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Press release for the financial results of ELGEKA Group for the year 2016

Industrial Area of Sindos - Thessaloniki, April 28th, 2017

During 2016, Group proceeded to the implementation of its core business strategy, the main points of which were the gradual modification and improvement of its product portfolio, both in terms of responding to consumer demand and in terms of profit margins, the optimization of the effectiveness of its total functions and its disengagement from activities that either underperform or do not form part of the main core of its activities. The implementation of this strategy had positive results for the Group, as it managed to significantly reduce the negative impact of the environment in which it operates and to achieve an improvement in its operating profitability.

In particular, ELGEKA Group has progressively enriched and modified its portfolio of consumer products, both domestically and in Romania, in order to respond to a higher degree in new consumer trends while significantly improving its profitability margins. At the same time, he continued his rigorous credit policy, ensuring his future results, while significantly reducing its operating cost by reviewing and evaluating any operating expense.

In addition, the Group during the same period realized profits of a total amount of 770 thousand euro from the sale of activities that until recently burdened its Results with losses, while their future prospects were negative. At the same time, the decision taken to transfer the participation in the subsidiary "ARIVIA S.A." will significantly improve the financial figures of the Group during 2017 (reduction of borrowing - reduction of financial cost, improvement of working capital, increase of Equity).

However, the developments in the case of Marinopoulos Group, one of the largest customers of the Group in previous years, resulted in the burden of ELGEKA Group's Results by the amount of € 1,516 million, despite the fact that it had been realized all the necessary actions regarding the reduction of the Group's exposure to the specific customer (discontinuation of cooperation since mid-2015, collection of significant amounts against old receivables, registration of real estate mortgages). It is indicative that without the impact of this event, the Group's operating results (in EBITDA terms) would be increased by 92% (€ 2,6 million compared to € 1,3 million in 2015), indicating the aforementioned improvement in the product mix, but also the significant reduction in operating costs.

Summing up the above, consolidated turnover for 2016 amounted to 157,8 million euro compared to 170,6 million euro of 2015, presenting a decrease of 7,5%. However, the aforementioned actions resulted in the improvement of the gross profit margin to 15,8% against 13,7% of 2015. The consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) of total operations amounted to 5,2 million euro compared to 4,7 million euro, while consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) of continuing operations reached 1,1 million euro against 1,3 million euro of the comparable year, despite the significant negative effect from the provision of doubtful debt of Marinopoulos Group of amount 1,5 million euro that mentioned above. Pre-tax loss from continuing operations amounted to 9,1 million euro in 2016 compared to 10,6 million euro in 2015 and Loss after tax and non-controlling interest amounted to 8,7 million euro against 6,6 million euro in the comparable year, significantly affected by 4,7 million euro from the discontinued operations, however, being a non-recurring event.

During 2017, ELGEKA Group after its successful strategy that resulted to optimization of its financial data and its disengagement from non-core operations and loss-making processes, will concentrate on the core of its activities, which concerns two main axes:

- 1) the consumer products sector
- 2) logistics services

At the same time, Group will promptly continue the application of the successful elements of the past, namely the further upgrading of its product portfolio, the optimization of the efficiency of its total operations, the integration of new collaborations with the aim of maximizing the synergies produced and the active exploitation of under - exploited assets. Finally, the sale of the participation in the subsidiary "ARIVIA S.A." in the first months of 2017 will significantly strengthen its efforts, as it will contribute to the improvement of the working capital and its Equity, and in addition to reduction of financial costs.

The Summary Financial Data and Information for the year 01.01.2016 - 31.12.2016, as well as the Annual Financial Statements of the same year, are available today Friday, April 28, 2017, in the Company's website (www.elgeka.gr), as well as in Hellenic Exchanges Group's website (www.helex.gr).