

REPORT

Of the Board of Directors of the Societe Anonyme called **"INTRACOM CONSTRUCTIONS SOCIETE ANONYME TECHNICAL AND STEEL CONSTRUCTIONS"** trading under the name **"INTRAKAT"** to the Ordinary General Meeting of Shareholders of June 26th, 2017, according to the provisions of article 9 of Act No. 3016/2002 and 4.1.4.1.1 and 4.1.4.1.2 of the ATHEX Rulebook and the relevant provisions of C.A. 2190/1920 for the increase its share capital by cash payment

INTRODUCTION

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") during its meeting of June 1st, 2017, decided to propose, inter alia, to the Ordinary General Meeting of the Company's shareholders scheduled for **June 26, 2017** (hereinafter referred to as "GM"), the raising of capital up to the amount of thirteen million euros (€ 13.000.000,00) through the increase of the share capital of the Company by cash payment and the issue up to 25,397,630 new common voting shares, with a nominal value of € 0.30 each and with pre-emption rights in favor of the old shareholders of the Company, at a rate of five (5) new shares for every one (1) old share (hereafter the "Increase"). Furthermore, the Board of Directors decided to propose to the General Meeting the following:

- (a) to authorize the Board of Directors to set the offer price of the New Shares (hereinafter referred to as the "Offer Price") within a period of not more than one year from the date of the relevant resolution, according to article 13 para. 6 of C.A. 2190/1920, as it is in effect today, to determine the duration of the exercise of the pre-emption rights and to specify the other terms of the share capital increase.
- (b) the Offer Price may be higher than the stock price of the Company's existing shares at the cut-off time of the pre-emption right
- (c) any difference between the nominal value of the newly issued shares and the Offer Price to be credited to the Company's own equity account as "Share premium"
- (d) if the amount of the Increase is not fully covered, the Board of Directors will be authorized to make available, at their discretion, according to article 13 para. 8 of C.A. 2190/20, as it is in effect, any unallocated shares, and
- (e) authorization to the Board of Directors of the Company for the settlement of any share fractions and the admission to trading of the new shares in the Athens Stock Exchange.

Within the framework of the provisions of article 9 of Act No. 3016/2002 and 4.1.4.1.1 and 4.1.4.1.2. of the Athens Stock Exchange Regulation, this Report of the Board of Directors, which will be submitted to the above Ordinary General Meeting of the Shareholders or any repeat or postponement thereof, will be sent to the ATHEX, In order to be published on its website at the same time as the Invitation for convening of the above General Meeting and will also be published on the Company's website.

It contains the following information:

- Report on the use of Funds Raised from the Previous Increase
- Report of Findings of Independent Certified Auditor-Accountant from the Execution of Agreed Procedures on the Raised Capital Allocation Report

REVIEW OF THE ALLOCATION OF CAPITAL RAISED IN THE PREVIOUS INCREASE

INTRAKAT
INTRACOM CONSTRUCTIONS SOCIETE ANONYME TECHNICAL AND STEEL CONSTRUCTIONS
(Ledger Number S.A. 16205/06/B/87/37)
REPORT ON THE ALLOCATION OF FUNDS RAISED
FROM THE SHARE CAPITAL INCREASE BY CASH PAYMENT
(PERIOD: FROM THE TIME OF THE SHARE CAPITAL INCREASE BY CASH PAYMENT UNTIL 31.12.2009)

It is notified, according to the decision 25 / 17.07.2008 of the Athens Stock Exchange, that the share capital increase of the Company "INTRACOM CONSTRUCTIONS SOCIETE ANONYME TECHNICAL AND STEEL CONSTRUCTIONS" by cash payment, realized according to the decision of the Shareholders Ordinary General Meeting dated 23.06.2008, raised funds of € 16.040.062,50, according to the certification of Company's Board of Directors as at 30.09.2008, which after deducting the expenses of € 718.181,62 amounted to € 15.321.880,88. From the share capital increase, 29.163.750 new common registered shares were issued at a price of € 0,55 per share which were listed for trading on the Main Market of the Athens Stock Exchange on 13.10.2008. The total number of shares after the increase amounts to 77.770.000. The destination of the raised funds per investment category, as well as the realized investments until 31.12.2009 are as follows:

