Report by the Board of Directors (BoD) of the société anonyme with the name 'ELLAKTOR S.A.' (hereinafter referred to as the 'Company' or the 'Acquirer') to the General Assembly of Shareholders concerning the merger by acquisition of the société anonyme with the name 'ELTECH ANEMOS S.A.', in accordance with Article 69(4) of Codified Law 2190/1920 and Article 4.1.3.13.3 of the Athens Exchange Rulebook.

Dear Shareholders,

By virtue of our meeting of 28 December 2018, as well as that of the Board of Directors of the société anonyme trading under the name 'ELTECH ANEMOS S.A.' (hereinafter referred to as the **'Acquired Company'** or **'Acquiree'**), a decision was made to initiate the procedure for merger by acquisition of the Acquiree by the Company (the Company and the Acquiree hereinafter jointly referred to as the **'Merged Companies'**), in accordance with Articles 68 et seq. of Codified Law 2190/1920, in conjunction with Articles 1-5 of Law 2166/1993, as currently in force, and in accordance with commercial law in general, the terms and formalities of which it is subject to.

To implement the acquisition, a draft merger agreement was drawn up in writing, in accordance with the law, and was then approved by the Board of Directors of each of the Merged Companies on 15 March 2019 (the **'Draft Merger Agreement'**). The aim of this report is to explain and justify, in legal and financial terms, the Draft Merger Agreement for merger by acquisition of the Acquiree by the Acquirer, as drawn up by both Boards of Directors of the Merged Companies through their specially authorised representatives. More specifically, this report contains information regarding the valuation of the Merged Companies and the share exchange ratio of the Acquired Company in relation the new shares to be issued by the Acquiring Company as a result of the merger. It also contains a concise description of the methods used to determine the proposed share exchange ratio and the assumptions taken into account.

I. EXPLANATION AND JUSTIFICATION OF THE MERGER FROM A FINANCIAL PERSPECTIVE

The Board of Directors takes the view that the merger according to the Draft Merger Agreement is advisable and beneficial from a financial point of view, and that the Merged Companies are ready to consolidate their operations.

Given the Acquiring Company's leading role in the Greek infrastructure sector and the Acquiree's successful operational growth in the renewables sector, the single company to result from the merger will be able to take advantage of the joint long-term business prospects of both Merged Companies, thus significantly expanding its potential for growth.

Furthermore, the merger into one legal entity will allow for extensive business synergies in terms of financial costs, administrative expenses and tax advantages, with the aim of ensuring both the operational independence of the differing sectors of activity and the optimal utilisation of human resources and expertise. Beyond the synergistic opportunities, however, the single company will have increased investment potential, greater flexibility in the allocation of funds to each sector/project with attractive adjusted rates of return, and more effective access to

funds compared to those of either Merged Company, thus boosting the prospects for future profitability.

At a Group level, the single company will help simplify the Group's structure, also strengthening cash flow stability by strengthening the Group's liquidity and allowing for better future rates of return.

The intended merger will create further value for the single company's shareholders both due to the higher liquidity and marketability levels of its share and the capacity to participate in any future added value that is created.

Proposed share exchange ratio

In accordance with Article 2 of Law 2166/1993, the exchange ratio provided for in the Draft Merger Agreement was one point twenty seven (1.27) new ordinary registered voting shares with a nominal value of one euro and three cents (EUR 1.03) in the Acquiring Company's share capital (following the share capital increase referred to under point II below), for each existing ordinary registered voting share with a nominal value of thirty cents (EUR 0.30) belonging to the Acquired Company. There is no provision for the payment of a compensatory amount to existing shareholders in accordance with Article 68(2) of Codified Law 2190/1920.In accordance with Article 4.1.3.13.3 of the Athens Exchange Rulebook, the Acquirer appointed auditors Grant Thornton SA to carry out a valuation of the Merged Companies and issue an opinion on whether the proposed exchange ratio was reasonable, fair and justified.

As a result, the opinion of 12 March 2019 (attached hereto) was issued by Grant Thornton SA and presented to the Acquiring Company's Board of Directors. Based on the above report, the above Merged Companies were valued, with 31 December 2018 as a reference date, using the following internationally accepted methodologies and assumptions, which presented no difficulties and which the auditing company declared to be appropriate:

- **Discounted cash flow approach:** In accordance with this methodology, the value of a company is estimated based on its discounted future cash flows at present value, using the Weighted Average Cost of Capital (WACC) as a discount rate. Also, the value of the company in perpetuity is calculated by multiplying the present value of its free cash flows by the growth rate of the company in perpetuity.

- **Adjusted present value approach:** In accordance with this methodology, the value of a company is deemed to be its present value after adjustment of assets and liabilities taking into account their market value.

- **Market price/capitalisation approach:** In accordance with this methodology, the value of a listed company is estimated on the basis of its average daily capitalisations over a specific period of time based on reasonable assumptions.

- **Comparable companies approach:** In accordance with this methodology, the value of a company is estimated by applying market indicators, which are calculated on the basis of the market value and corresponding financials from comparable listed companies operating in the same sector as the company.

