



To the Board of Directors of  
ELLAKTOR S.A.  
25 Ermou St,  
145 64 Nea Kifissia  
Greece

1 August 2022

**FOR ANY LAWFUL PURPOSE**

Dear Sirs and Madams,

You have commissioned AXIA Ventures Group Limited (hereinafter "AXIA" or "we") to carry out financial analyses and prepare a financial report (hereinafter the "Report") to the Board of Directors (hereinafter the "Board") of ELLAKTOR S.A. (hereinafter the "Company" or "Ellaktor"), in accordance with the provisions of article 101 of Law 4548/2018, regarding the reasonableness and fairness from a financial point of view of the price offered by Motor Oil Refineries of Corinth S.A. (hereinafter "MOH") for the acquisition of 75% of the share capital of a company to be established that will have as an asset the Company's renewable energy portfolio (hereinafter the "Renewable Energy Sector"), based on the initial framework of agreement it has reached with Reggeborgh Invest B.V. (hereinafter the "Reggeborgh"). The Report will be taken into account by the Company's Board of Directors in forming its reasoned opinion.

**A. Introduction**

On May 6, 2022, MOH announced that it has reached an initial framework agreement with Reggeborgh to acquire a 75% stake in the renewable energy business, which includes projects in operation with a total capacity of 493 MW as well as a number of projects under construction with a total capacity of more than 1.6 GW. This agreement is subject to the usual conditions (thorough due diligence check and obtaining corporate and regulatory approvals). The total consideration offered for the RES business was €1,000 million, subject to further modifications related to the transaction and the profitability of the RES business. Following the completion of negotiations and a thorough due diligence process, the final price was finalized at €994 million ("cash free/debt free basis" and on a normalized working capital basis).

According to the Company's management team, the following actions are expected to be taken to complete the transaction:

- Ellaktor will carry out a demerger by way of a spin-off through the creation of a new company, (hereinafter referred to as the "SpinCo"), whose shares will be 100% owned by the Company
- MOH and Ellaktor will jointly establish a new societe anonyme, (hereinafter referred to as "HoldCo"), in which MOH will hold 75% and the Company 25%. MOH will use cash to cover HoldCo's share capital, while the Company will meet it with a contribution in kind of approximately 14% of its shares in SpinCo (in exchange for shares representing 25% of HoldCo's share capital)

- The Company will sell approximately 86% of its shares in SpinCo to HoldCo
- HoldCo will merge with SpinCo through the absorption of the former by the latter. Upon the establishment of HoldCo the Company will enter into a shareholders' agreement with MOH

The Report focuses on the offered price of this transaction (i.e. the sale of a 75% stake in the RES business) on a stand-alone basis and any other agreement between MOH and Reggeborgh related to the Company is not considered in this analysis. AXIA has not evaluated any other parameters/conditions of the transaction under consideration other than the offered price.

The Report is based on current economic and market conditions and on the information provided to us. Events that occur or will occur after the date of the Report may affect the valuation and, in this respect, we assume no obligation to update or revise the Report.

The members of the Company's management team have assured AXIA that they were not aware of any facts or circumstances that would make the information provided incomplete, incorrect or misleading.

AXIA did not conduct an on-site inspection of the Company's assets or facilities or the RES business as part of the preparation of the Report. AXIA does not specialise in or provide services related to legal, regulatory or tax issues.

In the past, AXIA has prepared a fairness opinion on behalf of the Board of Directors of the Company on the reasonableness and fairness of the price offered by RB Ellaktor Holding B.V. in the context of the voluntary public offer announced on 6 May 2022 to the Company's shareholders and has acted as co-manager in Company senior bonds issue that was made in 2019. It may also provide investment banking services to the Company in the future, for which AXIA's Investment Banking Department may receive a fee, without this affecting its independence in relation to the Company.

In the Report, we estimate a range of fair value for the RES business. The valuation was carried out in accordance with generally accepted international principles and methodologies. The final result was obtained by giving different weight to each methodology used, taking into account the degree of suitability of each of the methods for the case in question. If methods or weights other than those we have used were applied, the result of the relative valuation could be different.

The work of valuing companies/activities cannot be considered an exact science and the conclusions reached by this work are, in many cases, subjective and depend on the judgment of the person carrying out the valuation. Opinions may differ because of the various specific considerations that need to be made, even if the same data and assumptions are used. Therefore, there is no single method for determining a definitive value, although commonly accepted methods are necessary to determine the reasonableness of conclusions.

## **B. Valuation**

### **1. Basic Valuation Assumptions**

The valuation of the RES business is based on the assumption that it will continue to operate as an independent entity in the sectors in which it currently operates (on a stand-alone basis), without taking into account any potential synergies that may arise from the transaction. In addition, the valuation does not take into account any potential impacts, such as impacts on tax, on individual shareholders.

This analysis reflects the fact that the effective date of the transaction will be 31 December 2021 (application of locked-box adjustment mechanism) and is based on the transaction terms communicated to AXIA by the Company's management team.

## 2. Sources of Information

In order to prepare the Report, AXIA received and processed, inter alia, the following data and information:

- The business plan of the RES business, as provided by the Company's management team
- Additional supporting information on the RES business
- MOH's offer for the RES business
- Additional information about the transaction
- Meetings and teleconferences with the management teams of the Company and the RES business, where they provided us with further clarifications on their business plan and the assumptions on which they were based
- Capital market and financial data for the selected comparable companies (primary sources: Bloomberg, Capital IQ, Damodaran, Mergermarket)
- Data of past transactions (2018-2022) where the target companies can be considered comparable to the RES business (sources: Capital IQ, Mergermarket)

In conducting the Report, the assumption was made that all information disclosed to AXIA for the RES business is complete and accurate in its material aspects and AXIA has not independently verified this information.