ALLOCATION OF FUNDS RAISED	ALLOCATION OF FUNDS RAISED AS PROVIDED BY THE INFORMATIVE BULLETIN				ALLOCATION OF FUNDS RAISED AS PROVIDED BY THE INFORMATIVE BULLETIN AFTER THEIR MODIFICATION IN ACCORDANCE WITH THE 26.11.2008 DECISION OF THE COMPANY'S BOARD OF DIRECTORS				ALLOCATED FUNDS				
	USE B' SEMESTER 2008	USE A' SEMESTER 2009	USE B' SEMESTER 2009	TOTAL	USE B' SEMESTER 2008	USE A' SEMESTER 2009	USE B' SEMESTER 2009	TOTAL	REALIZED INVESTMENTS B' SEMESTER 2008	REALIZED INVESTMENTS A' SEMESTER 2009	REALIZED INVESTMENTS B' SEMESTER 2009	TOTAL	UNALLOCATED FUNDS ACCORDING TO THE B.o.D DECISION DATED 26.11.2008
1. REDUCTION OF SHORT-TERM BANK BORROWINGS	9.000.000,00	0,00	0,00	9.000.000,00	1.872.730,00	1.627.270,00	0,00	3.500.000,00	1.872.730,00	1.627.270,00	0,00	3.500.000,00	0,00
2. FINANCING OF NEW PROJECTS	2.521.880,88	2.300.000,00	1.500.000,00	6.321.880,88	2.521.880,88	2.300.000,00	1.500.000,00	6.321.880,88	2.521.880,88	2.300.000,00	1.500.000,00	6.321.880,88	0,00
3. WORKING CAPITAL	0,00	0,00	0,00	0,00	5.500.000,00	0,00	0,00	5.500.000,00	5.500.000,00	0,00	0,00	5.500.000,00	0,00
TOTAL	11.521.880,88	2.300.000,00	1.500.000,00	15.321.880,88	9.894.610,88	3.927.270,00	1.500.000,00	15.321.880,88	9.894.610,88	3.927.270,00	1.500.000,00	15.321.880,88	0,00

Notes:

- Until 31.12.2009 the allocation of the funds raised has been completed.
- According to the decision of the Company's Board of Directors dated 26.11.2008, which was approved by the Shareholders Ordinary General Meeting held on 25.06.2009, it was decided to partially change the use of the unallocated balance of funds until 26.11.2008. Specifically, the unallocated balance of funds raised as of 26.11.2008, amounting € 7.127.270,00 of the category "REDUCTION OF SHORT-TERM BANK BORROWINGS", was decided to be allocated as follows: a) the amount of € 1.627.270,00 to be allocated in the A' semester of 2009, β) the amount of € 5.500.000,00 to be allocated within the B' semester of 2008 in the new category "WORKING CAPITAL".

Peania, March 27th, 2010

THE CHAIRMAN OF THE B.o.D.

S. P. KOKKALIS
ID No. / AI 091040

THE MANAGING DIRECTOR

P. K. SOURETIS
ID No. / AB 348882

THE FINANCIAL DIRECTOR

S. K. KARAGIOLIS
ID No. / AI 059874

THE CHIEF ACCOUNTANT

H. A. SALATA
ID No. / X 516418

Report of Findings from the Implementation of Pre-agreed Procedures on the Report on the Allocation of Funds Raised
To the Board of Directors of the Company INTRACOM CONSTRUCTIONS SOCIETE ANONYME TECHNICAL AND STEEL CONSTRUCTIONS

According to the order we received from the Board of Directors of "INTRACOM CONSTRUCTIONS SOCIETE ANONYME TECHNICAL AND STEEL CONSTRUCTIONS" (the Company), we conducted the following pre-agreed procedures within the context of the provisions of the regulatory framework of the Athens Stock Exchange and the relevant legislative framework of the Capital Market, in relation to the Company's Report on the Allocation of Funds Raised, regarding the share capital increase by cash payment, carried out in accordance with the decision of the Company's Shareholders Ordinary General Meeting dated 23.06.2008. The Company's management is responsible for preparing the aforementioned Report. We undertook this project in accordance with the International Standard on Related Services 4400, which applies to "Assignments for the Implementation of Pre-agreed Procedures Related to Financial Information". Our responsibility is to perform the following pre-agreed procedures and report our findings.

