



## STOCK EXCHANGE ANNOUNCEMENT

AVAX SA (the "Company") informs the investing public, in accordance with letter #2707/09.11.2022 of Greece's Capital Market Commission and the transparency obligations imposed by the European Market Abuse Regulation #596/2014, regarding its activity and its fundamental financial figures during the 3rd quarter and on a cumulative basis of financial year 2022, as well as the corresponding comparative figures of the previous year, due to the effects of the international energy crisis, the war conflict in Ukraine and the overall macroeconomic environment.

### **Substantial Work-in-Hand**

- Group work-in-hand from signed projects amounted to around €1.7 billion on 30.09.2022, following the write-off of €308 million for a project in which international arbitration for the Group's compensation claim has reached an advanced stage
- taking into account the new contracts signed during the fourth quarter, as well projects pending to be signed, work-in-hand currently stands at some €2.3 billion

### **Improving Gross Results of Projects**

- the construction sector has recorded reduced activity during this year due to the delay in the start of the new projects signed by the Group
- new projects are entering the implementation phase and present better profitability conditions
- the Group's gross profit in the third quarter of 2022 amounted to €12.2 million, versus a loss of €3.3 million in the first half of 2022 and a profit of €9.4 million in the corresponding quarter of 2021
- recovery continues in the fourth quarter of 2022 and is expected to strengthen significantly in 2023

### **Accelerated Debt Reduction**

- the Group's total loans decreased by €33.3 million in the third quarter of the year and €74.1 million in the first nine months of 2022, reaching €368.3 million on 30.09.2022
- the balance of bond loans decreased by €29.1 million in the third quarter and €59.7 million in the nine months, standing at €325.2 million on 30.09.2022
- following the sale of the participation in the Rion Bridge concession, outstanding debt will be further reduced until the end of 2022, with the balance of bond loans expected to reach €270 million



## A. Financial Information

CONDENSED INCOME STATEMENT						
Consolidated Group						
	Continuing Operations		Discontinued Operations		Total	
	01.01-30.09.2022	01.01-30.09.2021	01.01-30.09.2022	01.01-30.09.2021	01.01-30.09.2022	01.01-30.09.2021
<i>amounts in € '000</i>						
Turnover	295,075	405,527	311,248	115,496	606,323	521,023
Gross Profit / (Loss)	8,966	35,764	7,246	(3,967)	16,211	31,797
Income from Associates	25,324	22,645	0	0	25,324	22,645
Operating Profit / (Loss) [EBIT]	8,960	32,212	41,080	(7,005)	50,040	25,207
Pre-Tax Profit / (Loss)	(4,170)	15,204	42,209	(8,513)	38,039	6,691
Net Profit / (Loss)	(5,905)	12,829	39,471	(8,848)	33,566	3,981
Adjusted * EBITDA	57,385 *	44,215	2,135*	(4,060)	59,520	40,155

\* EBITDA adjusted figure as defined in the Interim Financial Report for 01.01-30.06.2022

CONDENSED INCOME STATEMENT						
Consolidated Group						
	Continuing Operations		Discontinued Operations		Total	
	01.07-30.09.2022	01.07-30.09.2021	01.07-30.09.2022	01.07-30.09.2021	01.07-30.09.2022	01.07-30.09.2021
<i>amounts in € '000</i>						
Turnover	100,772	143,825	147,674	52,906	248,446	196,730
Gross Profit / (Loss)	12,236	9,410	7,823	(2,393)	20,059	7,017
Income from Associates	9,009	9,238	0	0	9,009	9,238
Operating Profit / (Loss) [EBIT]	18,328	8,564	6,448	(3,751)	24,777	4,814
Pre-Tax Profit / (Loss)	14,311	3,361	6,577	(4,326)	20,888	(965)
Net Profit / (Loss)	14,272	3,580	6,577	(5,526)	20,849	(1,947)
EBITDA	17,500	10,752	6,528	(2,694)	24,027	8,058



## CONDENSED INCOME STATEMENT

### Consolidated Group

<i>amounts in € '000</i>	<b>01.01- 30.09.2022</b>	<b>01.01- 30.09.2021</b>	<b>01.07- 30.09.2022</b>	<b>01.07- 30.09.2021</b>
Turnover	265,512	389,833	89,844	140,430
Gross Profit / (Loss)	1,852	28,969	10,847	8,780
Income from Associates	33,295	10,464	357	0
Operating Profit / (Loss) [EBIT]	10,789	18,540	7,849	4,511
Pre-Tax Profit / (Loss)	(1,038)	2,874	4,149	(499)
Net Profit / (Loss)	(2,432)	272	4,107	(251)
EBITDA	16,968	28,202	5,943	6,409

Energy sector operations are discontinued in Group financial results for the first nine months of 2022 due to the decision to sell the 100% subsidiary Volterra SA, which has already transferred to third parties a 112MW portfolio of Renewable Energy Source projects.

