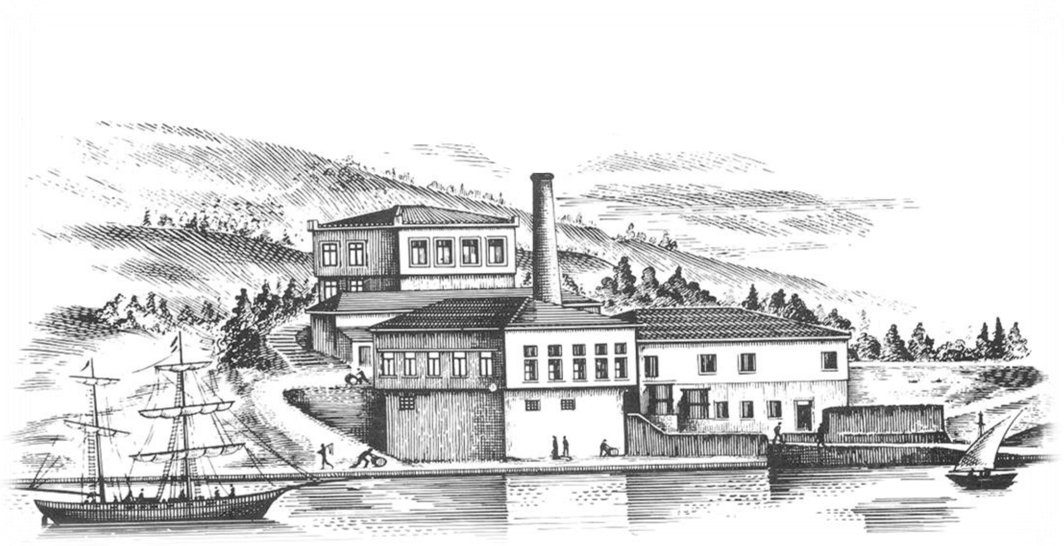
PAPOUTSANIS S.A.

CONDENSED ANNUAL FINANCIAL REPORT

2024

(1 January - 31 December 2024)



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

Table of contents

A. DECLARATION OF MEMBERS OF THE BOARD OF DIRECTORS PURSUANT TO ARTICLE 4(2)(C) OF LAW 3556/2007

Pursuant to Law 3556/2007 regarding the "Transparency requirements for information on issuers whose securities have been admitted to trading on a regulated market and other provisions", the undersigned declare that to the best of our knowledge:

1. The Annual Financial Statements for the financial year 2024 (01.01.2024 - 31.12.2024), which have been prepared in accordance with the applicable accounting standards, present fairly the assets and liabilities, net assets and results of operations of PAPOUTSANIS S.A., in accordance with the provisions of Law 3556/2007.

2. The Annual Management Report of the Board of Directors of PAPOUTSANIS S.A. presents fairly the information required by Law 3556/2007.

Vathi Avlida, 24 March 2025

THE PRESIDENT OF THE BoD	THE MANAGING DIRECTOR	THE MEMBER OF THE BoD
GEORGIOS GATZAROS	MENELAOS TASSOPOULOS	MARY ISKALATIAN

B. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY IN ACCORDANCE WITH ARTICLES 150 and 153 OF LA 4548/2018 AND ARTICLES 4(6) AND (7) OF LA 3556/2007

The Board of Directors of Papoutsanis S.A. (the Company) presents the Annual Management Report on the Annual Financial Statements for the financial year ended 31 December 2024, which has been prepared in accordance with the relevant provisions of Law no. 4548/2018 as in force, the Law 3556/2007 and the executive decisions of the Board of Directors of the Hellenic Capital Market Commission issued pursuant to the same. This report constitutes a single report pursuant to Article 153 par. 4 v. 4548/2018.

The above mentioned Financial Statements have been prepared in accordance with International Financial Reporting Standards.

1. Evolution and performance over the reporting period

In 2024, there was an improvement in all of the Company's profitability indicators. More specifically, gross margin reached EUR 24.7 million compared to EUR 21.2 million, an improvement of 16% thanks to the greater contribution of branded products in the retail and hotel market to total sales, as well as the completion of the strong investment plan of the previous years. As a result, a significant reduction in industrialisation costs has been achieved while boosting turnover growth prospects through new agreements as there is the potential to offer higher quality products at competitive prices. The completion of the strong investment plan of recent years has created the necessary free capacity (approximately 50% on average), setting the right conditions for new partnerships. The Company has already agreed with existing and new customers, new projects which will be implemented within 2025 and will further enhance its turnover and profitability.

The gross margin was 37% compared to 34%. Earnings before interest, taxes, depreciation and amortisation (EBITDA) also improved by 15% compared to 2023, while sales improved by 6% to EUR 66.2 million. Profit before tax amounted to EUR 6.1 million or 9% of turnover improved by 20%. Finally, net profit after tax amounted to EUR 5.3 million improved by 29%. The use of tax exemptions under Law 4399/2016 from the completion of investment projects contributed to the increase in net profit.

	2023	2024	Change
Sales	62.274.595	66.199.508	6%
Gross profit	21.239.054	24.690.394	16%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	9.216.593	10.587.411	15%
Profit before tax	5.035.351	6.052.380	20%

Profit after tax	4.081.318	5.273.523	29%

Turnover - sales

In the year 2024, the Company's turnover amounted to EUR 66.2 million (compared to EUR 62.3 million in the corresponding period of 2023), an increase of 6.3%, with the value of exports representing 55% of total turnover.

Regarding the contribution of the four business segments to the 2024 turnover, it is noted that 30% of total revenues come from sales of Papoutsanis' branded products in Greece and abroad, 17% from sales to the hotel market, 36% from third party productions and 17% from industrial sales of special soap mixes.

Turnover by product category was as follows, compared to the previous financial year:

Branded Products: The category shows strong growth of 17% compared to 2023, driven primarily by the ARKADI brand (+69% vs. 2023), and exports (+22% vs. 2023). Excluding the aforementioned areas, sales of PAPOUTSANIS branded products show 6% growth compared to 2023, more than offsetting the decline in the antiseptic category (-14% compared to 2023), thanks to the enrichment of the product portfolio with innovative products, entry into important new categories, dynamic promotional support and the strengthening of distribution and product image in stores.

Hotel Products: Category sales increased by 3.5% in 2024, driven by growth in sales of PAPOUTSANIS branded hotel products. At the same time, third-party hotel product sales overseas performed very well, maintaining 2023 levels and covering the first half's shortfall, which was due to the high base of the previous year.

In particular, sales of Papoutsanis branded hotel products increased by 9%, driven by exports, which grew at a strong double-digit rate in 2024 (+53%) compared to 2023, creating a strong foundation for the future and strengthening the presence of Papoutsanis brands abroad. Domestic sales of PAPOUTSANIS branded hotel products were close to 2023 levels, slightly stronger (+1% YoY).

Third party products (industrial sales, private label):
The category's sales were at a satisfactory level and closed 2024 down 2.8% compared to 2023, having covered most of the first half of the year's shortfall (-10% year-on-year), as significant new partnerships started to pay off. In particular, the category strengthened in the second half of 2024, following the launch of a partnership with a major multinational, with a new codebook gradually developed during the year, while building a strong base for 2025, a year in which the partnership will be in full swing.

Industrial soap sales: Sales of the soapstock category increased 14% year-over-year in 2023, a result of partnership and codex growth. The Company's goal remains to continuously expand its customer base and further develop its synthetic soap masses.

Gross Profit

Gross profit in FY 2024 amounted to EUR 24.7 million compared to EUR 21.2 million in FY 2023, improved by 16% thanks to the higher contribution of branded products in the retail and hotel market to total turnover, as well as the reduction in production costs resulting from the investment plan of the previous years. Gross profit margin was 37% compared to 34% in 2023.

Operating expenses

The Company's distribution, administrative and research and development expenses amounted to EUR 17.3 million in FY 2024 compared to EUR 14.6 million in FY 2023, representing an increase of 19%, mainly due to the enhanced promotion and promotional plan of Papoutsanis' branded retail products to support the strong growth of this strategic pillar and the Company's entry into new, large categories such as home care.

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

Earnings before interest, taxes, depreciation and amortization amounted to EUR 10.6 million compared to EUR 9.2 million in 2023, up 15%. EBITDA is the sum of earnings before tax, net finance costs, depreciation and amortisation and grant amortisation.

Results

The Company's profit before tax amounted to EUR 6.1 million, compared to a profit of EUR 5.0 million in 2023, an improvement of 20%. Profit after tax amounted to EUR 5.3 million compared to a profit of EUR 4.1 million in 2023, improved by 29%.

Operating flows

Operating cash flow was positive and amounted to EUR 4.7 million, compared to EUR 5.3 million in 2023, a decrease of 11% due to increased working capital needs.

Lending

Net borrowings (bank loans less cash) amounted to EUR 22.2 million (compared to EUR 18.3 million in 2023).

Fixed assets
The depreciated value of fixed assets (tangible and intangible fixed assets) amounted to EUR 53.7 million as at 31.12.2024 compared to EUR 50.7 million in 2023.

Financial structure
The total liabilities to equity ratio was 1.6 as at 31.12.2024 compared to 1.5 as at 31.12.2023.

Working capital-Liquidity
Working capital (current assets less current liabilities) as at 31.12.2024 amounted to EUR 4.6 million, compared to EUR 3.8 million as at 31.12.2023.

Alternative Performance Measurement Indicators (APMIs)
The Company uses Alternative Performance Measurement Indicators ("APMIs") in making decisions regarding its financial, operational and strategic planning, as well as for the evaluation and publication of its performance. These KPIs serve to provide a better understanding of the Company's financial and operating results, its financial position and its cash flow statement. The alternative measures (APMIs) should always be considered in conjunction with the financial results prepared in accordance with IFRS and in no way replace them.

	2024	2023
General Liquidity		
(Current assets / Current liabilities) x 100	121%	120%
The ratio reflects the coverage of current liabilities by total current assets		
Inventory turnover rate		
(Stocks / Cost of sales) x 365 days	98	84
The indicator reflects the average number of days that the Company keeps the stocks in stock.		
Speed of collection of commercial receivables		
(Trade Receivables / Sales) x 365 days	40	25
The indicator shows the average number of days that the company's receivables are collected.		
Speed of payment of short-term trade payables		
(Suppliers/ Cost of sales) x 365 days	108	100
The ratio reflects the average number of days that the Company's commercial short-term liabilities are repaid.		
Gross profit margin		
(Gross Profit / Sales) x 100	37%	34%
The indicator shows gross profit as a percentage of sales		

Net profit margin

(Net Profit / Sales) x 100	8%	6,6%

The indicator shows net profit after tax as a percentage of sales.

Capital charge

(Debt / Equity) x 100	157%	153%

The ratio shows the amount of Liabilities (current and long-term) as a percentage of equity.

Net Borrowing

Long-term loans + Short-term loans - Cash and cash equivalents	22.259.646	18.330.159

Earnings before interest, taxes, financial results, investment results and total depreciation and amortisation (EBITDA)

Profit before tax plus financial results, investment results and total depreciation and amortisation	10.587.411	9.216.593

The ratio reflects the sum of profit before tax, net financial costs, depreciation and amortisation and depreciation of grants

2. Other important information for the year ended 31 December 2024

Properties of the Company

In 2024 there was no change on the Company's properties. The overall picture of the properties is shown in the following table:

ADDRESS	EXTENT (in m²)	USE
Plot of land in Ritsona Evia (on which the factory is located)	36.476	Self-service
Plot of land in Ritsona Evia	4.888	Self-service
Plot of land in Ritsona Evia	2.920	Self-service
Plot of land in Ritsona Evia	2.898	Self-service
Plot of land in Ritsona Evia	868	Self-service
Plot of land in Ritsona Evia	8.406	Self-service
Main facilities in Ritsona Evia	16.603	Self-service
Farm in the Prefecture of Evia	141.692	Investment in real estate held for capital support
Plot of land in Ritsona Evia	2.416	Self-service
Plot of land in Ritsona Evia	4.023	Self-service
Plot of land in Ritsona Evia	1.019	Self-service
Plot of land in Ritsona Evia	291	Self-service
Plot of land in Aspropyrgos, Attica	13.663	Self-service
Facilities in Aspropyrgos, Attica	2.135	Self-service

Apartments in the Municipality of Athens	69	Self-service

There are no collateral securities on the properties.

Activities in the Research and Development sector

The Company's Research and Development department is a driver in the development of the Company's business. To this end, the Company is systematically investing in equipment, integrating qualified personnel into the team and obtaining the most appropriate certifications.

The Research and Development team is active in the creation of various products, solid soaps and liquid cosmetics, with a strong emphasis on sustainability as expressed through the use of natural raw materials, the development of corresponding natural recipes, the vertical production of the required packaging materials (bottles and caps) with the use of recycled and recyclable raw materials as far as possible and finally the obtaining of the relevant certifications. These products, as they meet current and/or projected consumer trends, are available to the Company for its branded products and to third party customers for the development of their own.

