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Fairness opinion in accordance with Article 4.1.3.13.3 of Athens Stock Exchange Regulations in relation to the share exchange ratio in the context of merger through absorption of Elliniki Technodomiki Anemos SA Electricity Production Company by Ellaktor SA

12 March 2019

Contents

To the Board of Directors of

ELLAKTOR SA
25, Ermou str
145 64 Kifissia

12 March 2019

Dear Sirs,

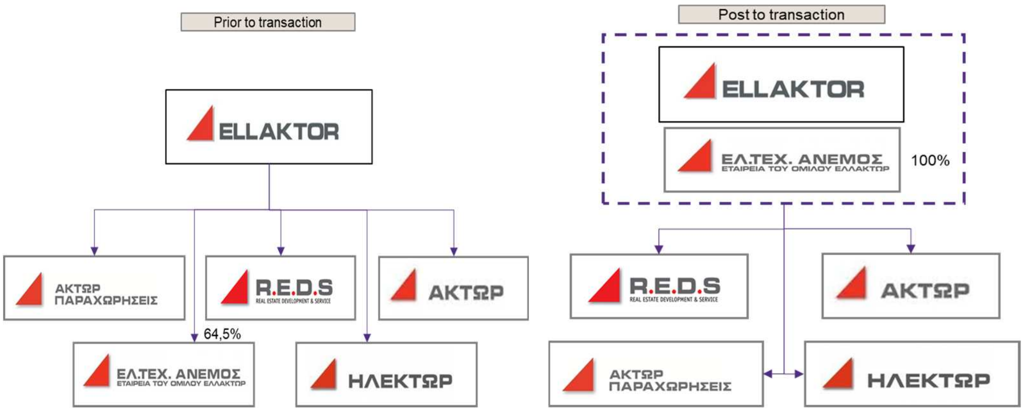
1 Preamble

The Boards of Directors of Ellaktor SA ("Ellaktor" or the "Assignor") and Elliniki Technodomiki Anemos SA Electricity Production Company ("El. Tech. Anemos"), hereinafter collectively the "Merging Companies", at their meetings held on December 28, 2018, have decided to commence the preparatory acts for the merger through the absorption of El Tech. Anemos, which is listed on the Athens Exchange ("ATHEX") by Ellaktor, which is listed on the ATHEX, in accordance with articles 68 et seq. of Codified Law 2190/1920 and articles 1-5 of Law 2166/1993.
In this context, the management of the Assignor (the "Management") has appointed Grant Thornton (the "Consultant" or the "Independent Expert") to give an opinion ("Fairness Opinion") on the fairness and reasonableness of share exchange ratio proposed by the Boards of Directors of the Merging Companies - in accordance with Article 4.1.3.13.3 of the ATHEX Regulation.
To perform our work, we have conducted the valuation of the Merging Companies using appropriate valuation methods with the valuation date considered to be 31 December 2018, the date of El. Tech. Anemos transformation Balance Sheet.

2 Presentation of Ellaktor Group

Ellaktor and its subsidiaries and affiliates (“Ellaktor Group”) mainly operate in the segments of construction, development and management of real estate property, energy, environment and concessions.

The charts below present the structure of Ellaktor Group before and after the transaction:



Ellaktor Group participating interest can be classified according to their nature into the following segments:

- Concessions – Aktor Concessions
- Real Estate - REDS
- Construction – Aktor
- Renewable Energy – El. Tech. Anemos
- Environment - Helector
- Other activities (including the Energy segment - Elpedison)

3 Sources of information

The information and data used for the preparation of the Fairness Opinion include the following:

- Business plans and / or long-term financial forecasts of the Merging Companies and their participations, provided to the Consultant by the Management.
- Valuation reports of fixed assets of Ellaktor and its participations, provided to the Consultant by the Management.
- Audited financial statements of 31 December 2016 and 2017 of the Merging Companies and their participations.
- Published interim condensed financial statements of 30 September 2018 of listed companies Ellaktor, El. Tech. Anemos and REDS SA.
- Pro-forma financial statements of 30 September 2018 of the participations of Ellaktor, provided to the Consultant by the Management.
- Pro-forma net debt position of 31 December 2018 of Ellaktor and its participations as well as for El. Tech. Anemos, provided to the Consultant by the Management.
- Corporate presentations of the Merging Companies and their participations, available on their websites, as well as other information regarding the operation of the companies of Ellaktor Group.
- Published (General) macroeconomic data from websites and databases, widely used for corporate valuation purposes.
- Aswath Damodaran, Stern School of Business / New York University (pages.stern.nyu.edu/~adamodar/).
- International Professional Database.

Valuation of the Merging Companies and determination of their share exchange ratio was based on the above-mentioned data, as well as on data, clarifications and explanations resulting from discussions and written communications with the Management, which has confirmed that the information and data given are accurate and complete.

