUNG (HELLAS) CERTIFIED AUDITORS – ACCOUNTANTS S.A. (hereinafter EY) and proposed to the Board of Directors the assignment to EY of the audit of the individual and consolidated financial statements of PPC S.A. for the two-year period of 2023 and 2024. The proposal, after being accepted by the Board of Directors, was submitted for approval and was approved by the General Meeting of PPC Shareholders. The assignment is subject to the annual approval by the Annual Ordinary General Meeting of PPC Shareholders.

In 2024, the AC assessed the work of EY for the previous fiscal year (2023), on the basis of a questionnaire designed for this purpose in line with best practices that includes questions related to (a) the adequacy of the audit firm's resources, (b) the expertise and resources of

the audit team, (c) the audit scope and cost estimation, (d) the communication and interaction of the external auditors with the AC members, and (e) the audit firm's independence, objectivity and professional skepticism.

The evaluation was carried out by anonymous completion of the questionnaire by the members of the AC and the F/GrF. The AC, having evaluated the work of EY taking into account, inter alia, its technical competence and experience, its performance in the previous year and the absence of conflicts of interest regarding the audit services, following an interactive discussion, agreed with the proposal of the Finance Group Function to reassign the audit to EY for the fiscal year 2024, unanimously decided on the suitability of EY and proposed that the selection of EY as auditors of PPC S.A. for the fiscal year 2024 be submitted for approval by the PPC shareholders.

The Annual Ordinary General Meeting of Shareholders of 27.06.2024 decided for the election of ERNST YOUNG (HELLAS) for the fiscal year 2024.

Ensuring the independence and objectivity and maintaining the effectiveness of the Company's certified auditors

The AC is responsible to ensure the external auditor's independence and objectivity, as well as to monitor the effectiveness of the statutory audit. Additionally, the AC, as per its established practice and in accordance with Article 5 of EU Regulation No 537/2014, as well as its Rules of Procedure, pre-approves all audit and non-audit services provided to the Company by the certified auditors -accountants or audit firms that undertake the statutory audit of its financial statements.

During 2024, additional engagements were assigned to EY, which were not related to the statutory audit for the fiscal year 2024. The AC consented to these assignments, having duly assessed the compliance with the relevant legal framework and the objectivity and independence of the certified auditors, examining, for each assignment, in accordance with Article 22b of Directive 2006/43/EC:

- i) the total amount of fees of EY
- ii) the type and nature of the permitted non-audit services,
- iii) the adequacy of any required safeguards

The AC determined that, in each case, these projects fall within the permitted non-audit services and do not raise independence issues, in accordance with the provisions of Law 4449/2017 and Article 5 of Regulation (EU) No 537/2014. Additionally, the AC determined that

the total fees for these services did not exceed 70% of the average fees paid over the last three consecutive years for the statutory audit of the parent company and the Group.

Financial Statements

In the context of monitoring the financial reporting process and the progress of the statutory audit of the Company's individual and consolidated financial statements for the fiscal year 2023. The AC took the following actions:

- 1 Held meetings with the Certified Auditor – Accountant and the relevant Company's units to assess the progress of the annual audit of the individual and consolidated financial statements for the year 2023, as well as the approach to addressing significant audit matters to be included in the Audit Report.
- 2 Was thoroughly informed of a) the use of the going concern assumption adopted for the preparation of the financial statements, b) significant judgements, assumptions, and estimates made by Management in preparing the individual and consolidated financial statements for the year 2023, c) the adequacy of disclosures regarding significant risks faced by the Company and the Group, which may adversely affect their financial position or profitability, and d) significant transactions of the Company with related parties.

It is noted that particular emphasis was placed on the methodology for calculating unbilled revenue, a factor that significantly affects both the figures and the financial results of the Company and presents significant fluctuations between periods, depending on seasonality, energy demand, the Company's share in the retail market, and the prices in the wholesale market.

- 3 Was informed about all pending legal matters to be included in the individual and consolidated financial statements for the fiscal year 2023, with particular emphasis on cases that may result in significant cash outflows for the Company and the Group, as well as about the content of the Corporate Governance Statement included in the Annual Financial Report for the fiscal year 2023.
- 4 Reviewed the financial statements before their approval by the Board of Directors, to assess the completeness of the provided information and their consistency, in relation to both the detailed material, which had been brought to its attention, and the accounting principles applied by the Company and the Group.
- 5 Reviewed both the Audit Report and the Supplementary Audit Report of the Certified Auditor – Accountant for the year 2023.



