

ANNOUNCEMENT

Commentary on Article

Following the extensive and front-page article published yesterday, Sunday, September 6th, 2020, in a weekly political newspaper - entitled "Quo Vadis ELLAKTOR?"-, ELLAKTOR considers necessary to inform the investing public about the irresponsible and misleading references included in the article.

In the last two years, the people of ELLAKTOR Group have worked with determination and dedication and have surpassed themselves, implementing deep cuts and reforms in the operation and performance of the Group, achieving many and demanding business victories in all sectors of Business Activity and making personal and professional sacrifices for the good of the Group. The distortion of reality through certain sections of the Press, cannot therefore remain without an answer.

Specifically, this publication combines a fragmentary and diffused citation of financial data, with numerous inaccuracies, with rumors that have long and officially been refuted as well as with "anonymous sources", linking irrelevant issues and thus composing a completely distorted depiction of reality. In addition, the fact that the newspaper insists on reproducing issues that have been refuted by both the Management of ELLAKTOR and the events that followed, as well as the fact that it never contacted ELLAKTOR to cross-check any of her "information", inevitably lead even the most well-intentioned reader to conclude that the purpose of the article was not the objective information of the public, nor the news promotion of business issues.

As, within the article of 3,500 words the newspaper hosted , there are numerous inaccuracies and half-truths, ELLAKTOR lists just a few remarks and questions below, believing that they are sufficient enough to demonstrate the reason behind the overall article.

Respectively, the Management of ELLAKTOR is judged from its shareholders, is accountable to them, and will be accountable the forthcoming Thursday, September 10, 2020, answering their questions. Besides, the current Management of ELLAKTOR was elected by the shareholders of the company and the shareholders of ELLAKTOR could maintain or change it at any time they consider necessary.

Specific answers to the allegations in the article:

1. *"The once powerful construction company of the country is in an extremely difficult situation, with losses, deposits holdings and bankruptcy filings from creditors to its subsidiaries abroad, hundreds of layoffs and dramatic salary cuts."*

AKTOR Management has launched a program to streamline operating costs that provides a total benefit for the company of 100 million euros and includes significant savings from the creation of a central procurement department, utilization of non-operating assets and reduction of payroll costs. As for the reduction of salaries, the "dramatic cuts" mentioned in the publication were 0% for annual gross salaries up to 12,000, 4% for salaries between 12,000-20,000 euros, 8% for 20,000-50,000 euros and 15% for those who receive more than 50,000 euros, while what

the article failed to mention was that the above reductions will be gradually restored by 50% by 31/12/2022. Moreover, the Management proposed a Voluntary Retirement Scheme, instead of layoffs. It is noted that the vast majority of AKTOR employees have already accepted the proposals of the Management.

As for the "hundreds of layoffs", the article unfortunately ignores the fact that the reduction in the total number of staff concerns employees who were employed in projects which were completed and therefore should normally be removed from the company's payroll, as it is the case with all contractors. The limited and not hundreds of layoffs that have taken place concerned personnel who were assessed as inadequate in their duties or caused confirmed losses to the company. In some cases, the dismissals even concern people that the article strangely mentions as "the departure of a competent group of executives who followed Mr. Koutras in his new business paths, but also the inactivation of others".

2. *"At the same time, the amount of debts to suppliers and other liabilities are shocking, which, although decreasing compared to last year, exceeds half a billion (to be precise 550.9 million euros) and reflects the liquidity problems of the company. It is a common secret that on the construction sites partners and subcontractors are struggling to collect the debts, while the supplies are evolving in a dramatic way in the projects abroad. In Serbia, according to Central Bank data available to "THEMA", until the last month at the AKTOR's branch, blocking of accounts from compulsory collections were a common practice for the defense of suppliers. Only in last July there was a freeze of accounts for a total of 16 days. In the Czech Republic, respectively, in spring, the company's creditors filed for bankruptcy against the group's branch for uncollected debts".*

It is surprising that while the publication notes that the company's liabilities are decreasing compared to last year, their amount causes a strong shock. Much more when it mentions the total liabilities on 30.06.2020 (550.9 million euros) but fails to mention that they have decreased from 734.8 million euros on 31.12.2018, ie by 183.9 million euros in 18 months. How is it possible that the company seems to be meeting its obligations and reducing its debts over time to be a shocking factor? In addition, AKTOR, from its side, has significantly higher receivables from clients and from construction contracts approaching 500 million euros and in fact these are only part of the receivables that the Group accounts assessing them as the most likely to be collected.