4 Disclaimer

To facilitate better understanding of our conclusions, your attention should be drawn to the following disclaimer:

- All documents, historical facts and information in relation to the Merging Companies and their participations were provided to us by the Management, as well as the estimations on their future financial performance. It should be noted that our work will not constitute an audit, nor a Due Diligence, in accordance with International Standards on Auditing and no verification procedures will be carried out by us.
- Furthermore, Grant Thornton does not accept any responsibility or liability in case any estimates, facts or documents presented herein proves to be inaccurate, wrong, misleading or non–acceptable. Grant Thornton does not accept any responsibility or liability if proved that the Management withheld important documents or facts.
- Most of the information used for the application of the valuation methods was based on the latest available and updated data. The determination of the Merging Companies' value is based on both the objective and qualitative evaluation of the information given to us and we assessed them according to our experience and knowledge.
- Our opinion on the fairness of the share exchange ratio of the Merging Companies was based on published audited financial statements, latest estimated financial statements and information provided to us by the Management, deemed to be accurate and reliable, without our conducting an independent audit.
- Our opinion is based on the business, economic and other conditions prevailing in the market at the date of the Fairness Opinion. We have no obligation to restate our opinion in case conditions change at a later date, unless we are requested in writing to do so by the Management.
- It should be noted that future financial performance may differ materially from the one estimated by the Management, due to changes in the economic, business or other market conditions. Should this prove to be the case, it is possible that the results of our valuation and opinions no longer apply or are materially different from the ones stated in the Fairness Opinion.

5 Valuation methodology

In order to determine the share exchange ratio, we have conducted valuation of the Merging Companies. Valuations were conducted in accordance with generally accepted methodologies, applied worldwide. Subsequently, we assessed the appropriateness of each methodology. In our opinion, the applied methods as well as the weighting given to each method are proper and appropriate.

The following internationally accepted valuation methods were applied under the valuation of the Merging Companies and their participations:

- Discounted Free Cash Flow Model, or DFCF (Income Approach)
- Adjusted Book Value, or ABV (Cost Approach)
- Market Capitalisation, or MC (Market Approach)
- Comparable Companies’ Multiples, or Multiples (Market Approach)
- Dividend Discount Model, or DDM (Income Approach)

For the purposes of the valuation of the Merging Companies and the determination of share exchange ratio, we considered;

(a) the Adjusted Book Value method and the Market Capitalisation method, as the most appropriate among the most commonly used methodologies, in order to undertake Ellaktor’s valuation. In the context of valuation using the Adjusted Book Value method, we conducted a valuation of the company's participations based on the internationally accepted valuation methods, as presented in Table 1.

(b) the DFCF method and the Market Capitalisation method as the most appropriate among the most commonly used methodologies, in order to undertake El.Tech Anemos’ valuation.

Table 1

Sector	ABV	MC	Multiples	DFCF	DDM
Construction			✓		✓
Concessions	✓				
ATTIKI ODOS SA					✓
MOREAS SA					✓
AEGEAN MOTORWAY SA					✓
GEFIRA SA MOTORWAY					✓
OLYMPIA ODOS SA					✓
Other - ABV	✓				
Other					✓
Renewables		✓		✓	
Real Estate					
REDS	✓	✓			
GYALOU EMPORIKI & TOYRISTIKI SA			✓	✓	
Other	✓				
Environment					
Helector			✓	✓	
Other					✓
Energy	✓				
Elpedison			✓	✓	
Other activities	✓				

A) Discounted Free Cash Flows

Discounted Free Cash Flows Estimation / Calculation

The Discounted Free Cash Flows (DFCF) method is widely recognised as one of the most credible valuation methodologies worldwide. The specific DFCF model examines the company dynamically and no statically, by analysing its performance through the years as well as by considering its ability to generate “cash surpluses”.

The net present value of future cash flows consists of: (a) the present value that corresponds to a period for which projections can be made; this period is defined as the time it takes for the company business plan to be achieved (b) company value in perpetuity. Consequently, if we want to account for the time value of money, the DFCF is considered one of the most appropriate methods.

The Discounted Free Cash Flow model estimates the Equity of a company as the value of the future flows minus the value of debt and other claims that exceed the amount of Equity. It should be noted that the value of the company always assimilates the future discounted cash flow, at a proper discount rate; the cost of capital. The values of the activities and loans are equal to the expected future free cash flows, discounted with coefficients that reflect the risk of these cash flows.

The method involves the calculation of future free cash flows for a period of at least 3 years.

The future cash flows are discounted by a risk adjusted discount rate (Weighted Average Cost of Capital – WACC) and then the Net Present Value is determinated so as the company’s Terminal Value that equals to the Present Value of free cash flows after the specific projected period taking into account the company’s growth in perpetuity.

The formulas applied under this method are as follows:

- **Free Cash Flow** = Earnings Before Interest & Taxes * [1 – (tax rate)] + Depreciation – Capital Expenditure – Change in Working Capital
- **Terminal Value** = Free cash flow of the year following the projected period / (WACC – Growth in perpetuity)

Weighted Average Cost of Capital

The Weighted Average Cost of Capital is the discount rate that converts the expected future cash flows to present value. It is considered the most appropriate discount rate, as it takes into account quality factors such as: company systematic risk, risk premium and company’s tax obligations.

