

Significant events occurred on a global scale during 2023, both geopolitically and economically. Geopolitically due to the escalation of the crisis in the Middle East after the conflict in Gaza, and economically due to inflationary pressures and high interest rates. Greece's real GDP is estimated to have increased by 2.2% in 2023, with consumption remaining one of the main drivers of growth. However, concerning the steel market, the downward trend in international raw material prices continued almost throughout the year due to reduced demand and increased likelihood of an impending recession.

Despite the positive outlook for the Greek economy, 2024 is expected to be another challenging year. The international economic environment remains extremely unstable, with approximately half of the global population called to the polls, while geopolitical instability persists on many fronts. Additionally, despite the easing of inflationary pressures, the tapering of interest rates is not expected to begin before July.

Within this macroeconomic framework, **SIDMA Steel** recorded in 2023 an increase in sales volume but a decrease in turnover, both at parent and group level due to lower steel prices.

Specifically, SIDMA Group's consolidated turnover in 2023 amounted to €231.1 million, down 12.9% from €265.3 million in 2022, reflecting a decrease in the average selling price of steel products by 18.8% in 2023 compared to 2022. Along with consignment sales, it amounted to €271.8 million compared to €314.2 million the previous year, marking a decrease of 13.5%. Furthermore, earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to €4.9 million, down 72.5% from €17.8 million in 2022, reflecting a decrease of €11.9 million (€13.8 million in 2023 from €25.7 million in 2022) in gross profit. Finally, pre-tax results amounted to losses of €4.3 million compared to profits of €9.8 million in 2022. It is noteworthy that in 2023, the Group incurred increased financial expenses of €2.3 million compared to the previous year due to increased Euribor, Sofibor, and Robor interest rates. Finally, the results of the year were burdened by additional interest expenses of €1.6 million related to the amortization of the accounting treatment of the company's loan refinancing in 2021.

At the company level, **SIDMA Steel** turnover in 2023 amounted to €158.3 million, down 8.5% from €173.0 million, while, together with consignment, it amounted to €199.0 million, down 10.4% from €221.7 million in 2022. As mentioned above, the decrease is purely due to the de-escalation of the average selling price of steel products during 2023. Pre-tax, interest, depreciation, and amortization (EBITDA) amounted to €4.6 million, down from €12.7 million in 2022 due to the proportional decrease in gross profit, while pre-tax results amounted to losses of €3.1 million from profits of €5.8 million in 2022. The decrease in pre-tax profits was mainly due to increased financial charges of €1.9 million due to increased interest rates. Moreover, at the parent company level, the results of the year were burdened by depreciations -amounting to €1.6 million- of the accounting treatment of the company's loan refinancing in 2021.

Regarding the Balkan subsidiaries, **SIDMA Bulgaria** in 2023 presented a decrease in turnover by 19%, i.e. €45.1 million compared to €55.7 million in 2022, with the average selling price lower by 20% compared to that of 2022. The company's EBITDA amounted to €555 thousand from €3.184 million in 2022, decreased by €2.629 million, while pre-tax profits were marginally positive at €3 thousand compared to €2.604 million in the previous year. The decrease in results is mainly due to a 54% decrease in gross profit compared to the previous year or €2.530 million.

SIDMA Romania also presented a decrease in turnover by 24% in 2023, to €28.6 million from €37.8 million in 2022, with the average selling price lower by 20%. The company's operating results (EBITDA) amounted to a negative €317 thousand from positive €1.911 million in 2022, while pre-tax results amounted to losses of €1.245 million from profits of €1.405 million in the previous year. The decrease in operating results here too, is mainly due to a 64% decrease in gross profit (or €2.086 million) compared to the previous year, while increased financial expenses of €242 thousand due to increased Euribor and Robor interest rates contributed to the loss-making results.

Finally, the Equity at company level amounted to €25.7 million, Group's liquidity to €7.0 million, while its indebtedness reached €80.3 million, or 30% of turnover.