As for the markets in the Balkans (Serbia, Albania, Romania), a field of direct supervision of the previous management of AKTOR, as shown by the financial results of the company before and after the change of management, losses higher than € 230 million, have been recognized, while when the new Management took over, 9 construction projects in Romania, Serbia and Albania, with a total budget of over € 600 million, were almost total abandoned while the contracting authorities threatened to liquidate the relevant letters of guarantee. AKTOR's management in the Balkans had completely lost its credibility and communication with customers and contracting authorities was almost non-existent. Moreover, AKTOR was bound by a series of contracts for photovoltaics abroad, which had no economic or business sense and were extremely dangerous, as evidenced by the significant losses caused by the relevant projects in Australia.

In this environment, the new management removed -not only from the respective countries but from AKTOR in general- the executives who were involved in this unacceptable situation for AKTOR's reputation. The company reaffirmed its commitment to complete all projects - no matter how far behind they may have been - and completed 2 projects in Albania, 4 in Serbia and 3 in Romania.

Regarding frozen accounts in Serbia and alleged bankruptcy claims against the Group's company in Czech Republic, AKTOR's receivables are much higher than the payables to suppliers, who

from time to time resort to extreme or even abusive methods of pressure, which eventually fail. The company has an obligation to secure its interests in every way and for this reason it has initiated relevant legal proceedings in the Czech Republic, where by chance the so-called debts - which the company in the Czech Republic does not recognize at all - are related to a supplier who is closely connected with a person the previous Management of AKTOR had selected as a mediator and Deputy Representative.

3. *Proof that after the administrative changes, ELLAKTOR succeeded in making significant interventions in the organizational structure and in closing the large openings to its works in the Middle East, the Balkans and Australia, but this gave rise to additional losses totaling 500 million euros in the last decade.*

The losses of 511 million euros relate to fiscal years until 2018, ie before the change of management and therefore are not attributable to the new management.

4. *Even the rhetoric of selective participation in public projects against the distorted development strategy through big discounts was lost before the need for new contracts at any cost. The company did not hesitate to hit a few tenders in the last year, taking projects with discounts of more than 50%. A typical example is the tender for the connection of Egnatia with the Thessaloniki Port Authority where the discount was 56.51%, but also the operation and maintenance projects of the western and eastern sector of Egnatia with a discount of 65.67%! (...) AKTOR in contrast to its competitors (GEK TERNA, AVAX, Mytilineos and INTRAKAT) did not respond to the government call of the five major technical companies for the construction of the project totaling 63 million euros, which will be awarded at cost prices due to its national importance in the field of defense and border protection.*

This creates the following paradox: at a time when, according to the newspaper, AKTOR is so desperate to win projects that it gives unreasonable discounts, at the same time AKTOR decides not to participate in a tender which –always according to the newspaper- had no profit margin. As a general statement, the evaluation of the participation in a tender and the offer given by any responsible company is an extremely multidimensional equation and therefore a number of factors are taken into account that not everyone is able to know. For example, in the Egnatia tender which is mentioned, the article does not take into account that AKTOR has been operating the specific project since 2005 and has recouped the purchase of equipment worth over € 20 million, so it has a significant margin to offer a higher discount, since it does not have to budget in its offer the purchase cost of this equipment that the other companies have. In general, regarding AKTOR, the management of the company in the last two years, has completely reorganized both the Tender Department and the tender evaluation and submission process, consistent with its strategy of giving priority to profitability over backlog. For the record, in the last two years - even in this arid environment - AKTOR has chosen to participate in 42 tenders. Of these, 10 have already been completed, with a total value of 224 million euros, with AKTOR having signed contracts in 6 of them, with a total tender value of 150 million euros, ie it has a success rate of 60% in the tenders it chooses to bid.