Taking into account continuing operations only, Group turnover in the nine months of 2022 amounted to €295.1 million, recording a decrease of 27.2% compared to €405.5 million in the corresponding period of 2021. In the third quarter of 2022, consolidated turnover from continuing operations amounted to €100.8 million, a decrease of 29.9% compared to €143.8 million in the comparable quarter of 2021. This decrease was due to the significant delay in the start of new projects, at a time when a number of large projects mainly abroad were delivered.

The significant delays are also due to large price increases in construction materials, transport costs and fuel, as many clients were forced to revise budgets for planned projects and postpone their awarding processes for several months, leading to reduced activity in the nine months of 2022.

Higher costs for the supply and transportation of construction materials, and increased energy costs, compressed the Group's gross profit from continuing operations, amounting to €9.0 million in the nine months of 2022 compared to €35.8 million in the comparable period of 2021. Nevertheless, a significant recovery in the gross result from continuing operations has begun to be recorded in the third quarter of the year, resulting in a profit of €12.2 million versus a loss of €3.3 million in the first half of 2022, and a profit of €9.4 million in the comparable quarter of 2021.

The effect of the broader recovery of economic activity in the domestic market is reflected in travel & transport through the increased income from the Group's holdings in road concessions, which amounted to €25.3 million in the nine months of 2022 compared to €22.6 million in the corresponding period of 2021.

The Group's operating profit before taxes and financial expenses (EBIT) from continuing operations in the nine months of 2022 decreased to €9.0 million compared to €32.2 million in the corresponding period of 2021. Group EBIT from continuing operations amounted to €18.3 million in the third quarter of 2022, versus a loss of €9.4 million in the first half of the year, and a profit of €8.6 million in the corresponding quarter of 2021.



The consolidated pre-tax result in the nine months of 2022 from continuing operations was loss-making by €4.2 million compared to a profit of €15.2 million in the corresponding period of the previous year, while in the third quarter of 2022 a pre-tax profit from continuing operations of €14.3 million was produced, improving from a €18.5 million loss registered in the first half of 2022 and a €3.4 million profit in the comparable quarter of 2021.

Group EBITDA from continuing operations for the first nine months of 2022, adjusted for the capital gain from the sale of subsidiary Volterra's RES project portfolio in June 2022, amounted to €57.4 million compared to €44.2 million in the comparable period of 2021, while in the third quarter of 2022 alone, Group EBITDA amounted to €17.5 million compared to €10.8 million in the year-earlier quarter.

<b>CONDENSED BALANCE SHEET</b>			
<b>Consolidated Group</b>			
<i>amounts in € '000</i>	<b>30.09.2022</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
<b>ASSETS</b>			
Fixed Assets & Participations	334,873	325,722	340,412
<b>Fixed Assets</b>	<b>476,622</b>	<b>468,604</b>	<b>487,148</b>
Contractual Assets	179,615	162,417	166,016
Clients & Other Receivables	244,711	277,038	253,177
Cash & Equivalent	41,193	63,557	114,091
<b>Current Assets</b>	<b>488,314</b>	<b>527,333</b>	<b>559,036</b>
Disposal Group held for sale	118,109	94,977	150,254
<b>Total Assets</b>	<b>1,083,045</b>	<b>1,090,914</b>	<b>1,196,437</b>
<b>LIABILITIES</b>			
Suppliers & Other Liabilities	368,245	376,669	376,214
Contractual Liabilities	3,213	3,016	3,353
Short Term Loans & Leasing	83,325	115,186	112,363
<b>Short-Term Liabilities</b>	<b>461,098</b>	<b>501,091</b>	<b>498,816</b>
Long-Term Loans & Leasing	336,821	337,713	383,162
<b>Short-Term Liabilities</b>	<b>405,822</b>	<b>415,522</b>	<b>438,864</b>
Disposal Group held for sale	82,933	66,376	148,340
<b>Net Financial Position (Shareholder Funds)</b>	<b>133,192</b>	<b>107,926</b>	<b>110,418</b>



The balance of the Group's receivables from clients, construction contracts and other receivables during the third quarter of 2022 decreased by €7.2 million reaching €371.5 million, while compared to 31.12.2021 it stands €8.1 million lower.

Cash and restricted deposits of the Group fell by €22.4 million during the third quarter of 2022, mainly due to the continued repayment of short-term borrowings and other liabilities. The corresponding decrease in the Company's cash reserves reached €22.9 million, also due to a decrease in short-term bank borrowings.

Suppliers and other short-term liabilities of the Group registered a €7.4 million drop in the third quarter of 2022 to reach €368.2 million, while in the first half only a small decrease of the balance of the account was recorded. At parent Company level, suppliers and other short-term liabilities fell by €3.7 million in the 3rd quarter of 2022, reaching €368.3 million.

The Group's total borrowing dropped by €32.8 million to €420.1 million during the third quarter of 2022, while the Company registered a decrease of €31.3 million to €387.6 million compared to 30.06.2022. The movement in the third quarter was mainly recorded in the short-term segment of lending.

Group liabilities from leasing contracts have not changed substantially during the third quarter of the year, amounting to €52.9 million on 30.09.2022, while compared to the end of 2021 they exhibit a slight decrease of €1.3 million.