Discounted Free Cash Flows Assumptions

The assumptions used for the application of this method were given by the Management. They were examined for their fairness in accordance with the historical data, each company’s assets, the competitive environment and the future perspectives of each sector.

B) Adjusted Book Value

According to the Adjusted Book Value method, the company's value equals its Book Value, as presented in the financial statements and taking into account the fair value of assets and liabilities based on data provided.

The difference between the adjusted assets and the adjusted liabilities of each company is defined as Adjusted Book Value. Adjusted Book Value method evaluates whether assets and liabilities book values are consistent with the related market values.

Adjusted Book Value incorporates the value of assets (after settlement of liabilities) not only at market values, but also in the context of their contribution to the company's ability to continue as a going concern. Therefore, Adjusted Book Value approach, as far as the estimation of the company's equity fair value is concerned, illustrates the potential of exploring the existing resources. In case there are any items not presented in the financial statements (e.g. contingent assets and liabilities), they should be included in the valuation.

Adjusted Book Value Assumptions

The aforementioned method is appropriate as assets and liabilities are presented as in the pro-forma statements of financial position as at 30/9/2018 and the adjustments made based on the pro-forma net borrowing of the companies as at 31/12/2018, as well as the most recent real estate estimates provided by the Management. Furthermore, the application of the method includes valuation of the participations (sum of parts) and other assets and liabilities based on the valuation methods analysed in the current section.

C) Market Capitalisation

This method applies to listed companies and defines the company's value based on the average daily capitalisations during a specific period.

The underlying assumptions for the application of this method are:

- Adequate free float.
- Adequate volume of transactions.
- No indications of price manipulation.
- Investors are deemed to have equal and adequate information about the entity.

Market Capitalisation Assumptions

The method of Market Capitalisation is based on the analysis of the historical close prices of the company's share valued on the dates preceding the valuation date. This method was deemed appropriate, since both Merging Companies are listed on the Athens Exchange.

D) Comparable Companies' Multiples

The Comparable Companies' Multiples is based on the assumption that the value of a company should be equal to the amount that well informed and rational investors are willing to pay for its share capital. The estimation of the value is based on multiples calculated according to comparable listed companies' market capitalisation and their respective financial figures.

Comparable Companies' Multiples Assumptions

For the Comparable Companies' Multiples method, we have determined a representative and sufficient sample of comparable companies regarding each sector.

For the valuation of the participations of Ellaktor, the multiple EV/EBITDA – Enterprise Value / EBITDA was mainly used.

E) Dividend Discount Model

The Dividend Discount Model is essentially a variation of the Discounted Free Cash Flow Model.

DDM is based on the principle that the value of an asset is equal to the present value of its future dividends discounted using the cost of equity.

Dividend Discount Model Assumptions

The assumptions used for the application of this method were given by the Management. They were examined for their fairness in accordance with the historical data, each company's assets, the competitive environment and the future perspectives of each sector.

6 Conclusions

In conclusion, Ellaktor was valuated using the Adjusted Book Value method, taking into account the valuations of the individual assets based on the methods presented above, and the Market Capitalisation method. El.Tech. Anemos was valuated using the Discounted Free Cash Flow method and the Market Capitalisation method. Valuation results were weighted depending on the appropriateness of each method.

More precisely, regarding Ellaktor, we have weighted the results of the Adjusted Book Value method by 60% and the Market Capitalisation method by 40%. Respectively, for El. Tech Anemos, we have weighted the results of the Discounted Free Cash Flow method by 60% and the Market Capitalisation method by 40%. It should be noted that share exchange ratio arises from the values of the Merging Companies and the corresponding number of ordinary shares of the Merging Companies.

On the basis of the above, the range for the share exchange ratio was determined to be from 1,13 to 1,37 new common shares of Ellaktor for each share of one (1) current, common share of El. Tech. Anemos.

	Minimum	Maximum
Share exchange ratio	1,13	1,37

Fairness opinion on share exchange ratio

According to the decisions of the Boards of Directors of the Merging Companies as of December 28th, 2018, the proposed share exchange ratio for the shareholders of El. Tech. Anemos is 1,27 new common shares of Ellaktor for every one (1) existing common share of El. Tech. Anemos they hold. Based on the documents and data we examined and on the financial analysis we performed and described above, we state that:

(a) for the determination of the value of the Merging Companies, at least 2 different valuation methods have been applied, which are considered appropriate. There were no difficulties in implementing these methods.

(b) the share exchange ratio proposed by the Boards of Directors of the Merging Companies – for every one (1) existing common share of the absorbed company (El. Tech. Anemos), its holder should receive one point twenty seven (1,27) new common shares of the absorbing company (Ellaktor) – falls within the range of the share exchange ratio, as determined in the above table on the basis of the valuations of the Merging Companies, and therefore the proposed share exchange ratio is fair and reasonable.

It is noted that Grant Thornton, as well as the signatory of this Fairness Opinion, certified auditor Mr. Dimitris Douvris, have not been connected with the companies to be merged in any way whatsoever for the last five years prior to the merger.

Yours sincerely,

On behalf of Grant Thornton,

Dimitris Douvris

Certified Public Accountant

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