

**DETAILED FINANCIAL REPORT OF**

**PIRAEUS BANK S.A.**

**PIRAEUS BANK**



**PURSUANT TO ARTICLE 15 OF LAW 3461/2006**

**TO THE BOARD OF DIRECTORS OF**

**KLEEMANN HELLAS S.A.**



**IN RELATION TO THE PUBLIC MANDATORY TENDER OFFER SUBMITTED BY MCA ORBITAL GLOBAL HOLDINGS LTD FOR THE ACQUISITION OF ALL ORDINARY SHARES WITH VOTING RIGHTS OF KLEEMANN HELLAS S.A.**

**28 NOVEMBER 2016**

<b>1</b>	<b>Information on the Detailed Financial Report of the Financial Advisor, pursuant to Article 15 of Law 3461/2006.....</b>	<b>4</b>
<b>2</b>	<b>Tender Offer Description .....</b>	<b>8</b>
2.1	Tender Offer.....	8
2.2	The Shares subject to the Tender Offer .....	9
2.3	Offer Price .....	10
2.4	The Offeror.....	10
2.5	Persons acting in Concert with the Offeror .....	11
2.6	Shares already held by the Offeror and the Concerted Parties .....	11
2.7	The Offeror's Adviser .....	11
2.8	Tender Agent of the Offeror .....	11
2.9	Maximum number of Shares that the Offeror is bound to accept .....	12
2.10	The Binding Nature of the Tender Offer .....	12
2.11	Acceptance Period .....	12
<b>3</b>	<b>Brief Company Description .....</b>	<b>13</b>
3.1	General Information .....	13
3.2	The Group and Business Description .....	13
3.3	Personnel .....	13
3.4	Share Capital - Shareholders.....	14
3.5	Board of Directors.....	14
<b>4</b>	<b>Selected Financial Figures.....</b>	<b>16</b>
4.1	Selected financial figures of the Consolidated Statement of Total Comprehensive Income for the fiscal years 2014 and 2015 .....	16
4.2	Selected financial figures of the Consolidated Interim Statement of Total Comprehensive Income for the six-month period ended on 30.06.2015 and 30.06.2016.....	16
4.3	Selected financial figures of the Consolidated Statement of Financial Position as of 31.12.2015 and 31.12.2014 .....	16
4.4	Selected financial figures of the Consolidated Statement of Financial Position as of 30.06.2016 .....	17
<b>5</b>	<b>Valuation Methodology.....</b>	<b>18</b>
<b>6</b>	<b>Evaluation of the Tender Offer Price.....</b>	<b>19</b>
6.1	Discounted Cash Flow Method ("DCF") .....	19
6.1.1	Method Overview .....	19
6.1.2	Application of the methodology to the Company .....	19
6.1.3	Factors affecting significantly the valuation of the Company .....	20
6.1.4	Conclusion .....	20
6.2	Comparative Analysis of Listed Companies through Trading Multiples .....	20
6.2.1	Method Overview.....	20

6.2.2	Application of the methodology to the Company .....	21
6.2.3	Conclusion .....	23
6.3	Comparative Analysis through precedent Transactions of Comparable Companies.....	23
6.3.1	Method Overview.....	23
6.3.2	Application of the methodology to the Company .....	23
6.3.3	Conclusion .....	24
6.4	Historical Share Trading Analysis .....	24
6.4.1	Description of the Analysis .....	24
6.4.2	Application of the Analysis to the Company.....	24
6.5	Analysis of premia offered in selective tender offers in the Greek Capital Market.....	26
6.5.1	Description of the Analysis .....	26
6.5.2	Application of the analysis to the Company .....	26
<b>7</b>	<b>Conclusion .....</b>	<b>28</b>
	<b>Disclaimer .....</b>	<b>29</b>

## **1 Information on the Detailed Financial Report of the Financial Advisor, pursuant to Article 15 of Law 3461/2006**

In the context of the tender offer (hereinafter the "Tender Offer") of MCA ORBITAL GLOBAL HOLDINGS LTD (hereinafter the "Offeror") for the acquisition of all shares of "KLEEMANN HELLAS MECHANICAL CONSTRUCTIONS SOCIETE ANONYME INDUSTRIAL TRADING COMPANY S.A." (hereinafter "KLEEMANN" or the "Company"), the Company and Piraeus Bank S.A. (hereinafter "Piraeus Bank" or "we" or the "Financial Advisor" or the "Advisor"), executed on 10.10.2016 an agreement for the provision of financial advisory services according to which Piraeus Bank was engaged in order to draft the valuation report of the Financial Advisor (hereinafter the "Detailed Financial Report" or the "Report") pursuant to Article 15 of Law. 3461/2006 "Transposition of Directive 2004/25/EC on tender offers" (hereinafter the "Law"), as applicable.

This Report is provided solely in order to inform the Board of Directors of KLEEMANN, (hereinafter the "Board" or "BoD" or "you") and assist you with the preparation of the written reasoned opinion on the Tender Offer, pursuant to Article 15 of the Law.

In order to determine a value range into which the value of the Company and its share oscillates (hereinafter the "Value Range"), we have reviewed certain publicly available business and financial information about the Company. We have reviewed financial and other information regarding the business and the prospects of the Company, including the business plan and forecasts of the financial results of the Company and its affiliates (hereinafter the "Business Plan") that were prepared and provided by the management of the Company (hereinafter the "Management"), through electronic correspondence, as is confirmed by the relevant letter of the Company dated 23.11.2016, and we also discussed with senior executives of the Company its current condition and prospects. During these discussions, the estimates-forecasts of the Management regarding the evolution of financial figures, future results and cash flows and the assumptions that support these forecasts were further elaborated. It should be noted that these estimates were produced under the current conditions, i.e. without taking into account possible developments that may have a direct and significant impact on the demand for products offered by the Company and their pricing. However, these assumptions may not be fulfilled in the future. We have also compared the Company with other foreign listed companies, engaged in activities similar (comparable) to the activities of the Company, and we have taken into consideration the financial terms, to the extent they were publicly available, of certain recent precedent transactions in the Company's sector. We also reviewed other information, financial and research reports, analyses as well as financial, economic and market criteria that were provided by the Company or were publicly available.

In conducting the valuation internationally recognized methods have been applied, namely:

- i) The Discounted Cash Flow Method, which resulted in a range of values: € 1.50- € 2.14 per share.
- ii) The Comparative Analysis of Listed Companies through Trading Multiples, which resulted in a range of values: € 1.47 - € 2.37 per share.
- iii) Comparative Analysis through precedent Transactions of Comparable Companies, which resulted in a range of values: € 1.74 - € 2.07 per share.

Moreover, we have additionally examined the evolution of the Company's share market price, its performance in comparison to the Athens Exchange Composite Share Price Index and the distribution of the corresponding trading volume at various price levels ("entry price analysis") for the period of the last twelve months preceding the date on which the Offeror became obliged to submit the Tender Offer, as well as the premia that have been offered in selective precedent tender offers (both mandatory and voluntary) in the Greek capital market.

Based upon and subject to the foregoing, including the aforementioned letter of the Company dated 23.11.2016, Piraeus Bank's opinion is that the Value Range of the Company, in connection to the Tender Offer, at the date of this document, lies between € 1.53- € 2.16 per share.

Piraeus Bank estimates that the Value Range, at which it has arrived, as previously described, is supported by the information placed at its disposal. However, we draw your attention to the fact that company valuations entail subjectivity, to a considerable extent, and, consequently, different appraisers may arrive at different valuations of the same company, since there is no single, unambiguous method of valuation and business value. We further note that other appraisers may arrive at different conclusions regarding the valuation of the Company even by taking into account the same information.

