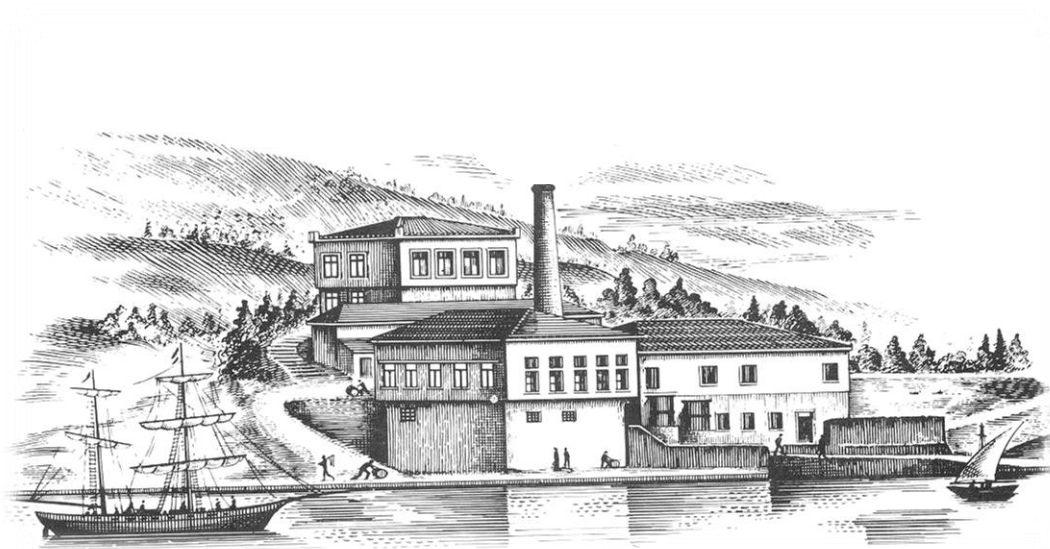




PAPOUTSANIS S.A.

CONDENSED FINANCIAL INFORMATION
For the period ended on
31ⁿ March 2024 (01.01.2024 - 31.03.2024)



Anonymous Industrial and Commercial Company of Consumer Goods
Register No. G.E.M.I. 121914222000
71st km. Athens-Lamia highway, Vathi Avlidos, Chalkida

Important Events

Turnover amounted to EUR 14.2 million (compared to EUR 15.3 million in the corresponding period of 2023), down by 7.2%, with the value of exports accounting for 58% of total turnover.

Profit after tax amounted to EUR 0.7 million, an improvement of 52% (compared to EUR 0.4 million in Q1 2023) thanks to an 18% improvement in gross profit, which amounted to EUR 5 million compared to EUR 4.3 million, as a consequence of the normalization of material and energy prices compared to the same period last year.

Operating expenses (distribution, administration, research and development) increased by 24%, mainly due to the ARKADI brand advertising, communication and promotion expenses, which were planned for the first quarter of the year, in order to support the major relaunch of the brand and its entry into new home care markets. ARKADI is looking forward to strong double-digit sales growth for 2024 and is already showing a 42% increase in sales in the first quarter.

The improvement in Earnings after taxes is also supported by the reduced income tax as a result of the completion of investment programmes that provide for tax exemptions.

For the entire year, turnover is estimated to be stronger than in 2023, particularly in the second half of 2024, when the new partnerships already underway will be in full swing. This strengthening will also have a further positive impact on the Company's profitability.

The completion of the strong investment plan (which, among other things, has significantly expanded production capacity) has created the conditions for new partnerships. The Company is currently in negotiations with large multinationals and smaller companies for new projects that will further enhance the development of its business.

Additional data and information

Overview by Activity Sector

Regarding the contribution of the four business segments to the overall figures, it is noted that 27% of the total revenue comes from sales of Papoutsani's branded products, 13% from sales to the hotel market, 42% from product production for third parties and 18% from industrial sales of industrial soap bases.

Branded Products: The category shows strong growth of 19% compared to Q1 2023, largely driven by the ARKADI brand, which with its entry into the new laundry care and dishwashing liquid categories shows a 42% increase in sales. Excluding ARKADI, sales of PAPOUTSANIS branded personal care products show a 6% increase in Greece compared to the first quarter of 2023, steadily gaining share in value in a market that is moving at a lower growth rate (+1.4% in value for January-March 2024 compared to the same period last year, based on market data for organized retail). Finally, exports of Papoutsanis branded products are growing dynamically in the first quarter of the year, recording a 28% growth compared to the same quarter in 2023. The pillar of Papoutsanis branded products is a strategic priority and is expected to be further strengthened in 2024, through the enrichment of the product range, dynamic advertising support and the strengthening of our presence in stores.

Hotel Products: Hotel product sales declined 29% in the first quarter of 2024, which was driven by third-party hotel product sales abroad, which although remaining at satisfactory levels, lagged behind the same period last year due to one-off one-off deliveries in early 2023.