Procedures:

- We compared the amounts referred to as disbursements in the above "Report on the Allocation of Funds Raised from the Share Capital Increase by Cash Payment", with the corresponding amounts recognized in the Company's books and records in the period to which they refer.
- We examined the completeness of the Report and the consistency of its content with those mentioned in the Informative Bulletin issued by the Company for this purpose, as well as the relevant decisions and announcements of the competent bodies of the Company.

Findings:

- The per use / investment amounts shown as disbursements in the above "Report on the Allocation of Funds Raised from the Share Capital Increase by Cash Payment", result from the Company's books and records in the period to which they refer.
- The content of the Report contains the minimum information provided for this purpose by the regulatory framework of the Athens Stock Exchange and the relevant legislative framework of the Capital Market and is consistent with those mentioned in the relevant Informative Bulletin and the relevant decisions and announcements of the competent bodies of the Company.
- As mentioned in note 2 of the company, the modification of the allocation of the raised funds was approved by the Shareholders Ordinary General Meeting held on 25.06.2009.

Given that the work conducted does not constitute either an audit or a review, in accordance with the International Standards on Auditing or the International Standards on Review Engagements, we do not express any assurance beyond what is mentioned above. Had we conducted additional procedures or had we performed an audit or review, other issues, apart from those mentioned in the previous paragraph, might have come to our attention.

This Report is addressed exclusively to the Company's Board of Directors, in compliance with its obligations to the regulatory framework of the Athens Stock Exchange as well as the relevant legislative framework of the Capital Market. Therefore, this Report is not to be used for other purposes since it is limited to the items mentioned above and is not extended to the financial statements prepared by the Company for the year 2009, for which we issued a separate Audit Report dated 29.03.2010.

Athens, March 29th, 2010
The Certified Auditors Accountants



ALEXANDROS E TZIORTZIS
Institute of CPA (SOEL) Reg. No. 12371

Associated Certified Public Accountants s.a.
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3, Fok. Negri Street - 112 57 Athens, Greece
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MARIA N. HARITOU
Institute of CPA (SOEL) Reg. No. 15161

ALLOCATION OF RAISED CAPITAL

The funds to be raised from the above-mentioned increase, after deducting the costs of issue, will be used as follows:

- a. 50% as working capital to finance the cash requirements arising from the acquisition of new construction works whose contracts have recently been signed by the Company and those for which it has already become a tenderer and awaits completion of their execution procedures
- b. the remaining 50% for participation in the capital increase of our subsidiary company "INTRADEVELOPMENT S.A.", which operates in the Real Estate sector, in order to invest:
 - in the field of touristic housing development in luxurious tourist destinations.
 - in the field of hotel development and operation (Boutique Hotels) in Athens and other luxurious tourist destinations
 - in the development of complex residential and commercial urban units.

The funds raised are expected to be allocated within twelve (12) months of the completion of the proposed increase.

ANNOUNCEMENT OF THE KEY SHAREHOLDER

The main shareholder of the Company, within the meaning of article 4.1.4.1.2 of the ATHEX Rulebook, namely the societe anonyme INTRACOM HOLDINGS, intends to announce its intentions on maintaining its shareholding in the Company (a) until the completion of the increase and the introduction of the new shares that resulted from the increase of shares; and b) for a period of 6 months after the commencement of the trading of the new shares that resulted by the increase of shares, at the date of the Ordinary General Meeting, which will decide the Increase.

OFFER PRICE

The Board of Directors proposes to be granted the authorization, according to article 13 para. 6 of C.A. 2190/1920, as it may be in effect, to designate at a date after the Ordinary General Meeting which will approve the Increase, the price of the new shares, as well as to take any other action considered according to Law or the Board of Directors as necessary in order to determine the Offer Price, in compliance with the provisions of C.A. 2190/1920.



The above authorization shall be valid for one (1) year from its provision. It is further suggested that the Offer Price of the shares may be higher than the stock price of the Company, at the cut-off time of the pre-emption right.

Peania, June 1st, 2017

THE BOARD OF DIRECTORS