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PRESS RELEASE

FINANCIAL RESULTS OF FISCAL YEAR 2019
Improvement in business activity and significant reduction of net debt

ELASTRON S.A. – STEEL SERVICE CENTERS reported the financial results for the fiscal year 2019 according to the International Financial Reporting Standards (IFRS).

The Group's turnover posted an improvement reaching € 111.4 million from € 108.5 million in the previous year. Gross profit stood at € 11.4 million or 10.2% of total sales versus € 11.5 million or 10.6% of total sales in 2018, whereas results before interest and taxes (EBIT) amounted to € 0.9 million versus € 1.6 million in the previous year. The results before interest, taxes, depreciation and amortization (EBITDA) settled at earnings of € 3.5 million versus earnings of € 3.6 million in 2018. Finally, the results before taxes settled at losses of € 1.2 million versus losses of € 1.1 million in the previous year.

On the parent company level, the turnover increased and settled at € 110.1 million versus € 107.2 million in the previous year, whereas gross profit amounted to € 10.6 million or 9.6% of total sales, compared to € 10.7 million or 10.0% of total sales in 2018. The results before interest, taxes, depreciation and amortization (EBITDA) settled at € 2.9 million versus € 3.1 million, whereas the results before taxes settled at losses of € 1.7 million compared to earnings of € 2.8 million in 2018. It is noted that the results of the year were affected by an impairment provision of € 0.4 million versus a corresponding provision of € 1.3 million in the previous year.

The above improvement in turnover reflects the increase in the activity of the steel sector of the group, driven mainly by the further penetration in foreign markets, with the percentage of exports amounting to 38% of turnover. At the same time, the gradual transformation of the product mix offered, with an emphasis on the higher proportion of products carrying higher added value, further improved the group's steelmaking cycle. On the other hand, the price of raw materials has been declining internationally for almost the whole year, reflecting reduced demand, market distortions following restrictions in the free movement of steel products through the imposition of tariffs, as well as the geopolitical instability of countries with significant export activity in raw materials. In the domestic market, the delay in the start of significant private investments did not substantially differentiate the level of demand, while at the same time the structural problems of the sector as a result of the multi-year economic crisis maintained conditions of unhealthy competition. The above reasons had a direct impact on the selling prices of the group's products, resulting into a reduction of the operating profit margin. On the contrary, the gradually increasing shift towards the foreign markets and the consequent reduction of debtors' days contributed significantly to the reduction of net borrowing by 41% which amounted to € 23.3 million compared to € 39.3 million at the end of 2018, with the Equity / Net Debt ratio settling at 2.8x versus 1.7x in 2018. Operating cash flows amounted to € 18.8 million compared to € 1.1 million in the same period last year, while the group's liquidity increased significantly and amounted to € 14.2 million.

In the agricultural sector of the group, the last part of the investment of the company Thrace Greenhouses S.A. was completed in 2019, with the total production and other facilities amounting to 19.7 hectares, making the company one of the largest producers of vegetables in Greece. It is noted that the total production of the company is absorbed by the largest retail chains of the Greek market, replacing imports, supporting Greek production and utilizing domestic workforce.

Finally, the operational results of the energy sector of the Group through the exploitation of photovoltaic parks with a capacity of 3.55 MWp posted an improvement, resulting from the largest production compared to 2018.

It is a fact that the unprecedented conditions experienced by the global economy due to the Covid-19 epidemic will affect the financial results of many companies. In Greece, due to protection measures that were taken in a speedy manner and most importantly in time, economic activity is

expected to begin gradually faster than in other countries, but the time it will take to recover may be longer due to the multi-year economic crisis and the dependence of the Greek economy on areas that have been hit hard. The steel industry in Greece during the first quarter of 2020 and until the implementation of protection measures, showed positive signs with improved demand and rising prices of raw materials. In this context, the steel sector of the group also showed an increase in activity in Greece and abroad, but also a significant improvement in results compared to the corresponding period last year. However, the course of the results for the rest of the year is considered to be definitely affected in light of the Covid-related crisis, with the magnitude of the effects being impossible to predict at this time. The total impact is expected to depend on the duration and possible lifting of the lockdown measures that currently limit economic activity in Greece and abroad, as well as on the speed of recovery of individual market sectors, combined with the effectiveness of subsequent measures to strengthen economic activity. In this context, Elastron Group has taken the necessary measures, while having the required capital adequacy, liquidity, but also access to credit lines to address the current negative situation. At the same time, it continues to implement the investments that are deemed necessary and will contribute to the further reduction of operating costs and to the improvement of the product range offered. Finally, having made significant investments in recent years, the Group has the necessary production capacity to meet demand when required.

Note: The "Annual Financial Report according to IFRS" of ELASTRON SA will be posted on Thursday 30 April 2020 at the Company's website www.elastron.gr as well as at the website of the Athens Exchange www.helex.gr.