

SELONDA REPORT

Report of the Board of Directors to the First Iterative Extraordinary General Assembly of the Company's Shareholders to be held on 11.09.2014 (as well as any repeated or after postponement meeting) in accordance with article 13, par. 10 of the C.L. 2190/1920, the article 9, par. 1 of the L. 3016/2002 and par. 4.1.4.1.1 and 4.1.4.1.2, case (3) of the Athens Stock Exchange Regulation.

1. During its meeting of 22.08.2014, the Board of Directors of the Company (hereinafter the 'BoD') decided to convene an extraordinary general meeting of the Company's shareholders (hereinafter the 'EGM') for the discussion and decision on the following items of the agenda:

'1. Reduction of the share capital of the Company through reduction of the nominal value of each existing common nominal voting share of the Company, in order to offset cumulative losses or/and to establish special reserves of the same amount, in accordance with the provisions of article 4 of the C. L. 2190/1920, as in force, and granting authorisation to the Board of Directors to implement this reduction. Amendment of article 5 of the Statutes of the Company.

2. Increase of the share capital of the Company through partial capitalization of the monetary claims from bank loans, payment in cash from one or more interested investors, issuance of new common nominal shares and abolishment of the preemptive rights of the existing shareholders of the Company. Grant authorisation to the Board of Directors for the further specification of the terms of the increase, its implementation and the introduction of the new shares of the Company for trading at the Athens Stock Exchange. Amendment of article 5 of the Statutes of the Company.

3. Issuance of one or more common bonds with physical collateral for a total value of up to one hundred and five million Euros (€105.000.000,00), in accordance with the provisions of L. 3156/2003. Grant authorisation to the Board of Directors for the definition of the particular terms and the execution of the above bond loans.

4. Election of new Board of Directors.

5. Miscellaneous issues - announcements.'

2. The BoD submits the present single report (hereinafter the 'Report') to the EGM in accordance with article 13, par. 10 of the C.L. 2190/1920, article 9, par. 1 of L. 3016/2002 and par. 4.1.4.1.1. and 4.1.4.1.2 case (3) of the Athens Stock Exchange Regulation, and informs the shareholders of the following:

A. Account on the use of capital drawn from the previous increase of the Company's share capital.

The last increase of the Company's share capital with cash payment was realized after relevant decision taken by the extraordinary general meeting of the shareholders, dated 21/10/1999. The total amount drawn was of € 66.667.278,06 and was used from fiscal year 2000 to fiscal year 2002. Here above is the relevant report on the use of the capital drawn:

In 2002 the Company completed the increase of its Share Capital through cash payments. Capital drawn and investments realised are mentioned in the following definitive table:

REPORT ON THE USE OF CAPITAL DRAWN

TABLE OF USE OF CAPITAL DRAWN FROM THE SHARE CAPITAL INCREASE ACCORDING TO THE DECISION OF THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS DATED 21/10/1999.

1.	PERIOD OF EXERCISE OF PRE-EMPTIVE RIGHTS	21/02/200-21/03/2000
2.	CAPITAL DRAWN	22.716.875.000 drs
3.	EXPENSES OF ISSUANCE	249.875.000 drs
4.	DATE OF CERTIFICATION OF PAYMENT	17/04/2000
5.	SHARES ISSUED	11.956.250 sh.
6.	DATE OF INTRODUCTION OF NEW SHARES TO TRADING	24/04/2000

