

REPORT

Of the Board of Directors of the Societe Anonyme called "INTRACOM CONSTRUCTIONS SOCIETE ANONYME TECHNICAL AND STEEL CONSTRUCTIONS" trading under the name "INTRAKAT", according to the provisions of article 13 of C.A. 2190/1920.

**To the Ordinary General Meeting of Shareholders of June 26th, 2017
(or any repeat or postponement thereof)**

The Board of Directors of the Societe Anonyme called "**INTRACOM CONSTRUCTIONS SOCIETE ANONYME TECHNICAL AND STEEL CONSTRUCTIONS**" trading under the name "**INTRAKAT**" (hereby the "**Company**"), in view of the proposed increase in its share capital, provides the following information, according to article 13 para. of C.A. 2190/20 regarding the abolition of the pre-emption right of the old shareholders.

This Report will be submitted to the Ordinary General Meeting of Shareholders of June 26th, 2017 (including any repeat or postponement thereof), which will be convened to decide on this matter and contain the information necessary to form a complete picture and as a result are necessary for forming judgment and eventually reaching a decision on this issue.

Terms of the capital increase – Allocation of Capital

The Company's Board of Directors, having as a primary criterion and only driver the interest of the Company, proposes to the Ordinary General Meeting of Shareholders of June 26th, 2017, including any repeat or postponement thereof, among others the "Increase of the share capital of the Company through the capitalization of obligations and the issuance of new common registered shares, by abolishing the preemption rights of the old shareholders in favor of the creditor whose claims will be capitalized, i.e. in favor of the main shareholder of Intracom Holdings".

In particular, it recommends the capitalization of part of the Company's liabilities to its main shareholder, Intracom Holdings, up to the amount of € 3.1 million.

The resulting funds from the share capital increase with the above proposed capitalization of part of the Company's liabilities up to the amount of € 3.1 million and the issuing of new Common Registered shares, by abolishing the pre-emption rights

of the old shareholders in favor of the above creditor whose claims will be capitalized, ie in favor of Intracom Holdings, will reduce the Company's liabilities to that creditor in an equal amount. Taking into account that Intracom Holdings has already consented and agreed to the above proposed capitalization of part of its receivable demands and the assumption by it of the new Common Registered Shares resulting from the aforementioned capitalization, the Management of the Company considers that the coverage of the amount of this increase will be full.

Purpose of the share capital increase - Benefits for the Company and the Shareholders

By this increase, the Company:

- will pay part of its obligations to Intracom Holdings without paying any amount, which will contribute positively to the financial structure of the Company and will further enhance its capital adequacy
- its liquidity will not be affected, taking into account the overall current liquidity situation.

It is obvious that the benefits presented above will positively affect all the shareholders of the Company.

Offer Price of the new shares

The offer price proposed by the Board of Directors is set at € 1.36 per share, ie the nominal value of the share. This price is considered fair and is considered advantageous both for the Company and for its existing shareholders.

In Conclusion

The above-mentioned increase, once completed, will contribute significantly to the improvement of the Company's financial structure and to the strengthening of its capital adequacy.

The benefit that will arise for the Company is obviously disseminated to all its shareholders due to the resulting decrease in the Company's liabilities.

Considering the above, the Board of Directors resolves that it is in the interest of both the Company and the shareholders to increase the share capital of the Company by capitalizing liabilities and simultaneously abolishing the pre-emption rights of the old shareholders.



To this end, the Board of Directors proposes to the shareholders to approve the increase of the share capital of the Company under the above mentioned conditions.

Peania, June 1st, 2017

The Board of Directors