

REPORT OF THE BOARD OF DIRECTORS, ACCORDING TO ARTICLE 13 PAR. 10 ED. OF THE CODIFIED LAW 2190/20, FOR THE ISSUANCE OF THE CONVERTIBLE BOND LOAN OF AN AMOUNT UP TO € 19.357.122 , WITH THE ABOLITION OF THE PRE-EMPTIVE RIGHTS OF EXISTING SHARES.

Further to the published Invitation to the Shareholders of the Company dated 3/8/2018 for the Ordinary General Meeting which is to be convened pursuant to August 3, 2018 on the ten (10) September 2018, Monday, at 3:00 pm, at the company's offices located at 1st km of Koropiou Varis Avenue and Dimokritou Avenue, in the Municipality of Koropi, Attica, and following the request of the shareholders of Piraeus Bank SA, Eurobank Ergasias SA, Alpha Bank SA and National Bank of Greece SA, in accordance with article 39 par.2 of the Codified Law 2190/1920, the Board of Directors of the company, in a decision taken at its meeting on 27/8/2018, added , in accordance with the Law and the Articles of Association, on the agenda of the Ordinary General Meeting of Shareholders of the Company, the following additional issues and publishes a revised agenda for the above Ordinary General Meeting with the addition of issues 9 and 10 as presented below:

9. Decision to be taken for the total early repayment of the bond loan dated 9.7.2007, convertible into common registered voting shares, up to an amount of EUR 19.995.575,10, as amended and in force.

10. Issuance of a bond loan of up to € 19.357.122, convertible into new registered shares of the Company, in accordance with the provisions of Law 3156/2003 and Codified Law 2190/1920 as applicable, by abolishing the preference right of the old shareholders, to refinance part of the current convertible bond loan dated 09.07.2007. Coverage of new bonds from financial institutions Eurobank Ergasias S.A. and Piraeus Bank S.A as lenders. Authorization granted to the Company's Board of Directors to finalize the special terms of the bond loan and conclude the contract.

The matter referred to the issue under item 10 concerns the "issuance of the bond loan amount of up to € 19.357.122, convertible into new registered shares of the Company, according to the provisions of Law 3156/2003 and the Codified Law 2190/1920 as amended with the abolition of the old shareholders' pre-emptive rights", it is proposed by the aforementioned shareholders and not by the Management of the company, according to the law (article 13, par. 10 of the Codified Law 2190/1920), that the Board of Directors be obliged to refer to the General Meeting of Shareholders the reasons for the abolition of the pre-emptive rights of the convertible bond loan of the Law 3156/2003 and to "justify" the proposed price or conversion ratio of bonds into shares.

Therefore, the present report has been prepared to these purposes, that is including the fullest possible information of the shareholders, based on the contents of the shareholders' request for inclusion on the agenda of the Ordinary General Meeting and by proportional application of these provisions, which is primarily applicable, as mentioned above, when the proposal of the issuance of the convertible bond with the abolition of the pre-emptive rights of the existing shareholders is proposed with the initiative and responsibility of the Company's Board of Directors, without this being not applicable in the specific situation.

The following are also noted:

1. In case the shareholder's right pursuant to Article 39 (2) is exercised, the Board of Directors is obliged to add the proposed issues and re-publish a revised agenda. The Board of Directors has the right and duty to examine only the legality of the application, whether all conditions for exercising the right have been met. In this case, the legality of the application has been verified, as set out in the relevant decision of the Board of Directors dated 27/8/2018 and the publication took place on the same day.

2. Shareholders who request additional issues are required, if the company is listed, to accompany their request with the justification or draft decision for approval, which are published together with the revised agenda. The projected publication of the draft Decision took place on 27/8/2018.

This Report is available to the Company's Shareholders through the company's website on which has been posted and submitted to the Ordinary General Meeting on September 10, 2018 or any other meeting of the Company, repeated, cancelled or postponed.

In view of the above, the Board of Directors informs the Company's Shareholders on the following issues:

I. Reasons for the abolition of the pre-emptive rights of the old shareholders

As mentioned above, the Company has received the request dated on 24/8/2018 from the shareholders of Piraeus Bank SA, Eurobank Ergasias SA, Alpha Bank SA, and the National Bank of Greece SA, which has been included in the matter under item 10 (in the revised Ordinary General Meeting agenda dated 10/9/2018).