The Group's net financial liabilities were reduced by €10.4 million in the 3rd quarter of 2022, while at parent Company level they decreased by €8.5 million over the same period.

Group shareholder funds grew during the third quarter, reaching €133.2 million on 30.09.2022 compared to €107.9 million on 30.06.2022 due to all afore-mentioned positive results of the period. Accordingly, at Company level equity increased slightly to €312.2 million from €310.5 million on 30.06.2022.

<b>LOANS &amp; CASH</b>			
<b>Consolidated Group, from Continuing Operations</b>			
<i>amounts in € '000</i>	<b>30.09.2022</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
Short Term Bank Loans	(78,310)	(110,180)	(107,479)
Long Term Bank Loans	(289,964)	(291,379)	(334,886)
<b>Total Bank Loans [A]</b>	<b>(368,274)</b>	<b>(401,559)</b>	<b>(442,365)</b>
<b>Leasing [B]</b>	<b>(51,873)</b>	<b>(51,339)</b>	<b>(53,161)</b>
<b>Cash &amp; Restricted Deposits [C]</b>	<b>41,193</b>	<b>63,557</b>	<b>114,091</b>
<b>Net Financial Liabilities [A+B+C]</b>	<b>(378,953)</b>	<b>(389,342)</b>	<b>(381,434)</b>



## **B. Impact of International Energy Crisis, Geopolitical Situation in Ukraine Macroeconomic Environment**

The Group does not have exposure to the markets of Ukraine and Russia as the Eastern European region is not a strategic choice of the Group for construction or other business activities. Any effect on the Group concerns only indirect effects through international developments in prices of raw materials, energy costs and international transport.

Regarding developments in the international macroeconomic environment, where central banks of major economies have now turned to a policy of increasing interest rates to deal with inflation, the Group is well poised to face any new challenges. Group debt is to a very large extent long-term in the form of syndicated loans bearing competitive interest rates, and is on a downtrend, dragging along the financial costs, as can be seen from the financial statement data and the repayment plan agreed with lending banks.

### Construction

Following the discontinuation of the energy activity from Group consolidation, the construction sector contributes the largest part of Group revenues, as there is no total consolidation of the revenues of participations in concessions. As mentioned above, the Group's construction sector in the nine months of 2022 recorded reduced activity compared to the comparable period of 2021, due to delays in the start of new projects that the Group has recently undertaken.

### Concessions

The concessions sector recorded growth in the first nine months of 2022 compared to the previous year as vehicle traffic continues to recover following the lifting of travel restrictions related to the covid-19 pandemic. Vehicle traffic data in the road concessions in which the Group participates show that traffic in 2022 has approached pre-pandemic 2019 levels.

Especially in the Athens Ring Road, vehicle traffic in the first nine months of 2022 has returned to 2019 levels over the corresponding time periods, reaching approximately 234 thousand toll crossings on an average daily basis, despite the negative impact of bad weather that hit the Attica prefecture on January 2022. Over the following two months of October-November 2022, daily vehicle crossings climbed even higher, reaching an average of 248 thousand, exceeding the data of the corresponding period of 2019.

## **C. Prospects and Challenges**

The AVAX Group is entering a phase of commencement of new important projects, and this increasing construction activity will be reflected in the financial statements of the following periods.

To strengthen its cash liquidity in the medium term and to address the financing needs of new investments, the Group proceeded to divest from certain mature concession contracts / PPPs and non-core activities and other assets. The most recent divestment is the sale of the Group's participation in the concession of the Rio-Antirio Bridge, for a price of around €60 million, while in June 2022 it sold the RES project portfolio of subsidiary Volterra for a similar amount, and in 2020 it sold the Group's head office buildings in Marousi for €34 million. Those three divestments produced a total capital gain in excess of €90 million.

At the same time, the Group is teaming up with international groups to claim new PPP projects and concessions, and proceeds with the internal transfer of its holdings in concessions to a dedicated subsidiary company. The transfer of the participation in the Aegean Motorway is already concluded and the corresponding transfer of the participation in the Olympia Road is expected to be completed soon.



Having already signed new contracts worth a total of €505 million in the first nine months of the year, the outstanding balance of signed construction contracts of the Group, according to International Accounting Standards, amounted to approximately €1.7 billion as of 30.09.2022, versus €2.0 billion at mid-year and €1.4 billion at the end of 2021. It is pointed out that the Group work-in-hand on 30.09.2022 excludes an amount of €308 million related to a project in Lebanon, for which international arbitration on the Company's claim for compensation is at an advanced stage. Those figures for work-in-hand do not include contracts outside the construction sector, such as real estate and other services. During the fourth quarter of the year, AVAX Group has signed contracts with a total value of €150 million, while currently there are also contracts worth €445 million pending to be signed in the near term. Including all the above projects, and not taking into account the execution of projects after 30.09.2022 which has not yet been recorded, Group work-in-hand currently stands at around €2.3 billion.

A relevant presentation of the financial data for the nine months and the third quarter of 2022 is posted on the Company's website [www.avax.gr](http://www.avax.gr) in the *Investor Relations > Shareholder Information* section.

Marousi, 13.12.2022  
The Board of Directors