



Report of the Board of Directors of AVAX SA (henceforth «the Company») to the Extraordinary General Meeting of its shareholders scheduled for 20.09.2019, in line with article 9 of Law 3016/2002 and paragraphs 4.1.3.13.1 and 4.1.3.13.2 of the Regulation of the Athens Stock Exchange (henceforth «the ASE») towards the increase of company share capital through a rights issue worth up to €20 million

I. Introduction

During its meeting on 30.08.2019, the Board of Directors of the Company decided to propose to shareholders at the Extraordinary General Meeting scheduled for Friday, 20.09.2019 at 13:00 at the Company headquarters, located at 16 Amarousiou-Halandriou Street in Marousi, Greece to discuss the following agenda:

- (a) Adjustment of company share capital because the share capital increase decided by the Extraordinary General Meeting of shareholders on 27.03.2019 did not materialise. Amendment of article 5 of the Corporate Charter.
- (b) Increase of the share capital of the Company up to the amount of twenty million euro (€20,000,000.00) through a cash issue offering rights of participation to all its shareholders, at an issue price of €0.30 per share for a total of 66,666,666 new common registered shares. Amendment of article 5 of the Corporate Charter.
- (c) Amendment of article 3 of the Corporate Charter.
- (d) Compliance of the Corporate Charter with the provisions of Law 4548/2018 and its amendments.

In the event of failure to reach the required quorum at the assembly, the Board of Directors invites shareholders to a Repeat General Meeting on Thursday, September 26, 2019 at 13:00 at the Company Headquarters with the same agenda. No invitation to shareholders will be published for the repeat general meeting, according to article 130 of Law 4548/2018 and its amendments.

In addition, the Board of Directors of the Company decided to propose to shareholders the following:

- (a) to provide for the issue price to exceed the prevailing market price of outstanding shares of the Company when they start trading ex-rights,



(b) to authorize the Board of Directors of the Company to set the date for the shares to trade ex-rights, the period for trading and exercising rights, the deadline for depositing funds, and all other actions required towards the rights issue and the listing of new shares for trading on the ASE, also reserving the right to transfer this authorization to any Board member or Company employee.

In line with article 9 of Law 3016/2002 and paragraphs 4.1.3.13.1 and 4.1.3.13.2 of the ASE Regulation, this Report of the Board of Directors to shareholders participating in the Extraordinary General Meeting and any repeat sessions, will be sent to the ASE for information dissemination purposes and be available at the Company website. The Report includes the following information:

II. Report on the proposed capital increase, in line with paragraphs 4.1.3.13.1 and 4.1.3.13.2 of the ASE Regulation

This Report of the Board of Directors of the Company is prepared in accordance with paragraphs 4.1.3.13.1 and 4.1.3.13.2 of the ASE Regulation. It will be presented to shareholders at the Extraordinary General Meeting scheduled for 20.09.2019, announced to the investment public through the ASE and uploaded to the www.jp-avax.gr company website, as per the paragraphs 4.1.3.13.1 and 4.1.3.13.2 of the ASE Regulation.

Report Items according to paragraphs 4.1.3.13.1 and 4.1.3.13.2 of the ASE Regulation

A. Information on the investment plan of the Company and its time schedule

The funds raised through the upcoming share capital increase of the Company, after deducting budgeted expenses, will be allocated as follows:

- (a) €4.725 million to meet obligations arising from the Company's bond loans,
- (b) €5.0 million to reduce short-term liabilities,
- (c) €3.43 million to finance its 100% subsidiary Volterra SA which contributes equity towards the wind park in Nafpaktia, Greece,
- (d) €3.487 million to improve cash liquidity, in view of installment payments totaling €18.3 million arising from the fine imposed on the Company in 2017 by Greece's Competition Committee to settle a dispute.



(e) €3.0 million in equity and sub-debt contribution for the PPP waste management project in Ilia prefecture of western Greece.

Funds are expected to be used up within 24 months from the time they are raised.

B. Overview of the use of funds raised previously by the Company

In line with paragraph 1 of article 9 of Law 3016/2002, no data on the use of funds from a previous rights issue are presented, because the last capital increase of the Company took place more than a decade ago.

C. Statements of Main Shareholders on their Equity Participation

As per case 1(e) of paragraph 4.1.3.13.2 of the ASE Regulation, the Company has two “main shareholders”, namely Messrs Constantine Mitzalis and Constantine Kouvaras, given their direct or indirect equity participation exceeds 5% and they are executive members of its Board of Directors.

Both Messrs Constantine Mitzalis and Constantine Kouvaras state their intention to maintain their equity participation in the Company:

- (i) until the proposed rights issue is completed and new shares have listed on ASE, and
- (ii) for a six-month period after the start of trading of new shares

D. Issue Price of New Shares

The Board of Directors of the Company proposes a €0.30 issue price for new shares. It also proposes to shareholders that the issue price may exceed the prevailing market price of outstanding shares of the Company when they start trading ex-rights.

Marousi

THE BOARD OF DIRECTORS