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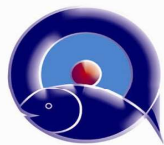
**BOARD OF DIRECTORS REPORT PURSUANT TO ARTICLE 27
PARAGRAPH 1 of L.4548 / 2018, FOR THE ISSUANCE OF THE
CONVERTIBLE BOND LOAN OF THIRTY MILLION [€ 30.000.000] EURO,
WITH THE ABOLITION OF THE PRE-EMPTIVE RIGHTS OF THE
EXISTING SHAREHOLDERS**

A. HISTORICAL OVERVIEW

Following the 4/11/2019 announcement of the Company's Shareholders invitation to the Extraordinary General Meeting convened pursuant to the relevant decision of the Board of Directors on 27 November, 2019 on Wednesday at 09.00 am , at the offices of the company at the 1st km of Koropi Vari and Dimokritou, in the Municipality of Koropi Attica, and following the request of the shareholder of Eurobank Ergasias SA on 31/10/2019, the Board of Directors of the company received the 20/11 / 2019 related recommendations on the agenda items, including the topic referred to under item 1. *"Issuance of up to EUR forty million [€ 40.000.000] unsecured bond loan convertible into its new registered Company shares, with abolition the pre-emptive rights of the existing shareholders and coverage through a private placement. Authorization to the Board of Directors of the Company to finalize the specific terms of the bond loan in accordance with the law and to conclude the contract. "*

Although this issue is proposed by the aforementioned shareholder, and not by the Company's management initiative, in accordance with the law and specifically according to article 27 paragraph 1 of Law 4548/2018, the Board of Directors is "required" to report to the Shareholder's General Meeting, the reasons for abolishing the existing shareholders' pre-emptive rights in the convertible bond loan and to "justify" the proposed price or *conversion ratio of converting the bonds into shares.*





This present report is therefore drafted for these purposes, that is to fully inform the shareholders, on the basis of the contents of the shareholder's request to include the matter on the Extraordinary General Meeting's agenda and to accordingly apply the relative provisions which are primarily applicable, as stated above, when the proposal of issuing a convertible bond loan with a waiver for the pre-emptive rights of the existing shareholders is suggested through an initiative and the responsibility of the Company's Board of Directors, without this being applicable in this case.

This Report is made available to the Company's Shareholders through its being posted on the Company's website (www.nireus.com) and is submitted to the Extraordinary General Meeting on 27/11/2019 or to any other meeting of the Company, either repeatedly or after an interruption or postponement.

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

I. Reasons for the Abolition of the Pre-emptive Rights of the old Shareholders

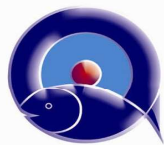
As stated above, the Company has received the request of the shareholder of Eurobank Ergasias SA as of 31/10/2019, which included inter alia the issue under item 1.

In this regard, the requesting shareholder sent the relevant draft decision which states the following as hereby quoted:

“DRAFT PROPOSED DECISIONS ON THE ISSUE OF THE AGENDA OF THE EXTRAORDINARY GENERAL MEETING OF 27 NOVEMBER 2019

Issue 1o: Issuance of up to Euro 40 million [€ 40.000.000] unsecured bond loan, convertible into new Company registered shares, with the abolition of the pre-emptive shareholders' rights and private placement. Authorization of the Company's Board of Directors to finalize the specific terms of the bond loan in accordance with the law and to conclude the contract.





DRAFT DECISION

As part of the Share Purchase Agreement between the shareholders of Piraeus Bank, Alpha Bank, Eurobank and the National Bank and the buyer Andromeda Seafood SL dated 20.6.2018, the new shareholder has undertaken the obligation to pay the Company the amount of € 20.000.000 for debt reduction as well as the amount of up to € 50.000.000 jointly with the company "SLEONDA AQUACULTURE S.A" to cover their needs in working capital, investment and other expenses. In this context, it is proposed to the General Meeting of shareholders the issuance of a new bond loan of EUR 30.000.000 convertible into new Company shares, without collateral and not negotiable in a regulated market (the new CBL). The new CBL will be issued with the abolition of shareholder pre-emptive rights as it will be fully covered by the new shareholder Andromeda Seafood S.L. (the new CBL) immediately after the transfer of shares from the selling banks to the aforementioned company is completed.

[certain terms that are now considered basic follow and are pending for finalization]

Issuer	NIREUS AQUACULTURE (the «Company»)
Issued Amount	The amount is €30.000.000 (the «new CBL»)
Type of Bonds	Nominal Convertible into Company shares. The Bonds will not be negotiable in the Athens Stock Exchange.
Nominal Value of the Bond	Thirty cents of the Euro (€0,30) per Bond.
Shares	Conversion ratio: 1 Bond €0,30 each for 1 share of € 0,30 each
Purpose	Series A (€20.000.000): Partial refinancing of the existing loan Series B (€10.000.000): Working Capital
Expiration Date	3 years from the signing date of the CBL.
Manner of Coverage of the Loan / Abolition of the Pre-emptive Rights of the Old Shareholders	The Loan is issued with the full abolition of with the issuer's pre-emptive rights in favor of the Bondholder and will be fully covered through private placement by the new shareholder Andromeda Seafood S.L.