For the performance of the valuation we have assumed and relied upon, without independently verifying, the truth, accuracy and completeness of the financial and other publicly available information and data, as well as the views of the Management regarding the Company, its activities and prospects and the information furnished to us, or otherwise made available to us, or presented to us orally by the Management. Piraeus Bank assumes no obligation and therefore has no liability for verifying the above mentioned information provided by the Management. Our analyses are not necessarily indicative of the actual values or actual future results that may be achieved, which may be higher than those indicated herein.

As you are aware of, we have assumed that, for valuation purposes, all information provided to us is true, accurate and complete in all material aspects. With respect to the historical business and financial information furnished to us, we have assumed that it has been reasonably prepared on the basis of consistently applied standards and reflect with accuracy and completeness the actual business and financial position of the Company, as per their date of reference. Furthermore, no market or competition surveys have been carried out and no technical, labor and other similar matters have been examined. With regards to the information and forecasts, financial and other, which were furnished to us and refer to the future, we have assumed, for the purposes of this document, that they were reasonably made, on the basis of the best available estimates and judgments of the Company's senior executives, at the date of this document, regarding the future financial performance of the Company. Finally, for the purposes of this document we have relied on the estimates of the Management and its legal, tax and accounting advisers regarding legal, tax and accounting issues.

We draw your attention to the fact that Piraeus Bank has not implemented audit procedures, as this was outside its scope of work, and has not made any independent verification or confirmation of the data, information and estimates provided, on the basis of which this document was prepared. Consequently, the Report is not a certificate or report as to the completeness and accuracy of data provided to Piraeus Bank or the reasonableness of forecasts and estimates brought to Piraeus Bank attention and, therefore, Piraeus Bank accepts no responsibility for the truth, accuracy and / or completeness of the data on which this Report was based. No reference included herein should be construed as tax, legal, accounting or actuarial advice. Piraeus Bank does not assume any responsibility and liability for any tax and/or legal and/or actuarial matters related to this document.

In relation to this document we also note the following: a) we have not performed any valuation or independent appraisal of the discrete assets or liabilities of the Company or any of its affiliated companies, nor have we been furnished with any such valuations or appraisals, and this Report does not include any such valuation or appraisal and may not be used as such, b) we have not performed any on-site inspection of the assets or facilities of the Company, or of its affiliated companies, in the context of preparing this Report, c) we haven't approached any of the Company's customers or creditors/partners, d) we have not carried out any legal or financial due diligence of the Company, or its individual assets and we have not assessed the impact of any litigation on its actual assets, e) we have not explored, nor we assume any responsibility in relation to, the ownership, or any claim

against the Company's assets, f) our Report does not take into consideration any transaction costs, g) although we have used, where appropriate, several assumptions, judgments and estimates, in order to derive the Value Range of the Company and its share, the accuracy, or the ability for verification of such assumptions, judgments and estimates, which, as you are aware, were discussed with you before preparing this Report, cannot be confirmed.

Our Report is based on financial, economic and market conditions, as they currently stand and can be estimated at the date hereof and we do not express an opinion as to whether these conditions will remain the same or what is the possible effect, on the views expressed herein, of a change in these conditions. The views expressed herein are also subject to uncertainties relating to important factors such as any future developments in the fiscal situation of the country, developments in the supervisory, legal, tax, regulatory and institutional framework, in Greece and abroad, in the macroeconomic and financial environment, in the broader capital and money market conditions, developments in supply, demand, costs and the intensity of competition in the sectors and countries where the Company operates. Events that will occur after the date hereof may affect the subject of this Report and the assumptions used in its preparation. Also, Piraeus Bank assumes no obligation to update, revise or reconfirm the information contained in this Report.

Finally, we draw your attention to the fact that in order to prepare this Report we have assumed that the Tender Offer will be consummated in accordance with its terms included in the Information Memorandum, as approved by the Hellenic Capital Markets Committee on 22.11.2016, without any waiver, amendment or delay of any term or condition.

We note that we have been engaged by the Company to act as its financial advisor in order to prepare a detailed report, which will accompany the reasoned opinion of the Board of Directors of the Company with reference to the Tender Offer, pursuant to Article 15 of the Law. For our services we will receive a fee with the delivery of this Report. Therefore, we were not involved in organizing, planning or negotiating the Tender Offer.

Piraeus Bank Group is an organization with significant Greek and international presence, and a wide range of provided services. In the context of the services provided by the Bank and/or other companies of its group, conflicts of interest may arise in relation to the information provided herein. In this respect, it is noted that: a) the Bank and its affiliated companies may have provided in the past or currently providing or provide in the future, financial, advisory and financing services to the Company and/or the Offeror or their affiliated companies and they may have received, or will receive in the future, fees for these services, and b) within the framework of their ordinary business activities, Piraeus Bank and its affiliates may, at any time, have a long or short position and may negotiate or commit transactions in any other way, for their own account, or on behalf of clients, in bonds or shares or loans of the Company, the Offeror or any other company that may be involved in this transaction.

We specifically draw your attention to the fact that this Report has been prepared solely for informing and assisting the Board of Directors of KLEEMANN, in relation to its reasoned opinion in writing with regards to the Tender Offer, pursuant to Article 15 of the Law, and does not constitute an advice to purchase or sale shares, within and outside the framework of the Tender Offer, or an incitation or offer to participate in any transaction. For these reasons, the Board of Directors of KLEEMANN should undertake its own evaluation of any information and opinion contained herein and should not rely on any such information as if it was an investment advice. Piraeus Bank does not assume any responsibility versus any party, except than that arising from its capacity as a Financial Advisor as outlined by Article 15 par. 2 of the Law. Piraeus Bank does not express an opinion with regards to the reasonableness and fairness of the Tender Offer price, neither pertaining the opinion that the Board will express. The BoD of the Company is obliged to express its reasoned opinion in writing pertaining the Tender Offer and the Advisor is not responsible for the BoD's opinion, even if the BoD supports its reasoned opinion by the content of this Report. It is expressly noted that Piraeus Bank does not

assume any responsibility regarding the content of the written reasoned opinion of the Board of the Directors of the Company regarding the Tender Offer as indicated above. Events after the date of this Report, as well as changes in circumstances, may affect this Report and the assumptions used in its preparation and we assume no obligation to update, modify or confirm this Report.

Finally, please note that any use or reference by the Company and its Board of Directors to this Report, in whole or in part, and to Piraeus Bank by any means and in any circumstances, will require the prior written consent of Piraeus Bank, except in case of reference to this Report in the context of drafting the aforementioned written reasoned opinion of the Board on the Directors regarding the Tender Offer.

## 2 Tender Offer Description<sup>1</sup>

### 2.1 Tender Offer

On 19.09.2016, the natural persons Mr. Nikolaos Koukountzos son of Konstantinos, Mr. Konstantinos Koukountzos son of Nikolaos, Mr Nikolaos Koukountzos son of Nikolaos, Mrs. Aikaterini Koukountzou daughter of Nikolaos, Mr. Menelaos Koukountzos son of Konstantinos, Mrs. Aikaterini Koukountzou daughter of Menelaos and Mr. Konstantinos Koukountzos son of Menelaos orally agreed to act in concert, within the meaning of article 2 (e) of the Law, in order to jointly acquire the control of the Company (hereinafter "Coordination Agreement"). In this framework, the aforementioned natural persons exchanged the Shares of the Company that they held with Shares issued by the Offeror, for the implementation of the Share exchange agreement that was signed on the same day. As a result, the Offeror acquired in total 15,896,582 Shares and voting rights in the Company, which correspond to the sum of the shares issued by the Company, which the aforementioned natural persons owned, i.e. to 67.22% of the total voting rights in the Company. Following the completion of the aforementioned exchange of shares, the Offeror is exclusively controlled by the aforementioned natural persons.

As a result of the above, the obligation for the submission of the present mandatory Tender Offer, pursuant to article 7 of the Law, was triggered.