Sales to hotels in the domestic market were at the same level as in 2023 and the signals for the Greek tourism market in 2024 are positive, provided that the current geopolitical events do not extend further. In addition, exports of Papoutsanis branded hotel products have more than doubled in the first quarter of 2024 compared to the same period last year, creating a strong foundation for dynamic growth and strengthening the presence of Papoutsanis brands abroad.

Third party products (industrial sales, private label): sales of this category decreased by 12%, a trend driven by foreign markets and expected to reverse during the year. Sales of this category are expected to strengthen, particularly in the second half of the year, due to the full development of a new partnership with a major multinational company. In addition, in the first quarter of 2023, quantities were delivered to multinational customers of products that were subsequently discontinued as part of the re-evaluation of their product portfolio based on low margins due to inflationary pressures.

Industrial soap sales: Sales of the soap bases category in terms of volume remain at the same level as in the first quarter of 2023 and with much better profitability. The Company's objective remains to expand its customer base and grow its synthetic soap bases.

Gross profit

Gross profit amounted to EUR 5 million compared to EUR 4.3 million in the first quarter of 2023, while the gross margin (Gross Profit to Turnover) improved significantly (35% compared to 28% in the same period last year) thanks to the normalization of material and energy prices and the strengthening of the branded products business.

Operating Expenditure

Operating expenses (distribution, administration and research and development) amounted to EUR 3.8 million compared to EUR 3.1 million, up 24% mainly due to the advertising, communication and promotion expenses of the ARKADI brand, planned for the first quarter, in order to support the dynamic relaunch of the brand, its entry into new home care categories and the strong growth of its sales, as mentioned above.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

Earnings before interest, taxes, financial result, non-recurring results, depreciation and amortization (adjusted EBITDA) amounted to EUR 1.8 million compared to EUR 1.7 million in the first quarter of 2023, showing an improvement of 8%.

Profit for the period

Profit before tax amounted to EUR 0.8 million, compared to EUR 0.7 million in the first quarter of 2023, while profit after tax amounted to EUR 0.7 million compared to EUR 0.4 million in the corresponding period of 2023, representing an improvement of 52%.

Operating flows

Operating cash flows in the first quarter of 2024 were negative by EUR 0.2 million but significantly improved compared to negative operating cash flows of EUR 2.8 million in the first quarter of 2023.

Net Borrowing

Net borrowings (loans less cash) amounted to EUR 19.7 million (compared to EUR 18.3 million on 31.12.2023).

Fixed equipment

The depreciated value of fixed assets (property, plant and equipment) amounts to EUR 49.8 million as at 31.03.2024 compared to EUR 49.2 million as at 31.12.2023.

Financial structure

The total liabilities to equity ratio are 1.6 compared to 1.5 at 31.12.2023.

Working capital-Liquidity

Working capital (current assets minus current liabilities) for the Company amounted to EUR 2.2 million compared to EUR 3.8 million as of 31 December 2023.

Business perspective

The global macroeconomic environment remains volatile while the outlook for the domestic market is more encouraging. At the same time, the first quarter of 2024 shows a levelling off of material and energy prices compared to the first quarter of 2023, but without any fluctuations.

In addition to the above external factors, the Company has developed strategies and initiatives to further improve its profitability and turnover, such as:

- **Increased competitiveness and flexibility of our Ritsona plant**, as a result of the completion of our three-year investment plan, which ensures:
 - significant overcapacity (50% on average), allowing for new partnerships and limited investment for the next 2-3 years,
 - reduction of production costs thanks to technologically modern equipment that allows competitive prices to our customers and improved profitability,
 - a firm focus on sustainability-driven growth with the installation of photovoltaic panels (expected to be operational in the second half of 2024), which, in addition to the positive environmental footprint, will contribute to further improving production costs.
- **Significant expansion of the participation of Papoutsanis branded products - consumer and hotel products - in the Company's total turnover** with:
 - entering major new markets (home care) to increase the penetration and market share of our branded consumer products,

- Strengthening the trade group of branded hotel products, both domestic and export, for dynamic expansion of the sales network,
- focus on innovation and sustainability with new proposals and solutions that give a competitive advantage to our branded lines in Greece and abroad.
- **Inclusion of new important customers in the third-party production category while expanding our customer base**
- **Strengthening and empowering the Company's people**
 - Continuous training and development of human resources skills.
 - A flat and efficient organizational structure, allowing for speed and flexibility.
 - Attracting and retaining talent in strategic positions of the Company.
- **Ensuring economic vitality and sustainable growth on strong foundations and creating value for all stakeholders:**
 - restructuring and rationalisation of expenditure,
 - enhancing operational liquidity by optimising the parameters affecting it (inventories, trade receivables, payables and investment control).