(Amounts σε .000 €)	Investments contemplated in the Prospectus			Change according	Change according	Final use of Capital On the basis of changes according to the General Meeting and the				investments	Investments	Investments	Investments	Remainin g
	Time Schedule			General Meeting of	BoD of	BOD				01/01/00	01/01/01	01/01/02	To	Investments
	2000	2001	Σύνολο	05/06/2001	11/10/2001	2000	2001	2002	Σύνολο	31/12/00	30/12/01	30/12/02	31/12/02	31/12/02
1 MODERNIZATION OF FISH FARMS	1.793	1.174	2.967	323	0	1.792	1.498	0	3.290	1.817	1.473	0	3.290	0
Unit of Korinthia	294	293	587	323	0	293	617	0	910	440	470	0	910	0
Unit of Argolida	440	294	734	0	0	440	294	0	734	206	528	0	734	0
Unit of Arkadia	1.059	587	1.646	0	0	1.059	587	0	1.646	1.171	475	0	1.646	0
2 PAYMENT OF BANK LOANS	10.878	0	10.878	(6.892)	0	1.279	2.709	0	3.988	1.279	2.709	0	3.988	0
ACQUISITIONS-PARTICIPATIONS IN COMPANIES OF THE SECTOR	13.086	19.223	32.309	15.827	0	45.998	2.136	0	48.134	45.948	2.136	0	48.134	0
Increase of participation in SFI		14.674	14.674	3.023	0	17.696	0	0	17.696	17.696	0	0	17.696	0
Participation in capital increase of SFI	5.752	0	5.752	0	0	5.752	0	0	5.752	5.752	0	0	5.752	0
Participations in companies of the sector in Greece	2.935	1.614	4.549	20.138	0	22.550	2.136	0	24.686	22.500	2.136	0	24.686	0
Participation in distribution networks	4.399	2.935	7.334	(7.334)	0	0	0	0	0	0	0	0	0	0
4 INTERNATIONAL PARTICIPATIONS	6.806	4.402	11.208	(5.869)	0	2.332	1.173	1.832	5.337	2.629	1.067	1.641	5.337	0
Participation in BFF	2.935	0	2.935	0	(309)	2.332	293	0	2.625	2.435	190	0	2.625	0
Participation in China	1.467	4.402	5.869	(5.869)	0	0	0	0	0	0	0	0	0	0
Participation in the Middle East	2.404	0	2.404	(2.404)	0	0	0	0	0	0	0	0	0	0
Participation in companies in Europe	0	0	0	2.404	309	0	880	1.832	2.712	194	877	1.641	2.712	0
5 WORKING CAPITAL	1.321	1.646	2.967	2.216	0	3.422	1.761	0	5.183	3.422	1.761	0	5.183	0
6 AQUATIC PARK	0	5.605	5.605	(5.605)	0	0	0	0	0	0	0	0	0	0
GENERAL TOTAL	33.884	32.050	65.934	0	0	54.823	9.277	1.832	65.932	55.095	9.146	1.641	65.932	0

The Company has established an Information Note, due to the importance of differentiations in the use on capital of the SCI paid in cash, according to decision 64 of the A.S.E. available for investors since Friday, November 2, 2001 at the A.S.E., the members of the S.M.E.X.A., the information room of the subscribing investors (Academias & Asklepiou 1, 1st floor) as well as at the offices of the Company, Shareholders Department, Syngrou Av. 231, Nea Smyrni, in accordance with the public announcement of 2/11/2001.

COMMENTS - CLARIFICATIONS

At the Shareholders' Ordinary General Meeting of 05/06/2001 the Company decided the partial amendment of the use of capital drawn. The decision of the General Meeting related to changes that had already been made and are set out in detail here above or changes to be made in relations to the remaining available capital.

CATEGORY 1: The amount of 3.290 thousand Euros was used in investments for the modernization of our production units, in the framework of modernization of the production units.

CATEGORY 2: An amount of 3.988 thousand Euros, as amended by the General Meeting, was used to pay short-term bank loans of the Company.

CATEGORY 3: a) We participated in the increase of the share capital of Sea Farm Ionian S.A. for the maintenance of our participation of 10% and we bought shares of Sea Farm Ionian S.A. amounting to the percentage of our participation in the share capital of the company up to 20%. The cost of this investment amounted to 23.448 thousand Euros. b) An amount of 24.686 thousand Euros was invested for buy-outs – participations in companies of our sector. We acquired the 100% of the company of the sector 'Ovrios Aquaculture S.A.' in return for an amount of 1.540 thousand Euros, increased of our participation in the consortium 'Golden Bream' in return for an amount of 132 thousand Euros, participated in Greek Fishing of Quality in return for 9 thousand Euros, participated in the capital stock of 'Nireus S.A.' for an amount of 20.070 thousand Euros and made an advance payment of 2.934 thousand Euros for the purchase of land in the area of our installations in Korinthia.