More specifically, in the framework of the Coordination Agreement and by virtue of the Share exchange agreement and in execution of them, each one of the aforementioned natural persons contributed to the Offeror the total shares of the Company that he/she held, namely 15,896,582 Shares in total, with a nominal value of €0.35 each. On the same day, the Offeror proceeded with a share capital increase, by issuing new shares that were given to the aforementioned natural persons, in exchange for the abovementioned Contribution.

Concerted Parties, in accordance with Article 2 (e) of the Law, are the above natural persons-shareholders of the Offeror. Under the concept of Concerted Parties are included the persons, which are controlled by the above, within the meaning of the article 8 of the P.D. 51/1992 as in force after its amendment by the law 3556/2007, and more specifically the companies "Koukountzou M. & A General Partnership" and "K.A & M. Koukountzos General Partnership", companies that are controlled by certain shareholders of the Offeror. Apart from the above, there are no other persons (legal or natural) acting on behalf of or in concert with the Offeror with regard to the Offer.

On 21.09.2016, the Offeror proceeded, pursuant to the provisions of the Law, to the submission of the present mandatory Tender Offer, addressed to all shareholders, who held shares that it or the Concerted Parties did not hold on the Date of the Tender Offer. In particular, on the Date of the Tender Offer, the Offeror initiated the Tender Offer by informing the HCMC and the Board of Directors of the Company and by submitting to them the draft of the Information Memorandum, in accordance with Article 10 of the Law. Subsequently, on 22.09.2016, the Tender Offer was announced by the means provided for in Article 16 paragraph 1 of the Law.

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<sup>1</sup> Further and more detailed information regarding the Tender Offer is presented in the Information Memorandum, copies of which are available for free in all the branches of the Offeror's Adviser/ Tender Agent (Eurobank Ergasias S.A.) in Greece, all business days and working hours, for the whole Tender Offer period. Electronic copies of the Information Memorandum will also be available, free of charge, on the Adviser's website (<https://www.eurobank.gr/online/home/generic.aspx?id=1355&mid=363&lang=gr>) and on the HELEX's website (<http://www.helex.gr/el/web/guest/companies-information-memorandum-informative-material>). Unless otherwise defined herein, capitalised terms used in this section, have the same meanings as those defined in the Information Memorandum (the "Information Memorandum"), which was approved by the Hellenic Capital Markets Commission on 22.11.2016.



On the Date of the Tender Offer, the Offeror and the Concerted Parties held 15,896,582 shares and voting rights in the Company, which represent 67.22% of the paid up share capital and voting rights in the Company.

On the Date of the Tender Offer, the Shares which are the subject to the Tender Offer, amounted to 7,752,118 Shares and represented 32.78% of the total number of shares and the voting rights in the Company.

The Tender Offer is conducted under the provisions of L. 3461/2006 "Incorporation in Greek Law of Directive 2004/25/EC relating to Tender Offers" and in accordance with the Information Memorandum.

The Tender Offer will be valid, regardless of the number of Shares that will be validly tendered until the end of the Acceptance Period. The Tender offer is unconditional.

If, after the expiry of the Acceptance Period, the Offeror holds shares representing at least 90% of the voting rights in the Company:

(a) The Offeror will exercise its Squeeze-Out Right, in accordance with Article 27 of the Law, and will buy off the shares of the other Shareholders, who did not accept the Tender Offer, at a price equal to the Offer Price, within the prescribed period of three (3) months after the end of the Acceptance Period.

(b) Shareholders, who did not accept the Tender Offer, will be entitled to exercise their Sell-Out Right, in accordance with Article 28 of the Law. Thus, the Offeror will be required for a period of three (3) months from the publication of the Tender Offer's results to acquire through stock exchange all the shares that will be offered to it in cash at a price equal to the Offer Price. At the time of the publication of the Tender Offer, the Offeror will also publish the Sell-Out Right of the Shareholders.

Following the completion of the procedure of the Squeeze-Out Right, the Offeror will convene the General Assembly of the shareholders of the Company, in order to decide on the delisting of the Company from ATHEX, pursuant to article 17 paragraph 5 of the Law 3371/2005 and will vote in favor of this decision. After the adoption of this decision by the General Assembly of the shareholders of the Company, the Offeror will submit a request to HCMC for the delisting of the Company from ATHEX.

If the conditions of article 27 of the Law are not met and consequently the Offeror is not entitled to exercise his Squeeze-Out Right, the Offeror will seek the delisting of the Shares from ATHEX, by virtue of a relevant decision of the General Assembly of the shareholders of the Company, pursuant to article 17 paragraph 5 of the Law 3371/2005.

## **2.2 The Shares subject to the Tender Offer**

Through the Tender Offer, the Offeror intends to acquire the sum of the Shares of the Company, which are not held by the Offeror and the Concerted Parties, at the date of the Tender Offer. Thus, at the date of the Tender Offer, the Shares, which are subject to the Tender Offer, amounted to 7,752,118, representing 32.78% of the Company's paid up share capital and voting rights. Since 1999, the Shares are traded in the securities market of ATHEX and specifically in the "Main Market".

The Offeror intends to acquire the Shares, together with all existing and future rights deriving from and attaching to such Shares provided that they are free and clear from all encumbrances, whether created by law, registered or contractual, including pledges, restrictions, claims, life interests, liabilities and any other rights vested in third parties.

### 2.3 Offer Price

In accordance with article 9 of the Law, the Offeror intends to pay €2.02 in cash for each Tender Offer Share validly tendered.

The Offer Price complies with the minimum fair and reasonable price thresholds set out under Article 9 paragraph 4 of the Law, as in the present Tender Offer:

- i. In accordance with the official data of ATHEX, the volume-weighted average price of Shares over the last six months preceding the date that the Offeror became liable to submit the Tender Offer, namely the 19.09.2016, amounts at €1.59.
- ii. Neither the Offeror nor the Concerted Parties or the persons acting on their behalf have acquired Shares, over the twelve (12) months preceding the date on which the Offeror became liable to submit the Tender Offer, apart from transactions described in chapter 2.10 of the Information Memorandum, which were carried out at lower price than the Offer Price.

In addition to the Offer Price, the Offeror will assume on behalf of the Accepting Shareholders, the payment of the clearing duties in favor of HELEX, for the off-exchange transfer of the Shares, as defined in the Clearing Regulation, currently amounting to 0.08% of the transfer value, which is calculated by multiplying the number of Transferred Shares with the highest of the following values: the Offer Price and the closing price of the Share on ATHEX on the preceding working day from the submission of the necessary documents to HELEX and with a minimum charge equal to the lower between 20 Euros and 20% of the value of the transfer for each Accepting Shareholder. The Offeror does not assume the payment of the amount corresponding to the tax on the off-exchange transfer, now amounting to 0.2% of the transaction value, which will be borne by the Accepting Shareholders. Consequently, the Accepting Shareholders will receive the total amount of the Offer Price without deduction of the clearance duties but reduced by the amount of the aforementioned tax.

At the date of the Tender Offer, the Offer Price was higher by:

- 27.0% than the volume-weighted average closing price of the Share over the last six (6) month period until the 16<sup>th</sup> of September 2016, which amounted to € 1.59 per share.
- 29.5% than the volume-weighted average closing price of the Share over the last twelve (12) month period until the 16<sup>th</sup> of September 2016, which amounted to € 1.56 per share.

### 2.4 The Offeror

The Offeror is a private company limited by shares, under the name «MCA ORBITAL GLOBAL HOLDINGS LTD», incorporated on 07.04.2016 and operating under the corporate law of Cyprus (Chapter 113), with registration number in the Register of Companies and Official Receiver HE 3545299 and registered address at 12 Rodou Str., Agioi Omologites, 1086, Nicosia, Cyprus.

Principal activity of the Offeror is its participation in other companies. As of 01.09.2016 the Offeror employs only one employee and is managed by three (3) Directors. With the exception of the present Tender Offer, the Offeror has not developed any activity until today.