Summary of the Interim Statement of Financial Position

ASSETS	31.03.2024	31.12.2023
Non-current assets		
Tangible fixed assets	49.803.570	49.200.085
Investment in real estate	226.707	226.707
Intangible assets	1.514.411	1.513.744
Financial assets at fair value through the statement of comprehensive income	100.000	100.000
Goodwill	1.274.398	1.274.398
Derivative financial assets	0	300.112
Long-term receivables	54.521	54.521
	52.973.608	52.669.568
Current assets		
Inventories	11.943.998	9.484.003
Trade receivables	7.541.486	4.270.810
Other receivables	2.359.138	3.198.491
Cash and cash equivalents	3.000.023	5.703.004
	24.844.645	22.656.309
Total assets	77.818.253	75.325.876
CAPITAL EQUITY		
Equity attributable to equity holders of the parent		
Share capital	14.633.241	14.633.241
Share premium	1.975.977	1.975.977
Own shares	(465.073)	(411.390)
Fair value reserves	1.551.930	1.551.930
Other reserves	1.765.623	1.765.623
Retained Earnings	10.953.751	10.286.309
Total Equity attributable to equity holders of the parent	30.415.449	29.801.690
Non-controlling interests	-	-
Total equity capital	30.415.449	29.801.690
RESPONSIBILITIES		
Long-term liabilities		
Long-term loans	18.180.886	20.181.006
Deferred tax liabilities	4.588.974	4.533.493
Provisions for employee benefits	326.001	314.501
Asset grants	1.702.937	1.608.799
	24.798.799	26.637.798
Short-term liabilities		
Suppliers	13.629.342	11.211.452
Other liabilities	3.582.632	3.085.126
Current income tax	814.688	702.453
Short-term loans	4.542.143	3.852.157
Provisions	35.200	35.200
	22.604.005	18.886.388
Total liabilities	47.402.804	45.524.186
Total Equity and Liabilities	77.818.253	75.325.876

Summary of the Interim Profit and Loss Account

	01.01- 31.03.2024	01.01- 31.03.2023
Sales	14.219.649	15.316.786
Cost of sales	(9.186.485)	(11.033.475)
Gross profit	5.033.164	4.283.311
Other revenue	211.541	109.293
Disposal costs	(2.702.865)	(1.978.612)
Administrative expenses	(893.923)	(882.602)
Research & development costs	(222.403)	(215.197)
Other expenses	(120.911)	(163.617)
Financial costs (net)	(469.445)	(431.343)
Profit before tax	835.159	721.233
Deferred income tax	(55.482)	(144.051)
Current income tax	(112.235)	(137.738)
Net profit for the year (A)	667.442	439.444
Other comprehensive income after tax (B)	-	-
Aggregated total income after tax (A+B)	667.442	439.444
Profit/(loss) after tax per share	0,0246	0,0162
Earnings before interest, taxes, financial results, investment results and total depreciation and amortisation (EBITDA)	1.812.716	1.696.651
Earnings before interest, taxes, financing, non-recurring results and total depreciation and amortisation (Adjusted EBITDA)	1.831.291	1.696.651

Summary of the Interim Cash Flow Statement

	01.01- 31.03.2024	01.01- 31.03.2023
<u>Operating activities</u>		
Profit before tax	835.159	721.233
Plus / (minus) adjustments for:		
Depreciation	565.809	548.588
Provisions	11.501	10.763
Amortisation of grants	(57.697)	(32.777)
Investment income/expenditure	300.112	28.265
Financial costs - (net)	469.445	431.343
	<u>2.124.329</u>	<u>1.707.415</u>
Plus/ minus adjustments for changes in working capital accounts or related to operating activities:		
Decrease / (increase) in receivables	(2.431.322)	(1.416.038)
Decrease / (increase) in inventories	(2.459.995)	(2.383.599)
(Decrease) / increase in liabilities (excluding banks)	2.829.234	(408.249)
Minus:		
Interest and similar charges paid	(231.447)	(327.220)
	<u>(169.201)</u>	<u>(2.827.691)</u>
<u>Investment activities</u>		
Purchase of tangible and intangible fixed assets	(1.169.963)	(1.722.763)
Proceeds from the sale of tangible and intangible fixed assets		1.315
Total inflows / (outflows) from investing activities (b)	(1.169.963)	(1.721.448)
<u>Financial activities</u>		
Purchase of own shares	(53.683)	(4.447)
Proceeds from loans issued/drawn		500.000
Receipt of State subsidy		467.521
Loan repayments	(1.310.135)	(3.662.906)
Repayments of finance lease liabilities (interest payments)		(19.969)
	<u>(1.363.818)</u>	<u>(2.719.801)</u>
Total inflows/(outflows) from financing activities(c)	(1.363.818)	(2.719.801)
Net increase / (decrease) in cash and cash equivalents for the period (a)+(b)+(c)	(2.702.981)	(7.268.940)
Cash and cash equivalents at the beginning of the year	5.703.004	11.727.234
Exchange differences on cash and cash equivalents		
Cash and cash equivalents at the end of the financial year	<u>3.000.023</u>	<u>4.458.293</u>