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Industrial area of Sindos - Thessaloniki, June 26th, 2020

Press release for the financial results of ELGEKA Group for the year 2019

2019 was a year in which ELGEKA Group managed to further strengthen its position in the key areas of its activity, constantly adapting its product portfolio and its services to the changing needs of the market. The improvement of its commercial position, the growth of its activities and the shielding of its financial figures make ELGEKA Group undoubtedly one of the key players both in the consumer goods trade and also in the 3PL services industry.

During 2019, the strategy of ELGEKA Group included a series of actions with the primary purpose of improving its operational profitability, strengthening its Balance Sheet, rationalizing its capital structure and improving the efficiency of its employed assets. Its actions proved to be effective, its goals were achieved and its financial figures presented significant improvement.

The main data of the financial figures of ELGEKA Group for the fiscal year 2019 are the following:

- Sales increase by 2,9%, following positive changes in recent years. This increase came mainly from the growth of activities in the consumer goods trade, while it was accompanied by the improvement of the gross profit margin, resulting in an increase in gross profits by € 1.208 thousand compared to the corresponding year 2018.
- Exploitation to a greater extent of its operational assets, resulting in an increase in revenues from leases of operating properties by 59%, i.e. € 1.558 thousand compared to € 979 thousand in 2018 as well as profits from the sale of under-exploited assets.
- Completion of the restructuring of loans, through which it was achieved on the one hand the improvement of the working capital, as the greater part of the borrowing was converted into long-term and on the other hand the improvement of the Results through the better loan terms in relation to the pre-existing financial situation and the reduction of financial cost.
- The positive contribution to the Results from other activities of the Group, such as investment properties and participation in Joint Ventures.

As a result of the above and in combination with maintaining operating costs at stable levels, the Group has managed to improve its profit margins at each level and record net profitability.

In particular, the consolidated turnover for 2019 amounted to 179,2 million euro compared to 174,2 million euro in 2018 showing an increase for the third consecutive year, while the gross profit margin increased to 17,2% from 17,0% allowing the increase in gross profit to 30,9 million euro compared to 29,7 million euro (an increase of 1,2 million euro). Earnings before interest, taxes, interest and depreciation (EBITDA) amounted to 13,0 million euro compared to 6,6 million euro in 2018 and Adjusted Earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA" without the effect of I.F.R.S. 16) to 8,4 million euro against 6,6 million euro. Profits before taxes amounted to 2,3 million euro against losses of 3,1 million euro in 2018 and Profits after taxes and non-controlling interest amounted to 0,4 million euro against losses of 2,7 million euro in the comparable year.

In 2020, the challenges that businesses are expected to face, both internationally and domestically, are significant and multidimensional, as they will be called upon in the near future to address the major economic consequences of prolonged cessation of economic activity due to measures taken in the context of dealing with COVID-19 pandemic. Consequently, they should make great efforts for its proper restart and its gradual return to normal levels, due to the feeling of consumers' insecurity.

ELGEKA Group was not affected by this situation in the short term, as its key areas of activity, namely the trade of consumer goods and the provision of logistics services, continued to operate normally and resist to the broader economic climate. However, both the European and Greek economies are expected to fall into recession during 2020 and will therefore put strong pressure on the companies' financial figures.

ELGEKA Group, having significantly strengthened its commercial position in the market during the last years and having largely shielded its financial figures, is in a position to deal effectively with this situation. The smooth implementation of its strategy, which includes the immediate response to market needs, the expansion of its successful partnerships, the achievement of new partnerships and at the same time the maintain of its operating costs at low levels, is expected to put ELGEKA Group at the end of 2020 in an even stronger position than it is today.

The Summary Financial Data and Information for the year 01.01.2019 - 31.12.2019, as well as the Annual Financial Statements of the same year, are available today Friday, June 26, 2020, in the Company's website (www.elgeka.gr), as well as in Hellenic Exchanges website (www.helex.gr).