

PRESS RELEASE OF SIDMA S.A.

Athens, 24th April 2019

Announcement of the publication of the financial results for the financial year 2019

2018 was a significant year for the Greek economy although activity in our industry remained low since the timetable for launching large infrastructure projects was postponed for the following year. In the course of the year, the third Financial Adjustment Program was completed and measures to alleviate the Greek public debt were implemented, which, according to government estimates, ensure its sustainability in the medium term. However, the Business Climate Indicator in Greece (IOBE data), after the completion of the Financial Adjustment Program and an increase recorded for 42 quarters, it dropped in the 4th quarter of 2018 while during the 1st quarter of this year it remained stagnant, thus capturing the fact that there are still significant structural problems in the economy. As far as SIDMA is concerned, during 2018, the company increased its turnover both at parent and Group level but it has depressed its operating profitability as the increase in raw material costs could not be sufficiently transposed both in the domestic market and in the the rest of the Balkan market.

In particular, **SIDMA's** consolidated turnover in 2018 amounted to € 136.7 million, compared to € 123.5 million in 2017, or 10.7% higher, while with dealership sales it amounted to € 171.3 million compared to € 155.4 million the previous year, i.e. increased by 10.2%. Moreover, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 4.2 million compared to € 5.8 million in 2017, mainly due to a fall in the gross profit margin by 20% as mentioned above. Last but not least, earnings before taxes showed losses of €3.9 million compared to €2.6 million in the corresponding period last year.

At Company level, in 2018 SIDMA's turnover was set to € 85.2 million from € 80.6 million, while together with dealership sales it was set to € 119.8 million from € 112.5 million in 2017, showing an increase of 6.5%. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to profits of € 3.5 million from € 4.7 million in 2017, while earnings before taxes amounted to losses of € 2.8 million from € 2.2 million in 2017. Here too the burden on results is due to the depression of gross profit margins by 19,8% or € 1.5 million.

The Balkan subsidiaries increased their turnover, more specifically **SIDMA Bulgaria** by 15 % and **SIDMA Romania** by 24% compared to 2017. Namely, the turnover of SIDMA Bulgaria amounted to € 26.5 million compared to € 23.1 million, while the turnover of SIDMA Romania amounted to € 25.8 million compared to € 20.9 million in 2017.

In addition, SIDMA Bulgaria presented a decrease by 8% in terms of operating profitability EBITDA (€ 654 thousand from € 710 thousand in 2017) and pre-tax earnings of € 70 thousand in

2018 from € 143 thousand in the previous fiscal year, due to a reduction in gross profit margins by 11%. Regarding SIDMA Romania, in terms of operating profitability EBITDA, it recorded a decrease by € 162 thousand approximately, while at the level of pre-tax results it recorded a decline by € 140 thousand compared to the same period last year, due to a depression of gross profit margins by 23%.

The Group's liquidity amounted to € 9.2 million at the end of the year from € 8.3 million in 2017. In recent years, the company's Management has taken a series of actions that involve reducing operating costs drastically as well as bolstering up the structure of its operating activities. The cost reduction achieved since the beginning of the crisis is more than 30%. Moreover, a series of actions are taken in order to strengthen the Group's liquidity and financial position, with the main objective of improving its financing costs.