At the date of the Information Memorandum, the Offeror, except for its participation in KLEEMANN, does not participate in companies within the meaning of Article 32 of Law 4308/2014.

The initial share capital of the Offeror at the time of its establishment, on 07.04.2016, was (1,000) euro, divided into 1,000 shares, of a nominal value of one euro (€ 1.00) each, while its sole shareholder was Mr. Konstantinos Koukountzos son of Nikolaos.

## 2.5 Persons acting in Concert with the Offeror

Persons Acting in Concert, pursuant to Article 2 (e) of the Law, are the following natural persons - shareholders of the Offeror:

- Mr Nikolaos Koukountzos, son of Konstantinos, who is also Chairman of the BoD of KLEEMANN
- Mr Menelaos Koukountzos, son of Konstantinos, who is also Vice-Chairman of the BoD of KLEEMANN
- Mr Konstantinos Koukountzos, son of Nikolaos, who is one of the three Directors of the Offeror and also CEO of KLEEMANN
- Mr Nikolaos Koukountzos, son of Nikolaos, who is also Deputy CEO of KLEEMANN
- Mrs Aikaterini Koukountzou, daughter of Nikolaos
- Mrs Aikaterini Koukountzou, daughter of Menelaos
- Mr Konstantinos Koukountzos, son of Menelaos

In addition, under the concept of the persons acting in concert are included the persons, which are controlled by the above, within the meaning of the article 8 of the P.D. 51/1992 as in force after its amendment by the law 3556/2007, and more specifically the companies “Koukountzou M. & A General Partnership” and “K.A & M. Koukountzos General Partnership”, companies that are controlled by some of the shareholders of the Offeror.

Apart from the above, there are no other persons (legal or natural) acting on behalf of or in concert with the Offeror with regard to the Offer.

## 2.6 Shares already held by the Offeror and the Concerted Parties

At the date of the Tender Offer, on September 21, 2016, the Offeror held directly 15,896,582 Shares and the Concerted Parties controlled indirectly 15,896,582 voting rights in the Company, representing a percentage equal to 67.22% of the share capital and voting rights in the Company.

On 25.11.2016, following the transactions carried out through the ATHEX, and based on the latest Company's notification of significant changes in voting rights, pursuant to L.3556/2007, dated 25.11.2016, regarding the transaction of 24.11.2016, the Offeror held directly 17,964,407 Shares and the Concerted Parties controlled indirectly 17,964,407 voting rights of KLEEMANN, representing a percentage equal to 75.96% of the share capital and voting rights in the Company.

## 2.7 The Offeror's Adviser

Eurobank Ergasias S.A. is acting as the Offeror's Adviser for the purposes of the Tender Offer, pursuant to article 12 of the Law.

Eurobank Ergasias S.A. is a Greek credit institution with General Commercial Registry Number 000223001000, having its registered seat in the Municipality of Athens (Othonos 8 Str, P.C.: 10557) and is entitled, inter alia, to provide in Greece, the investment services defined in article 4 paragraph 1 indent (f) and (g) of the Law 3606/2007, as in force.

## 2.8 Tender Agent of the Offeror

Eurobank Ergasias S.A. appointed as a Tender Agent by the Offeror, pursuant to article 18 of the Law.

## **2.9 Maximum number of Shares that the Offeror is bound to accept**

The Offeror is bound and undertakes to acquire all Shares not held by the Offeror and the Concerted Parties at the date of the Tender Offer, i.e. a maximum of 7,752,118 Shares, representing 32.78% of the paid-up share capital, in accordance with the terms and conditions of the Information Memorandum.

## **2.10 The Binding Nature of the Tender Offer**

Subject to the terms and conditions set out in the Information Memorandum and without prejudice to the provisions of the Law, this Tender Offer is binding on the Offeror, and each Declaration of Acceptance that has been duly submitted is binding on the Accepting Shareholder and cannot be revoked, with the exception of the right of revocation of the initial Tender Offer in case of a Competing Tender Offer being launched after its approval by the HCMC in accordance with article 26 of the Law, whereby the provisions of chapter 3.5 of the Information Memorandum shall apply.

## **2.11 Acceptance Period**

The Acceptance Period, in accordance with article 18 paragraph (2) of the Law, during which the Shareholders may declare their acceptance of the Tender Offer, commences on 25.11.2016 at 8:00 am and ends on 09.01.2017 at the close of business of the banks operating in Greece, thus it lasts for a total of six (6) weeks.

### **3 Brief Company Description<sup>2</sup>**

#### **3.1 General Information**

The Company with the registered name “KLEEMAN HELLAS Incorporated Company Industrial, Commercial Company for Mechanical Construction S.A.” and the trade name “KLEEMANN HELLAS ABEE” was established in 1983. It is registered in the Register of Sociétés Anonymes under the number 10920/06/B/86/40 and in the General Commercial Register under the number 014486435000. Its duration is defined until December 31, 2050 and may be extended by a relevant decision of the General Assembly. The registered office, headquarters and the Company's contact address are in the Industrial Area of Kilkis, PO 25 Greece, PC 61100, while the e-mail address is www.kleemann.gr.

The objective of the company, in accordance with Article 4 of its Articles of Association, is the industrial production, installation and trade of hydraulic and electric elevators of high technology and instruments and parts thereof, as well as of any other product of mechanical equipment, the supply of services (outwork - repairs - maintenance) of the above products, the representation of foreign industrial and commercial units with similar products in Greece, the company's participation in other similar, or not, enterprises or companies of any legal type or the buying off of such companies that already operate or will be established in the future, as well as the acquisition of shares or other titles of any Greek or foreign companies listed, or not, in the Athens Exchange or the participation in mutual funds.

The Company is listed on the ATHEX since April 1999 and its Shares are traded in the Main Market of ATHEX.

#### **3.2 The Group and Business Description**

KLEEMANN is a Greek multinational company, involved in the field of construction and trade of Complete Elevator Systems. It has subsidiaries and sales offices in 15 geographical areas and production plants in Greece, China and Serbia, with sales in around 102 countries throughout the world.

The main activity of the Group that the Company belongs is the production and trade of elevator systems, such as: Hydraulic lifting appliances (rams, power units, chassis), electromechanical lifting appliances (machines, chassis, counterweight), cabins (for passengers, for cargo, panoramic), electronic tables, electronic systems and elevators for cargo of Compact type. The main traded fittings are: electromechanical motors, berries, oils, cables, trailers, wire ropes and other mechanical fittings. Products and goods are intended for: elevators of residential buildings and offices, panoramic lifts of shopping centers and hotels, goods elevators of industrial sites, airports, etc. The KLEEMANN's objective is to satisfy the particular needs of each client, increasing, at the same time, its market share and enhancing its reputation at international level.

#### **3.3 Personnel**

On 30.06.2016, the number of the employees of the Company was 799 (30.06.2015: 761 employees) and the number of the employees of the group was 1,201 (30.06.2015: 1,109 employees).

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<sup>2</sup> Source: Information Memorandum of the Tender Offer (as approved by the HCMC on 22.11.2016). Unless otherwise defined herein, capitalised terms used in this section, have the same meanings as those defined in the Information Memorandum.

### 3.4 Share Capital - Shareholders

As of the Tender Offer Date and the Information Memorandum Date, the share capital of KLEEMANN amounts to € 8,277,045.00, divided into 23,648,700 ordinary, registered, dematerialized, voting Shares with a nominal value of €0.35 each and is fully paid up.