CATEGORY 4: With respect to international participations we a) established and operated the company Blue Water Flath Fish Ltd. in Wales spending an amount of 2.625 thousand Euros b) purchased a percentage of 34% of the English company International Aqua Tech Ltd., established and operated of Selonda U.K. Ltd in Wales and invested in Northern Europe a total amount of 2.712 thousand Euros. The total investments for international participations amounted to 5.337 thousand Euros. On 11.10.2002, the BoD decided to invest the amount of 309 thousand Euros to the company Selonda U.K. Ltd instead of the company Blue Water Flath Fish Ltd. Both affiliated companies operate in Wales and are active in fish farming. For the extension of the productive activity and the subsidization of the units in Wales, the new productive units will be activated by Selonda U.K. Ltd instead of Blue Water Flath Fish Ltd, as originally planned.

CATEGORY 5: After the share capital increase an amount of 5.183 thousand Euros as amended by the General Meeting was used for working capital.

Deviations made in the use of capital drawn that are explained in detail in the Information Note drafted by the Company available to the public are the following:

1. Postponement of the China project, amounting to 5.869 thousand Euros (p. 37/Inf. Note)
2. Cancellation of our participation in the creation of aquatic parks amounting to 2.404 thousand Euros (p. 39/Inf.Note)
3. Postponement of investments in the Middle East, amounting to 2.404 thousand Euros (p. 38-39/Inf. Note)
4. Postponement of decrease of bank loans, amounting to 6.892 thousand Euros (p. 22/Inf. Note)
5. Cancellation of the plans of participation of the SELONDA Group in distribution networks abroad, amounting to 7.334 thousand Euros (p. 36-37/Inf. Note)
6. The excess of 15.827 thousand Euros from the amounts mentioned in the Prospectus on participation in other companies of aquaculture sector abroad (p.22-36/Inf. Note)
7. The excess of 2.216 thousand Euros was used for capital. Finally, and in relation to our Prospectus, the company will materialize the following investments (p. 39/Inf. Note)
8. With respect to international participations, due to delays in the investments in the Middle East, capital amounting to 2.404 thousand Euros will be used for investments in Europe.
9. The time lag suffered, often due to undefined factors, or changes of plans due to the rapid evolution of the sector, were limited and will not affect the financial situation and the plans of the Company.

The Company made the above changes in the use of capital in view of the evolution in the aquaculture sector in general and some special circumstances in particular.

Investments mentioned in the table of the use of capital drawn in cash by the Share Capital Increase were made in December 2002 according to the decision of the extraordinary General Meeting of the shareholders dated 21.10.1999, in accordance with the prospectus of the Share Capital Increase as partially amended by the decision of the Ordinary General Meeting dated 05.06.2001.

Nea Smyrni, February 25, 2003

The President of the BoD

The Executive Director

The Chief Financial Officer

Basilis K. Stefanis

Ioannis K. Stefanis

Evangelos N. Pipas

CERTIFICATE OF THE CHARTERED ACCOUNTANT

We have reviewed the data of the joint stock company "Selonda Aquaculture S.A.", applying the accounting principles followed by the Body of Chartered Accountants. From our review we

established that the above data derive from the accounting books of the company as well as from the Prospectus approved by the Athens Stock Exchange.

We note that there have been changes and excesses in the use of the capital drawn compared to that set out in the Prospectus approved by the Athens Stock Exchange, that have been approved by the Ordinary General Meeting of the Shareholders on 05.06.2001 and by the BoD on 11.10.2002, as mentioned in detail in the above table.

N. Smyrni, February 27, 2003

The Chartered Accountant

Sophia Ion. Mouratidou

Imm. No. S.O.EL. 13961

S.O.L. A.E.O.E.'

B. Investment Plan

The proposed increase of the capital stock of the Company is made in the context and for the performance of the agreement entered into between the company and Piraeus Bank, AlphaBank, EurobankErgasias, National Bank of Greece, AtticaBank and Geniki Bank (herein after 'Creditor Banks'), for the restructuring of the Company's loans and the reinforcement of its capital base, while, depending on the structure of the increase of the share capital that the Extraordinary General Meeting shall approve, the Company will seek to find one or more new interested investors so that capital drawn by them may be canalised to the reinforcement of the working capital of the Company, the development of the market of new products of added value in existing and new markets, the smooth treasury management mainly of the basic suppliers for the purchase of fish food, packaging materials, logistics, equipment. As of the date of finalisation of the present report, the BoD has not yet defined the quantities and the time schedule for the use of capital that may be drawn from one or more new interested investors because no relevant decision has been taken by the Extraordinary General Meeting.

