Press Release

Athens, 25 September 2020

The spread of the COVID-19 pandemic had an impact on the global economy in the first half of 2020 and will continue to affect the Greek economy for a period that remains to be seen. The first two months of the year saw the Greek economy start with very positive growth prospects but then the lockdown measures and the rising uncertainty in regard to the progress of the pandemic led to a serious deterioration. In its quarterly report on the second quarter, the Foundation for Economic and Industrial Research (IOBE) indicates that the recession of the economy during 2020 is expected to be deeper than initially estimated while major interventions of monetary and fiscal policy continue to be implemented. According to the latest estimates of the European Commission, Greek GDP will shrink this year by 9.0%.

Under these circumstances, the consolidated turnover of **SIDMA Group** during the first half of the year amounted to €61.3 million or 10.3% lower compared to the respective period of 2019. Taking into account agency sales, the turnover amounted to €75.9 million from €85.9 million, i.e. it was reduced by 11.7% compared to last year. The above decreases are mainly due to the average selling price as it dropped in relation to last year's six-month period by 5.4%, thus entailing the respective decrease in turnover. On the contrary, the sales volume recorded a slighter drop, less than 3%, compared to the respective last-year period. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to €1,826k from €2,395k last year while pre-tax results stood at losses of €1,768k compared to €331k in the respective last-year period. The variation in pre-tax results is mainly due to the restructuring of a part of the parent company's borrowing which took place last year and is the outcome of the company's negotiations with the banks.

At Company level, the turnover of parent **SIDMA** in the first half of the year stood at €41.3 million from €43.3 million, registering a 4.8% drop. Taking into account agency sales, it stood at €55.9 million from €60.9 million in the respective period of 2019, i.e. an 8.2% decrease. Such decrease is largely due to the drop in selling prices, as also cited above. EBITDA amounted to €1.6 million from €1.8 million in the respective last-year period while pre-tax results stood at losses of €1.0 million compared to profits of €0.1 million in the respective last-year period for the reasons referred to above.

With respect to the subsidiaries, both **SIDMA Bulgaria** and **SIDMA Romania** saw a drop in their turnover by 9.8% and 32.2% respectively compared to the first half of 2019. More specifically, the turnover of SIDMA Bulgaria amounted to €12.1 million compared to €13.4 million while the turnover of SIDMA Romania stood at €8.2 million compared to €12.1 million in the first half of 2019.

In terms of the subsidiaries' other financial figures, SIDMA Bulgaria recorded a drop in operating profitability (EBITDA) from €367k last year to €233k this year and a decrease in its results from profits of €65k last year to losses of €61k this year.

In terms of EBITDA, SIDMA Romania recorded zero operating profitability while its pre-tax results stood at losses of €704k from €481k last year.

The Group's liquidity was increased by €2 million or 33% and amounted to €8.3 million.

During the first half of 2020 and after its end till this press release was prepared, the following important events took place:

Ordinary General Meeting

Shareholders accounting for 75.91% of the share capital and voting rights attended the Ordinary General Meeting of company shareholders that was held in Athens on 25 May 2020 and unanimously approved the following:

- The Management Report of the Board of Directors and Auditors, and the annual Financial Statements on 2019;
- Discharge of members of the Board of Directors and the Chartered Accountant for 2019;
- Election of Chartered Accountants and approval of their fees for 2020;
- Remuneration Report of the Company for the period from 01.01.2019 to 31.12.2019, in accordance with article 112 of Law 4548/2018;
- Authorisation of Directors and General Management of the company to participate in the Boards of Directors or Management of affiliated entities;
- Election of a new Board of Directors;
- Appointment of the members of the Audit Committee.
- The recommendation of the Board of Directors to vote in favour of the following item involving the share capital increase through contribution in kind is an advisable and adequate measure to enhance the Company's liquidity and address the decrease in its equity as part of the measures adopted pursuant to article 119(4) of Law 4548/2018.
- The increase in the Company's share capital up to the amount of four million five hundred eighty-four thousand euros and sixty cents (€4,584,000.60) through the issue of three million three hundred ninety-five thousand five hundred fifty-six (3,395,556) ordinary registered shares with voting rights and a nominal value of one euro and thirty-five cents each (€1.35) in favour of **BITROS STEEL S.A.**, without other shareholders having any pre-emption right. These shares will be covered through contribution in kind, i.e. assets and liabilities involving the trade and processing of steel products of BITROS STEEL SA.
- Amendment to the company's Articles of Association so as to adapt to the provisions of Law 4548/2018.
- Extension of the term of the ordinary corporate bond of €4,000,000.00, if so required by the Bondholders' Representative, from 31.12.2019 to 30.06.2020.
- With respect to the aforementioned loan, the recommendation of the Board of Directors to have the General Meeting of Shareholders authorise the Board of Directors to apply for an extension of the ordinary corporate bond of 4,000,000.00 from 31.12.2019 to 30.06.2020.