In accordance with the announcement of the Company dated 21.09.2016, regarding the notification of significant changes in voting rights, pursuant to Law 3556/2007, the Concerted Parties held, before the completion of the Contribution, the following percentages of voting rights in the Company:

Name	Percentage (%) of the voting rights
Nikolaos K. Koukountzos	8.8%
Menelaos K. Koukountzos	5.7%
Nikolaos N. Koukountzos	14.0%
Konstantinos N. Koukountzos	14.9%
Konstantinos M. Koukountzos	5.6%
Aikaterini N. Koukountzou	12.6%
Aikaterini M. Koukountzou	5.6%
<b>Total</b>	<b>67.22%</b>

Source: HELEX's website

At the Date of the Tender Offer, following the Contribution of the Concerted Parties and in accordance with the notification of significant changes in voting rights, pursuant to Law 3556/2007, dated 21.09.2016, regarding the relevant transaction dated 19.09.2016:

- The Offeror held directly 15,896,582 Shares, which represent a percentage equal to 67.22% of the share capital and voting rights in the Company.
- The Concerted Parties controlled indirectly 15,896,582 voting rights, which represent a percentage equal to 67.22% of the share capital and voting rights in the Company.
- There was no other shareholder with a percentage higher than 5% of the voting rights in the Company.

In accordance with the latest notification of significant changes in voting rights, pursuant to Law 3556/2006, dated 25.11.2016, regarding the transaction dated 24.11.2016:

- The Offeror held directly 17,964,407 Shares, which represent a percentage equal to 75.96% of the share capital and voting rights in the Company.
- The Concerted Parties controlled indirectly 17,964,407 voting rights, which represent a percentage equal to 75.96% of the share capital and voting rights in the Company.
- There was no other shareholder with a percentage higher than 5% of the voting rights in the Company.

The Offeror is controlled exclusively by the natural persons Acting in Concert with him, as it is specifically referred in section 2.3 of the Information Memorandum

### 3.5 Board of Directors

The Board of Directors of the Company was elected pursuant to a resolution of the Extraordinary General Assembly of the Shareholders dated 11.06.2014. According to the last convening in a body, dated 27.05.2016, the Company's Board of Directors is comprised as follows:

Name	Position	Capacity
Nikolaos K. Koukountzos	Chairman	Executive Member
Menelaos K. Koukountzos	Vice- Chairman	Executive Member
Konstantinos N. Koukountzos	CEO	Executive Member
Nikolaos N. Koukountzos	Deputy CEO	Executive Member
Stergios N. Georgalis	Member	Independent Non Executive Member
Vasileios Th. Ziogas	Member	Independent Non Executive Member
Maria D. Karadedoglou	Member	Non Executive Member

The term of the present Board of Directors ends at 30.06.2019.

According to the minutes of the Company's Board of Directors, dated 27.05.2016, which was registered in the General Commercial Registry by virtue of the announcement No 446221/27.06.2016, the following persons represent and bind the Company: 1) Mr Nikolaos K. Koukountzos, Mr Menelaos K. Koukountzos, Mr Konstantinos N. Koukountzos and Mr Nikolaos N. Koukountzos, individually, with their signature, 2) Mrs Aikaterini M. Koukountzou, with her signature, which shall be affixed together with the Company's stamp, inter alia, in transactions with any financial institutions and organisations (banks etc) registered or having an office in the Greek territory and abroad, under the financial restrictions referred in the minutes of the Company's Board of Directors, 3) Mrs Asvesta Eleni, daughter of Dimitrios, as legal representative of the Company before any administrative or judicial authority for any labor or insurance issue, 4) Mr Mavromatidis Athanasios, son of Georgios, as legal representative of the Company before any administrative or judicial authority for any hygiene or safety issue of the employees or any work accident regarding them, as well as other persons and, in particular, Mr Christos Petridis, son of Nikolaos, Mr Aristeidis Zervas, son of Nikolaos, Mr Ioannis Sanidiotis, son of Konstantinos, Mr Lazaros Asvestopoulos, son of Ioannis and Mr Georgios Moschovakis, son of Theodoros, acting individually or together with someone of the aforementioned persons, are entitled to represent the Company in actions and transactions with financial restrictions, as, in particular, provided for in the minutes of the Company's Board of Directors, dated 27.05.2016.

## 4 Selected Financial Figures

### 4.1 Selected financial figures of the Consolidated Statement of Total Comprehensive Income for the fiscal years 2014 and 2015

Income Statement Items (in 000' €)	GROUP		COMPANY	
	2014	2015	2014	2015
Sales	97,964	107,047	78,201	83,680
Gross Profit	34,243	33,311	24,054	22,005
<b>Operating Income / (Loss)</b>	<b>7,162</b>	<b>5,624</b>	<b>4,101</b>	<b>2,562</b>
Profit before tax	6,336	4,804	6,770	2,063
<b>Profit after tax</b>	<b>4,578</b>	<b>3,622</b>	<b>5,875</b>	<b>1,960</b>
Basic and diluted Net Profit per share attributed to the shareholders of the parent company (in €)	0.1560	0.1201	0.2484	0.0829

Source: Published consolidated financial statements of the financial year 2015 which have been prepared in accordance with IFRS.

### 4.2 Selected financial figures of the Consolidated Interim Statement of Total Comprehensive Income for the six-month period ended on 30.06.2015 and 30.06.2016

(in 000' €)	GROUP		COMPANY	
	01.01. – 30.06.2015	01.01. – 30.06.2016	01.01. – 30.06.2015	01.01. – 30.06.2016
Sales	47,863	52,945	39,120	38,105
Gross Profit	14,770	17,278	10,205	9,766
<b>Operating Income / (Loss)</b>	<b>2,492</b>	<b>2,684</b>	<b>965</b>	<b>626</b>
Profit before tax	2,117	2,340	708	572
<b>Profit after tax</b>	<b>1,485</b>	<b>1,374</b>	<b>454</b>	<b>238</b>
Basic and diluted Net Profit per share attributed to the shareholders of the parent company (in €)	0.0464	0.0466	0.0192	0.0100

Source: Published consolidated interim financial statements for the 6-month period ending on 30.06.2016 which have been prepared in accordance with IFRS.

### 4.3 Selected financial figures of the Consolidated Statement of Financial Position as of 31.12.2015 and 31.12.2014

(in 000' €)	GROUP		COMPANY	
	31.12.2014	31.12.2015	31.12.2014	31.12.2015
Non-current Assets	43,788	47,080	47,359	48,321
Current Assets	90,099	90,895	67,476	63,068
<b>Total Assets</b>	<b>133,887</b>	<b>137,975</b>	<b>114,834</b>	<b>111,389</b>
Long-term liabilities	13,068	13,611	11,608	10,634
Short-term liabilities	30,789	35,555	27,691	30,642
<b>Total Liabilities</b>	<b>43,857</b>	<b>49,165</b>	<b>39,299</b>	<b>41,276</b>
<b>Total Equity</b>	<b>90,030</b>	<b>88,810</b>	<b>75,535</b>	<b>70,113</b>

Source: Published consolidated financial statements of the financial year 2015 which have been prepared in accordance with IFRS.



#### 4.4 Selected financial figures of the Consolidated Statement of Financial Position as of 30.06.2016

<i>(in 000' €)</i>	GROUP		COMPANY	
	31.12.2015	30.06.2016	31.12.2015	30.06.2016
Non-current Assets	47,080	46,120	48,321	54,417
Current Assets	90,895	96,449	63,068	57,904
<b>Total Assets</b>	<b>137,975</b>	<b>142,568</b>	<b>111,389</b>	<b>112,321</b>
Long-term liabilities	13,611	16,477	10,634	12,142
Short-term liabilities	35,555	36,615	30,642	29,697
<b>Total Liabilities</b>	<b>49,165</b>	<b>53,092</b>	<b>41,276</b>	<b>41,839</b>
<b>Total Equity</b>	<b>88,810</b>	<b>89,476</b>	<b>70,113</b>	<b>70,482</b>

Source: Published consolidated interim financial statements for the 6-month period ending on 30.06.2016 which have been prepared in accordance with IFRS.