5. *The outstanding backlog at the end of June amounted to just € 1.3 billion (additional signing of contracts of € 587 million is pending). According to information the technical company has been under strong pressure from the banks for a long time and in the market it is a common secret that it encounters difficulties even in the issuance of letters of guarantee, with clear consequences on its participation in the projects' tenders".*

The newspaper artificially attempts to hide the 1.9 billion euros of backlog - similar to what major construction companies in Greece currently have, avoiding to add to the 1.3 billion euros of backlog that AKTOR had on 30.06 .2020, the € 587 million contracts that are in the stage of signing. At the same time, it refers to alleged effects on the company's participation in project tenders, due to "difficulty in issuing letters of guarantee", but there is no tender in which the company did not participate due to a problem with the issuance of guarantees.

6. *However, a significant ongoing problem for AKTOR is the difficulty in the implementation of existing projects, the risk of losing important and recurring contracts, such as the operation and management of Psyttalia and Attiki Odos, with the Ministry of Infrastructure and Transport even investigating the possibility of its faster return to the State.*

It is inexplicable how the article draws the conclusion that AKTOR is in danger of losing contracts such as the operation and management of Psyttalia, at a time when the scheme in which AKTOR participates is the only one that was initially qualified by EYDAP in the next phase of the tender, after the evaluation of the technical offers and the finding of significant deficiencies in the technical offers of the other two schemes.

In addition, it is even more inexplicable as to why the newspaper is so insistent to qualify to the next phase the other two schemes, under the pretext of "stimulating competition" as often mentions. This ignores the fact that the qualification at the stage of technical offers, is a competitive process that aims to select not just the cheapest but the best, that is, the one that combines technical competence and attractive price.

In general, it is impressive that this newspaper insists on foreseeing the results of competitions and decisions of supreme courts - coincidentally always to the detriment of AKTOR - at a time when its forecasts during the past year have been refuted by facts. This also raises the question as to why the newspaper associates AKTOR with the Alimos Marina concessions and the Attiki Odos concession contract, when both of these issues do not concern AKTOR, but AKTOR Concessions, a completely different legal entity and subsidiary of ELLAKTOR Group.

7. *Also, the company had delays in winning new contracts, including in Concessions (...) The signing of the contract with the HRADF for the Alimos marina, for which AKTOR has been the preferred investor since April 2019, was delayed for a year. The concession contract was signed only last May as there were difficulties in the finalization of the financial scheme of the investment.*

AKTOR Concessions -contrary to the newspaper's estimates- is the largest concessions company in Greece, participating in 5 of the 7 motorway concessions in the country and has won the most recent concession tender, the Alimos Marina tender, an investment of EUR 100 million. Moreover, the fact that the concession agreement took a year to be signed has nothing to do with securing funding, but is due to a number of procedures and pending issues that needed to be resolved, as it is usually the case with concessions and brownfield projects in particular.

8. *"... to justify the unfavorable financial position of the company: the occurrence of losses after taxes and minority interests amounting to € 37.5 million in the first half for the group but also the vertical decline of revenues by 51% in construction, with the operating losses at € 17.3 million from profits of € 3.2 million last year "*

When quoting the above financial data, which is compared with the first half of 2019, the newspaper neglects to mention that the first half of 2020 was not an ordinary financial year, since it included the second quarter of the year, during which in 2 of its 3 months, there was a

generalized lockdown in Greece, with closed shops, workplaces, schools, airports, ports, etc., significantly reducing the traffic on the motorways. Specifically, the losses announced by ELLAKTOR at a consolidated level are mainly due to the 87% reduction in pre-tax profits in Concessions. Respectively, absent from the financial analysis of the publication is the fact that despite the pandemic, the lockdown and the effect of the measures against the coronavirus, ELLAKTOR Group presented in the first half of 2020 an increase of EBITDA in 3 of its 5 main segments, i.e. in the RES, Environment and Real Estate Development, compared to the corresponding half of 2019, and the adjusted EBITDA margin* improved to 18.8% compared to 15.2%.