On this matter, the applicants -shareholders sent as required the relevant draft decision, which states the following:

"A new bond convertible loan amount of up to € 19.357.122, converted into new shares of the Company and non-tradable in the regulated market, is proposed to the General Meeting of Shareholders in order to refinance part of the current C.B.L (issued 2007). The new C.B.L will be issued with the abolition of the pre-emptive rights as it will be covered by Piraeus Bank and Eurobank Ergasias as lenders. It will have the following basic terms (similar to 2007 C.B.L):

[some of the terms that are now considered to be essential and are pending finalization]

Issuer	NIREUS AQUACULTURE SA (The company")
Administrator/ Payee Authorized Representative / Bond holder Representative and Proxy	Eurobank Ergasias SA
Amount of Issue	An amount of up to € 19.357.122 (the "Loan")
Type of Bonds	Nominal convertible into shares of the Company. The bonds will not be traded on ATHEX.
Nominal Bond Value	One Euro (€ 1) per bond.
Shares	Listed on ATHEX, common registered voting shares of the Company, of a nominal value € 0.30 each.
Purpose	Series A: Partial refinancing of the existing Convertible Bond Loan as of 9/7/2007, as in force in the meantime, (the "Existing C.B.L") up to a total amount of € [18.243.555]. Series B: Interest coverage of the Loan (to the amount after the lawful withholding tax on interest income (85%)) up to a total amount of € [1.113.567].
Expired date	7 years from the date of issuance of the Loan, dated 21/10/2025 .
Method of Mortgage Coverage / Removal of Shareholders' Rights	The Loan is issued with a total abolition of the pre-emption rights of the old shareholders of the Issuer

	in favor of the bondholders and it will be covered by private position by financial institutions domiciled in Greece or branches in Greece of foreign financial institutions, namely by Eurobank Ergasias SA and Piraeus Bank S.A (the "Bondholders")
Repayment	The entire Loan will be repaid on the Expiry Date.
Interest Rate Loan	Fixed at 1.00% per annual
Interest Period	Annually, unless otherwise there is agreement between the Issuer and the Bondholders.

The new C.B.L, the issuance of which is proposed to facilitate the early repayment of the C.B.L (issued 2007), will be fully refinanced when the transfer of the shares held by the selling banks to the Company is completed in accordance with the relevant agreement dated 20.06.2018. Furthermore, it is noted that the bondholders do not intend to exercise the right to convert the bonds to new shares until the completion of the above share sale transaction, and for the issuance of the proposed "interim" C.B.L there is no objection or plea from the bondholders of the C.B.L issued 2015. In view of the above and given that the issue of the new C.B.L facilitates the Company's treasury as it will be used to refinance the existing C.B.L (issued 2007), the General Assembly approves the new C.B.L up to the amount of € 19.357.122 under the conditions mentioned above.

In view of the above, and given that the issuance of the new Convertible Bond Loan facilitates liquidity the Company as it will be used to refinance the existing C.B.L (issued 2007), the approval of the new C.B.L of an amount of up to € 19.357.122 is proposed in the General Meeting under the terms referred above. "

Following the above and for the purpose of the completeness of the shareholders' notification for the discussion of the matters under items 9 & 10 of the revised General Meeting agenda of 10/9/2018, the Board of Directors of the company informs the following :

On August 29, 2018, the company received two (2) letters from Piraeus Bank under which:

- a) Acting in the capacity as the Representative of Bondholders of the program of Common Bond Loan issued 18/9/2015 amount of up to € 58.232.509, the Company is informed that the increased Majority of Bondholders of this loan in order to facilitate the issuer's liquidity towards the purpose of the proposed prepayment of the current C.B.L (issued 2007) (as described in paragraph 9 of the revised Agenda as above), decided to postpone the upcoming installment of 2018 of an amount of € 7.260.000, payable on 16/10/2018, for 28/06/2019 and additionally to consent for the issuance of the new convertible bond loan (as described in item 10 of the revised agenda).
- b) In its capacity as the Representative of Bondholders of Convertible Bond Loan dated 18/09/2015 amount of up to € 29.466.293, the company is informed that the total of Bondholders of the loan agree to the non-prepayment (Pro rata) of the non overdue outstanding bonds, that is, as applicable according to the term 3.2 (e) of the existing C.B.L.

