



### **ANNOUNCEMENT - REPLY TO A QUESTION OF HCMC**

The Societe Anonyme under the trade name “ELLAKTOR SOCIÉTÉ ANONYME” and the distinctive title “ELLAKTOR S.A.” (hereinafter “the Company”), in response to a relevant question by the Hellenic Capital Market Commission (Ref. no. 2566/4.11.2021), informs the investors of the following:

Following successive and coordinated publications by a specific part of the Press containing completely unfounded rumors, targeting ELLAKTOR S.A. (“Company”) and threatening the members of its Board of Directors, the Company, in order to restore the truth, informs the investors about the following issues.

**(a)** The references to an allegedly new Share Capital Increase are unsubstantiated rumors and do not correspond to reality. The Company declares that it has not decided and is not about to take a decision to increase its Share Capital and therefore refutes the reports regarding a Share Capital Increase with the participation of specific investors. In any case, the Group's Management always examines the best business decisions in order to ensure the smooth operation and interest of the Company and will inform the Investors if a reason arises under the law.

**(b)** Pursuant to the decision of the Ordinary General Meeting of the Company's Shareholders of 22.06.2021, the exceptional Share Capital Increases, i.e. increases up to three times the share capital on the date of the relevant decision of the General Meeting that granted this power to the Board of Directors, can now be directly implemented by the Company's Board of Directors. Therefore, such issues are not subject to discussion, consent or negotiation with any shareholder, and therefore neither with the shareholders Greenhill Investments Limited (“Greenhill”) or Kiloman Holdings Limited (“Kiloman”), who act in a coordinated manner, with a participation rate, based on their declarations of 15.10.2021 and 19.10.2021, amounting to 29.78%. It is worth mentioning, however, that the above publication refers to a participation rate of 31.2%, which is 1.42% over the published rate.

**(c)** With regard to the adequacy of the working capital following the increase of the share capital by EUR 120,5 million, in the recent Information Document and specifically in section 4.1.3 “Statement on the Adequacy of Working Capital”, the Company has stated the following: “Regarding the Group's working capital adequacy, the Company's Management declares that, in its view, the working capital is sufficient to finance the Group's current activities for the next twelve (12) months from the date of approval of the Information Document”. The above statement applies as stated in the Information Document. In the context of an assessment of its balance sheet structure, the Company evaluates and re-evaluates on a regular basis all available options for improving its capital structure, with a view to the possibility of taking financing growth actions, new investments and activities, loan repayment, etc.

**(d)** The Company's Management operates based on an operational planning which aims at the Company's restructuring and consolidation, with the ultimate goal of restoring its competitive dynamic and strategic position. In this context, the Construction Sector focuses strategically on the markets of Greece and Romania and selectively in Qatar (Facility Management), aiming, gradually, at the full disengagement from loss-making activities.

**(e)** Following a disciplined policy, the construction sector of the Company participates, at the absolute discretion of the Management, in tenders, in accordance with the internal profitability criteria that it has set. Therefore, the Management has already announced that it will participate in projects that it considers - both at operational and financial level - that it must pursue, provided that certain technical and economic criteria are met.

**(f)** Regarding the references to an alleged difficulty of obtaining bank financing and issuing letters of guarantee, the Company informs that, following the successful implementation of the recent share capital increase, amounting to 120,5 million euro, in early August 2021, no issue has arisen regarding the rejection of a request for funding by a bank institute to the entire Group! Apart from the above, the Company notes that the Group's Business Sectors maintain excellent cooperation with financial institutions in Greece and abroad, remaining in constant communication with them for the financing of their development activities. All debt obligations, both at Group and subsidiary level, are serviced seamlessly and continuously by capital and interest.

In particular, on the side of the Letters of Guarantee issuance, there is a gradual restoration of the trust of the banking system, which had been compromised by actions of the previous Management.

- It should be recalled that at the time the current Management took up its duties, there were 5,4 million arrears due on commissions for letters of guarantee from the Construction Sector.
- The Company's Management now maintains a systematic channel of communication with the Managements of Banks, in order to provide continuous, systematic and transparent information on the progress of works.
- An independent consultancy is assigned with the preparation of a thorough business plan for the next 3 years.

It is worth mentioning that, as shown by the published financial data, all other Business Sectors of the Group (Concessions - Environment - RES - Real Estate Management) are developing with healthy sales growth and operational profitability, have sufficient liquidity and are in constant search of opportunities for further profitable development of their activities.