In the context of monitoring the financial reporting process and the progress of the statutory audit of the individual and consolidated financial statements of the Company for the fiscal year 2024 the AC took the following actions:

- Was informed by the Certified Auditor – Accountant about the annual statutory audit program for the year 2024. To this end, the Certified Auditor – Accountant submitted a schedule and a list of the audits/tasks to be carried out, as well as the most important risk and audit issues that in the opinion of the Certified Auditor – Accountant might need to be addressed.
- Held meetings with the Certified Auditor – Accountant and the relevant Company units regarding the preparation, review, and disclosure of the individual and consolidated financial statements of the Company for H1 2024.
- Was informed of the Certified Auditor's – Accountant's Report for H1 2024.
- Monitored the process of preparing the individual and consolidated financial statements of the Company for Q1 2024 and the nine-month period of 2024, along with the key operational and financial figures of the Company disclosed for the respective periods, with particular emphasis on the conditions prevailing in the global energy markets due to the Ukraine – Russia conflict.
- Was informed by the Finance Group Function on each date of preparation of individual and consolidated financial statements, regarding the amount of the calculated unbilled revenue, seeking extensive clarifications on the observed fluctuations between periods.
- Was informed about the method of consolidation of ENEL Romania companies into the Company's consolidated financial statements, following their acquisition by PPC S.A., the process of auditing the consolidated figures of the new subsidiaries, as well as the extent to which the figures and results of the Company's consolidated financial statements will be affected.
- Was informed about the method of consolidation of Next Gen Retail Services Ilektrikon Pliroforikis Tilepikoinonion kai Asfaltikon Diamesolaviton Monoprosopi Anonymi Etaireia (Next Gen Retail Services Single Member S.A.) into the Company's consolidated financial statements, following its acquisition by PPC S.A., that was completed on 10.04.2024

It is noted that the AC met three (3) times with the external auditors, overseeing the process of auditing the 2023 financial statements, while regarding the audit of the fiscal year 2024, it held two (2) meetings within the year.

B. Internal Control System/ Risk Management Department, Compliance Department, and Internal Audit Group Function

The Company, by decision no. 154/20.12.2022 of its Board of Directors, assigned to KPMG Certified Auditors S.A. the assessment of the adequacy and effectiveness of the Internal Control System of the Company and its significant subsidiaries, PPC Renewable Energy S.A. and Hellenic Electricity Distribution Network Operator S.A. (HEDNO S.A.), as of December 31, 2022, in accordance with the provisions of par. 1 of article 3 and par. 4 of article 14 of Law 4706/2020 and decision 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Commission, as applicable (the "Legislative Framework").

The assurance engagement was performed in accordance with the audit program included in decision no. 040/2022 of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) and the International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

Based on the work performed by the assessor regarding the adequacy and effectiveness of the Internal Control System of the Company and its significant subsidiaries, no material weaknesses were identified.

The next assurance engagement regarding the adequacy and effectiveness of the Internal Control System of the Company and its significant subsidiaries is expected to take place in 2026 and will concern the fiscal years 2023, 2024 and 2025.

Risk Management Department (RMD)

During 2024, the AC was informed by the Risk Management Director on the activities of the RMD and risk management in the Company. Particularly:

- The close collaboration between the RMD and the Internal Audit Department was confirmed.
- The AC was informed about the key risks faced by the Company, before their publication in the financial statements. The process of updating the prioritization of the above risks based on their materiality, which takes place every six months before publications was discussed and confirmed.
- The methodology for the risk assessment and classification was presented to the AC. The AC was informed on the ongoing work of recording and preparation of detailed Response Plans, which will outline how to respond and possible action plans



to manage each significant risk. It was clarified that for all key risks the Company has action plans and procedures to address them, but they are not yet codified.

- The "mid-term" update of the main corporate risks made by the RMD was presented to the AC, utilizing the material and the information collected in the context of the above-mentioned project of the Response Plans. Changes in the assessment compared to the past, were noted and discussed. It was reported that during the first quarter of 2025 the RMD will proceed to a detailed Risk and Control Self - Assessment (RCSA).
- The Company's Risk Appetite Framework was presented to the AC, and the key principles and procedures were analyzed.
- The AC was informed about the implementation progress of the Corporate Risk Management Framework.

Compliance Department (CD)

The AC was informed about the compliance action plan and the objectives achieved during 2023 by the Compliance Director, who absorbed the role and responsibilities of the Director of Energy Transactions.

Specifically, the AC was informed about the preparation of a registry of key regulatory obligations, an issue highlighted during the assessment of the Company's Internal Control System by the External Auditor in March 2023, the development of a CD portal for the digital registration in a single point ("one-stop-shop") of all information pertaining to the thematic responsibilities of the CD, the creation of a platform for the digital submission and registration of Conflict of Interest Declarations of liable persons, as well as, the design of an anonymous survey through digital means (via mail or corporate mobile) to capture the degree of consolidation of policies against Violence & Harassment at work, Anti-Corruption & Anti-Bribery, as well as the Enforcement Policy & Report/Complaint Handling Process.