Examples of these are cosmetics in solid form (shampoos, conditioners, creams, etc.) and synthetic soaps (syndet) as part of the effort to reduce the use of plastic and save water with a corresponding reduction of the carbon footprint. But examples are melt and pour soaps, liquid olive oil soaps, hot fill technology, etc. or products in different shapes, recognising the trend towards new and original forms of packaging.

Branches

The Company has no branches.

2. Risks and uncertainties

Macroeconomic environment

In 2024, the macroeconomic environment continued to be characterized by geopolitical tensions, high inflation and increased interest rates affecting global demand, product costs, operating expenses and borrowing costs, which in turn affected the Company's profitability. With respect to raw material prices, as well as energy prices, these have leveled off compared to the increase in previous years, but did not reach pre-Covid levels.

Geopolitical developments in the wider region continue to cause uncertainty at a global level, affecting the global supply chain and increasing inflation, uncertainty that is also affected the US trade policy. Both the ongoing military conflict between Russia and Ukraine, countries in which the Company has no operations, and the attacks by Houthi rebels on ships in the Red Sea, hinder commercial activity and lead to increased transportation costs.

The Company's management systematically monitors developments in order to be able to take appropriate measures, either by monitoring transport costs with its partners or by developing alternative sources of supply.

Risk of price variation

The main raw materials used in production are vegetable oils, as well as raw materials for the production of plastics such as PET, polyethylene (HDPE) and polypropylene (PP). The price of oils fluctuates according to supply and demand on the world market, as they are traded commodities. Similarly, the prices of the raw materials for the production of plastics depend on energy costs combined with the relative transport costs between different parts of the world. Due to increased competition in the industry, any increases in international and domestic raw material prices are not in all cases passed through to the final price of the products, which carries the risk of adversely affecting the Company's results of operations.

The Company addresses these risks through:

- passing on the corresponding increases to the final products as far as possible,
- an organised production cost reduction programme supported the completion of the strong investment plan of the previous years,
- and finally, in cooperation with its customers and supported by the Research and Development department, redesigning, where feasible, the various products produced in order to reduce their cost, while maintaining the high level of quality of the products produced by the Company.

The Company, annually, seeks and ultimately uses the supplier that provides the best price, reducing the risk of dependency. In addition, it monitors the prices of raw materials on an ongoing basis and enters into agreements with its suppliers.

Derivatives are not used to hedge this risk, while medium-term contracts are entered into where appropriate.

The Company performs sensitivity tests of its results due to changes in raw material prices. It is estimated that in the event of a 0.5% increase in material prices, the Company's profitability would have been affected by EUR 161 thousand in 2024 and EUR 160 thousand in 2023.

Credit risk

Trade accounts receivable mainly include receivables from large groups of companies (domestic supermarket chains, multinationals) and companies operating in the hotel sector. In order to reduce credit risk, the Company constantly monitors the financial situation of its debtors and also maintains a credit insurance policy. In the year 2024 no bad debts arose.

The table below shows the breakdown of trade receivables after estimation of expected credit losses:

	2024	2023
Balance within the credit period	7.196.053	4.221.595
Balance beyond the credit period	10.763	49.216
Total	**7.206.816**	**4.270.811**

The movement in the provision for impaired trade receivables is presented below:

Balance 01.01.2023	**(228.986)**
Reversal of provision for loss for the period	11.013
Balance 31.12.2023	**(217.973)**
Provision for credit loss for the period	(41.862)
Balance 31.12.2024	**(259.835)**

Interest rate and currency risk
Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

From 2022 onwards, the central banks have increased interest rates, resulting in additional borrowing costs being charged to the Company's results. In the year 2024, the European Central Bank made 1 point reductions in the base rate.

The Company had entered into a partial hedge against the risk of Euribor increase. During the first half of 2024, it liquidated the derivative financial asset it held and no longer uses related instruments to hedge cash flows.

The financial cost of all of the Company's bank borrowings is variable based on euribor. The bank borrowings are exclusively in euros.

The Company has foreign currency transactions to a limited extent. There are no significant assets and liabilities in currencies other than the euro. Therefore, there are no circumstances that could expose it to high currency risk.

Sensitivity analysis

The sensitivity analysis illustrates the sensitivity of profit after tax and equity to reasonably possible changes in interest rates through their effect on borrowings and deposits. Such changes are considered reasonably likely based on the observation of current market conditions.

The calculations are based on a change in the average market interest rate for each reporting period and the Company's borrowings at each reporting date, with all other variables held constant.

It should be noted that the methods and assumptions used have not changed compared to the previous period. The following changes are considered reasonably possible based on the observation of current market conditions.

	Impact on profit before tax	
	2024	**2023**
Increase of 50 basis points	(130.076)	(136.000)
Reduction of 50 basis points	130.076	136.000
Increase of 100 basis points	(260.152)	(272.000)
Reduction of 100 basis points	260.152	260.512

	Impact on Own Capital	
	2024	**2023**
Increase of 50 basis points	(101.459)	(106.080)
Reduction of 50 basis points	101.459	106.080
Increase of 100 basis points	(202.919)	(212.160)
Reduction of 100 basis points	202.919	203.199

Liquidity risk - cash flow risk

Liquidity risk management includes ensuring that sufficient cash and cash equivalents are available, as well as ensuring creditworthiness through the availability of adequate credit limits from the cooperating banks.

According to the present financial statements, the Company has positive working capital, positive cash flows from operating activities and therefore has no significant liquidity risk. In addition, the Company maintains additional funding limits to cover periods of increased cash requirements during the year, and as a result, the Company is not considered to have significant liquidity and cash flow risk.

The maturity of financial liabilities based on estimated undiscounted contractual outflows as of December 31, 2024 and 2023, respectively, is as follows:

	2024			
	Short-term			Long-term
	within 6 months	6 to 12 months	1 to 5 years	more than 5 years
Borrowing	3.032.382	2.811.109	23.186.620	-
Finance lease obligations	165.068	153.908	586.924	-
Trade and other payables	15.487.812	-	-	-
	18.685.261	**2.965.016**	**23.773.544**	**-**

	2023			
	Short-term			Long-term
	within 6 months	6 to 12 months	1 to 5 years	more than 5 years
Borrowing	2.402.329	2.261.999	21.314.622	-
Finance lease obligations	160.324	125.675	337.384	-
Trade and other payables	14.296.578	-	-	-
	16.859.321	**2.387.674**	**21.652.006**	**-**

The expected collection time for impaired customers is shown in the following table:

	2024	**2023**
Less than 6 months	7.196.053	4.221.595
Between 6 months and 1 year	10.763	49.216
	7.206.816	**4.270.811**

Climate change risk

For Papoutsanis, the concept of sustainable development is intertwined with responsible action and actions aimed at protecting the environment, while ensuring the Company's long-term prosperity. Therefore, we aim to achieve a balance between environmental, social and economic aspects in all issues in the decision-making process. The Company has a high level of environmental awareness and is committed to environmentally friendly production, saving resources, and to the development of innovative, high quality, water and energy saving products with eco-friendly packaging design. Papoutsanis' ultimate goal is to actively contribute to mitigating climate change and therefore recognizes risks and opportunities arising from climate change that may create changes in the Company's operations, profit and costs.

Risks:

- Extreme weather events can cause disruptions in the supply chain and problems in internal production, threatening business continuity.
- Available water resources are constantly decreasing, especially during periods of drought and high temperatures (e.g. summer months).

Minimise risks:

- Selection of suppliers operating in the domestic market to keep supply chains short.
- Strengthening the Company's infrastructure to ensure the safety of products and production systems and the health of employees.
- Continuous investment in water saving infrastructure, such as the installation of 2 reverse osmosis plants that led to the saving of 20m3 of water per day.

Risk of non-sustainability

Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, matters related to the going concern. The assessment made has not identified any events, or circumstances or relevant business risks that could cast serious doubt on the Company's ability to continue as a going concern in the next financial year.

4. Significant events that occurred between the end of the financial year and the preparation of the Report

There is no post-closing event that may have a material impact on the financial position or operation of the Company.

5. Objectives and prospects - Forward-looking approach

Outside factors affecting the environment in which Papoutsanis operates remain volatile. In this context, the Company has developed strategies and tactics to further improve both 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,
- priority to sustainability-driven development through the installation of photovoltaic panels, which will be operational from December 2024 , contributing to the reduction of the environmental footprint, while at the same time contributing to further improving production costs.
- **Expansion of the participation of Papoutsanis branded products - consumer and hotel products - in the Company's total turnover** with:
  - dynamic growth in major new markets (home care) in order to increase the penetration and market share of our branded consumer products,
  - focus on innovation and sustainability with new proposals and solutions that give a competitive advantage to our branded ranges 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 organisational 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,
  - limiting borrowing by optimising the parameters affecting it (stocks, trade receivables, liabilities and investment control).

The Management intends to propose to the Annual General Meeting of Shareholders the distribution of a dividend of a gross amount of €0,03 per share. The proposed distribution is subject to the approval of the Annual General Meeting of Shareholders. In addition, it is noted that at the meeting of the Board of Directors of the Company on November 7, 2024, the distribution of a gross interim dividend of €0.03 per share was approved and paid to the shareholders on November 15, 2024.

As of 26.03.2025, the Company holds 252,300 shares, or 0.931% of the Company's share capital, under the treasury share purchase plans.

The Company's shares are listed on the main market of the Athens Stock Exchange.

Outlook for turnover

For the year 2025, the Company aims to develop the activity and improve profitability. In particular, the Company expects double-digit growth in turnover, as a result of the expansion of existing ones and the launch of significant new partnerships in the pillars of third-party producers and industrial soap noodles. In addition, a significant further strengthening of the branded products category is expected, as already from 2024 Papoutsanis has expanded into the home care category in addition to personal care products, in which it has traditionally been active for decades.

More specifically per category:

- The pillar of Papoutsanis branded products is a strategic priority and is expected to maintain its dynamic growth in 2025, through the enrichment of the product range and greater establishment in the home care category with new products . In addition, exports of our branded products are expected to be significantly strengthened in 2025.
- The hotel products sector is expected to be the main growth axis for Papoutsanis, as the forecasts for tourism are positive, both in Greece, after a record year in 2024, and abroad. At the same time, we continue to dynamically build on our long-term existing partnerships with strategic customers, while strong foundations have been laid for the development of exports of our branded hotel products to a number of new markets.
- Finally, the third party and specialty soapmaking categories are expected to continue their growth mainly through the expansion of the customer portfolio and further development of the range of products we produce for these customers, as well as the development of synthetic soapmaking.

6. Transactions with related parties

α) Inter-company transactions

They do not exist.

b) Intercompany balances

They do not exist.

c) Transactions with key management personnel and members of the Management

	01.01.2024-31.12.2024	**01.01.2023-31.12.2023**
Remuneration of executive members of the Board of Directors and managers (based on a special employment relationship)	756.758	678.626
Remuneration of non-executive members of the Board of Directors	65.868	58.701
	822.626	**737.327**

d) Claims and obligations with directors and management

	31.12.2024	31.12.2023
Liabilities to directors and senior management arising from assigned accounts	111	441
Claims from directors and senior management arising from assigned accounts	504	
Liabilities to directors and members of the management (from remuneration)	189.655	126.558

ε) Balance with shareholders

It does not exist.

7. Description of the Company's policies in relation to the environment, corporate social responsibility and labour.

7.1 Environmental issues

Actual and potential impact of the entity on the environment

Respect and protection of the natural environment is a key element of Papoutsanis' philosophy. In this context, our Company has and applies an environmental policy, aiming to comply with European and national environmental legislation, related to the operation of its factory and energy consumption.

More specifically, our Company's environmental policy is based on the following principles:

Compliance with current legislation

Its operation fully complies with the existing European and national environmental legislation, while the emission limits of the environmental conditions approval decision issued for our facilities are always respected.

Responsibility

It has full knowledge of the impact of the production process on the environment and takes all necessary measures to minimise it, as well as appropriate measures to prevent environmental risks.

Cooperation with certified contractors

The Company's partners in waste management (collection, transportation, recovery, disposal) have all the necessary permits and follow good management practices, in accordance with the relevant legislation.

Continuous improvement
The Company aims to continuously improve its environmental performance and reduce the environmental footprint of its activities.

Transparency
It engages in an open dialogue on environmental issues with all its partners, governmental or non-governmental organisations, academic institutions, local communities and the wider society.

Education
The Company's staff is informed and actively participates in environmental management issues, as the Company's objectives can only be achieved with the participation of all its employees.

In this direction our Company:

- It has modernized its equipment and has reconfigured its production process in order to achieve a reduction in energy consumption.
- The electricity consumed by the Company comes mainly from Renewable Energy Sources, while at the end of 2024 the installation and operation of photovoltaic systems was completed.
- It uses recycled and recyclable materials for product packaging.
- Launches new sustainable products that promote the principles of the circular economy.
- Takes measures to avoid any environmental pollution.
- It has adopted a recycling program in cooperation with licensed solid waste management companies.
- It applies waste sorting in the production process.
- It complies with standards concerning environmental parameters set by the current legislative framework and commissions certified laboratories to carry out analyses.
- It has a wastewater treatment facility.