- **Dividend discount approach:** In accordance with this methodology, the value of a company is estimated on the basis of the present value of its future dividends, discounted by its cost of equity.

More specifically, the value of the Acquiring Company was estimated using the 'Adjusted Present Value' approach (taking into account the valuation of its holdings using the above methods, as appropriate in each case) weighted by 60%, and the 'Market Price/Capitalisation' approach, weighted by 40%.

The value of the Acquiree was estimated using the 'Discounted Cash Flow' approach weighted by 60% and the 'Market Price/Capitalisation' weighted by 40%.

Ratio for exchanging Acquiree shares for Acquirer shares

Based on the above valuation approaches, as weighted in accordance with the suitability of each approach used, the following share exchange ratio was set:

	Minimum	Maximum
Exchange ratio	**1.13**	**1.37**

Opinion of Grant Thornton SA on the proposed exchange ratio

Grant Thornton SA reviewed the ratio proposed for exchanging the Acquired Company's shares shares, i.e. 1 to 1.27, as proposed by virtue of the decisions made by the Boards of Directors of the Merged Companies on 28 December 2018, in order to determine that it was reasonable, fair and justifiable.

The above exchange ratio falls within the range that resulted from the valuation of the Merged Companies, as described above, and accordingly the proposed share exchange ratio was found to be reasonable, fair and justified by Grant Thornton SA.

Please find attached hereto the abovementioned opinion of Grant Thornton SA dated 12 March 2019.

II. EXPLANATION AND JUSTIFICATION OF THE MERGER FROM A LEGAL PERSPECTIVE

The merger by acquisition approach was chosen for the merger of the two companies, in accordance with Article 68 et seq. of Codified Law 2190/1920 as currently in force, in conjunction with Articles 1-5 of Law 2166/1993 as currently in force, and in accordance with commercial law in general, the terms and formalities of which it is subject to.

It is advisable to complete the merger in accordance with the above provisions as this will allow for:(a) the dissolution without liquidation of the Acquired Company,(b) the automatic subrogation without further formalities of the Acquiring Company to all the rights and obligations of the Acquiree (including its administrative authorizations) and the transfer of the Acquiree's assets and liabilities to the Acquiring Company through a consolidation of assets as of 1 January 2019, and(c) the exploitation of tax advantages, associated with the exemption of the merger agreement, the contribution and transfer of the Acquiree's assets and any related

transaction or agreement relating to the contribution or transfer of assets or liabilities as well as all rights *in rem* or *in personam,* the decisions of the Merged Company's competent bodies, the participatory holding in the Acquiring Company's capital following the merger, as well as any other agreement or act which is necessary for the merger, the publication in the General Commercial Register (G.E.MI) and registration of the relevant deeds from any tax, stamp duty or other charge in favour of the Hellenic State and/or any contribution or payment in favour of any third party.

Upon completion of the merger, the Acquiring Company's share capital will be increased by thirty-eight million, three hundred and eighty-eight thousand, eight hundred and ten euros and seventy cents (EUR 38,388,810.70) through issue of thirty-seven million, two hundred and seventy thousand, six hundred and ninety (37,270,690) new ordinary registered voting shares with a nominal value of 1 euro and three cents (EUR 1.03) each, which will be provided to the Acquiree's shareholders (except the Acquiring company) in accordance with the above exchange ratio. The Acquiring Company's share capital will, following the merger, stand at two hundred and twenty million, seven hundred thousand, one hundred and sixty three euros and nine cents (EUR 220,700,163.09), divided into two hundred and fourteen million two hundred and seventy two thousand and three (214,272,003) ordinary registered voting shares with a nominal value of one euro and three cents (EUR 1.03) each. In accordance with Article 75(4) of Codified Law 2190/1920, the shares totalling 53,320,000 in the Acquiree's share capital held by the Acquiring Company will not be exchanged for shares in the latter.

The above increase (a) by eight million, eight hundred and four thousand, and one hundred euros (EUR 8,804,100.00) will be covered by contribution of the Acquiree's nominal share capital remaining after the write-off, due to conflict, of the Acquiring Company's holding in the Acquiree, amounting to fifteen million, nine hundred and ninety-six thousand euros (EUR 15,996,000) in consequence of the the merger, and (b) by twenty nine million five hundred and eighty four thousand seven hundred and ten euros and seventy cents (EUR 29,584,710.70) will be covered by the capitalisation of part of the Acquiring Company's 'Share premium account' for the purpose of maintaining the above proportional participation in the share capital of the latter. The difference that results from the write-off, due to conflict, of the Acquiring Company's holding in the Acquiree, and of that part of the share capital held by the former in the Acquiree, will be transferred to a 'Difference due to merger' account held by the Acquiring Company.

The Board of Directors would like to point out that no special difficulties have arisen, or are anticipated to arise after the date hereof in respect of the valuation of assets or during the merger process of the Merged Companies.

In view of the above and to the benefit of the Acquiring Company and its shareholders, we recommend that the merger be approved, in accordance with the terms and conditions laid down in the Draft Merger Agreement.

Athens, 15 March 2019

The Board of Directors

of ELLAKTOR S.A.