## 5 Valuation Methodology

In order to estimate the value range of the share of KLEEMANN, in the context of the Tender Offer, the Financial Advisor applied and evaluated the following methods:

- i. Discounted Cash Flow Method ("DCF")
- ii. Comparative Analysis of Listed Companies through Trading Multiples
- iii. Comparative Analysis through precedent Transactions of Comparable Companies

Furthermore, the Financial Advisor reviewed, in addition, the following:

- Evolution of the Company's share market price, its performance in comparison to the Athens Exchange Composite Share Price Index and the distribution of the trading volume at various price levels ("entry price analysis") for the period of the last twelve months preceding the date on which the Offeror became obliged to submit the Tender Offer
- Premia offered in selective tender offers (both mandatory and voluntary) in the Greek capital market

## 6 Evaluation of the Tender Offer Price

### 6.1 Discounted Cash Flow Method ("DCF")

#### 6.1.1 Method Overview

The Discounted Cash Flow method is based on the theory that the value of a business is equal to the net present value of its future free cash flows, discounted by a suitable rate (discount factor) that represents the opportunity cost of capital for investments of similar business and financial risk.

The implementation of this method requires the estimation of:

- The free cash flows of the company for a specified future forecast period.
- The terminal value, which reflects the value that the company will generate at perpetuity, after the period of detailed projections, based on "normalized" free cash flows.
- The discount factor for the company's cash flows, which reflects the opportunity cost corresponding to the expected weighted average return of the company's financiers.

#### 6.1.2 Application of the methodology to the Company

The application of the methodology was, inter alia, based on:

- Review of publicly available business and financial information regarding the Company.
- Review of information, data and projections provided by the Management, regarding the future development of the financial figures of the group.
- Discussions with senior executives of the Company about its current conditions and prospects.

For the preparation of this Report we have assumed and relied upon, without independent verification, the truth, accuracy and completeness of the material aspects of the information furnished or otherwise made available to us. With respect to the historical business and financial information, we have assumed that this information accurately reflects the true business and financial standing of the Company at the date they refer to. With respect to the information referring to the future, we have assumed that it has been prepared reasonably, on the basis of the best currently available estimates and judgments of the Management for the future financial performance of the Company, as of the date hereof.

The Business Plan provided by the Management, based on which the Financial Advisor prepared its Report, includes estimates of financial figures for the current financial year (2016), and also covers a 5-year horizon (2017-2021). The Business Plan, inter alia, includes the following important information and assumptions:

- Growth rate of revenues/expenses
- Expected EBITDA margin
- Tax Rate
- Capital expenditures schedule and depreciation
- Assumptions on loan evolution and terms
- Working Capital requirements

The specific approach adopted by the Financial Advisor was based on the discounting of Free Cash Flows to the Firm.

The mid-point of the Company's weighted average cost of capital WACC used is 10.5% and the mid-point of the free cash flows to the firm perpetuity growth rate is 2.0%.

A sensitivity analysis was also conducted by varying a number of key financial drivers, in order to arrive at the share price value range from the application of this method.

### **6.1.3 Factors affecting significantly the valuation of the Company**

The valuation of the Company based on its future cash flows depends on projections and estimates, which are sensitive to specific factors that may have an impact on its financial position or its operating results, either favorably or unfavorably. Accordingly, these factors may have a positive or an adverse impact on the value and price of its shares.

Indicatively, some of these factors are:

- Development of the macroeconomic conditions in the Greek economy
- Development of the demand in the international markets where the Company operates
- Technological developments and changes in production methods
- Competition and trends in the market/sector of the Company
- Return on investments
- Level of operating expenses
- Liquidity in the banking sector and potential for borrowing
- Changes in tax legislation

### **6.1.4 Conclusion**

In the context of the Tender Offer, a value range of € 1.50 - € 2.14 per KLEEMANN share has been estimated from the Discounted Cash Flow methodology.

It is noted, that the Financial Advisor's conclusions for the Company's valuation, do not take into consideration extraneous factors that could affect the Company's share price, such as prevailing overall stock market conditions.

## **6.2 Comparative Analysis of Listed Companies through Trading Multiples**

### **6.2.1 Method Overview**

The Comparative Analysis of Listed Companies through Trading Multiples method is based on the assumption that the value of a company can be estimated on the basis of valuation ratios (multiples) stemming from current market values that sufficiently informed and rational investors attribute, in the context of an efficient market, to shares of similar and directly comparable companies, in conjunction with analysts' forecasts of certain key financial figures. This method is directly applicable in the context of daily stock exchange transactions and not in the context of the acquisition of a controlling stake, which, historically, requires a control premium payment.

A key step in this method is the selection of the appropriate group of comparable listed companies. Among others, important factors for peer group selection are the following:

- Scope of each company's activities and the degree of relevance to the company under valuation
- Completeness and uniformity of information
- Macroeconomic environment in the countries in which they operate
- Size and market capitalisation of companies
- Profit margins
- Capital structure
- Special features that affect the operation and profitability of the comparable companies

For each company of the peer group, a number of multiples are calculated:

- Enterprise Value to Sales (EV/Sales)
- Enterprise Value to Earnings before Interest, Taxes, Depreciation and Amortisation (EV/EBITDA)
- Enterprise Value to Earnings before Interest and Taxes (EV/EBIT)
- Share price to Earnings per Share after Taxes (P/E)
- Share price to Book Value per Share (P/BV)

Depending on the industry that the companies are currently active in and on certain of their unique characteristics, certain of the aforementioned multiples are selected and may be used for valuation purposes.

### 6.2.2 Application of the methodology to the Company

For the application of the method, a peer group of listed foreign companies, operating in the international elevator market, was compiled.

The peer group companies are presented in the table below:

Company	Description <sup>3</sup>
Kone Oyj	Finland-based engineering company that operates within the elevator and escalator business sector. The company offers elevators, escalators, autowalks, automatic doors, monitoring and access control systems, maintenance and equipment performance monitoring solutions and modernization solutions for equipment. The company is active in approximately 60 countries.
Schindler Holding AG	Switzerland-based holding company that specializes in the manufacture of escalators, elevators and moving walks and operates globally. It provides a range of elevators for different applications, including freight and special elevators, high-rise elevators, residential elevators, commercial elevators, inclined and horizontal moving walks.
ZARDOYA Otis SA	Spain-based company, controlled by United Technologies Holdings SAS, primarily engaged in the elevator equipment manufacture. The company focuses on design, installation and maintenance of elevators and escalators. The company's products portfolio also comprises moving walkways, stairway chair lifts, as well as other vertical and horizontal transportation systems. In addition, it offers maintenance programs and Remote Elevator Monitoring system for optimizing elevator performance. The company operates a number of production plants located in Spain.
Guangzhou Guangri Stock Co Ltd	China-based company principally engaged in the manufacture and distribution of elevators, elevator components and mechanical parking systems; elevator installation and engineering services; elevator repair and maintenance services; logistics services, as well as packaging services.
Canny Elevator Co Ltd	China-based company principally engaged in the research, development, production, distribution, installation and maintenance of elevators. The company mainly provides passenger elevators, tourism elevators, medical elevators, freight elevators, home elevators, commercial escalators, moving pavements, as well as heavy freight transportation escalators, among others. The company also offers elevator parts and components and escalator subsystems.

<sup>3</sup> Source: Excerpts from the corresponding business descriptions included in Thomson Reuters.