Detailed information for 2023 by category is available in the Sustainable Development Report on the Company's website (see point 7.3)

In addition, Papoutsanis is committed to reducing the environmental footprint of its operations and business activities through its Code of Conduct and Business Behaviour. Through the development of initiatives and continuous improvement of environmental management, the Company contributes to the protection of the environment and the quality of life in the surrounding areas where it operates. In addition, it is committed to full compliance with all environmental legislation, including obtaining and maintaining all permits and approvals required for its business activities, proper handling, storage and disposal of materials in accordance with

relevant legislation, and timely and accurate reporting of required reports to the relevant government agencies.
The following issues emerged as material sustainable development issues in the context of the materiality analysis conducted by the Company in 2023 and are Papoutsani's priorities for 2024:

- ✓ Sustainable sourcing of raw materials
- ✓ Safeguarding the safety and high quality of products
- ✓ Management of the company's business affairs and decision-making processes
- ✓ Good water management practices and elimination of water depletion
- ✓ Universal respect for human rights and strengthening of existing corporate ethics
- ✓ Adapting the company's activities to combat the global phenomenon of climate change
- ✓ Taking actions and decisions in the light of a transparent, fair, responsible and ethical business model
- ✓ Reducing Energy Demands and replacing conventional energy resources with renewable and green energy sources
- ✓ Investing in human resources and their appropriate development through training and specialisation
- ✓ Ensuring appropriate conditions to safeguard the occupational health and safety of stakeholders
- ✓ Ensuring high financial performance of the Company

Following Papoutsanis' award in 2023 with the Ecovadis Bronze Medal, which ranked it in the top 29% in terms of its global sustainability performance, in June 2024 Papoutsanis upgraded its score and was awarded the Ecovadis Silver Medal, raising its ranking to the top 15%.

Energy and greenhouse emissions

Through the following practices, the Company aims to contribute to the reduction of its environmental footprint and, to this end, it implements actions to
energy saving

- Electricity consumption from Renewable Energy Sources
- Gradual replacement of the passenger vehicle fleet with electric vehicles
- Completion of installation and start of operation of photovoltaic systems within 2024
- Heat recovery from air compressors and use of hot water for office heating.
- External thermal insulation of the masonry and installation of glazing in the office building
- Automation of cosmetic and soap mass production for better management of raw materials and more effective process control
- Purchase of new energy-efficient mechanical equipment

The Company's building infrastructure, including offices and production units, consumes energy from direct and indirect sources. Its production units are responsible for the majority of the

Company's energy consumption. In particular, the main source of energy for saponification is natural gas. The needs for other activities are covered by electricity, while in exceptional situations of power failure from the grid, back-up oil generators are used.

As part of our continuous monitoring of our energy performance, we systematically monitor our consumption through monthly reporting from our electricity and gas suppliers and internal daily measurements.

Papoutsanis recognises the importance of identifying, quantifying and mitigating GHG emissions to ensure that carbon neutrality can be achieved at the Agency, national and community levels.

The Company complies with the National Climate Law 4936/2022 by submitting an annual report on emissions related to its activity, starting in 2023 for the previous year's emissions. Therefore, in full compliance with the specifications and requirements of the National Climate Law, Papoutsanis is committed to reduce its total Category 1 & 2 GHG emissions by at least 30% by 2030 compared to the corresponding levels of 2019, and has already achieved a reduction. Detailed information for 2023 by category is available in the Sustainable Development Report on the Company's website (see note 7.3)

Water management

Water is an integral part of the Company's production process, and is used both for production and for cleaning, washing and disinfection of the mechanical equipment. The water consumed in all units comes from a borehole and is temporarily stored in intermediate tanks, which ensure a continuous water supply and water autonomy.

Our Company recognizes that through the operation of our plant and throughout the entire production process there are impacts on water resources, mainly related to water consumption.

In this context, the plant has an installed reverse osmosis plant for the treatment of the water used for production. In order to save energy a second reverse osmosis unit was added, which uses the waste water from the first unit to operate the boiler room.

Realizing the importance of efficient management and reduction of water consumption, we have automated the cosmetics bulk production operation for better productivity and water and material management. In the same direction, we have installed an automated cleaning system with CIP (Clean in place) in our production to reduce water consumption.

Finally, the Research and Development Department focuses on new product technologies with minimal water use. Products such as the Olivia Thinks solid shampoo and solid shower gel have already been introduced to the hotel market. These products have a significantly reduced environmental footprint compared to their bottled counterparts, as the bars use less packaging material, no plastic, low volume and weight, reducing transport and storage costs, and require less energy to produce.

Raw materials and packaging materials

The raw materials and packaging materials used for the production and packaging of a product are a key factor in its quality, safety, and environmental and social footprint. This has led many sectors, including those producing soaps and cosmetics, to shift towards more sustainable solutions by using raw materials certified according to international standards of compliance with specific environmental and social standards, as well as the use of recycled and recyclable packaging materials that reduce the negative impact of products on the environment.

In this direction and in the context of its quality policy, Papoutsanis invests in the creation of innovative products, including their packaging, produced from responsible raw materials. The main raw materials introduced in the Company's production process are different types of oils, chemicals, perfumes, and paper and plastic for the production of packaging. Detailed information for FY 2023 by category is available in the Sustainable Development Report on the Company's website (see note 7.3)

- **Certifications of raw materials**

The Company, given the use of a large quantity of different oils for the production of its soaps, is a member and holds the certification of the Roundtable on Sustainable Palm Oil (RSPO), a global initiative composed of stakeholders in the palm oil value chain that promotes the environmental and social sustainability of palm oil, and is a member of the GreenPalm program of the same initiative.

In addition, the Company has cosmetic lines with ECOCERT (COSMOS ORGANIC and COSMOS CERTIFIED) and Ecolabel approval, for the production of which the raw materials are of natural and organic origin. At the same time, Papoutsanis avoids the supply of raw materials with substances harmful to human health and the environment (e.g. Parabens, Triclosan, etc.), while the majority of raw materials do not contain ingredients of animal origin, thus ensuring the certification of Vegan products.

- **Packaging materials**

The Company monitors developments in the field of packaging materials that include recycled materials and is a pioneer in the testing and application of such environmentally friendly packaging materials. For example, the Company procures cardboard boxes derived from recycled packaging materials to store products shipped to its customers.
Regarding the raw materials used for the production of the products' packaging, the materials used are made of recycled and recyclable PET (Polyethylene terepthalate), PE (Polyethylene) and PP

(Polypropylene), while no PVC (Polyvinyl Chloride) is used. Some ranges also use plastic derived from recycled nets in specific proportions.

In this way we reduce the production of new plastic, while recycling old plastic into new plastic. In addition, product packaging is a key factor in the Company's marketing strategy as it provides the necessary information about the products and their quality. At the same time, product packaging provides adequate protection during transportation and storage.

Procedure and criteria for the selection of suppliers of raw materials and packaging materials
Papoutsanis is governed by the Code of Conduct, which it makes sure to send to its suppliers and partners, urging them to adhere to it during their cooperation. The general supervision of the supply chain processes is held by the Company's procurement department. The selection of partners is based on criteria of quality of infrastructure and services of the candidates, which also determine the subsequent maintenance of long-term cooperation relations.

Solid waste and packaging waste

The limitation and reduction of the Company's environmental footprint, as well as full compliance with the applicable legislation on the management, storage, transport, recycling and disposal of waste are key commitments of Papoutsanis.

Recognizing the potential negative effects on both the environment and human health from the irresponsible management of solid waste resulting from its activities, Papoutsanis proceeds to sort the waste generated from its offices and production process and cooperates with licensed companies for its collection and treatment. Our partners in waste management (collection, transport, recovery, disposal) have all the necessary permits and follow good management practices, in accordance with the relevant legislation.

The packaging of our products is properly designed to maintain the quality of the products and reduce our environmental footprint. The design of the packaging is based on reducing the amount of plastic material used, without compromising the safety and quality of our products. As far as packaging waste is concerned, the plastics production department reuses and recycles the raw material that results from the crusher machine and is not recovered, thus reducing waste production and contributing to the saving of natural resources.

Within 2024 Papoutsanis obtained ISO 14001, an international standard for the implementation of an Environmental Management System in any organization.

The main objective of ISO 14001 is to proactively manage the environmental impact of organisations through commitments to pollution prevention, compliance with legislation and continuous improvement. Environmental Management System (EMS) certification to ISO 14001 helps organisations to demonstrate a continuous commitment to improving their environmental performance. The standard was revised in 2015 and verified in 2021 to ensure that its goals and purpose support the growing needs of today's world and reflect the increasingly complex environment in which organisations operate.

7.2 Labour issues

Respect for workers' rights

Our Company sees diversity as a fundamental right of its employees and a source of strength. Based on this principle, it ensures equality of opportunity and anti-discrimination through the selection, appointment and compensation of all people employed by or associated with it on the basis of their qualifications and suitability for the work to be performed and not on the basis of race, religion, national origin, ethnicity, colour, gender, age, nationality, sexual preference, marital status, physical disability, or any other characteristic. In addition, the Company prohibits sexual harassment and any other form of harassment of its employees by anyone in the workplace.

Papoutsanis promotes a working environment that respects and protects human rights. At the same time, it monitors labour legislation including references to child labour and respect for human rights and is in full compliance with the provisions.

The foundation of the Company's responsible operation is the Code of Conduct in which the Company is committed to comply with the legislation in force regarding child labour. Specifically, child labour is defined in Greece as the employment of any person under the age of fifteen (15) years, however, the Company is committed to not employing persons under the age of sixteen (16) years.

Papoutsanis also encourages the reporting of incidents of human rights violations, as well as complaints of any other nature that may arise in the work environment, through the complaints box that has been placed at the Company's production facilities.

In the context of the substantive issues related to the Company's broader economic and social impact on Sustainable Development, the following issues are addressed:

- Consumer Health and Safety
- Employment, training and development of workers
- Health and safety at work
- Human rights and equal opportunities
- Financial performance

Employment, training and development of workers

Papoutsanis monitors and is in full compliance with labour legislation, while the basis of its approach to employment is described in detail in the Company's Code of Conduct, which is also available on its website.

More specifically, the Company has developed and implements a series of procedures relating to the management of employment and training of employees by its human resources department. Specifically, the following procedures are implemented:

- Induction plan for new employees.
- Evaluation process, which takes place once a year.
- Training and development process.
- Process of providing products to staff.
- Procedures for conducting recruitment and exit interviews.

Candidates are searched for through our website, which is linked to an electronic management system of the Human Resources Department and each posting is published simultaneously on most job networks.

After the first evaluation of the shortlist, an interview procedure is foreseen, which is defined in three stages. Each selection will be made on the basis of merit, with equal treatment of candidates and transparency. Candidates will be assessed on the basis of predefined objective and merit-based criteria and evaluation standards.

With regard to ensuring the development and improvement of the skills of its employees, the Company provides continuous training starting from the recruitment of the employee and continuing throughout the duration of his/her employment with the Company on topics related to his/her role and the Company's legislative obligations (e.g. antiseptic preparation training, GDPR training, handling and storage of hazardous materials), as well as additional skills (e.g. positive leadership, verbal, non-verbal communication, business English, coachin

Training focuses on the current work, the immediate needs of the company and the future development of its people. Training plays a vital role for our Company since without it, it will not be possible to achieve its objectives and is seriously considered as an activity that determines its future. The training strategy, which is followed, is about development through providing opportunities for personal growth, adaptation to work and emphasis on the leadership skills of individuals. Training is implemented either internally by trained Company personnel, or through training centres in the form of seminars or long-term programmes. The stages of training are defined as follows:

1. Recognition of the knowledge and skills required
2. The identification of current knowledge levels
3. The diagnosis of educational needs and the preparation of the programme
4. The methods of training as well as the place and time of training
5. Evaluation of employees after the training for the knowledge or skills they have acquired in their field of work.

With regard to employee benefits, the Company provides the following list of benefits, which are offered to all employees regardless of their contract:

- Private insurance programme
- Daily meal and natural juice to all employees
- Exceptional remuneration
- Transfer of staff
- Gifts to the children of employees / Christmas party
- Various kinds of allowances
- Awards for children of employees for their successful admission to higher education
- Free distribution of products to all staff.

Health and safety at work

As underlined in the Company's health and safety policy, the protection of all employees and associates, as well as its full compliance with the applicable health and safety legislation, is a top priority of Papoutsanis.

Its employees and associates must respect and comply with the health and safety policies and standards set by the Company. These include not only the statutory obligations but also the best practices of the industry to which the Company belongs, to ensure a healthy and safe working environment with care for both customers and visitors to its premises. Indicatively, these practices include:

- Providing information and training to its human resources members to enable them to carry out their duties effectively, to contractors, for whom specific safety measures are applied as defined by a specific procedure, and to others who work on behalf of the Company, in order to ensure their commitment and awareness. In this context, it is stressed that all new employees, during their induction training, are made aware of the Company's safety rules, as well as the personal protection measures for working in production. In addition, they are made aware of the maintenance of emergency response systems and plans, which are monitored through regular drills.
- The integration of health, safety and environmental protection issues in its operational decisions, plans and operation of its facilities, within the framework of the Integrated Management System.
- Targeting continuous improvement of health, safety and environmental management systems.
- The assessment of the risks involved in the Company's activities or the activities of contractors with whom the Company cooperates, and their elimination or reduction to permissible levels.

