



GROUP OF COMPANIES

AVE SA

Financial Results of the 9-Month Period of 2020 and Update on the Covid-19 Impact

Further to Capital Market Commission's letter no. 2503/18.11.2020, and as part of the investors' update on the Covid-19 pandemic, AVE SA presents its key financial figures for Q3, for the 9-month period of 2020 and the major developments of its operations.

A. The major events for the Group in Q3 of the current fiscal year affecting its financial position are the following:

1. The reduction of the Company's share capital by € 41,416,425.18, by offsetting an equal amount of loss accumulated from previous fiscal years, reducing the nominal value of 159,293,943 shares (common and preferred) from € 0.30 to € 0.04.
2. The increase of the Company's share capital by the amount of six million five hundred thousand euro (**€ 6.5mn**) with issue of 6,500,000 new common registered shares at the offer price of 1.00 € per share. The above increase was effected by capitalisation of payments from the major shareholders of the Company, and abolition of the first refusal rights of existing shareholders. The above payments had been made on account of future share capital increases, and the funds raised were used to repay loan obligations and enhance the Company's operating capital.
3. The consummation of a privative assumption of debt agreement between (i) the Company as primary debtor, (ii) "DOSON SINGLE MEMBER SA" as new debtor, (iii) "Piraeus BANK SA" as lender, whereby loans of the Company in the amount of € 5.52mn were written off, enhancing the results and net position of the Group with an equal amount.
4. The sale of the entire number of shares held by the Group in subsidiary Ster Cinemas at the price of **€ 1mn**, which had a positive impact on the results and net position of the Group.

The main consolidated financial figures of Q3 are set out in the table below:

(Amount in €)	GROUP		
	01.07 - 30.09.2020	01.07 - 30.09.2019	% Change
Sales	37,248,262	32,057,394	16%
Profit / (loss) before taxes, financial and investment results (EBIT)	(178,233)	(687,953)	74%
Profit / (loss) before taxes, financial and investment results and amortizations (EBITDA)	1,370,227	846,501	62%

The considerable increase of sales by 16% is noted yoy (versus 2019), primarily resulting from the sale of telecommunication and technology products which, in combination with the reduced promotion expenses and other inelastic costs of the sector, had a decisive effect on the increase of the operating profits of the Group (EBIT) and (EBITDA).

B. Added to the results of the first half of the current fiscal year, the above results formulate the key financial figures of the Group for the **9-month period of 2020** as follows:

a) Consolidated turnover amounted to € 95.83 mn. versus € 51.43 mn. This increase at Group level was a result of the fact that, during the 9-month period of 2019, the financial results of "KRISTELCOM LIMITED" were only

incorporated for four months (from 07/06-30/09/2019). The non-comparability of the two periods is the reason why no percentage changes are presented.

b) The consolidated EBIT were negative by € 3.25 mn versus loss in the amount of € 3.67mn yoy.

c) EBITDA more than doubled at Group level, standing at € 1.64 mn versus € 714 thousand in the 9-month period of 2019.

d) Consolidated earnings before taxes from **ongoing operations** in the 9-month period of the current fiscal year amounted to € 6.58 mn profit versus loss in the amount of € 6.54 mn yoy. The event that brought about this considerably positive result this year was the write-off of loan obligations that contributed to profitability by € 15.55mn.

e) Consolidated earnings before taxes from **discontinued operations** in the 9-month period of the current fiscal year amounted to € 14.15 mn profit versus loss in the amount of € 2.74 mn yoy. The decisive factor of this result was basically the € 15.98 mn worth of profits that resulted from the non-inclusion of subsidiary Ster Cinemas in the Group due to transfer of its shares.

f) The Group's total Equity as at 30.09.2020 amounts to € 27.60 mn versus € 1.014 mn as at 31.12.2019, due to the considerable increase of profitability presented in items (d) and (e), and the share capital increase of € 6.5 mn in Q3 of the current fiscal year. It is noted that, further to the Management's actions presented above, the Group's capital base was enhanced to reach a record high in the last years.

g) Total loans at Group level as at 30.09.2020 went down to € 65.5 mn versus € 88.08mn as at 31.12.2019, i.e. a €22.6 mn reduction (-25.6%), as a result of the loan write-off in light of the execution of the two privative assumption of debt agreements and the non-inclusion of the (loss-generating) sector of cinema theaters in the financial statements.

h) Finally, for the reasons described under (g) above, total liabilities at a consolidated level as at 30.09.2020 was reduced to € 110.12 mn versus € 163.43 mn (-32.63%) as at 31.12.2019.

The above 9-month figures, along with the figures of the previous fiscal year, are summarised in the table below so as to provide a clearer understanding:

(Amount in €)	GROUP	
	01.01 - 30.09.2020	01.01 - 30.09.2019
Sales	95,827,307	51,427,250
Profit / (loss) before taxes, financial and investment results (EBIT)	(3,251,892)	(3,672,020)
Profit / (loss) before taxes, financial and investment results and amortizations (EBITDA)	1,642,096	714,287
Profit / (loss) before taxes from ongoing operations	6,577,344	(6,535,723)
Profit / (loss) before taxes from discontinued operations	14,151,039	(2,743,406)

C. As far as the COVID-19 impact on the Group's operations is concerned, it is noted that two of its business pillars, the one involving amusement parks (Allou Fun Park) and the one involving movie theaters (Ster/Odeon) [prior to its transfer in Q3 2020], remained in mandatory suspension by State order for a considerable time in the 9-month period of 2020, thus noting a significant fall-back in their turnover. In specific, sales from the amusement parks business in the 9-month period of 2020 amounted to € 1.83 mn versus € 3.55 mn yoy, and the park is not expected to resume its operation before the end of the current fiscal year. Moreover, the loss generated by the operation of movie theaters in the 9-month period of 2020 amounted to € 1.8 mn, and is incorporated in the result from discontinued operations (hence a non-recurring cost).

As far as the distribution of telecommunication and technology products is concerned, which is the main commercial component of the Group (having generated € 81.01 mn accounting for 85% of consolidated sales in the 9-month period of 2020), establishing work from home in businesses and education, the need for contactless transactions (sales-payment) in order to limit transmission of the virus and, in general, the need to communicate with people in a lock-down situation, have lead to mass use of the internet and enhanced the demand for

telecommunication products (laptops, mobile phones and tablets) which, given that commercial stores were closed, was covered by e-commerce. For the above reasons, sales in the above period noted a 4.9% increase yoy (2019), with a reduction, however, of the gross profit percentage resulting from the reduced profit margins in the extremely competitive environment of e-commerce. Even in November, when the second lockdown was imposed, e-sales especially on Black Friday were quite strong, surpassing even the sales in November 2019 when commercial stores had been open.

Amidst these unprecedented circumstances, the Management is exerting all effort to limit negative impact on the Group's financial figures, fully utilising, to the extent applicable, the measures established by the Greek government in support of the employees, and the rent relief for businesses affected by the pandemic. At the same time, due to the volatility of conditions and forecasts concerning the outcome and the development of the impact of the pandemic, the Management has set up a special working group conducting assessments and preparing action plans on a regular basis.