



STOCK MARKET ANNOUNCEMENT

AVAX Group Financial Results 6M 2022

€12.7m net profit vs €5.9m in 2021

Work-in-hand amounting to €2.5bn

AVAX Group announces the financial results for the first half of 2022, a period characterized by the significant boost in its work-in-hand as well as the completion of a series of large contracts, mainly in international markets, the sale of the Renewable Energy Sources (RES) projects of subsidiary Volterra, and a shortfall in turnover due to delays in the commencement of new projects.

Work-in-Hand

As of 30.06.2022, the Group's backlog of signed projects amounted to €2.0 billion, compared to €1.4 billion at end-2021. During the third quarter of the year, the Group has signed new contracts while at the same time there are contracts pending to be signed, with a total value worth more than €0.5 billion. Including those projects, but excluding the execution of projects within the third quarter of 2022, the Group's outstanding work-in-hand currently exceeds €2.5 billion.

Discontinuation of Energy Sector Operations

Business operations in the energy sector are classified as discontinued in the Group's financial results, due to the decision to sell the 100% subsidiary Volterra, which has already sold portfolio of RES projects with a capacity of 112MW.

More specifically, the discontinued operation in the first half of 2022 had a turnover of €163.6 million, and generated a €32.9 million net profit and €34.7 million of EBITDA, with the contribution of a €39.0 million capital from the sale of the RES projects. In the corresponding year-earlier period, the discontinued energy business had contributed €62.6 million to turnover, a net loss of €3.3 million and a negative EBITDA of €1.4 million.



Construction Segment Activity

The large EPC project for the 1,650MW power plant in Iraq and the IGB natural gas pipeline for the interconnection of the natural gas networks of Greece and Bulgaria were essentially completed during the first half of 2022.

The new major projects awarded to the Group, including Phase A of infrastructure works at the Ellinikon Project, the new Line 4 of the Athens Metro and the participation in the Patras-Pyrgos section of Olympia Motorway, were still mobilising to set up work sites during the first half of the year, ahead of entering the construction phase.

At the same time, large price increases in construction materials, transport costs and fuel have led to overall delays in the award and start of new projects during 2022, as many project owners were forced to revise the budgets of planned projects and postpone their tender procedure for several months, leading to reduced activity in the first half of 2022.

Financial Results for the First Half of 2022

The Group's consolidated turnover decreased by 25.7% and amounted to €194.3 million in the first half of 2022 compared to €261.7 million in the corresponding period of 2021.

The Group turned in a €12.7 million net profit in the first half of 2022, versus a €5.9 million profit in the corresponding period of 2021.

Income Statement – Consolidated							
	Continuing Operations		Discontinued Operations		Total		
<i>amounts in € million</i>	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	
Turnover	194.3	261.7	163.6	62.6	358.9	324.3	
Gross Profit / (Loss)	(3.3)	26.4	(0.6)	(1.6)	(3.8)	24.8	
EBIT	(9.4)	23.6	34.6	(3.3)	25.3	20.3	
PreTax Profit / (Loss)	(18.5)	11.8	35.6	(4.2)	17.2	7.6	
Net Profit / (Loss)	(20.2)	9.2	32.9	(3.3)	12.7	5.9	



EBITDA	0.8	33.5	34.7	(1.4)	35.5	32.1
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Debt - Financial Cost

Group debt and liabilities from leasing contracts dropped €42.6 million during the first half of 2022, reaching €452.9 million on 30.06.2022 compared to €495.5 million at the end of 2021.

The Group's total net financial cost from continuing operations fell considerably to €9.1 million in the first half of 2022 compared to €11.8 million in the first half of the previous year, due to a decrease in total debt and a lower interest margin of bond loans.

Breakdown of Debt & Leasing – Consolidated		
<i>amounts in € million</i>	30.06.2022	31.12.2021
Short-term Debt	(110.2)	(107.5)
Long-term Debt	(291.4)	(334.9)
Leasing	(51.3)	(53.2)
Total Debt & Leasing [A]	(452.9)	(495.5)
Cash & Restricted Deposits [B]	63.6	114.1
Net Financial liabilities [A+B]	(389.3)	(381.4)

Prospects

The shortfall of the Group's construction activity in the first half of 2022 is characterised as circumstantial and is expected by Group management to be reversed within the second half of the year as major projects, such as Line 4 of the Attica Metro (the first TBM has already arrived) and the Salonica Flyover (financial closure is imminent) will enter their construction phase.

At the same time, the signing of many new contracts for which the Group was declared lowest bidder is coming nearer, including the following:

- Bralos-Amfissa road section
- Salonica Flyover (PPP)
- Paleofarsalos-Kalambaka railway section
- Alexandroupolis FSRU connection (EPC)
- Procurement of natural gas equipment in Western Greece



Marousi, September 30, 2022

THE BOARD OF DIRECTORS