In addition, the Company's health and safety policy includes:

- Monitoring of compliance with the above practices in all workplaces.
- Ensuring the availability of the necessary resources.

- Evaluating and reporting on its safety performance.
- Conducting audits of the implementation of the relevant standards and procedures.

The policy is evaluated and revised if necessary at regular intervals. For the management of employee health and safety, our Company maintains a cooperation agreement with an external partner, which ensures the provision of a Safety Technician and an Occupational Physician, with responsibilities related to preventive issues related to the health and safety of personnel.

In addition, the Company is certified by SMETA (SEDEX MEMBERS ETHICAL TRADE AUDIT). SMETA is an audit developed by Sedex, the non-profit organization for the exchange of data on supplier ethics, with member companies committed to continuous improvement of their performance within their supply chains.

It is also noted that Papoutsanis in 2024 obtained the Great Place to Work certification, confirming its consistent strategy in creating a modern working environment.

7.3 Sustainable Development Reports

Papoutsanis has and implements a sustainable development policy, and regularly monitors the progress of the indicators it has set.

The Sustainable Development Reports published by the Company are posted on its website (Sustainable Development Reports < SUSTAINABLE DEVELOPMENT | Papoutsanis).

In October 2024, the Sustainable Development Report 2023 was published.

EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 4(7) AND (8) OF LAW 3556/2007.

This explanatory report of the Board of Directors is submitted to the Ordinary General Meeting of the Company's Shareholders pursuant to **paragraph 8 of article 4 of Law 3556/2007**, and has been prepared in accordance with the provisions of paragraph **7 of article 4 of** the above mentioned law.

(a) Share capital structure

The share capital of the Company amounts to fourteen million six hundred and thirty-three million six hundred and thirty-three two hundred and forty euros and seventy-six cents (€ **14,633,240.76**), divided into twenty-seven million zero ninety-eight hundred and ninety-four (27,098,594) common nominal shares with voting rights, with a nominal value of € 0.54 each.

The Company's shares are listed for trading in the General Category (Main Market) of the Athens Exchange.

The Company's shares are ordinary registered shares with voting rights. Each share carries all the rights and obligations provided by law and the Company's Articles of Association. The liability of shareholders is limited to the nominal value of the shares they hold.

(b) Restrictions on the transfer of the Company's shares

The transfer of the Company's shares, which are dematerialised and listed for trading in the General Category (Main Market) of the Athens Exchange Market, is carried out as required by law and there are no restrictions on their transfer under the Company's Articles of Association.

(c) Significant direct or indirect shareholdings within the meaning of Articles 9 to 11 of Law 3556/2007

Shareholders (natural or legal persons), or controlling persons who, based on their declaration on 31.12.2024, directly or indirectly hold a percentage equal to or greater than 5% of the total number of its shares and the corresponding voting rights, within the meaning of articles 9 to 11 of Law No. 3556/2007, are listed in the table below:

Full name or Name of Shareholder/Controlling Person	Shares attributable to (in units)	Percentage
Tassopoulos Menelaos	6.266.629	23,13%
Gatzaros Georgios	6.191.717	22,85%
TRUAD VERWALTUNGS AG	5.726.302	21,13%
3K INVESTMENT COMPANY LIMITED LIABILITY COMPANY	1.670.390	6,16%

No other natural or legal person holds more than 5% of the Company's share capital as of the above date.

Mr. Menelaos Tassopoulos holds a total of 23.13% of the voting rights of the Company, of which he directly controls 3.94% of the voting shares of the Issuer and indirectly, through the 100% owned company SAPON, 19.19%.

Truad Verwaltungs AG in its capacity as trustee of a foreign private discretionary trust established for the benefit of the present and future members of the family of the late Anastasios Georgios Leventis (the "Trust"), controls 5,726,302 voting rights (representing 21.13% of the total number of voting rights of the Company) through its control of Torval Investment Corp, which controls Thrush Investment Holdings Ltd, which controls: (a) directly 5,407,065 voting rights representing 19.95% of the total number of voting rights of the Company; and (b) indirectly, through the control of Eagle Enterprises S.A., 319,237 voting rights representing 1.18% of the total number of voting rights of the Company.

The percentage of voting rights controlled by "3K Investment Company" in the Company amounts to 6,16% of the total voting rights of the Company's shares (corresponding to 1.670.390 common, registered, voting shares of the Company) as of 31.12.2024. "3K Investment Company" holds 100% of the share capital of "3K Investment Partners Unipersonal AEDAK", a company that manages the mutual funds, "3K A/K Domestic Equity", "3K Greek Value Domestic Equity" and "NN HELLAS Equity", which hold (as direct shareholders) shares of the Company. Mr. Georgios Koufopoulos is a controlling person of "3K Anonimos Investment Company", within the meaning of article 3, par. 1c, para. (dd) of Law 3556/2007.

(d) Holders of shares conferring special control rights

There are no shares of the Company that give their holders special control rights.

(e) Restrictions on voting rights - Deadlines for exercising the relevant rights

The Company's Articles of Association do not provide for any restrictions on the voting rights attached to its shares.

(f) Shareholders' agreements on restrictions on the transfer of shares or the exercise of voting rights

The Company is not aware of any shareholder agreements that entail restrictions on the transfer of shares or restrictions on the exercise of voting rights.

(g) Rules for the appointment/replacement of members of the Board of Directors and amendment of the Articles of Association if they differ from those provided for in Law. 4548/2018.

The rules provided in the Company's Articles of Association for the appointment/replacement of the members of the Board of Directors and for the amendment of the relevant provisions of the Articles of Association do not differ from those provided in Law no. 4548/2018. In particular, according to article 7 par. 3 of the Company's Articles of Association, the following provisions are provided for the case of vacancy of a member of the Board of Directors:

"ARTICLE 7º
Election and replacement of a member of the Board of Directors

[...]
3. *If a vacancy occurs in the office of Member or Members for any reason:*

α. If there is an alternate Member or Alternate Members elected by the General Assembly of the Company, he or she shall fill the vacant position or positions, in the order of their election.
β. If there are none, the Board of Directors may either continue to manage and represent the Company, provided that the remaining Members exceed one-half of the total number of Members before the vacancy or vacancies, but in any case such Members may not be less than three, or, if the remaining Members are at least three (3), elect a replacement Member or Members to fill the vacancy or vacancies for the remainder of the term of office of the Member or Members being replaced. Such election shall be announced at the next following ordinary or extraordinary General Meeting, which may replace those elected, and if no item is yet on the agenda. The choice of one of the two solutions under b. above shall be made by the Board of Directors at its sole discretion. The Board of Directors may, of course, replace only some of the vacant seats, provided that the Members after partial replacement exceed half of the total number of Members before the vacancy or vacancies. The decision of the election shall be made public and announced by the Board of Directors at the next following General Meeting, which may replace the elected members even if no item is included in the agenda."

The choice of one of the two solutions under b. above is made by the Board of Directors at its sole discretion.

(h) Authority of the Board of Directors to issue new shares / purchase of own shares pursuant to article 49 of Law no. 4548/2018.

1. According to the provisions of Article 24 par. 1(b) of the Law. 4548/2018, the Board of Directors of the Company has the right, following the relevant decision of the General Meeting subject to the publicity formalities of article 13 of Law 4548/2018. 4548/2018, to increase the Company's share capital by issuing new shares, by a decision taken by a majority of at least two-thirds (2/3) of all its members. In this case, the share capital may be increased in accordance with the applicable law. 4548/2018, up to three times the amount of the capital paid up on the date on which the Board of Directors was granted such authority by the General Assembly. The aforementioned authority of the Board of Directors may be renewed by the General Assembly for a period not exceeding five years for each renewal. No such resolution has been passed by the General Meeting of Shareholders.

2. In accordance with the provisions of Article 113 of Law No. 4548/2018, by decision of the General Meeting, taken by an increased quorum and majority, a share allocation plan may be established for the members of the Board of Directors and the staff of the Company, as well as its affiliated companies within the meaning of article 32 of Law No. 4308/2014, in the form of an option to acquire shares, in accordance with the terms of this resolution, a summary of which shall be submitted for publication. The resolution of the General Meeting shall determine in particular the maximum number of shares that may be issued, which may not exceed 1/10 of the existing shares, the price and the terms of the distribution of the shares to the beneficiaries. The Board of Directors shall, by its decision, regulate any other relevant details not regulated by the General Meeting, issue the share option certificates, and issue shares to the beneficiaries who have exercised their option, increasing the capital accordingly and certifying the relevant increase thereof, in accordance with Article 113, par. 3, of Law No. 113 (3). 4548/2018. Furthermore, pursuant to article 113, para. 4 of Law 4548/2018, the Board of Directors may, upon authorization - resolution of the General Meeting of Shareholders adopted by an increased quorum and majority and submitted to the public, adopt a share placement plan, possibly increasing the capital and taking all other relevant decisions. This authorization is valid for five (5) years, unless the General Meeting determines a shorter period of validity and is independent of the powers of the Board of Directors under paragraph 1 of article 24 of Law

4548/2018. The decision of the Board of Directors is taken in accordance with the terms of article 113 of Law no. 4548/2018.

In application of the above provisions:

A) the Board of Directors of the Company on 18.02.2022 and following the authorization granted by the Ordinary General Meeting of 05.05.2021, established a stock option plan for the benefit of executives who provide services to the Company on a regular basis, in the form of stock options, in accordance with the applicable regulatory framework. The term of the plan was set at two years, in the sense that the rights granted to the beneficiaries may be exercised until June 2024, in accordance with the specific provisions of the plan. The number of allowances to be allocated under the plan may be up to two hundred and sixty-nine thousand and sixty (269,060) for the total duration of the plan. The share capital of the Company shall be adjusted accordingly in the event that new shares of the Company are allocated to the beneficiaries and in accordance with the rights exercised by the beneficiaries, by resolution of the Board of Directors of the Company as set forth in the law and the terms of the plan. The detailed terms of the plan have been posted on the Company's website (www.papoutsanis.gr).

This plan ended on 30.06.2024 without any rights being exercised.

B) In accordance with the provisions of Article 113 par. 4 of Law 4548/2018, a resolution of the Annual General Meeting was adopted on 17.04.2024, by virtue of which the Board of Directors was authorized to establish a share issue program in the form of stock options under any conditions within the framework of the law that the Board of Directors deems appropriate, but subject to the following restrictions:
a) the rights to be allocated will correspond to a maximum of 2% of the total number of shares of the Company, provided that this maximum will be adjusted in case of corporate transactions that, without new contributions, lead to a change in the total number of shares
b) the shares to be allocated will result from an increase in the Company's share capital or from treasury shares.

As of the publication of the annual financial report, no share option plan has been established pursuant to the decision of the Annual General Meeting.
3. In accordance with the provisions of Articles 49 and 50 of Law No. 4548/2018, as applicable, subject to the approval of the General Meeting, the Company may acquire treasury shares, under the responsibility of its Board of Directors, provided that the nominal value of the shares acquired, including the shares previously acquired and retained by the Company, does not exceed 1/10 of its paid-up share capital. The resolution of the General Meeting must also define the terms and conditions of the acquisitions envisaged, and in particular the maximum number of shares that may be acquired, the period for which the authorisation is granted, which may not exceed twenty-four (24) months, and, in the case of acquisition due to force majeure, the minimum and maximum limits of the acquisition value.

On 18.05.2023, the Annual General Meeting approved the programme for the acquisition of treasury shares by the Company, based on article 49 of Law 4548/2018, according to which the Company will be entitled, within the 24-month period provided by law, i.e. from 18.05.05.2023 until 18.05.2025, to make purchases of treasury shares up to 5% of the total paid-up share capital of the Company, which percentage as of 18.05.2023 corresponded to 1,354,929 shares. The maximum purchase price of the Company's treasury shares was set at four euros (4€) per share and the minimum purchase price at one euro (1€) per share, while it was provided that the shares acquired may be disposed of in any manner permitted by law. This plan for the acquisition of treasury shares was adopted by the Board of Directors of the Company on 18.05.2023.

Under the above plans, the Company held on 31.12.2024 a total of 251,300 treasury shares, i.e. 0.927% of the Company's total shares

(i) Significant agreements of the Company that are in force / amended / terminated in the event of a change in control of the Company following a public offer.

There are no significant agreements that come into effect, are amended or expire in the event of a change in control of the Company following a public offering.

(j) Compensation agreements for Board members or staff in the event of resignation/ dismissal without just cause or termination of office/ employment due to public proposal

There are no agreements between the Company and any of its directors or employees that provide for the payment of compensation in the event of resignation or dismissal without just cause or termination of their term of office or employment due to the public offering.

CORPORATE GOVERNANCE STATEMENT PURSUANT TO ARTICLES 152 AND 153 OF LAW 4548/2018 & PURSUANT TO ARTICLE 18 OF LAW 4706/2020

This Corporate Governance Statement is prepared in accordance with Articles 152 and 153 of Law No. 4548/2018, as in force, and article 18 of Law 4706/2020, as in force.