Furthermore, the AC was informed about the achievements of all pillars of the CD, including compliance with the regulatory framework of energy transactions of the Energy Management Division, the anti-money laundering policy, and compliance with the legal framework for personal data protection.

Internal Audit Group Function (IA/GrF)

The AC examined and positively proposed to the Board of Directors the annual audit plan for 2024, as well as the resource requirements for its implementation. The annual audit plan was developed based on the relevant legislative framework and risk assessment. It includes audits related to:

- the compliance with the Rules of Operation and the Internal Control System, especially regarding the accuracy of financial reporting, regulatory compliance, and compliance with the corporate governance code,
- quality assurance controls,
- corporate governance,
- the adherence to the commitments included in the Company's prospectus and business plans,
- the Company's procurement system and the implementation of RPPS,
- compliance of the Energy Management General Division with the regulatory obligations related to the energy exchange.

The AC submitted to the Board of Directors the Internal Audit's proposed annual audit plan and the need to strengthen the unit with additional resources. Additionally, it approved the IA's recommendations regarding changes to the annual audit plan during the year and the alignment of the annual audit plan with the calendar year.

Regarding the monitoring of the audit work, the AC reviewed detailed internal audit reports, monitored the progress of the audit plan and the implementation of corrective actions resulting from the audits through quarterly reports of IA, and was informed of the key issues and audit results. The quarterly reports, following AC's comments were submitted to the Board of Directors.

Finally, in cooperation with the AC, following the AC's recommendation, the IA adopted Key Performance Indicators (KPIs) to monitor its strategic and operational objectives and to evaluate its performance.

Additionally, in 2024, a significant development took place in the structure of the company.

In 2024, the Internal Audit Division was upgraded to a Group Function as part of the strategy to improve governance and strengthen internal processes.

The new function will have expanded responsibilities and will play a central role in improving the Internal Control System, regulatory compliance, risk management and operational efficiency at all levels of the Group.



The AC monitored the independence and adequate access of the IA/GrF to organizational units and information, as required for exercising its duties during the year.

C. Procurement Function

Regarding the operation of the procurement function of PPC SA and PPC Renewables S.M.S.A, in accordance with the provisions of the current legal and regulatory framework that governs its operation, the AC performed the following in 2024:

- Conducted audits to monitor the proper implementation of the procurement framework of the Company (Procurement Manual, RPPS, etc) during the fiscal year 2023.
- Monitored the performance of the procurement function of the above-mentioned companies for the year 2024, using specific Key Performance Indicators (KPIs), was informed on the progress of the design of the Business and the Technical Blueprints (BP), as well as of the pilot implementation of SAP ARIBA in the field of supplier certification, for the Supplier registry.
- Monitored the Inventory Control System, the inventory counts, and the inventory operations of PPC S.A.
- Monitored the transformation of the procurement function.
- Submitted an annual report to the Board of Directors regarding the audit results, the performance of the procurement function, and recommendations for improving its efficiency and effectiveness.

D. Sustainable Development

In 2023, PPC, within the context of the revised Sustainable Development Policy (No. 88/12.7.2022 decision of the Board of Directors), formulated the Group's new sustainable development strategy, which is coordinated by the Sustainability Division and focuses on three pillars:

1. Net zero carbon footprint, with a transition to a low-carbon economy and the development of renewable energy sources (RES).
2. Nature positive operations, through resource use reductions, waste management, and preserving natural ecosystems.
3. Creating socio-economic shared value by enhancing the economy, empowering people, and promoting social collective action.



In 2024, the AC was informed by the Sustainability Division on the progress of projects and actions implementing the strategy in the context of the Sustainable Development Policy. Furthermore, the AC was informed about the preparation and publication of the PPC Group Sustainable Development Report for 2023, which was conducted in accordance with the international standards of the Global Reporting Initiative (GRI Standards). This is the fourth Sustainable Development Report at Group level, which also includes the identification of material issues based on the Double Materiality analysis, in the context of the new CSRD guideline.

In the 2023 report, 102 performance indicators were consolidated for the three significant companies of the Group (PPC, HEDNO, PPC Renewables), while 31 GRI indicators and 19 ATHEX ESG indices, were assured by a third independent auditor, to increase the credibility and transparency of the Report.

Furthermore, the contribution of the Group companies (PPC, HEDNO, PPC Renewables) to the achievement of the United Nations' Sustainable Development Goals (SDGs) was presented to the Committee, through the implementation of specific actions, considering the impact of the activities of the Group's significant companies, as well as the preparation of the Sustainable Development Report for 2024 in accordance with the CSRD guideline.

Maria Psillaki
Member of the Board of Directors and
Chair of the AC