



## STOCK MARKET ANNOUNCEMENT

AVAX SA (the «Company») announces to the investment public, according to Letter #2503/18.11.2020 of the Hellenic Capital Market Commission, the following information regarding its fundamental financial figures for the third quarter of fiscal year 2020 and the effects of the COVID-19 pandemic on its business activity:

### A. Financial Figures

INTERIM CONDENSED INCOME STATEMENT – Consolidated Group Figures				
<i>amounts in €</i>	<b>01.01-30.09.2020</b>	<b>01.01-30.09.2019</b>	<b>01.07-30.09.2020</b>	<b>01.07-30.09.2019</b>
Turnover	375,701,169	432,112,360	115,740,110	117,027,252
Gross Profit / (Loss)	28,315,846	31,940,100	5,527,359	6,507,461
Share of Profit / (Loss) from Related Companies	17,907,326	30,832,098	7,041,593	14,810,167
Operating Profit / (Loss) [EBIT]	22,843,750	35,286,165	4,065,882	7,229,518
Net Profit / (Loss), after tax and participating interests	8,943,396	10,352,889	(1,387,904)	1,277,184
Profit before Interest, Tax, Depreciation & Amortisation (EBITDA)	34,501,114	46,746,132	7,790,835	10,318,886

INTERIM CONDENSED INCOME STATEMENT – Company Figures				
<i>amounts in €</i>	<b>01.01-30.09.2020</b>	<b>01.01-30.09.2019</b>	<b>01.07-30.09.2020</b>	<b>01.07-30.09.2019</b>
Turnover	279,749,154	317,465,234	75,986,167	86,018,876
Gross Profit / (Loss)	18,550,823	29,023,605	2,997,474	9,554,936
Dividends from Subsidiaries & Other Participations	22,994,312	26,212,235	6,485,891	8,963,580
Operating Profit / (Loss) [EBIT]	21,267,505	26,351,160	1,533,374	2,736,322
Net Profit / (Loss), after tax	8,860,744	4,698,477	(2,664,629)	(2,544,701)
Profit before Interest, Tax, Depreciation & Amortisation (EBITDA)	28,254,398	33,757,523	3,429,682	4,805,355

Group turnover in the first nine months of 2020 amounted to €375.7 million, recording a decrease of 13% compared to €432.1 million in the corresponding period of 2019, mainly due to the decline in activity **in the first half of the year** due to restrictive measures to combat COVID-19.

In the third quarter of 2020, Group turnover amounted to €116 million, marking a small decrease compared to €117.0 million in the comparable quarter of 2019. Increased activity from new projects in 2020, such as the Greek-Bulgarian Pipeline IGB and the "Ston Bypass" project in Croatia, practically offset the slowdown and delays in the receipt of used materials and mechanical equipment, mainly in the large energy project carried out by the



Company in Iraq due to the lockdown of the international economy, but also the completion of projects such as the TAP pipeline which was delivered in 2019.

Reduced activity in the first nine months of 2020 was not accompanied by a reduction of staff in the projects, resulting in the squeezing of the Group's gross profitability. Gross profit amounted to €28.3 million compared to €31.9 million in the comparable period of 2019 (11% decrease).

The impact of reduced activity on the economy and on commuting & transportation is reflected on lower income (by 44%) from the Group's participations in highway concessions, which amounted to €23.5 million in the first nine months of 2020 compared to €41.9 million in the corresponding period of 2019.

Respectively, the operating profit before taxes and financial expenses of the Group in the first nine months of 2020 amounted to €22.8 million compared to €35.3 million in 2019 (35% decrease), while at company level the operating profit for the nine months reached €1.4 million versus €7.2 million in the comparable nine months of 2019.

Based on net result after taxes and participating interests, the Group's consolidated net profit in the first nine months of 2020 reached €8.9 million compared to €10.4 million in 2019. In the third quarter of 2020, the Group presented a net loss of €1.4 million against a net profit of €1.2 million in the corresponding quarter of 2019.

Profit before taxes, financial expenses and depreciation (EBITDA) of the Group in the first nine months of 2020 amounted to €34.5 million versus €46.7 million in the comparable period of 2019, while EBITDA in the third quarter of the year amounted to €7.8 million for the Group against €10.3 million in the year-earlier quarter.

The amounts in the comparative year-ago period have been restated to be comparable with the items of the current reporting period, as follows:

Conspel Qatar WLL and J&P Qatar WLL ceased to be included in the financial statements for the period 01.01 - 30.09.2020 due to the loss of control and the inability to exercise substantial influence. Also, the project of Education City Stadium in Qatar ceased to be included in the projects of the local branch of AVAX for consolidation purposes in the financial statements of AVAX SA.

