

Trastor Real Estate Investment Company
Board of Directors Report
for the attention of the Extraordinary General Meeting of Shareholders of 29/10/2019
(or any iterative, postponed or interrupted meeting thereof)
pursuant to art. 27 par. 1 of law 4548/2018

The Board of Directors of Trastor Real Estate Investment Company (the “Company”), in connection with the proposed issue of a convertible bond loan, provides the following information, pursuant to article 27 par. 1 of law 4548/2018, with regards to the disapplication of the preemption rights of the existing shareholders.

Scope of issue of the convertible bond loan - benefits for the Company and the Shareholders

The Board of Directors proposes the issue of a Convertible Bond Loan (CBL) for an amount up to €41,084,115.00 by issuing convertible bonds that will not be admitted for trading to a regulated market, disapplication of preemption rights relating thereto and subscription of bonds by the largest shareholder Wert Red S.à.r.l.

The issuance of the CBL is considered essential for the Company for reasons of speed of receipt of additional funds for investment, as the funds of €22.7 million raised in the context of the recent share capital increase completed in August 2019 will soon have been deployed. The current situation in the real estate market is particularly favorable for real estate investment and in this context the Company needs additional capital to pursue its investment plan and look for valuable growth opportunities.

In particular, the process of issuing a CBL, as proposed, is significantly faster than the process of a share capital increase, as in the case of CBL issuance the funds will be immediately available upon issuance, while the process of a share capital increase requires the prior issue and approval of a Prospectus, which takes several months and the capital is received only after the Prospectus approval and publication process has been completed.

In this regard, the shareholder Wert Red S.à.r.l. has undertaken to subscribe all of the bonds that will be issued by the Company, assuming this is resolved by the Extraordinary General Meeting of Shareholders, enabling the disbursement of the amounts following each subscription towards implementation of the Company’s investment plan and other business purposes.

An important concern of the Board of Directors is to enable all shareholders, if they wish, to avoid dilution. The issuance of the CBL is therefore proposed in combination with an authorization to the Board of Directors to increase the Company's share capital by a pre-emptive offering of shares to its existing shareholders in an amount such that all shareholders who subscribe their rights in full will not be diluted. The amount of the share capital increase to be resolved by the Board of Directors following the authorization provided by the Extraordinary General Meeting shall be such that the rights relating to Wert Red S.à.r.l.’s holding of shares in the Company would exactly entitle it to subscribe the number of shares into which the CBL will be mandatorily convertible. The conversion ratio of the Bonds will be nine (9) bonds convertible into ten (10) shares, and the subscription price of the shares will be €0.90.

The main terms of the Convertible Bond Loan are the following:

Facility:	Unsecured Convertible Bond Loan facility pursuant to the provisions of Law 4548/2018 (the “ Convertible Bond Loan ”)
Facility Amount:	Up to €41,084,115.00 in multiple drawdowns
Purpose of Convertible Bond:	To provide liquidity for the acquisition of new assets as per the Company’s Business Scope and for general business purposes
Lender / Bondholder:	Wert Red S.à.r.l.
Interest:	3M Euribor + margin 3.5%, interest payments every three (3) months
Bonds:	Registered, not listed, convertible into Company shares

Nominal value:	€1.00 (1 Euro)
Number of Bonds	Up to €41,084,115
Maturity Date:	31/01/2021 (the “ Maturity Date ”)
Conversion to Equity:	The conversion right is exercised mandatorily by the Bondholders on the Maturity Date. Exceptionally and upon conditions, the CBL may be repaid in cash at the Maturity Date
Conversion Date:	The Maturity Date
Conversion Ratio:	Any nine (9) of the outstanding Bonds on the Maturity Date shall be converted into ten (10) shares
Conversion Results / Conversion Shares:	Share capital increase of an amount equal to the nominal value of the shares issued upon conversion. The difference between the nominal value and the share subscription price will be credited to share premium account. The Company issues new common registered shares (Conversion Shares) in the name of the Bondholder. The Conversion Shares when issued will be duly authorised, validly issued and fully paid shares, free from encumbrances and will rank pari passu in all respects with the then existing shares in the Company. The Conversion Shares will be listed in AthEx
Mandatory Prepayment:	In case of a share capital increase to be resolved by the BoD pursuant to the authorization provided by the EGM (under Item 1 of the Agenda), all issued Bonds shall be mandatorily repaid in full by set-off of the CBL amount issued with the participation of the Bondholder in the share capital increase

Messrs. Shareholders,

In view of the above, the Board of Directors deems that the abolition of preemption rights of the existing shareholders serves the corporate interest and is reasonable and necessary to achieve the aforementioned objectives.

Maroussi, 07/10/2019

The Board of Directors