Last but not least, the proposed increase of the Company's share capital is expected to be fully completed at the end of 2014 or within the first months of 2015, on condition that all corporate and other approvals are duly obtained.

C. Structure and terms of the Increase

1. The BoD proposes the increase of the capital stock of the Company (hereinafter the 'Increase') as follows:

(a) either by € 50.400.000 with the capitalisation of equal amount of monetary claims from bank credit (hereinafter the 'Capitalised Claims') that the Company has borrowed from the Creditor Banks.

(b) or by € 70.500.000 through (i) capitalisation of the Capitalised Claims by € 50.400.000 and (ii) payment of up to € 20.000.000 in cash by one or more new investors (hereinafter the 'Investors')

(c) abolishment of the pre-emptive rights of the existing shareholders of the company in the cases (i) and (ii)

(d) on condition that the Extraordinary General Assembly shall have previously approved the decrease of the Company's capital stock through reduction of the nominal value of the existing shares from € 1,00 € 0,30, with the issuance of new nominal common shares, of a nominal value of € 0,30 each (hereinafter the 'New Shares') as follows:

(i) in the case (a) above, with the issuance of 168.000.000 New Shares to be made available to the Creditor Banks in proportion to their participation in the Capitalised Claims

(ii) in the case (b) above, with the issuance of 235.000.000 New Shares of which (aa) 168.000.000 will be made available to the Creditor Banks in proportion to their participation in the Capitalised Claims, and (bb) up to 67.000.000 will be made available to one or more Investors through private placement (that is, through procedure that does not constitute public offer according to L. 3401/2005, as in force) depending on the interest that they will show or the engagements that they will undertake for the acquisition of the New Shares.

2. Furthermore, the BoD proposes the issue price of the New Shares to equal the proposed new nominal value, that is, € 0,30 per New Share (hereinafter 'Issue Price') for each one of the above (a) and (b) cases. Consequently, provided the proposed decrease and increase of the capital stock of the Company is approved and finalised, the capital stock of the company will amount to:

(a) € 61.270.555,20 divided by 204.235.184 common nominal shares, of a nominal value of € 0,30 each, in the case above under 1(a), or

(b) € 81.370.555,20 divided by 271.235.184 common nominal shares, or a nominal value of € 0,30 each, in the case above under 1(b).

3. In case the Extraordinary General Assembly decides the Increase to be made in accordance with the above case under 1(b), if no Investors are found or if their participation falls short of the amount of € 20.100.000, the BoD proposes the increase of the capital stock of the Company up to the amount of final coverage, according to article 13a of the C.L. 2170/1920.

4. Finally, the BoD proposes its authorisation for the further specification and finalisation of the structure and the terms of the Increase, the search for Investors and the negotiation and conclusion of relevant binding agreements for the subscription and payment of the New Shares in the case under 1(b), if necessary, the introduction of the New Shares to trading at

the Athens Stock Exchange and, generally, for doing whatever necessary for the realisation of the decision of the Extraordinary General Assembly in relation to the Increase.

D. Reasons for inclusion of the existing shares of the company in the Category of Surveillance / Evolution and actions of the Company in relation to this issue (par. 4.1.4.1.2, case 1(g) of the Athens Stock Exchange Regulation)

Further down is set out unabridged the relevant announcement of the Company dated 03.06.2014, published in the site of the Hellenic Exchanges Group, according to par. 4.1.4.4 of the Regulation of the Athens Stock Exchange:

'The BoD of the Athens Stock Exchange at its meeting of April 4, 2013 applying the Regulation of the Athens Stock Exchange (section 3.1.2.4) decided the inclusion of the shares in the Category of Surveillance because of the importance of the mature aggregate debts of the Company.

The Company has submitted in a timely manner a program of restructuring of all its loan obligations towards the banks on the basis of prolongation of the term of payment of the loans, the conversion of short-term loans into mid- or even long-term and the establishment of sustainable financial indicators in the context of the present economic juncture.

We hereby inform you that the Company has signed a Memorandum of Understanding (MOU) with the credit banks, where is described the procedure of restructuring which includes also the provision of standstill period for all existing credits until the 31.10.2013 as well as the additional credit that has already given. The management of the company considers the 19.07.2013 MOU to have been tacitly renewed.