Turnover concerning the comparative year-ago period 01.01 - 30.09.2019 amounts to €131 million, while the respective expenses amount to €135 million with a -€4 m impact at gross result level. Financial figures for the year-earlier comparative period have been restated to exclude those amounts.



INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION				
	Group		Company	
<i>amounts in €</i>	30.09.2020	30.06.2020	30.09.2020	30.06.2020
<b>ASSETS</b>				
Fixed Assets & Participations	582,288,530	570,737,573	577,653,562	577,787,012
<b>Fixed Assets</b>	<b>641,826,756</b>	<b>628,374,554</b>	<b>710,375,340</b>	<b>708,558,551</b>
Receivables from Contractual Assets (Construction Contracts)	132,236,191	174,740,604	130,058,995	172,635,407
Clients & Other Receivables	320,914,479	269,445,811	274,991,145	235,952,240
Cash & Equivalent	52,767,377	68,770,112	40,861,844	60,319,710
<b>Current Assets</b>	<b>561,790,872</b>	<b>572,621,556</b>	<b>489,084,389</b>	<b>515,767,793</b>
<b>Total Assets</b>	<b>1,203,617,628</b>	<b>1,200,996,110</b>	<b>1,199,459,729</b>	<b>1,224,326,344</b>
<b>LIABILITIES</b>				
Suppliers & Other Short-Term Liabilities	405,657,171	401,676,202	329,033,536	341,574,437
Liabilities from Contractual Assets	5,568,147	7,084,779	5,506,590	7,023,222
Short-Term Debt & Leasing	71,766,563	95,907,445	52,538,904	77,094,310
<b>Short-Term Liabilities</b>	<b>498,833,044</b>	<b>520,506,208</b>	<b>393,726,139</b>	<b>433,030,561</b>
Long-Term Debt & Leasing	544,822,325	520,730,003	451,272,254	430,632,394
<b>Long-Term Liabilities</b>	<b>599,698,334</b>	<b>571,682,764</b>	<b>487,943,787</b>	<b>467,467,069</b>
<b>Net Assets (Own Equity)</b>	<b>105,086,251</b>	<b>108,807,138</b>	<b>317,789,803</b>	<b>323,828,714</b>

The Group's net receivables from contractual assets decreased in the third quarter of 2020 by €42.5 million reaching €132.2 million, as a significant part of these receivables was invoiced and transferred to the item Clients & Other Receivables, which grew €51.5 million in the same period to reach €320.9 million.

Cash & restricted deposits of the Group decreased during the third quarter of 2020 by €18 million, mainly due to repayment of short-term liabilities and an increase in fixed assets and participations. The corresponding reduction in the Company's cash & restricted deposits amounted to €22 million, resulting from repayment of suppliers and other short-term liabilities, as well as a reduction in short-term bank debt.



The balance of suppliers and other short-term liabilities of the Group recorded a small increase by €4.0 million in the third quarter of 2020, amounting to €405.7 million, while the balance of the corresponding item of the Company during the same period decreased by €12.5 million, reaching €329.0 million.

Total borrowing of the Group remained essentially unchanged at €617 million during the third quarter of 2020, while the Company registered a slight decrease of €4 million to €504 million. More specifically, the Group received long-term bank loans amounting to €29 million backed by Greek State guarantees as financial relief for businesses affected by COVID-19, which were utilised by the construction sector, while the Group continued to meet its contractual liabilities towards outstanding bond loans.

Equity in both the Group and the Company decreased slightly during the third quarter, reaching €105.1 million from €108.8 million on a consolidated basis, and €317.8 million from €323.8 million for the Company, due to the loss realised in the period and the negative effect of exchange rates adjustments.

<b>BREAKDOWN OF DEBT – CASH &amp; EQUIVALENT</b>				
	<b>Group</b>		<b>Company</b>	
<i>amounts in €</i>	<b>30.09.2020</b>	<b>30.06.2020</b>	<b>30.09.2020</b>	<b>30.06.2020</b>
Short-Term Bank Debt	63,021,965	87,865,421	48,250,590	73,538,148
Long-Term Bank Debt	483,085,883	461,208,110	427,526,816	409,466,921
Leasing	70,481,040	67,563,916	28,033,752	24,721,635
<b>Total Debt</b>	<b>616,588,888</b>	<b>616,637,448</b>	<b>503,811,158</b>	<b>507,726,704</b>
<b>Cash &amp; Restricted Deposits</b>	<b>110,276,811</b>	<b>128,257,711</b>	<b>91,675,866</b>	<b>113,447,998</b>

## **B. Impact of COVID-19 pandemic**

The measures taken internationally since the spring of this year to deal with the pandemic of COVID-19 have adversely affected the ability of companies in the AVAX Group to execute existing projects, both in Greece and abroad. The implementation of additional strict rules of hygiene and safety of workers, along with the unprecedented problems in the supply chain of production caused significant delays, especially in the second quarter of the year.