9. *“Today, the share of ELLAKTOR has fallen to € 1.10, with its capitalization amounting to € 236 million. In July 2018, when the Kallitsantsis family took the decisive step of the big change, the share was over € 2.10. That is, within two years, the shareholders saw the company lose 52% of its value”.*

The newspaper compares the current price of the share with the price of € 2.10 the share had reached after the multiple purchases made by the Kallitsantsis brothers in June and July 2018, investing in the company over € 50 million and increasing their participation rate to 25.5% from almost 12% they held until then. Respectively, it is also very conveniently not mentioned anywhere that e.g. in May 2018 the share price was € 1.56, in January 2017 it was € 1.10, while in August 2019 the price was at € 2.17. In any case, the Management has repeatedly stated that it considers that the price of ELLAKTOR's share - even over € 2 - does not reflect the real value of the Group and is working to correct this imbalance.

It is worth noting that Year to Date ELLAKTOR's share price has performed in line with the Athens index.

10. *Despite the contradictions, conflicts and disagreements, the brothers Sakis and Dimitris Kallitsantsis have lately shown their determination to overcome the family disputes in the common interest and to proceed with the restructuring plan that will end the years of loss making performances. Thus, Mr. Dimitris Kallitsantsis was promoted to executive vice president of the group last July. However, there is rumors that this fragile fraternal truce was imposed by the investment funds that have financed and supported the change of management, and are not satisfied with the turn of events. The collapse of the stock price last March, amid rumors of resignations of top executives of the board, such as chairman George Provopoulos and CEO Alexandros Exarchou, as well as the mass liquidation of shares by investment funds showed that the management and the course of the group can hardly refute them ”.*

This raises the inevitable questions as to why the article insists on mentioning rumors which were officially refuted by those directly involved and proven by subsequent events. Specifically, we would like to remind that with its announcement on March 9, 2020 ELLAKTOR stated:

1. Regarding rumors of imminent resignations of the Chairman of the Board of Directors of ELLAKTOR Group, Mr. George Provopoulos, and the CEO of the subsidiary AKTOR, Mr. Alexandros Exarchou, the Company has received:
 - From the Chairman of the Board of Directors of ELLAKTOR Group, Mr. George Provopoulos, the following statement: *“I have never expressed any intention or decision to leave the ELLAKTOR Board of Directors. I honor the mandate given to me by the General Meeting of Shareholders of the Company and remain in the*

position of Chairman of the Board of Directors, acting with the purpose of protecting the interests of all shareholders of ELLAKTOR.”

- From the CEO of AKTOR, Mr. Alexandros Exarchou, the following statement: *“My decision to accept the position of AKTOR's Managing Director was made fully aware of the requirements of the task I was undertaking. The only parameter I was unaware of at the time was the dedication of AKTOR's people towards the Company, which for 18 months now remains steadfast. It is this trust by Management and employees that I will continue to serve.”*
2. Regarding rumors of a breakup of the PEMANOARO LIMITED vehicle, which is jointly controlled by Messrs. Anastasios P. Kallitsantsis and Dimitrios P. Kallitsantsis, which holds 25.58% of ELLAKTOR's share capital, the false claims regarding a loss of confidence towards PEMANOARO LIMITED by the financier of the vehicle, as well as alleged claims for additional guarantees, the Company has received the following joint statement by Messrs. Anastasios P. Kallitsantsis and Dimitrios P. Kallitsantsis:
- *“From the first moment we presented our proposal to the shareholders of ELLAKTOR and requested a vote of confidence from the General Assembly for a new Board of Directors, we described a large-scale and very complex project that would require a corresponding amount of time. This view is shared by the financier of PEMANOARO LIMITED, who have supported the project from the very outset taking into account all of the facts that we presented. The financier of the vehicle has today reconfirmed its unequivocal support of our efforts, while at the same time denying any rumor of a loss of confidence towards us. Therefore, we remain steadfast towards the project and the commitments we have made”*

In addition, as can be seen from the trading data of those days, the sales that led to the fall of the share price were in the vast majority from small shareholders and not from institutional funds. Therefore, the assessment of the Management -in its announcement on March 9, 2020- was confirmed: "the circulation of non-existent rumors is methodical and aims to undermine the share price, primarily harming the investing public.

ELLAKTOR hopes that this is not also the case with this publication of September 6th 2020, and that in any case, this detailed announcement contains all the information to protect the investment community from any intentional or unintentional misinformation.

Kifissia, September 9, 2020