

**Thessaloniki**

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Board of Directors Report

According to article 9 par. 1 of L.3016/2002, paragraphs 4.1.3.13.1 and 4.1.3.13.2 of the Athens Stock Exchange Regulation and the relevant provisions of L. 4548/2018, as in force, for the increase of the share capital of "ELGEKA S.A. TRADE - DISTRIBUTIONS - REPRESENTATIONS – INDUSTRY", with cash payment and issuance of new common registered voting shares with a pre-emptive right in favour of the old shareholders.

Introduction

The Board of Directors of "ELGEKA S.A. TRADE - DISTRIBUTIONS - REPRESENTATIONS – INDUSTRY" (hereinafter the "Company"), at its meeting on 19 November 2020 decided to suggest, inter alia, the Extraordinary General Meeting of Shareholders of the Company convened for December 11th, 2020, (hereinafter "G.M"), the increase of the share capital of the Company up to the amount of seven million euro (7.000.000,00 €) by cash payment (hereinafter the "Increase") and the issuance of new common registered shares with voting rights (hereinafter referred to as the "New Shares"), with a pre-emptive right in favour of the old shareholders of the Company.

Further, it decided to propose to the General Meeting the following:

(a) The provision of authorization to the Board of Directors of the Company to set the issue price of the New Shares (hereinafter the "Issue Price") within a period not exceeding one (1) year from the date of the relevant decision taken by the General Meeting, in accordance with par. 2 of article 25 of L.4548/2018, as in force, to determine the duration of the exercise period of the pre-emptive right, to set the record date of the pre-emptive right, the trading period and exercise of pre-emptive rights, the expiration of the payment deadline within the time limits of article 20 of L.4548/2018, as in force, and in general to take all the necessary actions and to regulate the details for the above Increase and the introduction of the New Shares to be traded on the Athens Stock Exchange (hereinafter the "ATHEX"), with the right of sub-authorization to any of its members or employees of the Company.

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(b) The Issue Price may be higher than the market price of the existing shares of the Company at the record date of the pre-emptive right.

(c) To provide the existing shareholders of the Company, who will have fully exercised their pre-emptive rights to the Increase, the opportunity to pre-subscription for the acquisition of unallocated New Shares, in accordance with the terms and procedure to be set by the Board of Directors.

(d) To provide for the possibility of partial coverage of the share capital and therefore in the event that despite the exercise of pre-emptive rights and pre-subscription, as above, New Shares remain unallocated, then the share capital of the Company will increase only by the amount of partial coverage according to article 28 par. 1 of L.4548/2018, as in force (possibility of partial coverage).

In the context of the application of the provisions of article 9 of L.3016/2002 and paragraphs 4.1.3.13.1 and 4.1.3.13.2 of the Athens Stock Exchange Regulation, this Report of the Board of Directors, which will be submitted to G.M. or in any repetitive or after its postponement, will be sent to the ATHEX in order to be published on its website at the same time as the invitation for the convening of the G.M. and will be published also on the Company's website (www.elgeka.gr).

This Report contains the following information:

A. Statement of Use of Funds from Previous Increase

Given the fact that at least one decade has passed since the previous share capital increase of the Company, no accounts of the use of funds are presented as case 1(a) of paragraph 4.1.3.13.2 of the Athens Stock Exchange Regulation and the relevant provision of article 9 par. 1 of L.3016/2002 are not applicable.

B. Investment Plan - Use of Raised Funds - Schedule

The Company intends to use all the funds that will be raised from the proposed Increase after deducting the issue costs, to strengthen the working capital of the Group, thus supporting the strengthening of its collaborations as well as the shielding of its smooth operation in difficult current conditions of the coronavirus pandemic.

The detailed planning of the above actions is at an advanced stage and the Company intends to inform the investing public in a timely manner about the use of the raised funds, in accordance with the provisions of paragraph 4.1.3.13.2 (2) of the Athens Stock Exchange Regulation.

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The Company intends to complete the use of the funds raised from the Increase, within a period of 12 months from the completion of the proposed Increase.

The Company is committed to providing the information required at the time of implementation of the investment plan, in accordance with paragraph 4.1.3.13.2 (2) of the Athens Stock Exchange Regulation, as well as to comply with all its regulatory obligations arising from the relevant legislation.

C. Announcements of Main Shareholders

The main shareholders of the Company, within the meaning of paragraph 4.1.3.13.2(e) of the Athens Stock Exchange Regulation, are expected to announce their intentions regarding their participation in the Increase and the maintenance or not of their participation percentage until the completion of the Increase and the listing of the New Shares, as well as for a period of six (6) months after the start of trading of the New Shares, at the forthcoming G.M., which will decide on the Increase.

D. Issue Price

The Board of Directors proposes to be given an authorization, according to article 25 par. 2 of L.4548/2018, as in force, to determine the Issue Price of the New Shares, at a later time of the G.M. which will decide the specific Increase, as well as to take any other action deemed by Law or deemed necessary by the Board of Directors in order to set the Issue Price, in accordance with the provisions of L.4548/2018.

The above authorization will be valid for one (1) year from its provision. It is further proposed that the issue price of the New Shares may be higher than the market price of the Company's share at the time of the record date of the pre-emptive right.

THE BOARD OF DIRECTORS
Acharnes Attica, 19.11.2020