### Construction

During the third quarter of the current year, international measures to prevent the spread of COVID-19 eased slightly. However, the rates of activity at the various construction sites of the Group in Greece and abroad were clearly lower than initial plans and production capacity, as there were shortages in terms of human resources and availability of technical equipment.

The Group's prospects are not affected, despite the re-implementation of global restrictive measures in the 4th quarter of 2020 to address the second wave of COVID-19 spread, before the economy even managed to recover significantly.

All delays in the execution of construction works are covered by special terms of the contracts for "force majeure" conditions. In essence, no contractual loss of revenue and activity is being recorded, nevertheless they are postponed over the next two years, where activity is expected to recover, especially given the prospect of effective



COVID-19 vaccines being widely available. The delay in the execution of the contracts burdens both the indirect cost of the projects and the general expenses of the Group, impacting both the profit margin and the operating profitability of the construction sector.

Significant effects also occur in the Company's cash flows, mainly in terms of construction, which the management dealt with by obtaining long-term bank loans backed by State guarantees, since AVAX is included in the companies affected by COVID-19.

#### Concessions

The concessions sector was significantly affected by the imposition of measures to combat the COVID-19 pandemic, as there was an essential ban on vehicle use, recording a significant drop in traffic on the highways which the Group participates in. It is notable that following a 24% year-on-year drop in first half revenues in the Athens Ring Road, the nine-month period ended with a decline of 18.2% due to the relatively good performance in the third quarter where revenues were only 6.8% lower versus the corresponding period a year earlier. In any case, the revenues of the Group's concessions sector are directly affected by the intensity of the restrictive measures imposed on travel, but the contractual procedure for the compensation of the concessionaires by the state for foregone revenues has already been initiated.

#### Energy & RES

Subsidiary Volterra took the necessary measures to ensure its smooth operation when the COVID-19 pandemic broke out, continuing to expand its share in the country's electricity market with new large corporate customers and households.

Respectively, the activity of Natural Gas continued on its growth course, constantly gaining customers and increasing its marketable load.

Mainly in the second quarter of the year, there was a decrease in electricity consumption by commercial customers, hotels, etc. that were required to keep their businesses closed or suspended their staff, and at the same time there were delays in their payments. During the same period, wholesale trade (imports-exports) saw a decrease in trading volume due to market instability and the pandemic in Italy.

The effects of the new lockdown in the last quarter of the year continue to be significant for Volterra's electricity trading business.

Electricity production from RES and all related receipts continued normally in the third quarter of the year, as the measures for the epidemic do not affect this activity.

Finally, the construction of a wind farm and a photovoltaic park with a total capacity of 57MW and the Substation required for their grid connection in the area of Viotia, proceeded at a fast clip during the current year, despite difficulties in transportation and equipment supplies, thereby observing the time schedule for electrification and start of test operation in November 2020.

#### Other Activities

Other activities of the Group, such as facility management and real estate development, were greatly influenced by the measures to stop the COVID-19 pandemic. The suspension of the use of several building facilities, mainly in the second quarter of the year, led to lower revenues of the facility management sector, while in real estate development the parties involved put everything on hold for a short while, but in no case cancelled their investment plans. In any case, the Group's activities other than construction, concession management and energy, contribute a low percentage of revenue and profits, with the result that the impact of COVID-19 at group level from these activities is not significant.



In order to mitigate the effects of COVID-19 and in general to strengthen cash flow in the medium term, management pursued a number of business initiatives, which include:

- ❖ dis-investment from mature concessions / PPPs and non-core activities and other assets
- ❖ focus on reducing corporate lending, using all available proceeds from the portfolio of concessions and the majority of proceeds from the sale of assets, with the aim of issuing new bond loans to finance exclusively the participation in new concessions / PPPs, without burdening the Group
- ❖ securing long-term bank lending with the guarantee of the State, from the financial support programmes for COVID19-affected companies which the European Union promotes and may increase in the future.

Part of these moves was completed by 30.09.2020.

### **C. Update on Projects in Qatar**

Further on the relevant reference in the Interim Financial Report of 30.06.2020, significant progress has been made in the last quarter regarding the sale to local partner Fahad Trading WLL of Conspel Qatar WLL and J&P Qatar WLL, along with the Education City Stadium project which is carried out by a consortium comprising the two companies with a combined 76% stake and the Company by 24%.

The final agreement, tabling the repayment schedule, has been endorsed by ARAB Bank which is involved in financing the projects of the companies for sale. The deal provides for the payment of compensation of QAR 120m (approximately €29.4m) in monthly instalments extending from January 2021 to September 2022. The final contract for the transaction is being drafted by the legal advisers of the parties involved, despite delays due to local proceedings and COVID-19 counter measures.

Marousi, 15.12.2020  
The Board of Directors