CONTENTS

INTRODUCTION

The term "corporate governance" describes the way companies are managed and controlled. Corporate governance is articulated as a system of relationships between the Company's management, the Board of Directors, shareholders and other stakeholders, constitutes the structure through which the Company's objectives are approached and set, the means of achieving these objectives are identified and it becomes possible to monitor management's performance in the process of implementing them.
In Greece, the corporate governance framework has been developed mainly through the adoption of mandatory rules, such as Law no. 4706/2020, as amended and in force, which, inter alia, require the participation of non-executive and independent non-executive members in the Boards of Greek companies

whose shares are listed on a regulated market in Greece, the establishment and operation of an internal audit unit and the adoption of internal operating regulations with minimum mandatory content in accordance with the above provisions. In addition, other legislative acts have incorporated into the Greek legislative framework the European company law directives or implemented European regulations, creating new corporate governance rules, such as Law No. 4449/2017, which requires, inter alia, the operation of an audit committee.
Finally, the Public Limited Companies Act (v. 4548/2018) contains the basic rules of corporate governance of public limited companies.

1. Corporate Governance Code

1.1 Notification of the Company's voluntary compliance with the Corporate Governance Code

The Company has decided to adopt the **Greek Corporate Governance Code of the Hellenic Corporate Governance Council for Listed Companies** (hereinafter referred to as the "**Code**"). This Code is available on the website of the Hellenic Corporate Governance Code at the following address: https://www.esed.org.gr/web/guest/code-listed.
Apart from the ESED website, the Code is available to all staff and in hard copy at the Financial Services and Human Resources Departments as well as on the Company's official website at the following e-mail address: https://www.papoutsanis.gr/el/sxeseis-ependyton/etairiki-diakuvernisi-2/kodikas-etairikis-diakuvernisis_130794/

1.2 Deviations from the Code of Corporate Governance and justification of such deviations. Specific provisions - practices of the Code for listed companies - not applied by the Company and explanation of the reasons for non-application

The Company hereby confirms that it applies the mandatory provisions of Greek legislation which formulate the minimum requirements that any Code of Corporate Governance, applied by a company whose shares are traded only on a regulated market in Greece, must meet.
These minimum requirements are incorporated as of the date hereof into the aforementioned Code, which the Company has adopted and applies. The Code, however, contains, in addition to the minimum requirements, a number of specific practices from which deviation is permitted on a case-by-case basis.
The Company deviates from or does not apply in full certain provisions of the Code concerning "*Special Practices for listed companies*", to the extent permitted by applicable law. These deviations are detailed below (*the numbering of the Code of the relevant specific practices is indicated at the end of each paragraph).*

Regarding the Board of Directors

Role and responsibilities of the Board of Directors
- the Board of Directors at the beginning of each calendar year does not adopt a calendar of meetings and an annual action plan, which can be revised according to the needs of the Company, as all its members are residents of the prefecture of Attica, it is easy to convene and meet the Board of Directors when the needs of the Company or the law require it, without the existence of a predetermined action plan. *(1.17)*

Size and Composition of the Board of Directors

- the diversity criteria do not apply beyond the members of the Board of Directors and senior or senior managers with specific gender-specific representation targets, due to the size of the Company and the small number of the Company's administrative, management and supervisory bodies (each of which is composed of a small number of members), while respecting, inter alia, the principle of non-discrimination and equality *(2.2.15).*

- there are no restrictions on the number of directorships held on the boards of other companies, as the sufficiency of the time available is considered at the time of election *(2.2.17 & 2.2.18).*

- the Chairman of the Board of Directors is an executive member of the Board of Directors and is elected by the Board of Directors, when it is constituted, immediately after his election by the General Assembly in accordance with article 8 of the Company's Articles of Association *(2.2.21).*

- there is no provision for not exceeding nine (9) years in total for the membership of the Remuneration and Nomination Committee, as the Committee is relatively new (1^{h} constituted and constituted in July 2021) *(2.3.12 & 2.4.11).*

- there is no restriction on the maturity of any options for executive directors, as they are subject to the applicable plans subject to disclosure *(2.4.13).*

-The general remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board of Directors, executive and non-executive, are provided for by the Remuneration Policy approved by the Extraordinary General Meeting of the Company's shareholders on 15.07.2021, are specified by the proposals of the Remuneration and Nomination Committee and the Board resolutions and are adequately disclosed in the financial statements, in accordance with IAS 24 and in the Remuneration Report that the Company is obliged to publish annually in accordance with Law No. 4548/2018, on which the General Meeting discusses and votes on in an advisory capacity.
No "compensation package" has been agreed for any Board member.
The employment contracts of the executive members of the Board of Directors include the possibility of a salary.

Functioning of the Board of Directors

- there is currently no provision for the Board of Directors to be supported in the performance of its work by a competent, qualified and experienced company secretary, as its basic duties are fully serviced by other Company departments *(3.1.5, 3.2.1 & 3.2.2).*

- the Board conducts a self-evaluation annually, a process that includes the evaluation of the executive members by the non-executive members using questionnaires. The procedure does not provide for individual evaluation of Board members and evaluation of committees, except during the selection, replacement or renewal of Board members. The Board is not evaluated by an external consultant since its term of office is three years and the relevant evaluation takes place during the selection, replacement or renewal of Board members. *(2.2.22, 3.3.4 3.3.5, 3.3.8, 3.3.10, 3.3.12, 3.3.14).*

- there is no provision for the existence of induction programmes for new members of the Board of Directors and continuous professional training and further training for the other members, given that persons with proven experience and organisational and management skills are proposed for election as members of the Board of Directors *(3.3.13).*

1.3 Corporate governance practices applied by the Company in addition to the provisions of the law

The Company does not apply any other practices in addition to the provisions of the applicable legal framework on corporate governance.

2. Main Characteristics of Internal Control and Risk Management Systems in relation to the Preparation of Financial Statements and Financial Reporting

The Company's Internal Control and Risk Management System in relation to the preparation of the financial statements and financial reports includes safeguards and control mechanisms at various levels within the Organization as described below:

2.1 General

Identify, assess, measure and manage risks:
The identification and assessment of risks is mainly done during the strategic planning phase and the annual business plan. The issues considered vary depending on market and industry conditions and include, but are not limited to, developments and trends in the markets in which the Company operates or are important sources of raw materials, changes in technology, macroeconomic indicators and the competitive environment. The Board conducts an annual review of corporate strategy, key business risks and internal control systems.

Planning and monitoring/Budgeting:
The Company's progress is monitored through a detailed budget. The development of the Company's financial performance is largely dependent on exogenous factors such as raw material prices and other market factors. Therefore, the budget is adjusted periodically to take into account these changes. Management monitors the Company's financial performance through regular reports, comparisons with the budget and management team meetings.

Adequacy of the Internal Control System:
The Company's management has designed and performs ongoing supervisory activities, which are integrated into the Company's operations and which ensure that the Internal Control System maintains its effectiveness over time. The Company also performs periodic individual assessments as to the adequacy of the Internal Control System, which are primarily implemented through the Internal Audit function.
The Company has an independent Internal Audit Department, which, among other things, ensures that the risk identification and management procedures applied by the Company's Management are adequate, ensures the effective operation of the Internal Audit System and the quality and reliability of the information provided by the Management to the Board of Directors regarding the Internal Audit System.
The adequacy of the Internal Audit System is monitored on a systematic basis by the Audit Committee through two-way communication with the Internal Audit Service.

Prevention and suppression of financial fraud:
As part of risk management, areas considered to be at high risk of financial fraud are monitored with appropriate control systems and correspondingly increased safeguards. Indicative examples are the existence of an organisational chart, operating rules, as well as detailed procedures and approval limits. Furthermore, in addition to the control mechanisms implemented by each management, all the Company's activities are subject to audits by the Internal Audit Department.

Internal Rules of Procedure:

The Company has drawn up relevant Internal Operating Regulations, which have been approved by the Board of Directors.The Regulations also define the powers and responsibilities of the key positions, thus promoting the adequate separation of responsibilities within the Company.

Security nets in information systems:
The Company has developed a framework for monitoring and controlling its information systems, which is defined by individual control mechanisms, policies and procedures. These include the definition of specific access rights for all employees according to their position and role, and a relevant log of access to the Company's systems is also maintained.

2.2 Safeguards for the financial reporting process
As part of the Company's financial reporting procedures, certain safeguards are in place and in operation, which relate to the use of tools and methodologies that are generally accepted in accordance with international practices. The key areas in which safeguards related to the preparation of the Company's financial reports and financial statements are in place are as follows:

Organisation - Allocation of responsibilities

- The assignment of responsibilities and powers to both the Company's senior management and its middle and junior executives ensures the enhancement of the effectiveness of the Internal Audit System, while maintaining the required separation of responsibilities.
- Appropriate staffing of the financial services with people who have the necessary technical knowledge and experience for the tasks assigned to them.

Accounting monitoring and financial reporting procedures

- Existence of policies and monitoring of the accounting department.
- Training and briefing of staff involved in the preparation of the Financial Statements.
- Automatic checks and verifications carried out between the different reporting systems and specific approval of accounting treatments of non-recurring transactions is required.
- Management's judgments and estimates required for the preparation of the financial statements are reviewed at each financial reporting period, also in relation to the risks identified.

Internal control procedures of the financial statements

- Internal control over financial reporting is designed to provide reasonable assurance on the assertions made by management to third parties and the external auditors on the individual line items in the financial statements, which are:
  For the balance sheet: the existence and ownership of the data, completeness, measurement and classification in accordance with the accounting framework.
  For results: The existence of the transaction, self-sufficiency of the use, completeness, accuracy and classification based on the accounting framework.

Asset safekeeping procedures

- Existence of security safeguards for the Company's fixed assets, inventories, cash - cheques and other assets, such as, but not limited to, physical security of cash and warehouses, inventory and comparison of quantities counted with those in the books, adequate security of assets and others.

3. Board Directors

3.1 Composition and functioning of the Board of Directors

3.1.1 The role, powers and responsibilities of the Board of Directors are described in the Articles of Association and, in addition, in the Board of Directors' Operating Regulations and the Company's Internal Operating Regulations.

The Board of Directors, acting collectively, is responsible for the administration and management of the company's affairs. It decides in general on all matters concerning the Company and performs all acts except those which either by law or by the Articles of Association are the responsibility of the General Meeting of Shareholders.
By way of illustration and not limitation, the Board of Directors :

(a) Represent the Company in and out of court.

(b) Initiate and conduct legal proceedings, effect seizures, record mortgages and liens, consent to their cancellation, waive privileges, actions and remedies, settle in and out of court and agree to arbitrations.

(c) Acquires, constitutes or transfers rights in rem and rights in rem in movable and immovable property and accepts obligations, enters into any form of contract, subject to Articles 99 to 101 of the Law. 4548/2018, participates in public or other tenders as well as in low-price or bidding auctions.

(d) Appoint, install and remove employees and agents of the Company, regulate their remuneration and salaries and grant and revoke all general and special powers of attorney on behalf of the Company.

(e) Issue, accept and sign or guarantee or endorse promissory notes, bills of exchange, cheques and any instrument to order.

(f) Determine the general expenses of the Company.

(g) Audit the books and the treasury of the Company, prepare the annual financial statements, recommend depreciation of premises and bad debts and recommend dividends and profits to be distributed.

(h) Arrange the internal functioning of the Company and issue the relevant regulations and generally undertake all acts of administration of the Company and management of its property and have all powers and rights to manage the corporate interests and to take all actions for the realization of the purposes pursued by the Company.

i) Provide any kind of guarantees on behalf of the Company in favour of legal or natural persons with whom the Company has or maintains commercial or financial transactions in order to serve its purposes.

(j) Decide on the issuance of bond loans, other than those referred to in Articles 71 and 72 of Law No. 4548/2018. With regard to the latter, the Board of Directors may decide to issue such loans upon authorization by the General Assembly in accordance with Articles 71 and 24(1) of Law No. 4548/2018.

3.1.2 The Board of Directors may, by its decision, delegate the exercise of all or part of its rights and powers related to the administration, management and representation of the Company to one or more persons, whether or not such persons are members of the Board of Directors. Such persons may, if provided for by the relevant resolutions of the Board of Directors, further delegate the exercise of the powers conferred on them or part thereof to other parties or third parties. The title and competence of each of these persons shall always be determined by the decision of the Governing Board appointing them.

3.1.3 Each member of the Board of Directors is liable to the Company for any loss suffered by the Company due to an act or omission that constitutes a breach of his/her duties. If damage has been caused by a joint act of several members of the Board of Directors or if several members are liable for the same damage at the same time, they are all jointly and severally liable. The same shall apply if several persons have acted simultaneously or successively and it cannot be ascertained whose act caused the damage. The court may, however, decide to apportion liability between the persons responsible, depending on the gravity of the act, the degree of fault and the allocation of responsibilities among the members of the Board of Directors. The court may also rule on the right of recourse between the persons responsible. Liability shall not exist in respect of acts or omissions based on a lawful resolution of the general meeting or relating to a reasonable business decision taken (a) in good faith, (b) on the basis of information sufficient in the circumstances and (c) solely for the purpose of serving the interests of the company. These elements shall be assessed by reference to the timing of the decision. The members of the Board of Directors shall bear the burden of proving the requirements of this paragraph. The court may also consider that there is no liability in respect of acts or omissions based on the recommendation or opinion of an independent body or committee operating in the Company in accordance with the law.