Given on the above, the Board of Directors of the company considers it appropriate to state that on the basis of the aforementioned statements it is possible to implement the proposed issues under items 9 & 10 of the revised agenda, as long as they are approved according to the law and the Company's Articles of Association by the General Meeting of Shareholders on 10/9/2018.

Furthermore, the Board of Directors of the company considers that the formulation of a positive formation regarding the approval of the above two matters (9 & 10) is in line with the general corporate interest since these proposals are included as conditions in the overall agreement for the sale of the majority of the company's shares in the overall solution for the completion of the process of the company's entrance of its new investor that will give new impetus to its development.

In this context, the proposal to abolish the pre-emption rights of the old shareholders regarding the issuance of the new C.B.L is appropriate, necessary and an non-disproportionate measure in order to achieve the above benefits for the Company and does not substantially affect the financial position of the shareholders, given that:

The disposal of the bonds by abolishing the preference rights of the old shareholders and the exclusive distribution to the participating creditors has been agreed in writing in the process of selling the majority stake in the Company's shares and the completion of the capital injection into the share capital of the strategic investor company as stated from the shareholders-sellers Banks.

The coverage of the new convertible bonds exclusively by the participating Creditors, that is by private placing, simplifies and accelerates the issuing process, as it provides the required flexibility to complete their release in the short term. Taking advantage of the opportunity for the rapid issuance and the disposal of convertible bonds in order to set part of the conditions for the sale of the majority of the Company's shares would not be achieved without the abolition of the pre-emptive rights.

It is obviously probable from the applicable shareholders, that the existing ones will also be reluctant due to the ongoing economic crisis, to proceed with company's further financing through participating in the coverage of the convertible bond loan that will not be admitted to the trading market in the organized capital market.

II. Justify the conversion ratio and the issue price of the new shares

As aforementioned, the proposed terms of the issuance of the new convertible bond issue come from the applicants-shareholders and therefore the Board of Directors of the company, supportively expresses its opinion on them. Regarding the price and the conversion ratio of the bonds into shares of the Company, which will result from the right to exercise into convertible bonds, the Board of Directors deems it appropriate to state that it is positively positioned on the following proposal of the shareholders given that the terms are similarly retained as those of the company's existing C.B.L (issued 2007) , which is partly refinanced.

Particularly, it is proposed to the General Meeting that each (1) bond offers the right to convert it into one (1) ordinary nominal voting share of the Company, with a nominal value of thirty cents (€ 0,30) each and the proposed conversion ratio is set at € 0,31 per share.

Specifically, the above conversion rate is considered satisfactory given that the conversion will be made at a price equal to that price used in the last share capital increase of the Company through the capitalization of receivables from Credit Banks, which is significantly higher than the average term of the average stock price of the share in the last six months, at € 0,22, by 41%. It is noted that the closing price of the share of the Company closed at € 0.1906 on 29/08/2018.

In this way, it is expected that all shareholders will benefit from the issuance of the new C.B.L due to the refinancing part of its obligations the new convertible bond loan at the same terms while at the same time the wider corporate interest is served through the fulfillment of all conditions within the context of the new strategic investment in the Company.

Therefore, the Board of Directors considers that the expected benefit of the Company and its shareholder from the coverage of the proposed convertible bond loan from the shareholders' private positioning is related to the successful completion of the sale of the majority of the company's shares to strategic investors and is consistent with the abolition of the pre-emptive rights of the existing shareholders. Following the above, it favorable proposes to the General Meeting dated 10/9/2018 the acceptance of the request / proposal of the shareholders dated on 24/08/2018 of Piraeus Bank SA, Eurobank Ergasias SA, Alpha Bank SA, and National Bank of Greece SA, for the issuance of this convertible bond loan, with the abolition of the pre-emptive right of the old shareholders of the Company, according to the above terms.

Koropi Attica, 30/08/2018

THE BOARD OF DIRECTORS