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PRESS RELEASE

FINANCIAL RESULTS OF FISCAL YEAR 2020
Improvement of Activities and Operating Profitability

ELASTRON S.A. – STEEL SERVICE CENTERS reported the financial results for the fiscal year 2020 according to the International Financial Reporting Standards (IFRS).

The turnover of the Group decreased, settling at € 104.0 million from € 111.4 million last year. Gross profit amounted to € 13.9 million or 13.3% on sales, compared to € 11.4 million or 10.2% on sales in 2019. The results before interest and taxes (EBIT) amounted to € 3.4 million compared to € 0.9 million last year, while the results before interest, taxes, depreciation and amortization (EBITDA) amounted to € 6.0 million compared to € 3.5 million in 2019. Finally, the results before taxes amounted to profits of € 2.1 million compared to losses of € 1.2 million last year.

On the parent company level, the turnover decreased and settled at € 102.7 million compared to € 110.1 million last year, while the gross profit amounted to € 13.1 million or 12.7% on sales, compared to € 10.6 million or 9.6% on sales in 2019. The results before interest and taxes (EBIT) amounted to € 3.3 million compared to € 0.8 million last year, while the results before interest, taxes, depreciation and amortization (EBITDA) amounted to € 5.3 million compared to € 2.9 million in 2019. Finally, the results before taxes amounted to profits of € 1.6 million compared to losses of € 1.7 million last year.

The year 2020 was inevitably overshadowed by the outbreak of Covid-19 pandemic and the burden on the public health system, but the effects of the pandemic were also particularly pronounced in all areas of economic activity with declining demand, consumption and disposable income. The steel products sector was comparatively less affected than other sectors, with the conditions affecting the companies' results up to the middle of the second mainly quarter of the year. During this period, uncertainty over the management of the pandemic and the imposition of measures to curb dispersion forced steel factories around the world to reduce employment and therefore production, while there were delays in the cross-border transport of raw materials due to national pandemic control measures, hindering to some extent the smooth flow of supply of companies. At the same time, the implementation of private investments mainly has stagnated, reflecting uncertainty over the outcome of the pandemic and the magnitude of its economic impact. In this context, both demand and prices of raw materials declined significantly, thus reducing the profit margins of the sector companies. On the other hand, there was a recovery in the second half of the year with demand moving upwards both domestically and internationally given the experience acquired in the management of pandemic. In the Greek market, the sectors of energy, infrastructure, metal construction and shipbuilding showed a positive growth rate, raising the degree of absorption of steel products. Sale prices also followed an upward trend due to the improved demand as well as the shortage observed in some categories of raw materials.

The above were the main drivers that shaped the course of the group's activity and results, with the effects of pandemic affecting the turnover at a rate of less than 5%, with most of the decrease being mainly due to lower demand from the foreign markets. On the contrary, both the operating profitability and the net profits of the group improved significantly, as a result of the notable improvement of the level of activity as well as the prices during the 2nd half of the year.

Regarding the energy sector of the Group, with the aim of increasing its contribution to the results, as well as reducing the carbon footprint of the production process, a new investment in a 1.5 MWp photovoltaic power station was completed in year 2020. This station, which operates based on the concept of energy offsetting, will help to further reduce energy costs and consequently production costs. The total power capacity of the energy sector of the Group currently amounts to 5.05 MWp.

In the agricultural sector of Elastron Group, the entire spectrum of production facilities of Thrace Greenhouses SA in Xanthi, with a total area of 185,000 square meters, were put into operation within the year 2020, making the company the largest in Greece that uses the geothermal approach as a means of heating, ensuring stable cultivation conditions with the most environmentally friendly

way. The total production of the company is absorbed by the largest retail chains of the Greek market, supporting Greek production, substituting imports, and utilizing the domestic production workforce. At the same time, it demonstrates the high quality of the products produced but also the ability of the group towards a successful dispersion of its business activities into new sectors. Furthermore, within the current year, the balance of the corresponding investment grant amounting to € 2.4 million was collected, reducing the company's liabilities by an equal amount.

With the first quarter of the year already unfolded and with the covid-19 pandemic in progress, the steel sector of the Group demonstrates an improvement of its financial performance led by the increase of the level of activity in Greece and abroad as well as by the further increase of the raw materials prices. At the same time, the implementation of the Group's investment plan continues, aiming at expanding the range of products manufactured and of the services offered, as well as at further reducing the operating costs. In anticipation of the developments regarding the final outcome of the pandemic and under the condition of the gradual de-escalation of the intensity of the pandemic, the demand for steel products is expected to continue to move upwards in the coming months. In this context, Elastron Group has the necessary production capacity in place but also the range of products in order to meet the higher level of demand that may arise.

Note: The "Annual Financial Report according to IFRS" of ELASTRON SA will be posted on Monday 19 April 2021 at the Company's website www.elastron.gr as well as at the website of the Athens Exchange www.helex.gr.