In parallel, the BoD considers that because it has undertaken specific actions set out in the Memorandum of Understanding, as is the hiring of an independent chartered accountant's company acceptable to the banks to carry out Due Diligence on the financial results of the company and Independent Business Review on the business plan of the company as well as the respect of the particular treasury program, any delays will not affect discussions on restructuring of bank credit with credit banks, that will involve the eventual capitalisation of part of the loans, to be finalised within the next months.

The Management of the Group, as it has mentioned, has been taking since last year actions of productive restructuring aiming at the increase of the biomass produced, with the reduction of the duration of livestock breeding and the increase of the rhythm of growth of fish with immediate result the reduction of operating costs of the company and basic aim the improvement of the liquidity and the important increase of the profitability of the company.

The results of the first semester of 2014 were better than expected in the productive and results level alike and following the realisation of the business plan submitted and reviewed in the framework of the Independent Business Review (IBR) for 2014, the Management

confirms the productive data, the increased sale prices for 2014 and believes that the Company will achieve operating gains which in combination with the completion of the restructuring and partial capitalisation of the loans that will be decided, will manage to achieve an important improvement of all economic fundamentals, its equity and the successful exit from the crisis.'

Further to the above, and with the negative equity of the company after the financial statements of the 31.12.2013, the Company's Board of Directors, after completion of the negotiations with the Banks proposes the increase of the Company's share capital, through capitalisation of the monetary claims from bank loan of the amount of € 50,4 million and the increase of the share capital with the payment of cash by interested investors in order to draw capital up to the amount of € 20,1 million.

E. Reasons for waiving the pre-emptive rights of the existing shareholders of the Company – Justification of the Issue Price (article 13, par. 10 C.L. 2190/1920)

As already explained the proposed Increase shall be made in the context and for the performance of the agreement reached with the Creditor Banks for the restructuring of the borrowing and the reinforcement of the capital base of the Company, the final aim being to ensure the viability and the continuation of the activities of the Company and its Group. The main points of this agreement are the following:

- Capitalisation of monetary claims of an amount of € 50,4 million from loans that the Company has received from the Credit Banks.
- Issuance of common bond of a total nominal value of up to € 105 million in accordance with L. 3156/2003 in the context of restructuring of all the loans of the Company.
- Revolving factoring of claims (commercial claims, VAT and other assets that may be liquidated) of the Company of a total amount of € 10 million in the context of restructuring of the loans of the Company.

As a result of the above agreement, the Company's equity will be restored, bank credit will be rationalised and become viable and the Company's general financial position will be substantially improved.

It is reminded that, according to the Company's annual consolidated financial report for the fiscal year that ended in 31.12.2013 and the Company's published intermediate consolidated financial reports for the period that ended on 31.03.2013, the Company and the Group present negative equity amounting to € 40,7 million and € 38,4 million respectively and therefore actions should be taken in the context of articles 47 and 48 of the C.L. 2190/1920.

In addition, for the case where the Extraordinary General Meeting decides the Increase to be made in accordance with the above under 1(b), we hereby inform you that possible strategic Investors operating in general in the aquaculture sector have expressed strong interest to invest in the Company through participation in the Increase. The first indications are encouraging, but at the moment of publication of the present Report, no relevant agreement has been concluded. In case the Extraordinary General Meeting decides the Increase to take place according to the above under 1(b) and provided such agreement is concluded which will be duly announced, the Company expects multiple benefits other than its additional capital reinforcement, including the extension of its shareholding base with positive impact in the tradability of its shares after the concentration of the majority of the New Shares in the hands of the Credit Banks as a result of the capitalization of the Capitalized Claims.

As for the Issue Price of € 0,30 per share, this has been decided after negotiations with the Credit Banks taking into account the revised Independent Business Plan of the Company that was the object of independent review by an independent auditor's company acting on behalf of the Credit Banks, the financial position and the prospects of the Company after the restructuring of its loan obligations.

In view of the above, the BoD considers that all the above stand for waiving the pre-emptive rights of the existing shareholders of the Company and explain the proposed Issue Price, in accordance with article 13 par. 10 of the C.L. 2190/1920, and, therefore, suggests their approval from the Extraordinary General Meeting.

Athens, August 22, 2014

The Board of Directors