**(g)** The existing Board of Directors of the Company was elected pursuant to:

- the decision of the Extraordinary General Meeting of the Company's Shareholders dated 27.01.2021 (adjourned meeting from 07.01.2021), in which the Shareholders' Body elected George Mylonogiannis, Aristides Xenofos, Dimitrios Kondylis, Athina Chadjipetrou, Independent Non-Executive Member and Konstantinos Toubouros, Independent Non-Executive Member, as constituted into a body on the same date,

- the Board of Directors' decision of 21.05.2021 on its reconstitution into Body following the election of Mr. Efthymios Bouloutas for replacing the resigned Mr. Dimitrios Kondylis and
- the decision of the Ordinary General Meeting of the Company's Shareholders dated 22.06.2021, which elected two additional new members, namely Ms. Ioanna Dretta and Ms. Evgenia Livadarou (Independent Non-Executive member), as this was further reconstituted into Body, at its meeting on the same date.

We confirm that all independent non-executive members of the Board of Directors, as mentioned above, fulfill the conditions of independence of Article 4 of Law 3016/2002, as well as of Article 9 of Law 4706/2020, as applicable, from the date of their election until today.

In this regard, we confirm that the composition of the Audit Committee complies with the provisions of Article 44 of Law 4449/2017, as applicable, since its members, including the President, fulfill the conditions of independence in accordance with the provisions of Article 4 of Law 3016/2012 at the date of their election and until today.

**(h)** On the issue of handling possible conflicts of interest, we inform that the Company fully complies with the applicable regulatory framework and in addition a proposal for a conflict of interest policy as an Annex to the Company's Rules of Procedure has been set for approval by the Board of Directors of ELLAKTOR S.A. within November 2021, including an integrated system of procedures for preventing and addressing possible situations of conflict of interest in accordance with the applicable legislation. Once approved, the text of the policy will be posted on the company's official website.

**(i)** At this point the Company would like to inform the investors that since 26 January 2021 the Company has received from the shareholders Greenhill and Kiloman at least twenty (20) extrajudicial writs and four (4) actions with an equal number of petitions for interim measures, accompanied by corresponding petitions for interim orders, which have been rejected by the competent Greek Courts. This is a desperate attempt to weaken and disorientate the current Management from its main objective, which is no other than the Company's operational consolidation and recovery from the proven mismanagement of the previous Management, against which there are pending legal appeals.

We recall that the last request of the shareholder Greenhill against the Company for the suspension of the validity of the decisions of its Ordinary General Meeting dated 22 June 2021 was rejected by the Athens Court following the previous rejection on 4 August 2021 of the petition for a provisional order on the same issue. It is noted that this is the fourth time that legal actions against decisions of the Company's Management by the specific shareholder are rejected by Greek Courts.

**A Group is not managed with rumors and publications but with operational strategy, commitment to the goal and projects. It is clear that the numerous misleading publications demonstrate an obsessive effort with the ultimate goal of defaming the Group's Shareholders and the members of the Management, undermining and challenging its work, creating internal instability and conflicts as well as misleading the investors and public opinion.**

The Group's Management will continue to respond to all the above by actions, following transparent procedures in full compliance with the principles of Corporate Governance and

always with the aim of creating shareholder value. It will remain outside this confrontational framework having full confidence in the competent authorities and bodies that they will judge and seek responsibility based on the facts and deeds, and not based on rumors and statements, in order to reveal the opacity matrix and real objectives of Greenhill and its close associates. However, the Company declares that it will in any case defend its interests as well as the interests of its shareholders and employees, in any legal way, if these are affected.

**The days and practices of the Management of the period 2018 - 2020, which is actually to blame for the deadlock, the dramatic shrinkage of the Company and its exclusion from Bank Lending, which threatened the positions of 7,500 employees have elapsed. The managers who led the Company from a turnover of EUR 1,857 million in 2018 to EUR 892 million in 2020, a drop of more than 50%, and in particular the AKTOR industry from EUR 1,483 million in 2018 to EUR 499 million in 2020, a drop of 66%, are leaking accusations of alleged contraction of the Group at a time when stabilisation of sales and a significant increase in operating profit margins (EBITDA) is attempted.**

**Messrs. D. Bakos, I. Kaymenakis and A. Exarchou (Greenhill and Kiloman) have selected an aggressive strategy and incoherent tactics, by means of publications, complaints and litigation, to satisfy individual interests and bruised ego, completely ignoring the corporate interest and the impact of their actions to the employees and shareholders of the Group.**

**These practices will not distract or disorient the new Company Management from the vision of creating a new, modern, competitive and constantly growing Group.**

Kifisia, 5 November 2021