Hyundai Elevator Co Ltd	Korea-based company engaged in the transportation business. The company's products are elevators for passengers, hospitals, automobiles, freights, marine applications and escalators of different types. Furthermore, it produces material handling systems, parking systems, and other infrastructure systems. It also provides installation and maintenance services.
SJEC Corp	China-based company principally engaged in the research, development, production and sale of elevators, escalators and moving sidewalks. The company's products are mainly used in high buildings for passenger delivery, sightseeing and cargo carrying, as well as commercial supermarkets and public traffic facilities, among others. The company is also involved in the installation, modification and repairing of elevators, escalators, moving sidewalks and related products.
Yungtay Engineering Co Ltd	Taiwan-based company engaged in the design, production, installation and maintenance of elevators. The company offers elevators in various categories, such as Passenger, High Speed Elevator, Villa Use, Roomless, Observation, Hospital, and Freight. It offers escalators, food delivery machines, automatic sidewalks and central air conditioning units. It also offers parking equipment. It is involved in elevator motor design, construction, sales, installation, repair and maintenance. It offers garage elevators and various types of vertical parking machine design, construction, sales, installation, repair and maintenance. It is also engaged in new and used heavy duty construction equipment and engine oil sales and purchasing.
Changjiang Runfa Machinery Co Ltd	China-based company engaged in manufacture of elevator system components, and, principally, in the research, development, manufacture, sale and service of elevator and escalator guide rail system components. The company offers its elevator guide rail products for elevator manufacturers, including Mitsubishi, Otis, KONE and Thyssen.
Alimak Group AB	Sweden-based company active in industrial equipment sector. It offers vertical access solutions to customers in the construction industry, as well as other sectors. It operates in four business segments: Construction Equipment, for temporary installation; Industrial Equipment, for permanent installations Rental, and After Sales.

It is, however, noted, that the companies comprising this peer group have significant differences, in terms of size and business mix, compared to KLEEMANN. In particular, most of these companies have already established their presence in the segments of installation and maintenance of elevators, resulting in significantly higher profitability margins, compared to KLEEMANN, which is engaged in elevator manufacturing and not in maintenance.

In this context, we have also examined the trading multiples of a large number of listed companies, active in the broader industrial machinery & equipment sector, in order to achieve relative comparability in terms of the broader type of production activity as well.

The weighted average of trading multiples derived (after applying suitable adjustments, where deemed appropriate) from the estimated financial figures and current stock market values of companies included in the aforementioned peer groups, multiplied by the corresponding estimated financial figures of KLEEMANN, provide the estimate of the range of values based on the specific method in the context of the Tender Offer.

### **6.2.3 Conclusion**

In the context of the Tender Offer, a value range of € 1.47 - € 2.37 per KLEEMANN share has been estimated from the Comparative Analysis of Listed Companies through Trading Multiples method.

Although this particular method was used to derive the valuation of KLEEMANN, it has been considered of limited relevance, due to significant diversities between KLEEMANN and the comparable companies in terms of scope of activities, relative size and profit margins.

## **6.3 Comparative Analysis through precedent Transactions of Comparable Companies**

### **6.3.1 Method Overview**

The Comparative Analysis through precedent Transactions of Comparable Companies method is based on the assumption that the value of a company can be estimated based on valuation metrics (multiples) derived from shares acquisitions in companies with similar activities.

An important parameter of this methodology is the selection of an appropriate sample of transactions. Among others, key factors for sample selection are the following: (στα trading δεν βάζουμε το "The" στα bullets)

- Degree of relevance between the target companies in the sample transactions and the company under valuation
- Time proximity of the transactions and the transaction under valuation
- Identification of all the specific characteristics of each transaction
- Completeness and uniformity of available information

For each target company from the selected sample of transactions, a number of multiples are calculated and examined:

- Enterprise Value to Sales (EV/SALES)
- Enterprise Value to Earnings before Interest, Taxes, Depreciation and Amortisation (EV/EBITDA)
- Enterprise Value to Earnings before Interest and Taxes (EV/EBIT)
- Share Price to Earnings per share after Taxes (P/E)

### **6.3.2 Application of the methodology to the Company**

For the application of the methodology, we have, initially, identified a sample of 14 M&A transactions for companies active in the elevator market, with available information, which were consummated during the last 6 years.

We have also examined the financial multiples for a large number of transactions for target companies active in the broader industrial machinery and equipment sector, in order to achieve relative comparability in terms of the broader type of production activity as well.

The weighted average financial multiples obtained (after suitable adjustments, where deemed appropriate) from the financial figures of the companies and the values of the corresponding transactions included in the aforementioned samples, multiplied with the Company's corresponding historical figures, provide an estimation of the value range in accordance with the specific method and in the context of the Tender Offer .

### **6.3.3 Conclusion**

In the context of the Tender Offer, a value range of € 1.74 - € 2.07 per KLEEMANN share has been estimated from the Comparative Analysis through precedent Transactions of Comparable Companies method.

Although this particular method was used to derive the valuation of KLEEMANN, it has been considered of limited relevance due to significant diversities between KLEEMANN and the comparable companies in the scope of activities and the profit margins.

## **6.4 Historical Share Trading Analysis**

### **6.4.1 Description of the Analysis**

Through this analysis, the range in which the prices of listed shares oscillate, during a specified time period, is determined, as well as the distribution of the corresponding trading volume at various price levels.

The analysis is based on the assumption that in an efficient market, the market price of listed share reflects, to a great extent, the value of the company. This analysis uses data from daily stock transactions and, therefore, no control premia (which would occur in cases of control transactions) are calculated.

In order to extract useful conclusions from this analysis, certain conditions are necessary to be met:

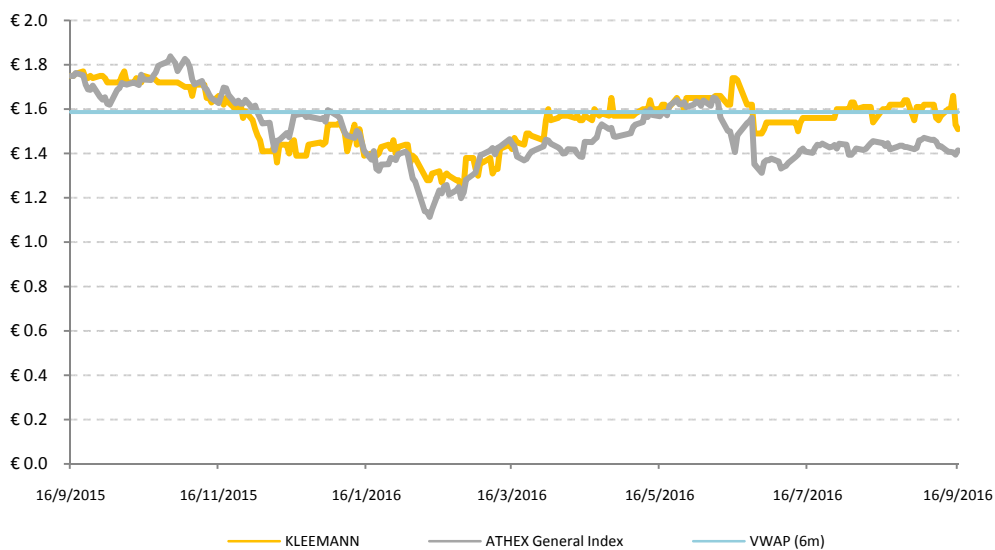
- Market efficiency, regarding available information of parties and its incorporation in share prices
- Adequate free float
- Lack of extreme situations (strong negative or positive speculation, placing the company under supervision, etc.)
- Adequate stock trading liquidity
- Normal conditions in the stock markets and the broader economic environment

### **6.4.2 Application of the Analysis to the Company**

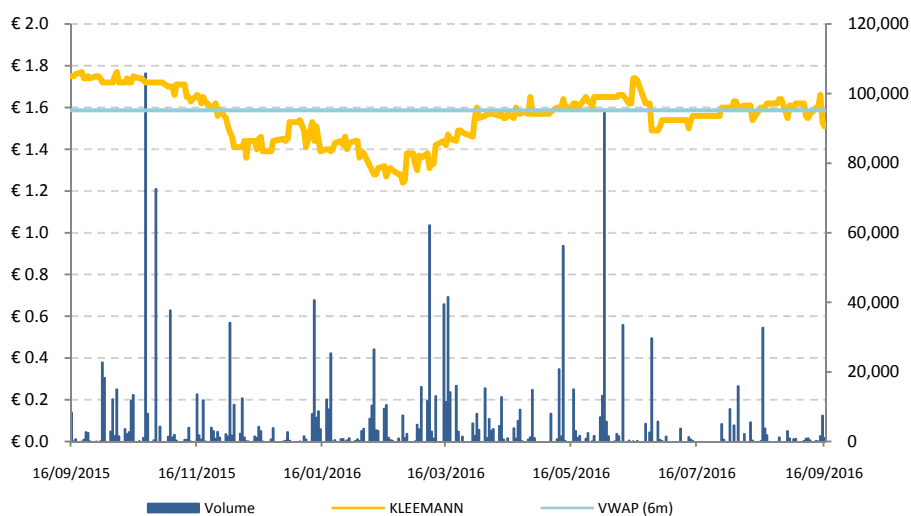
We have additionally examined the evolution of KLEEMANN's stock market price, its performance in comparison to the Athens Exchange Composite Share Price Index, as well as the distribution of the corresponding trading volume at various price levels. This analysis outlines the historical levels of KLEEMANN's share price and provides a clear indication of its stock market outlook.



