

**To the Extraordinary General Assembly of the Shareholders of the Société Anonyme**

**“GEK TERNA HOLDING REAL ESTATE CONSTRUCTION S.A “**

**Report of the Board of Directors pursuant to paragraph 4.1.3.13.2 of the Athens Stock Exchange Regulation, article 22 par. 1 of Law 4706/2020 and article 27 par. 1 of Law 4548/2018**

Messrs Shareholders,

**1. Introduction**

Our Company examines alternative ways to improve the marketability of its shares as well as to improve and diversify its funding sources to maximize benefits for its shareholders.

The Company, taking advantage of the favourable stock market and economic situation, on January 18, 2024, conducted a private placement of 6,000,000 shares of the Company to selected investors at the favourable price of € 13.20 per share. AXIA VENTURES GROUP LTD acted as the Coordinator of the private placement.

The 6,000,000 allocated shares resulted from a stock lending agreement of 6,000,000 shares between the shareholder Perge Ltd, of Mr. G. Peristeris' interests, and Piraeus Securities S.A., acting as an intermediary in order to facilitate and expedite the offering through a private placement.

These borrowed shares were made available to the investors of the private placement and thus Piraeus Securities S.A. needs to acquire an equal number of new shares through the intended share capital increase in order to return them to Perge Ltd.

In light of the above, the Board of Directors convenes on Tuesday 13<sup>th</sup> February 2024 at 11:00 a.m. an Extraordinary General Assembly of the Company's Shareholders at the Company's offices in Athens, 85 Mesogeion Avenue 85 and through real-time remote teleconferencing to decide, inter alia, the increase of the Company's share capital by €3,420,000, in cash, through the issuance of 6,000,000 ordinary shares (the "**New Shares**") of nominal value of € 0.57 each and at the price of €13.20 per New Share, without pre-emptive rights of the existing shareholders of the Company, in accordance with article 27 par.1 of Law 4548/2018 (the "**Increase**").

**2. Utilisation of funds raised from the previous share capital increase.**

During the last three years, there have been no increases in the Company's share capital through cash payment, therefore there is no obligation under art. 22, par. 1 of Law 4706/2020.

**3. Investment plan of the Company to be financed by the funds of the increase, timetable for its realization and individual analysis of the destination of the funds.**

The Increase will raise € 79,200,000 which the Company intends to use for the implementation of its investment program as reflected in the latest published financial statements <sup>1</sup> and corporate presentation <sup>2</sup> as well as for the undertaking of new projects.

The funds raised are expected to be utilised within approximately 36 months of the completion of the proposed Increase.

---

<sup>1</sup> [https://www.gekterna.com/userfiles/FinancialStatements/2023/gekterna\\_fs\\_notes\\_30-06-2023\\_gr.pdf](https://www.gekterna.com/userfiles/FinancialStatements/2023/gekterna_fs_notes_30-06-2023_gr.pdf)

<sup>2</sup> [https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEK%CE%A4%CE%95R%CE%9D%CE%91\\_Corporate-Presentation\\_December-2023\\_EN.pdf](https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEK%CE%A4%CE%95R%CE%9D%CE%91_Corporate-Presentation_December-2023_EN.pdf)

#### **4. Issue price of the New Shares and exclusion of pre-emption rights of existing shareholders of the Company.**

Through the issuance of the New Shares, which will be subscribed for through cash payment, the Company will raise €79,200,000 in order to finance the above described actions.

The offering price of the New Shares is equal to the price at which the shares were offered in the private placement, i.e. an effective internationally accepted price disclosure mechanism. Finally, the price of €13.20 per New Share represents a discount of 5.7% from the last closing price before the announcement of the transaction (i.e. January 18, 2024), a very small percentage taking into account in fact, the percentage of the Company's share capital represented by the allocated shares.

The private placement contributed to the achievement of the Company's objectives, as it improved the free float and at the same time provided additional equity of €79,200,000.

It is noted that – due to the proposed cancellation of the 6,000,000 treasury shares – subject to the approval by the General Assembly of the Shareholders, the existing shareholders of the Company will not incur any dilution from the proposed increase.

Therefore, for all the above reasons, we unanimously recommend the exclusion of the pre-emption right in the present share capital increase, as a necessary, appropriate, reasonable, proper and useful measure for the success of the Increase, since the exclusion of the pre-emption right is interrelated with the disposal of the 6,000,000 shares through the private placement.

Finally, it is noted that Piraeus Securities S.A. has committed to subscribe for the proposed increase and the funds of the share capital increase will be committed in favour of the Company immediately after their collection following the settlement of the private placement.

For all the above reasons, the private placement, the Increase and the exclusion of the right of pre-emption right have the unanimous support not only of the Company's management but also of its main shareholders and we invite you to vote in favour of it.

Athens, 19.01.2024

The Board of Directors