Repayment	<i>The total new CBL will not be repaid in cash as it is mandatory that it be converted at any time until the Expiration Date</i>
Loan Interest rate	<i>EURIBOR 6month + 1,5%</i>

It is noted that the issue of the proposed new CBL does not raise any objection or complaints from the 2015 CBL bondholders nor from the bondholders of the 2018 intermediate CBL as both of the above existing CBL's will be fully refinanced through the new bond loan immediately referred to in the following Item 2.

It is furthermore noted that the bondholder does not intend to exercise the right of conversion of the bonds into new shares until the completion of the public offering to which is to be undertaken by him.

In view of the above and taking into account that the issuance of the new CBL facilitates the Company's cash position as it will be used partly for partial refinancing of the existing borrowings and partly for the purpose of raising cash, it is proposed that the General Assembly approve the new CBL of Euro 30.000.000 under the terms and conditions referred to above.

Finally, it is proposed that the General Assembly authorize the Board of Directors with a special decision to negotiate and finalize the specific terms of the new CBL as well as to authorize persons to sign the loan, bonds, collateral, and any other relevant documents, certificate etc. as required."

In view of the above, the Board of Directors of the Company considers that the formation of a positive proposal regarding the approval of item 1 of the agenda of the Extraordinary General Meeting on 27/11/2019 is in line with the general corporate interest in that it is concluded that the relative proposal is a prerequisite to the overall sale of the majority of the Company's shares and to the overall solution for the completion of the entry procedures of the new Company's investor which will give a new impetus for its growth.

In this context, the proposal to abolish the pre-emptive rights of the old shareholders and to issue the new CBL is an appropriate, necessary and non-disproportionate measure to achieve the above benefits for the Company and





does not substantially affect the financial position of the shareholders, as:

The disposal of the bonds with the abolition of the old shareholders' pre-emptive rights and its exclusive sale to Andromeda Seafood Ltd has been agreed to in writing as part of the sale procedure of the majority of the Company's shares and the completion of the entry of the investment scheme in its share capital.

The coverage of the new convertible bonds exclusively by Andromeda Seafood Ltd, namely with a privately placement, simplifies and expedites the issuance process, providing the flexibility needed to complete their issuance in a short period of time. Seizing the opportunity to quickly issue and dispose the convertible bonds to meet part of the conditions for the sale of the majority of the Company's shares would not have been achieved without the waiver of the pre-emptive rights.

In addition, it has been speculated by the requesting shareholder that the existing shareholders, due to the current ongoing adverse financial situation, would be reluctant to further finance the company through their participation in the coverage of convertible into shares bond loans that would not be listed in an regulated capital market.

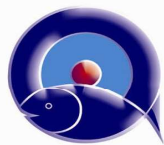
II. Justification of the conversion ratio and the issue price of the new shares

As stated above, the proposed terms for the issuance of the new convertible bond loan originate from the applicant shareholder and therefore the Board of Directors of the company, in the alternative, expresses its opinion on them. Regarding the price and the reason for converting the bonds into Company shares, which will arise as a result of the right to exercise the conversion option of the bonds, the Board of Directors considers it appropriate to state that it is in favor of the shareholder's proposal with the following reasoning.

Specifically, it is proposed to the General Meeting that each (1) bond provides the right to convert it into one (1) common registered, voting right, share of the Company, with a nominal value of thirty cents (€ 0,30) each, and such that the proposed conversion price is set at € 0,30 per share.

In particular, the above conversion price is considered satisfactory, as the conversion will be set at a price equal to that used for the last increase in the





Company's share capital through the capitalization of the Credit Banks's receivables, which is significantly higher than the average share price of the stock exchange market during the last six months, € 0,1901, by 57,82%. It is noted that the closing price of the Company's share stood at € 0,20 on 20/11/2019.

In this way, it is hoped that all shareholders will benefit from the aforementioned issue of the new CBL as a result of refinancing part of its liabilities with the product of the said convertible bond loan while at the same time serving the broader corporate interest by fulfilling the conditions within the context of the new strategic investors' entry into the Company.

Therefore, the Board of Directors considers that the expected benefit for both the Company and its shareholders from the coverage of the proposed shareholder's private placement of the convertible bond loan proposed by the applicant is associated with the successful completion of the sale of the majority shareholding of Andromeda Ltd and is in line with the abolition of the pre-emptive right of the existing shareholders. Thereafter, it gives a favorable opinion to the General Meeting of 27/11/2019 on the acceptance of the request dated 31/10/2019 and the recommendations dated 20/11/2019 of Eurobank Ergasias SA on the issue of this convertible bond loan, by abolition of the pre-emptive right of the Company's shareholders in accordance with the above terms.

Koropi Attica, 22/11/2019

THE BOARD OF DIRECTORS