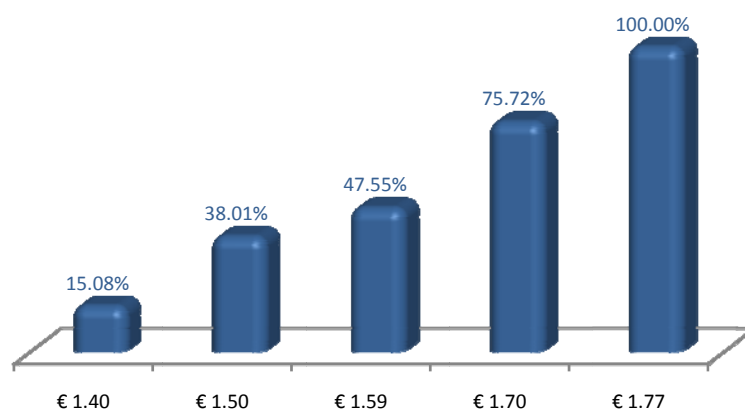
The following graph illustrates KLEEMANN's share price performance during the last twelve months preceding the date on which the Offeror became obliged to submit the Tender Offer (19.09.2016), compared to the Athens Exchange Composite Share Price Index performance for the same period:



The following graph illustrates KLEEMANN's share price performance along with the respective trading volume during the last twelve months preceding the date on which the Offeror became obliged to submit the Tender Offer (19.09.2016):



The following graph illustrates KLEEMANN's share entry price analysis for the same 12 -month period:



38.01% of the total trading volume occurred at a price up to € 1.50 per share and 75.72% of the total trading volume occurred at a price up to € 1.70 per share. It is noted that 100% of the total trading volume occurred at prices lower than € 1.77 per share and, hence, at prices lower than € 2.02 per share (Tender Offer Price).

The total trading volume for the last 12 months, preceding the date on which the Offeror became obliged to submit the Tender Offer, amounted to 1,466,510 shares (total value of trading € 2,285,568) representing 6.20% of Company's share capital and 18.92% of its free float on 19.09.2016.

It is noted that the Historical Share Trading Analysis is examined indicatively and it is not a method for Value Range estimation, but it reflects the market's perception of the Company's fundamentals and prospects.

## 6.5 Analysis of premia offered in selective tender offers in the Greek Capital Market

### 6.5.1 Description of the Analysis

This analysis captures the historical premia over specific market values (bid premiums) offered in voluntary or mandatory Tender Offers in the Greek capital market. Therefore, this analysis reflects the value of a company as it is reflected in the market based on similar transactions (regardless of the company's sector) concluded in the past.

### 6.5.2 Application of the analysis to the Company

We have additionally examined the bid premiums over market values that were offered to the shareholders, in the context of both mandatory and voluntary tender offers of Athens Exchange listed companies.

Specifically, we've examined a sample of 28 tender offers, both mandatory and voluntary, that were submitted during the period 2010-2015, and we derived the following results:

- i. The median of the bid premiums offered over each target company's share price on the last trading day prior to the date on which the offeror became obliged to submit the tender offer or prior to the announcement date of the tender offer, as the case may be, was calculated

- equal to 20.7%. In the specific Tender Offer the corresponding premium was calculated equal to 33.8%.
- ii. The median of the bid premiums offered over each target company's 1-month volume weighted average price prior to the date on which the offeror became obliged to submit the tender offer or prior to the announcement date of the tender offer, as the case may be, was calculated equal to 20.4%. In the specific Tender Offer the corresponding premium was calculated equal to 27.0%.
  - iii. The median of the bid premiums offered over each target company's 3-month volume weighted average price prior to the date on which the offeror became obliged to submit the tender offer or prior to the announcement date of the tender offer, as the case may be, was calculated equal to 18.6%. In the specific Tender Offer the corresponding premium was calculated equal to 28.7%.
  - iv. The median of the bid premiums offered over each target company's 6-month volume weighted average price prior to the date on which the offeror became obliged to submit the tender offer or prior to the announcement date of the tender offer, as the case may be, was calculated equal to 10.1%. In the specific Tender Offer the corresponding premium was calculated equal to 27.0%.

The analysis of bid premia offered in tender offers in Greece is indicatively examined and not taken into account for determining the Value Range, due to differences in economic and stock market conditions when the previous tender offers took place, the specificities of each sector and the limited liquidity of companies' shares.

## 7 Conclusion

The Value Range of KLEEMANN's share, estimated in the context of the Tender Offer and under each valuation method previously analyzed, is summarized on the following table:

Method	Evaluation	Share Price Range
<b>Discounted Cash Flow</b>	Major and most relevant method	€ 1.50 - € 2.14
<b>Comparative Analysis of Listed Companies through Trading Multiples</b>	Supplementary method with limited relevance	€ 1.47 - € 2.37
<b>Comparative Analysis through precedent Transactions of Comparable Companies</b>	Supplementary method with limited relevance	€ 1.74 - € 2.07
<b>Historical Share Trading Analysis</b>	Indicative	Not applicable
<b>Premia offered in selective tender offers in the Greek Capital Market</b>	Indicative	Not applicable
<b>Value Range</b>		<b>€ 1.53 - € 2.16</b>

In order to determine the Value Range, from € 1.53 to € 2.16 per share, we applied, in our judgment, different weights to each valuation method, depending on its relevance.

It is noted that this Report is submitted to the Board of Directors of KLEEMANN., has been prepared according to article 15, paragraph 2 of the Law and does not constitute an investment advice regarding the purchase or sale of securities within or outside the Tender Offer.

**Athens, 28 November 2016**

**Piraeus Bank S.A.**

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**Makis Bikas**  
Senior Manager  
Investment Banking

The Greek document bearing the original signature has been submitted to the Board of Directors of KLEEMANN HELLAS SA.

## Disclaimer

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For the preparation of this document we have assumed that all information provided to us by the Company, as confirmed by the relevant letter dated 23.11.2016, is complete and accurate as to their material aspects and we have not performed any independent verification of this information.

This document is based on financial and other data and information that were publically available and Piraeus Bank assumes no responsibility with regards to the truth, accuracy and completeness of the foregoing data or information. With respect to the historical business and financial information, we have assumed that the information has been reasonably prepared on the basis of with consistently applied standards and that they accurately reflect the actual business and financial standing of the Company , as per their date of reference. With respect to future financial and non financial information, we have assumed that it has been reasonably prepared on basis of the best currently available estimates and judgments of senior executives of the Company as of the date hereof, regarding the future financial performance of the Company.

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Notwithstanding the foregoing, your attention is drawn to the content of information for drafting the Report on section 1 "Information on the Detailed Financial Report of the Financial Advisor, pursuant to Article 15 of Law 3461/2006" of the Report.

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