## 3. Valuation methods

Three internationally accepted methods were used to value the RES business. A different weighting was given for each method, which we consider to be reasonable and appropriate for the present case. Specifically, we used the following methodologies:

- Discounted Cash Flows (hereinafter "Discounted Cash Flows" or "DCF"): The DCF method values a company based on its free cash flows using a discount rate. Our analysis was based on Free Cash Flow to Equity and to calculate the appropriate discount rate we used the Capital Asset Pricing Model (CAPM), using the betas of comparable listed companies and a country risk premium. The analysis was based on the business plan of the RES business provided to us by the Company's management team, and we also performed a sensitivity analysis on this plan
- The comparable transactions method (hereinafter referred to as the "Precedent Transactions Analysis"): This method determines the value of the company based on financial indicators from recent comparable transactions (acquisitions) of similar companies. In the present analysis we have used the EV/EBITDA ratio, using the EBITDA of the last 12 months (LTM) at the date of the transaction, based on transactions (mergers and acquisitions) for comparable companies in the RES business
- Method of Comparable Companies Analysis (hereinafter referred to as 'Comparable Companies Analysis'): This method calculates the value of a company based on financial indications for comparable companies listed on international stock exchanges. In this analysis we have based our analysis on the EV/EBITDA (enterprise value to earnings before interest, taxes, depreciation and amortization) ratio for the years 2022 and 2023, using the expected EBITDA for 2022 and 2023 (as derived from the business plan)

More weight was given to the fundamental analysis, i.e. DCF (50%), as this method focuses on the intrinsic value of the RES business and captures its dynamics and specific characteristics. Also, a high weight was given to the Precedent Transactions Analysis method (30%), since the consideration being assessed was offered in the context of a majority stake acquisition. Finally, a lower weighting was given to the Comparable Companies Analysis method (20%).

#### 4. Summary of Valuation Results

The results of the valuation of the RES business, as derived from the application of the methods used, are summarised as follows:

<i>Amounts in € million</i>	Business Value		Weighting coefficient
	Threshold	Maximum Limit	
i. DCF	820	953	50%
ii. Comparable Companies Analysis (2022E EBITDA)	1.229	1.266	10%
iii. Comparable Companies Analysis (2023E EBITDA)	1.069	1.121	10%
iv. Precedent Transactions Analysis	1.007	1.061	30%
<b>Weighted Average</b>	<b>942</b>	<b>(1.033)</b>	

#### C. Conclusion on the Reasonableness of the Transaction

Taking into account the above and based on the final valuation range of €942 million and €1,033 million, we conclude that the offered price of €994 million is fair and reasonable.

#### D. Disclaimer

The Board of Directors of the Company has instructed AXIA to prepare the Report, acting as financial advisor to the Company, on the fairness and reasonableness of the consideration offered by MOH for the acquisition of a 75% interest in the RES business, based on the initial framework of agreement reached with Reggeborgh (hereinafter the "Transaction"). AXIA will receive monetary remuneration for the services provided to the Company under this mandate.

For the purposes of preparing the Report, AXIA has relied on the assumption that the financial and other information either published or provided to us was accurate and complete. The Company's management team has assured AXIA that it was not aware of any facts or circumstances that would make the information provided incomplete, incorrect or misleading. AXIA assumes no responsibility to independently confirm the accuracy and completeness of the information provided and has not made any such confirmation.

The Report may contain certain statements by the Company regarding the Transaction. The projections for the future performance of the RES business are based on various assumptions/estimates/judgements from the Company's management team regarding conditions that may or may not be achieved. AXIA provides no guarantee and assumes no responsibility for the achievement of the projections presented. Actual performance during the forecast period may differ significantly from the respective estimate.

By delivering the Report, AXIA assumes no obligation to provide additional information or to update the Report or to correct any inaccuracies that may arise.

Each party receiving access to the Report agrees that neither it nor its consultants, representatives, directors or employees shall make copies, reproduce or distribute to other parties the whole or any part of the Report or extracts thereof without the written consent of AXIA, except in so far and to the extent that the Report or any part thereof is provided for the purposes of publication under article 101 of Law No. 4548/2018.

The valuation contained in the Report is solely from a financial perspective, in particular with respect to the fairness and reasonableness of the price offered for the RES business, and does not provide any opinion on the benefits of the Transaction. The Report is not a proposal for a binding agreement nor is it part of such a proposal, therefore no binding agreement or other legally or otherwise binding guarantee is included herein. The Report does not constitute an offer or invitation to sell or purchase any shares or assets described herein and will not form the basis of any such transaction.

Although the Report does not contain information that could be considered as "inside information" according to Regulation (EU) 596/2014 (Market Abuse Regulation) (hereinafter "MAR") or material non-public information in general, any party receiving access to the Report accepts that it is aware and will inform its employees, directors, consultants and representatives, who are informed about the subject matter of the Report, on the restrictions arising from the relevant legislation on the purchase or sale of securities by any party receiving material non-public information from a company that has issued securities and the communication of such information to another party under MAR. Any party receiving access to the Report agrees that it shall not use the Report and any information contained therein in any way that could constitute "market abuse" under the MAR Regulation.

The Report is not intended to serve as investment, legal, accounting, regulatory, tax or other advice and does not take into account any investment, legal, accounting, regulatory, tax or financial objectives or specific needs of the recipient. Each recipient is responsible for forming its own opinions and conclusions on such matters by independently evaluating the Transaction and seeking independent professional advice regarding the Transaction. The use of the Report is limited to the purpose for which it is stated to have been provided. In any case, interested parties are invited to carry out their own review and analysis of the Transaction and the information contained in the Report before making any decision relating to the contents of the Report.

Yours sincerely,

AXIA VENTURES GROUP LIMITED