3.1.4 Incompatibilities - other obligations

A) It is prohibited for the members of the Board of Directors who participate in any way in the management of the Company, as well as its directors, to act, without the permission of the General Meeting or a relevant provision of the Articles of Association, for their own account or for the account of third parties, in acts falling within the purposes of the Company, as well as to participate as general partners or as sole shareholders or partners in companies pursuing such purposes.

B) The members of the Board of Directors and any third person to whom it has delegated its responsibilities have a duty of loyalty to the Company. They shall in particular:

α) Not to pursue their own interests that are contrary to the interests of the Company.

b) To disclose in a timely and adequate manner to the other members of the Board of Directors their own interests that may arise from transactions of the Company that fall within their duties, as well as any conflict of interests with those of the Company or its affiliated companies within the meaning of article 32 of Law No. 4308/2014, which arises during the exercise of their duties. They are also required to disclose any conflict of interest between the interests of the Company and the interests of the persons referred to in paragraph 2 of article 99 of Law no. 4548/2018, insofar as they are related to these persons. A sufficient disclosure is deemed to be one that includes a description of both the transaction and the self-interests. Companies shall disclose the cases of conflict of interest and any contracts concluded that fall under Article 99 of Law No. 454848/2018. 4548/2018 with the annual report of the Board of Directors.

c) To maintain strict confidentiality regarding the corporate affairs and the Company's secrets, which have become known to them due to their capacity as consultants.

3.1.5. Meetings of the Board of Directors

The Board of Directors shall meet either at the Company's headquarters or at any place in the Region of Attica or the Region of Central Greece as proposed by the Chairman of the Board of Directors whenever

the law or the needs of the Company require it and shall be convened by the Chairman or the Vice-Chairman who replaces him on a day and time determined by him. It shall also be convened whenever the Chairman deems it advisable or when requested by two Directors, as provided by law.
The convening of the Board of Directors may be requested by two (2) of its members, in addition to the President or his/her deputy, through a request to the President or his/her deputy, who are obliged to convene the Board of Directors in order for it to meet within seven (7) days from the submission of the request. The request must, under penalty of inadmissibility, clearly state the matters to be dealt with by the Board of Directors. If the Board of Directors is not convened by the Chairman or his deputy within the above deadline, the members who requested the meeting shall be allowed to convene the Board of Directors within five (5) days of the expiry of the above seven (7) day deadline, by notifying the other members of the Board of Directors of the invitation.

In the year 2024 there were (13) meetings of the Board of Directors, which were attended by all members of . The remaining decisions of the Board of Directors were taken by signing minutes, in accordance with article 94 of the law. 4548/2018.

3.2 Information on the members of the Board of Directors

In accordance with Article 7 paragraph 2 of the Company's Articles of Association, the Board of Directors is composed of three (3) to fifteen (15) members.

The current Board of Directors of the Company has seven members, as elected by the Extraordinary General Meeting on 10.07.2024 and the decision of the Board of Directors of 10.07.2024 to form the Board of Directors, and consists of the following members:

α. **Georgios Gatzaros, President, Executive Member**. He holds a degree in Mechanical Engineering from NTUA. He founded Gageo S.A. in 1983 and served as CEO until 2009, when it merged with Papoutsanis S.A. (formerly Plias S.A.) and became a shareholder. Also until 2010 he served as Industrial Engineering Consultant of Papoutsanis SA. Since 2010 he has been Executive Chairman of the Board of Directors of Papoutsanis A.V.E.E. Mr. George Gatzaros is a trustee of Gageo Unipersonal Ltd and a major shareholder of Papoutsanis S.A.

β. **Dimitrios Papoutsanis, Vice President - non-executive member** has been a member of the Board of Directors of PAPOUTSANIS SA since the late 90s. He studied Business Management with specialization in Marketing and Communications at Adelphi University. He has worked in marketing, sales and purchasing at Coca Cola 3E from 1998-2005.

c. **Menelaos Tassopoulos, CEO, executive member**. He holds a PhD in Applied Science from Yale University, a Master in Industrial Engineering & Management Science from Columbia University and a Master in Chemical Engineering from Worcester Polytechnic Institute. He also holds a degree in Chemical Engineering from the National Technical University of Athens. He has worked at P.D.P. PAPOUTSANIS, the Center for Renewable Energy and subsequently in various companies of the VIOKHALCO Group, the last one being CHALKOR as CEO until 2009, when he became a management consultant at Eurobank EFG. In 2010 he took over the position of CEO of PLIAS SA (later PAPOUTSANIS SA) of which he is also a major shareholder. He is a member of the Boards of Directors of AGRIA EMPORIKI S.A. and Hellenic Federation of Enterprises (SEV).

δ. **Mary Haigui Iskalatian, Executive Member and Chief Financial Officer**. She holds an MBA from the University of Strathclyde, Scotland and a degree in Economics from the National Kapodistrian University of

Athens. She has worked with consultancy firms as an external consultant on financial and European Community projects, and since 1995 she has worked for Nova Telecommunications & Media S.M.S.A. (former WIND HELLAS S.A.) as Report & Budget Manager and Quality & Processes Manager. In 2000 he took over the position of Financial Controller of Papoutsanis Group. He also served as a member of the Board of Directors of Plias Emporiki SA, Tsakiris ABEE and GAGEO ABEE. Since 2009 and until today she holds the position of Financial Director and since 2013 Executive Member of the Board of Directors of PAPOUTSANIS SA, while she participates as a general partner in Hellenic View EE.

ε. **Christos Georgalis, Non-executive, non-independent member.** He holds a degree from the Higher School of Economics and Commercial Sciences (A.S.O.E.E.), is registered with the Economic Chamber of Greece since 2001 and has a long experience in financial matters in the industrial sector in VIOKHALCO Group companies from 1973 to 2012. From 1990 to 2012 he has served as Financial Director in the companies VECTOR SA, IBS SA-KEM SA, SIDENOR SA-KEM SA. He has participated in the Boards of Directors of ETALBOND S.A. and ELMONDE HOLDINGS LIMITED until 2010, while he was a member of the Board of Directors of PROSAL S.A. until 2014 and BOZETTI LIMITED until 2016. He has been a member of the Board of Directors of PAPOUTSANIS SA since 2013, and from 2017 to July 2024 he participated in the Audit Committee, of which he was also Chairman.

f. **Antonios Barounas, Non-executive, independent member**. He is a graduate of Deere of Greece and Denver University in Information System technology and Computer Science. He has extensive experience and a successful track record in the General Management field, having worked at Hewlett Packard, Wm Wrigley Jr. Company, Sony Ericsson Greece/Balkans, Sony Ericsson Western Region and Sony Mobile, and has served as Vice President of Sony Mobile South Europe, Sony Mobile Europe and Lenovo EMEA. He has previously served on the boards of SONY Mobile Telecommunications HELLAS, N. STAIKOS S.A. and UNIFLAME S.A. Since January 2021, he has been the CEO of Elgen Food & Food Products, Inc. Elgen Yachting.

ζ. **Eleni Koritsa, Non-executive, independent member.** She holds a CFA in ESG Investing, an M.Sc. in Economics from the London School of Economics and Political Science and an honours degree in Economics from the National and Kapodistrian University of Athens. Ms. E. Koritsa is also a non-executive member of the Boards of Directors, Vice Chairman of the Board of Directors of Eurobank Asset Management S.A.E.D.A.K., Chairman of the Board of Directors of the Professional Insurance Fund of the Association of Institutional Investors, member of the Board of Directors and the Audit Committee of the Investment Services Guarantee Fund and member of the Board of Directors of Eurobank Fund Management Company (Lux) SA in Luxembourg. With more than 30 years of experience in the financial sector, Ms. Koritsa has a long experience in Asset Management and Treasury having held the position of Deputy Managing Director at Eurobank Asset Management S.A. for several years. She has a deep knowledge of the regulatory environment, being a regulatory compliance consultant in the areas of market conduct and sustainability. Since July 2024 he is also a member and chairman of the Audit Committee of Papoutsanis.

It is noted that the Company does not have any senior executives who are not included in the above mentioned members of the Board of Directors.

Based on the above composition, the Board Directors consists of three (3) executive and four (4) non-executive members, of which two (2) are independent members, for whom the Board of Directors in its meeting on 10.07.2024 confirmed that they maintain their independence, based on the provisions of Law 4706/2020.

The term of office of the Board of Directors is three years, expires on 10.07.2027 and is automatically extended until the first ordinary General Assembly after the expiry of its term of office. In any case, the term of office may not exceed four (4) years.

The Chairman of the Board of Directors, Mr. Gatzaros, is replaced by the Vice Chairman of the Board of Directors, Mr. Papoutsanis, exclusively in his non-executive responsibilities as Chairman of the Board of Directors. In all other respects, Mr. Tassopoulos, Chief Executive Officer of the Company, has been appointed as the Chairman's deputy.

The members of the Board of Directors, apart from their activities related to their status and position in the Company, do not engage in other professional activities that are important for the Company, with the following exceptions:
Georgios Gatzaros, Administrator of GAGEO M. Ltd.
Menelaos Tassopoulos, member of the boards of directors of AGRIA TRADE S.A. and the Association of Enterprises and Industries (SEV), advisor-manager of the company "Sapon Monopropapi Anonyme Company".

The members of the Board of Directors who hold shares directly and indirectly, as well as their number and percentage of the total number of shares of the Company are as follows:

Full name or Name of Shareholder	Shares attributable to (in units)	QUANTUM
Tassopoulos Menelaos	6.266.629	23,13%
Gatzaros Georgios	6.191.717	22,85%
Iskalatian Mary-Haigui	200.532	0,74%
Papoutsanis Dimitrios	789	0,0029%

3.3 Evaluation process of the Board of Directors

The Company applies an evaluation policy for the members of the Board of Directors, the purpose of which is to ensure its effective operation and the fulfilment of its role as the highest management body of the Company. The members of the Board of Directors are evaluated on a collective basis, annually. The process is conducted in the form of a self-assessment based on questionnaires maintained by the Company's Remuneration and Nomination Committee and completed by all members of the Board of Directors. This process is chaired by the Chairman of the Board of Directors and the results are discussed by the Board of Directors. In addition, the Board of Directors decides whether it is appropriate for the annual evaluation to be carried out with the assistance of an external consultant, taking into account, among other things, the time that has elapsed since the selection, replacement or renewal of its members.
At the same time, the above policy of the Company provides for the evaluation of the executive members of the Board of Directors by the non-executive members (without the presence of the other executive members) in a special meeting, during which their performance in relation to the overall performance of the Company in relation to the budgeted objectives according to the scope of responsibility of each executive member is discussed.
Once the above process is completed, an evaluation report is prepared, which includes the results of the self-evaluation, a brief description of the evaluation process, a reference to the areas/points covered, the

main strengths identified and areas for improvement, as well as aggregated data on the responses to the self-evaluation questionnaire.
The Board of Directors, after discussing the results of the self-evaluation, determines by its decision any further actions that are deemed appropriate to be initiated, on the basis of which the relevant action plan is drawn up.
The self-assessment process was completed in June 2024.

3.4 Audit Committee

The Company complies with the provisions and requirements of Law no. 4449/2017, as amended and in force, has established an Audit Committee to support the Board of Directors in its duties related to, among others, financial reporting, internal control and supervision of regular audit, whose composition was renewed by the Extraordinary General Meeting on 10.07.2024.
The Audit Committee consists of two independent non-executive members of the Board of Directors, Ms. Eleni Koritsa and Mr. Antonios Barounas, and a third person to the Company, who does not meet the independence criteria, Mr. Banila Efstathios, certified public accountant. The members of the Audit Committee are elected by the General Meeting.
Ms Eleni Koritsa has been appointed Chair of the Audit Committee.
According to the decision of the Extraordinary General Meeting on 10.07.2024, the term of office of the Committee is the same as that of the Board of Directors, i.e. it expires on 10.07.2027, but it is extended until the next ordinary General Meeting, not exceeding four years.

According to the Audit Committee's Regulations, in the event of resignation, death or loss of membership of the Audit Committee, the Board of Directors appoints a new member from among its existing members to replace the one who has resigned, for the period until the expiry of his/her term of office, subject, if applicable, to the provisions of paras. 1 and 2 of Article 82 of Law No. 4548/ 2018, which shall apply accordingly. When the member of the previous subparagraph is a third person, not a member of the Board of Directors, the Board of Directors shall appoint a third person, not a member of the Board of Directors, as a temporary replacement, and the next General Meeting shall either appoint the same member or elect another one, for the period until the expiry of his/her term of office in the Audit Committee.