Extraordinary General Meeting

Shareholders accounting for 77.59% of the share capital and voting rights attended the Extraordinary General Meeting of company shareholders that was held in Athens on 31 August 2020 and unanimously approved the issue of three secured ordinary corporate bonds totalling: a. forty-four million six hundred thirty-five thousand euros (€44,635,000); b. seven million one hundred seventy-seven thousand euros (€7,177,000) and c. twenty-four million nine hundred eighty thousand (€24,980,000) euros. Moreover, the Meeting approved the authorisation to the Company's Board of Directors to finalise the specific terms of corporate bonds in accordance with the Law and take all necessary steps to enter all relevant instruments including collateral-related documents.

Signing of Asset and Liabilities Transfer Agreement of BITROS METALLURGICAL

On September 24, 2020, following the decision of the General Meeting of Shareholders dated 25/05/2020, it was signed between BITROS STEEL SA and the company, an agreement for the transfer of assets and liabilities of BITROS STEEL SA. against company securities. The transferor undertook the obligation to contribute to the Company the assets and liabilities as they are formed on the date of the contribution 31/08/2020, to cover the increase of the share capital of the company, in accordance with the provisions of article 17 L. 4548/2018, up to the amount of € 4,584,000.60 €, through the issue of 3,395,556 common, registered shares, nominal value € 1.35 each with the difference between the nominal value of the new shares and the offering price, total amounting to € 3,421,571.20 in credit of the account "Difference from the issuance of premium shares". The total equity that is transferred amounts to € 8,005,571.80.

Goals and Prospects for the rest of 2020

For the rest of 2020, the company focuses on the completion of the absorption of the steel department of BITROS STEEL SA. and the signing of contracts for the refinancing of its loans. Following the completion of the Transaction and the subsequent financial restructuring, SIDMA, with its market share, strengthened by the absorption of BITROS, will have a significantly improved capital structure and adequate working capital financing, which will allow it to acceleration of the construction and investment activity that will be financed by the financing through the Recovery Fund and the new NSRF. The timing of new projects cannot be accurately predicted due to the continuing impact of the pandemic.

1.1. *On September 24, 2020, following the decision of the General Meeting of Shareholders dated 25/05/2020, it was signed between BITROS METALLURGICAL SA. and the company, an agreement for the transfer of assets and liabilities of BITROS METALLURGICAL SA. against company securities. The transferor undertook the obligation to contribute to the Company the assets and liabilities as they are formed on the date of the contribution 31/08/2020, to cover the increase of the share capital of the company, in accordance with the provisions of article 17 N 4548/2018, up to the amount of € 4,584,000.60 €, through the issue of 3,395,556 common, registered shares, nominal value € 1.35 each with the difference between the nominal value of the new shares and the offering price, total amounting to € 3,421,571.20 in credit of the account "Difference from the issuance of premium shares". The total equity that is transferred amounts to € 8,005,571.80.*

1.2.

1.3. *Goals and Prospects for the rest of 2020*

1.4.

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1.7.

1.8. *Goals and Prospects for the rest of 2020*

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1.10. For the rest of 2020 the company focuses on the completion of the absorption of the steel department of BITROS METALLURGICAL SA. and the signing of contracts for the refinancing of its loans. Following the completion of the Transaction and the subsequent financial restructuring, SIDMA, with its market share, strengthened by the absorption of BITROS, will have a significantly improved capital structure and adequate working capital financing, which will allow it to acceleration of the construction and investment activity that will be financed by the financing through the Recovery Fund and the new NSRF. The timing of new projects cannot be accurately predicted due to the continuing impact of the pandemic.