

PRESS RELEASE OF SIDMA S.A.

Athens, 27th September 2019

Announcement of the publication of the financial results for the first semester of 2019

In the first half of 2019, the Greek economy continued its recovery path with the broader economic climate staying on a positive mode and the liquidity of the banking system showing signs of improvement. The current period, following the swearing-in of the new government and also in view of strong expectations for favorable developments in the economic front, coincides with an upward trend for the Greek economy, however with a relatively weak rate of growth. During the current year, the growth rate of real GDP is expected to range below 2%, most likely around 1.8%, according to a report released by the Foundation for Economic and Industrial Research (IOBE) for the second quarter of 2019¹. The Greek economy continues to face big challenges such as the high book of non-performing loans, the low foreign investments and also the geopolitical tensions.

In this context, **SIDMA Group** posted a marginal increase in turnover during the first half of the year but at the same time it recorded significant improvement in financial results compared to the corresponding period of 2018.

More specifically, the consolidated turnover during the first half of 2019 settled at € 68.3 million or 0.1% higher than the same period of 2018, while along with the dealership sales it accounted for € 85.9 million versus €86.4 million previously, thus decreased by 0.5% compared to the same period last year. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 2,395 thousand from € 2,561 thousand in the previous year, whereas earnings before taxes settled at losses of € 331 thousand from losses of € 1,666 thousand in the corresponding period last year. Even though the sales volume increased compared to the first half of the previous year, the drop in international prices led to a corresponding reduction of sale prices and in turn to the contraction of gross profit margin, mainly of the parent company, compared to last year, by 5.1% (from 10.1% in the first half of 2018 to 9.6% in the first half of 2019). It also had a corresponding negative impact on operating results. However, the earnings before taxes improved after the successful negotiations that took place between the parent company and the banks with regard to the former's bank debt restructuring and reduction of its financing cost.

On the Company level, turnover of **SIDMA** during the first half of the year settled at € 43.3 million from € 42.7 million previously, posting an increase of 1.6% whereas along with the dealership sales settled at € 60.9 million from € 60.8 million in the corresponding period of 2018, marginally higher by 0.2%. Earnings before interest, taxes, depreciation and amortization (EBITDA)

¹http://iobe.gr/docs/economy/ECO_Q2_10072019_REP_GR.pdf

amounted to € 1.8 million from € 2.0 million in the corresponding period last year, whereas earnings before taxes settled at € 0.1 million versus losses of € 1.3 million in the first half 2018 due to the factors and reasons mentioned above.

Regarding the subsidiaries, **SIDMA Bulgaria** posted an increase in turnover by 2%, while **SIDMA Romania** a decrease by 6% compared to the first half of 2018. Specifically, turnover of SIDMA Bulgaria amounted to € 13.4 million versus € 13.2 million previously, whereas the turnover of SIDMA Romania accounted for € 12.1 million compared to € 12.9 million in the first half of 2018.

Regarding other financial figures of the above subsidiaries, SIDMA Bulgaria posted a decrease in terms of operating profitability (EBITDA) by € 67 thousand from € 434 thousand last year to € 367 thousand this year and an equivalent reduction of profits from € 135 thousand to € 65 thousand this year.

SIDMA Romania, in terms of operating profitability (EBITDA), posted an increase by 52% from € 154 thousand in the first half of 2018 to € 234 thousand this year, whereas in terms of earnings before taxes it recorded losses of € 480 thousand from € 434 thousand last year. If foreign exchange differences, which settled higher by € 94 thousand in 2019 compared to the first half of 2018, were not considered, then losses in the first half of 2019 would have decreased by € 47 thousand or 11% compared to the same period last year.

The Group's liquidity amounted to € 6.9 million whereas its bank debt decreased by € 2.5 million or 2.3%.

Ordinary General Meeting

At the Ordinary General Meeting of the company's shareholders, held in Athens on May 23, 2019, 20 shareholders attended representing 78.96% of the Share Capital and voting rights and the following were approved unanimously:

- The report on the activities of the Board of Directors and of the Auditors, and the annual Financial Statements of the fiscal year 2018.
- The discharge of the members of the Board of Directors and the Chartered Auditor for the fiscal year 2018.
- The election of Chartered Auditors and the approval of their remuneration for 2019.
- The remuneration paid to members of the Board of Directors associated with dependent employment relationship for 2018 and the pre-approval of their remuneration for 2019.
- Granting of permission to the members of Board of Directors and the General Administration of the Company concerning their participation in Boards of Directors or the Administration of affiliated companies.
- The election of a new Board of Directors.
- The election of the audit committee members.
- 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.

- The modification of the conditions in the contract dated 25/01/2012 regarding the Bond Loan with EUROBANK ERGASIAS S.A. whereby the loan maturity was extended up to 31.12.2019.