At least one member of the Audit Committee, who is independent of the Company with sufficient knowledge and experience in auditing or accounting, who has been appointed and is Ms. Eleni Koritsa, is required to attend the meetings of the Audit Committee related to the approval of the financial statements.

The powers and duties of the Audit Committee consist, inter alia, of:

a) monitoring the financial reporting process, reviewing management's judgments and estimates that affect the preparation of the financial statements and overseeing any official communication regarding the Company's financial performance,
b) monitoring the effective operation of the internal control system and the risk management system, as well as supervising the Company's internal audit department and ensuring its independence,
c) monitoring the progress of the statutory audit of the Company's financial statements,
d) reviewing and monitoring issues related to the existence and maintenance of the statutory auditor's or audit firm's objectivity and independence, in particular with regard to the provision of other services to the Company by the statutory auditor or audit firm.
The Audit Committee met 13 times during the fiscal year 2024 (01.01.2024-31.12.2024) and all its members attended these meetings.

More specifically, the Audit Committee during the period from 01.01.2024 to 31.12.2024:

- He was briefed by the Auditor regarding, the audit design, the audit schedule, the audit approach, the audit scope, the method of determining materiality, the significant audit matters, how to assess the most significant risks and the proposed audit procedures for the 2023 annual financial statements and the 2024 semi-annual financial statements. The Committee found the audit design in relation to the identified risks to be satisfactory, and the audit firm's safeguards to ensure the adequacy and independence of the audit team to be satisfactory.
- Before submitting them to the Board of Directors for approval, it examined the Company's financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and assessed positively their completeness and consistency in relation to the information brought to its attention and the accounting principles applied by the Company.
- Upon completion of the annual statutory audit for the 2023 financial statements, he met with the Company's Auditor and Management, where he was briefed on the audit findings, reviewed the issues raised and assessed the results of the audit.
- As part of the completion of the audit of the 2023 financial statements, the Board received and reviewed the supplemental report of the Company's auditor to the Audit Committee in connection with the audit report.
- The Audit Committee, on the basis of all the evidence, assessed that the significant issues and significant risks identified during the audit process have been satisfactorily addressed, both by the external auditors and by the Company itself.
- It is noted that throughout the preparation and audit of the financial statements for 2023 the Audit Committee acted as mentioned in point B.i of the decision 1302/2017 of the Hellenic Capital Market Commission.
- Regarding the financial statements for the 2023 financial year, he informed the Board of Directors about the contribution of the statutory audit to the quality and integrity of financial reporting, i.e. the accuracy, completeness and correctness of the financial information, which the Board of Directors approves and discloses. At the same time, it provided information on its role in the above process, recalling the actions it took in the process of conducting the statutory audit to ensure the integrity of the financial information.
- It recommended to the Board of Directors for the audit of the financial statements for the financial year 2024 the renewal of the mandate of the auditing company "GRANT THORNTON SA ORKΩΚΤΩΝ ΕΙΛΕΓΚΤΩΝ ΚΑΙ ΣΥΜΒΟΥΛΩΩΩΩΝ ΕΠΙΧΕΙΡΕΡΕΡΕΩΝ".

Specifically, with regard to the structure and procedures of the Internal Audit System, the Audit Committee during the period from 01.01.2024 to 31.12.2024:

- Updated and verified the methodology of the Internal Audit Unit's risk-based audit plan for 2024.
- Confirmed the independence of the Internal Audit Unit.
- Monitor the implementation of the annual plan through relevant reports.
- Evaluated and recommended the recruitment of the new internal auditor, who took up her duties on 09.04.2024.
- Worked with the Internal Auditor and reviewed the audit findings.
- Evaluated the effectiveness of the Internal Audit System, concluding that no material weaknesses were identified, in accordance with the applicable Regulatory Framework.

- Carried out the necessary actions for the preparation and sending of a complete and documented response to the 12/07/2024 letter of the Hellenic Capital Market Commission, ensuring that all requested information is covered.
- Reviewed key corporate processes, identifying areas for improvement.
- Made suggestions for improvement, such as strengthening sustainability policy, new factory policies & Health & Safety, and the reopening of the Risk Management Committee.
- It recommended the creation of an improved dedicated action tracking file for the continuous improvement of internal procedures.

It is clarified that the Company's Statutory Auditor, who performs the audit of the annual and interim financial statements, does not provide any other type of non-audit services to the Company that are prohibited under Article 5 of Regulation (EU) No. 4449/2017, nor is it connected with any other relationship with the Company, in order to ensure its objectivity and independence.

3.5 Remuneration and Nomination Committee

The Company complies with the provisions and requirements of Law no. 4706/2020 has established a Remuneration and Nomination Committee with the purpose of:

a) the formulation of proposals to the Board of Directors regarding the remuneration policy submitted for approval at the General Meeting, in accordance with paragraph 1 of article 110 of Law 4548/2018,
b) formulating proposals to the Board of Directors regarding the remuneration of persons falling within the scope of the remuneration policy, pursuant to article 110 of Law 4548/2018, and regarding the remuneration of the Company's executives, in particular the head of the internal audit unit,
c) examining the information included in the final draft of the remuneration report, providing its opinion to the Board of Directors, before submitting the report to the General Meeting in accordance with article 112 of Law 4548/2018,
(d) identifying and proposing to the Board of Directors persons suitable for membership of the Board of Directors, on the basis of a procedure provided for in its rules of procedure,
e) the selection of candidates based on the factors and criteria determined by the Company, in accordance with the suitability policy adopted by the Company.
The Remuneration and Nomination Committee is composed of three members and consists of two independent non-executive members of the Board, Ms Eleni Koritsa, Mr Antonio Barounas, and one non-executive member of the Board, Mr Dimitrios Papoutsanis.
The members of the Remuneration and Nomination Committee are elected by the Board of Directors. Ms Eleni Koritsa has been appointed Chairperson of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee met 5 times during the financial year 2024 (01.01.2024-31.12.2024) and all members of the Remuneration and Nomination Committee attended these meetings.

More specifically, the Remuneration and Nomination Committee for the period from 01.01.2024 to 31.12.2024:

- It made proposals to the Board of Directors regarding the remuneration of persons falling within the scope of the remuneration policy, in accordance with article 110 of Law 4548/2018.
- It examined the final draft of the 2023 Remuneration Report, providing its opinion to the Board of Directors, prior to the submission of the report to the General Meeting in accordance with article 112 of Law 4548/2018.

- It recommended the election of seven persons as members of the Board of Directors and the election of three persons as members of the Company's Audit Committee by the Extraordinary General Meeting of 10th July 2024
- Reviewed and agreed with the appropriateness of the questionnaires for the Board's self-assessment in accordance with the relevant procedure.

3.6 Other management, supervisory bodies or committees of the Company

The Company has a Risk Management Committee to ensure the identification, assessment and effective management of existing and potential risks. There are no other management or supervisory bodies or committees of the Company as at the date hereof other than those mentioned above within the Board of Directors.

3.7 Diversity policy in the composition of the Company's administrative, management and supervisory bodies

Due to the size of the Company and the small number of the Company's administrative, management and supervisory bodies (each of which is composed of a small number of members), the Company does not maintain a separate diversity policy in the composition of these bodies, while respecting, inter alia, the principle of non-discrimination and equality.

3.8 Compliance procedure with the obligations arising from articles 99 to 101 of Law 4548/2018

The Company has adopted a procedure to comply with the obligations arising from articles 99 to 101 of Law 4548/2018, in order to ensure, inter alia, that the Board of Directors has sufficient information to make decisions regarding related party transactions. In particular, in the context of handling issues related to the Company's related party transactions, the following steps are followed under the applicable legislation, with the assistance of the Company's involved Directorates:

i. Preparation of the statement of reasons in relation to the transaction under consideration.
ii. Defining the basic terms of the transaction (financial terms and technical terms).
iii. Identifying the parties and assessing whether they are considered related parties in accordance with International Accounting Standard 24 and 27.
iv. Assessment of whether the transaction falls under the exceptions of article 99 of Law 4548/2018 or not.
v. Deciding on how to handle the transaction following the opinion of the Audit Committee if deemed appropriate.
vi. Determination of the transaction price.
vii. Engagement for the purpose of obtaining a report from a statutory auditor or an audit firm for the purpose of assessing the fairness and reasonableness of the transaction for the Company and the Shareholders who are not related parties including minority Shareholders, pursuant to article 101 of Law 4548/2018.
viii. If the transaction is governed by the provisions of paragraph f of par. 3 of article 99 of Law 4548/2018, it is entrusted to the persons of par. 1 of article 101 of Law 4548/2018, the expression of an opinion regarding the extent to which there is sufficient protection of the interests of the Company, its subsidiary and their Shareholders who are not related parties, including minority Shareholders, or that their interests are not jeopardized by the establishment of the transaction.
ix. Announcement of the granting of permission to enter into the transaction in accordance with the prescribed publicity rules.

x. Authorisation of the transaction by the Board of Directors or the General Assembly, as provided for.

3.9 Suitability Policy for the members of the Board of Directors
The Suitability Policy was prepared by the Board of Directors of the Company and approved by the Annual General Meeting of 05.05.2021. The members of the Board of Directors fall within the scope of the Policy. The Suitability Policy aims to ensure the quality staffing, effective operation and fulfilment of the role of the Board of Directors based on the overall strategy and the medium and long-term business objectives of the Company, with the aim of promoting the corporate interest. The Board of Directors monitors the suitability of its members on an ongoing basis and, where deemed necessary under the applicable legislation and the Suitability Policy, reassesses their suitability and, if necessary, initiates their replacement.

3.10 Internal Audit System Evaluation Report
The Company, in accordance with the decision 1/891/30.09.2020 of the Hellenic Capital Market Commission and the specifications of article 14 (par. 4706/2020 as applicable, as well as the Internal Audit System Evaluation Policy, the Company has conducted an Internal Audit System (IES) Evaluation procedure by assigning MPI HELLAS ANONYMOUS AUDITING COMPANY, A.M. SOEL 155, headed by the independent evaluator Vroustouris Panagiotis, Chartered Accountant, A.M. SOEL 12921, with a reporting date of 31.12.2022. The evaluation covered the period from the entry into force of Law 4706/2020 to 31.12.2022, was conducted in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audit or Review of Historical Financial Information" and the audit programme issued by the decision of the National Audit Office (ELTE) No. 227/10.11.2022. The conclusion of the Evaluation Report on the Adequacy and Effectiveness of the Internal Audit System dated 15.03.2023 did not contain any significant findings or material weakness in the Company's Internal Audit System in accordance with the Regulatory Framework. The next Evaluation of the Internal Control System by an independent evaluator is expected to be conducted with a reporting date of 31.12.2025.

The Audit Committee assessed the adequacy and effectiveness of the Company's Internal Control System for 2023, concluding that its operation is satisfactory. The assessment was based on international standards (COSO) and included controls in the areas of control environment, risk management, audit activities, information and communication, and monitoring activities.

3.11 Corporate Governance System Evaluation Report

The Board of Directors, in the context of its obligations under par. 1 of article 4 of Law 4706/2020, evaluated the implementation and effectiveness of the Company's Corporate Governance System as of 31 December 2024 and this evaluation did not reveal any material weaknesses.

In the context of the above mentioned evaluation, the Board of Directors of the Company has entrusted MPI HELLAS ANONYMOUS AUDITING COMPANY, A.M. SOEL 155, headed by the independent evaluator Vroustouris Panagiotis Panagiotis, Chartered Accountant, A.M. SOEL 12921, to evaluate the adequacy and effectiveness of the Company's Corporate Governance System.

This assessment was performed based on the assurance procedures program included in the resolution I'73/08b/14.02.2024 of the Supervisory Board of the College of Certified Public Accountants, in accordance with the International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other than an Audit or Review of Historical Financial Information". The above work did not reveal any material weaknesses in the Company's Corporate Governance System.

3.12 Report

The Company was not obliged, based on the existing legislative framework, to prepare a Sustainability Report pursuant to Art. Law 4548/2018, as amended, for the financial year 2024 because it does not meet the relevant criteria.
However, it publishes Sustainable Development Reports, which are published on the Company's website (Sustainable Development Reports < SUSTAINABLE DEVELOPMENT | Papoutsanis), with the latest published report covering the financial year 2023.

4. Remuneration of members of the Board of Directors

The total remuneration of the members of the Board of Directors of the Company for the year 2024 is reflected in the remuneration report, which is prepared in accordance with article 112 of Law 4548/2018. The remuneration policy is posted on the Company's website www.papoutsanis.gr.

5. Information required under Article 10 par. 1(c), (d), (f), (h) and (i) of Directive 2004/25/EC, concerning public takeover bids

This is information on the following issues, which are already provided in the section entitled "*EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 4 OF LAW 3556/2007*" of this Annual Management Report of the Board of Directors to which we refer:

- significant direct or indirect holdings (pyramid structures including indirect holdings through or by way of cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;
- the holders of any type of securities conferring special control rights and a description of such rights;
- restrictions on voting rights of any kind, such as restrictions on voting rights to holders of a given percentage or number of votes, time limits on the exercise of voting rights, or systems in which, with the cooperation of the company, the financial rights attaching to securities are separated from the holding of securities;
- the rules concerning the appointment and replacement of members of the Board of Directors and the amendment of the Statutes;
- the powers of the members of the Board of Directors, in particular as regards the possibility of issuing or repurchasing shares;

The disclosure of the above required information is included in the section entitled "*EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 4 OF LAW 3556/2007*" of this Annual Management Report of the Board of Directors to which we hereby refer.

