

PRESS RELEASE OF SIDMA S.A.

Athens, 19th September 2018

Announcement of the publication of the financial results for the first semester of 2018

In the first half of 2018, the Greek economy showed signs of recovery as recorded in the Economic Bulletin, followed by the improvement of the economic climate and consumer expectations. With the completion of the third Economic Adjustment Program in August and the decisions on the post-memorandum surveillance framework, we hope to stabilize the economic framework and restore the Greek economy to growth. However, there have been delays in new big construction projects and private building activity remains at particularly low levels, both unfavourable to the sector in which our company operates.

Nevertheless, **SIDMA Group** recorded an increase in turnover in the first half of the year, both in terms of sales volume and revenue.

Namely, during the first semester of the year the consolidated turnover of the Group amounted to € 68.3 million compared to € 57.9 million in the corresponding period of 2017 or 17.9% higher, while together with dealership sales it amounted to € 86.4 million from € 73.4 million, i.e. increased by 17.7% compared to the same period last year. But, the Group's earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 2,561 thousand from € 3,231 thousand last year, while earnings before taxes amounted to losses of € 1,666 thousand from € 929 thousand in the same period last year. The worsening of the results is due solely to the reduction of the gross profit margin compared to the corresponding period last year (from 10.7% in the first half of 2017 to 8.1% in the first half of 2018), which is attributable to the fact that the market failed to adequately absorb the increases demanded by the rising prices of Steel Mills, especially in the second quarter of the year. This was noticeable both in the Greek market and the rest of the Balkan markets.

At Company level, in the first semester of the year SIDMA's turnover was set to € 42.7 million from € 38.5 million, presenting an increase of 11%, while together with dealership sales it was set to € 60.8 million from € 53.9 million in the corresponding period of 2017, increased by 12.7%. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 2.0 million from € 2.4 million in the corresponding period last year, while earnings before taxes presented an increase in losses by € 0.4 million, compared to those of the corresponding period last year from € 0.9 million to € 1.3 million. As in the consolidated results, we had a reduction in the gross profit margin compared to the corresponding period last year from 12.8% in the first half of 2017 to 10.1% in the first half of 2018.

The subsidiaries showed a significant increase in turnover. SIDMA Bulgaria recorded an increase by 26%, while SIDMA Romania by 37% compared to the first half of 2017. Namely, the turnover

of SIDMA Bulgaria amounted to € 13.2 million compared to € 10.5 million, while the turnover of SIDMA Romania amounted to € 12.9 million compared to € 9.4 million in the first half of 2017.

As far as the other figures of the subsidiaries are concerned, **SIDMA Bulgaria** presented a decrease in terms of operating profitability (EBITDA) from € 532 thousand last year to € 434 thousand this year and profits from € 254 thousand last year to € 135 thousand this year. As in Greece, the decline in results is mainly due to a fall in the gross profit margin by 3.0 percentage points approximately.

In terms of operating profitability, **SIDMA Romania** recorded EBITDA of € 154 thousand compared to € 303 thousand in the first half of 2017, while in terms of earnings before taxes it recorded losses of € 434 thousand from € 252 thousand last year. Again, the decline in results is mainly due to a fall in the gross profit margin by 3.8 percentage points.

The Group's liquidity amounted to € 7.3 million, with the Company's Management having undertaken a series of actions to strengthen its operations in recent years, mainly related to the drastic reduction of the Group's operating costs, while at the same time progressing to negotiations with the cooperating banks to reduce financing costs.

Ordinary General Meeting

At the Ordinary General Meeting of the company's shareholders, held in Athens on May 23, 2018, 19 shareholders attended representing 77.32 % of the Share Capital and voting rights and the following were approved unanimously:

- The report on the activities of the Board of Directors and the Auditors and the annual Financial Statements of the fiscal year 2017.
- The discharge of the members of the Board of Directors and the Chartered Auditor for the fiscal year 2017.
- The election of Chartered Auditors and the approval of their remuneration for 2018.
- The remuneration paid to members of the Board of Directors associated with dependent employment relationship for 2017 and the pre-approval of their remuneration for 2018.
- The election of a new Board of Directors.
- The election of the audit committee members in accordance with article 37 of L.3693/2008.
- The measures and specific actions for the improvement of the company's Equity, in accordance with article 47 of CL 2190/1920, due to its reduction to less than half of the company's share capital. In cooperation with financial institutions, it also examines various scenarios of restructuring its lending so as to improve its own equity.
- The modification of the conditions in the contract dated 25/01/2012 regarding the Bond Loan with EUROBANK ERGASIAS S.A. bank whereby the loan maturity was extended to 31.12.2018.

Extraordinary General Meeting

At the Extraordinary General Meeting of the company's shareholders, held in Athens on February 23, 2018, 17 shareholders attended representing 77.28 % of the Share Capital and voting rights and the following were approved unanimously:

- The amendment to the clause about the repayment period of the Common Bond Loan amounting to four million Euros (€4,000,000.00) and more specifically they decided on the extension of the Loan Maturity Date from 01.08.2017 to 29.03.2018. Also, the General Meeting authorized the BoD by its own decision, if necessary, to be able to extend the Loan Maturity Date for another 3 months to up to 29.06.2018.