24 March 2025

For the Board of Directors

The President of the Board. The Managing Director

Georgios Gatzaros **Menelaos Tassopoulos**

Γ. Report of the Independent Auditor

To the Shareholders of PAPOUTSANIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS

Report on Financial Statements

Opinion
We have audited the financial statements of PAPOUTSANIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS ("the Company"), which comprise the statement of financial position as at December 31st, 2024, the statement of comprehensive income, changes in equity and cash flow for the year then ended, including a summary of significant accounting policies and selected explanatory notes to the financial statements..
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company PAPOUTSANIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS as at December 31st, 2024, their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.
Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters and the risks of material misstatement were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition (Turnover)	
In the FY ended as at 31.12.2024, the turnover of the Company stood at € 66.199.508 (€62.274.595 for the year ended 31.12.2023) The company recognizes revenue when a contractual obligation to the customer is fulfilled by means of delivering goods or rendering services (which coincides with the time, when the control over the goods or services is transferred to the customer). If a contract contains more than one contractual obligation, the total value of the contract is allocated to separate liabilities based on the separate sale values. Moreover, the company estimates that transfer of control over products to the customer takes place at a specific time, when the customer receives the goods, since then the customer is in position to receive the benefits arising from the particular products. We have identified this area as one of the key audit matters due to the increasing fluctuations in size and	Our audit approach included the following basic procedures: • We reviewed the IT environment supporting various revenue categories, including the internal procedures and controls related to them. • We reviewed correct segregation of FYs based on examining the sales performed near and immediately after the reporting period closing date through correlating the invoices with the respective consignment notes. • We performed targeted analytical procedures to identify any unusual changes and transactions in need of further examination. • We reviewed a sample of contracts with customers to evaluate the existing accounting policies and methods of revenue recognition. • We performed sampling recalculation of the discounts based on the confirmed turnover per case and the terms of the contracts and their compliance

volume of the Company's transactions and its significant impact on the income statement. Furthermore, the aforementioned size reflects the Company's course of development, which, in our judgment, constitutes the main issue for the users of its Financial Statements. The Company's disclosures in respect of the accounting policies regarding revenue recognition are reported in Note 5.2.6.10 (Revenue Recognition) and Note 6.19 (Sales) to the financial statements.	with the respective invoices issued and other supporting documents. • We assessed the adequacy of disclosures in the accompanying financial statements in this regard.
Valuation of Inventory	
As at 31.12.2024 the Company hold inventory standing at € 11.129.699 (€ 9.484.003 for the year ended 31.12.2022). Inventory is measured at the lower amount between acquisition cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the amount of disposal costs. Costs of finished products and production in progress are determined applying the weighted cost method and include costs of raw materials, direct labor costs and general industrial overheads, allocated based on regular production capacity. Appropriate care shall be taken for waste, obsolete and at low turnover inventory as long as the projected sizes are exceeded. The decrease in the carrying amount from accounting to net realizable value and losses in inventory are expensed over the period to which depreciation or losses correspond. We have identified this area as one of the key audit matters mainly due to the estimates required both - to measure the value of inventory and to calculate production costs and their significant effect on the income statement. Measurement of inventory value is based on the management's estimates that take into account inventory turnover within the FY, its useful life, potential reuse or liquidation of slow turnover inventory, etc. The Company's disclosures in respect of the accounting policies regarding valuation of inventory are reported in Note 5.2.6.7 (Inventory) and Note 6.7 (Inventory) to the financial statements.	Our audit approach included the following basic procedures: • We reviewed internal controls regarding the warehouse monitoring circuit, cost accounting for products, physical count of inventory and year closing measurement of inventory value. • We monitored physical count of inventory and conducted sampling re-measurements. • We performed sampling confirmation of sound calculation of the weighted average cost method. • We assessed the Management's estimates of real estate items and slow moving inventory, making sample references to historical sales data. • We compared, on sampling basis, the sales sales prices with the cost of disposed inventory in order to identify inventory items sold at a negative profit margin. Moreover, we assessed the extent, to which it taken into account at their measure at the lower amount between acquisition cost and net realizable value. • Furthermore, we assessed the adequacy of the relative disclosures of the Company's financial statements in this regard.
Impairment Test of Goodwill and trademark Arkadi	
Goodwill and trademark Arkadi as at 31.12.2024 amounted to € 1.274.398 and € 1.110.000 respectively. The above mentioned intangible assets have been recognized with an indefinite useful life and therefore, the Company conducts an annual impairment test of their accounting value comparing it with their recoverable amount. In order to measure the recoverable amount, the Company's Management is based on significant judgments, estimates and assumptions regarding future cash flows, the expected	Our audit approach included the following basic procedures: • We reviewed internal controls regarding the impairment test of the above non-current assets. • We assessed the consistency and appropriateness of the methodology used to measure the recoverable amount. In addition, we evaluated of the appropriateness and reasonable basis of the significant assumptions and estimates of the Management (such as expected growth rates, interest

growth rate, the discount rate, external factors such as international political, economic and geopolitical developments as well as the legislative framework that governs the Greek market. Due to the importance of the value of the above mentioned non-current assets, the subjectivity of the Management's assumptions and the significant judgments and estimates made by management for the determination of the recoverable amount, we consider the evaluation of the possible impairment of the above mentioned non-current assets as one of the most important issues of our audit. The Company's disclosures regarding the accounting policy applied for the impairment test of the above non-current assets as well as for the significant judgments, estimates and assumptions made by the Management are reported in Notes 5.2.6.2 (Intangible assets), 5.2.6.3 (Goodwill) and in Note 6.3 (Intangible Assets) to the financial statements.	rate level, future cash flows) as well as the models used, where required, to estimate the recoverable amount. In the process of this evaluation we used a special expert of our company. • Furthermore, we assessed the adequacy of the relative disclosures of the Company's financial statements in this regard.

Other Information
Management is responsible for the other information. The other information comprises the Board of Director's Report, the reference to which is made in the "Report on Other Legal and Regulatory Requirements" section of our Report, Representations of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of our audit, or otherwise appears to be materially misstated. If, based on our audit, we conclude that there is a material misstatement therein, we are required to disclose that matter. No such issue has arisen.

Responsibilities of Management and Those Charges with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management's intention is to proceed with liquidating the Company or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.
The Company's Audit Committee (Article 44, Law 4449/2017) is responsible for overseeing the financial reporting process.
Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding financial information of entities or business activities for the purpose of expressing an opinion on the financial statements to be able to draw reasonable conclusions on which to base the auditor's opinion. Our responsibility is to design, supervise and perform the audit of the Company. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors Report

Taking into consideration that the management is responsible for the preparation of the Board of Directors' Management Report and the Corporate Governance Statement included in this report, in accordance with the requirements of paragraph 1, cases aa', ab', and b', of Article 154G of Law 4548/2018, we note that:
a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 152, Law 4548/2018.

b) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Articles 150 – 151 and Paragraph 1 (cases c' and d'), Article 152, Law 4548/2018, and its content corresponds to the accompanying financial statements for the year ended as at 31.12.2024.
c) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company PAPOUTSANIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS and its environment.

2. Additional Report to the Audit Committee

Our opinion on the accompanying financial statements is consistent with our Additional Report to the Company Audit Committee, prepared in compliance with Article 11, Regulation (EU) No 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company the prohibited non-audit services referred to in Article 5 of Regulation (EU) No 537/2014 or other authorized non-audit services.

4. Auditor's Appointment

We were first appointed the Company's Chartered Accountants following as of 16/07/2019 Decision of the Annual Regular General Meeting of the Shareholders. Since then our appointment has been continuously renewed for a period of 5 years based on the decisions taken at the Regular General Meeting of Shareholders.

5. Operating Regulations

The Company has in place operating regulations in accordance with the content provided by the provisions of article 14, Law 4706/2020.

6. Assurance Report on financial statements in European Single Electronic Format (ESEF)

We examined the digital records of PAPOUTSANIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS SA (hereinafter the Company), prepared in accordance with the European Single Electronic Format (ESEF) requirements defined in the Delegated Regulation of the European Commission (EU) 2019/815, as amended following the Regulation (EU) 2020/1989 (hereinafter ESEF Regulation) which include financial statements for the year ended as of 31 December 2024, in XHTML format (213800OVUEZXGAS3Q539-2024-12-31-el), including the other explanatory information (Notes to financial statements).

Subject Matter

We have undertaken the assignment of reasonable assurance to examine the digital file of the company PAPOUTSANIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS SA (hereinafter referred to as the "Company"), which was prepared in accordance with the European Single Electronic Format (ESEF) and includes the Company's financial statements for the year ending December 31, 2024, in XHTML format (213800OVUEZXGAS3Q539-2024-12-31-el), (hereinafter referred to as the "Subject Matter"), in order to verify that it was prepared in compliance with the requirements set forth in the Applicable Criteria section.

Applicable Criteria

The Applicable Criteria for the European Single Electronic Format (ESEF) are defined by the delegated Regulation of the European Commission (EU) 2019/815, as amended by Regulation (EU) 2020/1989 (hereinafter referred to as the "ESEF Regulation") and the European Commission's 2020/C 379/01 Interpretative Notice of November 10, 2020, as provided by Law 3556/2007 and the related announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange. In summary, these criteria stipulate, among other things, that all annual financial reports must be prepared in XHTML format.

Responsibilities of the Management and those Charged with Governance

The management is responsible for the preparation and submission of the Company's financial statements for the year ending December 31, 2024, in accordance with the Applicable Criteria, as well as for those internal controls that management determines are necessary to enable the preparation of the digital file free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to issue this report regarding the evaluation of the Subject Matter, based on our work performed, which is described below in the "Scope of Work" section.

Our work was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter referred to as "ISAE 3000"), with the objective of obtaining reasonable assurance.
ISAE 3000 requires us to design and perform our work to obtain reasonable assurance regarding the evaluation of the Subject Matter in accordance with the Applicable Criteria. As part of the procedures performed, we assess the risk of material misstatement in the information related to the Subject Matter.
We believe that the evidence we have obtained is sufficient and appropriate and supports the conclusion expressed in this assurance report.

Professional Ethics and Quality Management

We are independent of the Company throughout the course of this assignment and have complied with the requirements of the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code), the ethical and independence requirements of Law 4449/2017, and Regulation (EU) 537/2014.
Our audit firm applies the International Standard on Quality Management (ISQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and therefore maintains a comprehensive quality management system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Scope of Work Performed

The assurance engagement we performed is limited to the matters covered by Decision No. 214/4/11-02-2022 of the Board of Directors of the Accounting Standards and Audits Committee (ELTE) and the "Guidelines for the Work and Assurance Report of Certified Auditors on the European Single Electronic Format (ESEF) Reporting of Issuers of Securities Listed on a Regulated Market in Greece", as issued by the Body of Certified Auditors on 14/02/2022, in order to obtain reasonable assurance that the Company's financial statements, prepared by management, comply in all material respects with the Applicable Criteria.

Inherent Limitations

Our work covered the matters outlined in the "Scope of Work Performed" section for obtaining reasonable assurance based on the procedures described. In this context, the work we performed could not provide absolute assurance that all matters that could be considered material weaknesses would be disclosed.

Conclusion

Based on the procedures we performed and the evidence we obtained, we conclude that the financial statements of the Company for the year ended as of December 31, 2024, in XHTML format (213800OVUEZXGAS3Q539-2024-12-31-el) , on the above financial statements including the other explanatory information, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, 24 March 2025
The Certified Public Accountant

Nikos Garbis
Registry Number SOEL 25011

GrantThornton
Chartered Accountants Management Consultants
58, Katehaki Av., 115 25 Athens, Greece
Registry Number SOEL 127

D. Audit Committee Activity Report

of the public limited company with the name
PAPOUTSANIS Industrial and Commercial Limited Liability Company
Consumer Goods Company
(the "Company")
No. GEMI 121914222000

1. Introduction

The Company has an Audit Committee which was elected by decision of the Extraordinary General Meeting of the Company held on 10/7/2024 pursuant to Art. 44 of the law. 4449/2017.
The purpose of this Report is to present a concise but comprehensive overview of the work of the Audit Committee for the year 2024.

2. Responsibilities of the Audit Committee.

In summary, the Audit Committee:
(a) inform the Board of Directors of the audited entity of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of the financial information and what the role of the Audit Committee was in this process,
(b) monitor the financial reporting process and make recommendations or proposals to ensure its integrity,
(c) monitor the effectiveness of the internal control, quality assurance and risk management systems and of the internal audit function, in particular with regard to the preparation of the audited entity's financial reporting.
(d) monitor the statutory audit of the financial statements and in particular its performance,
(e) Recommend the statutory auditors to be elected, review and monitor their independence and decide on the appropriateness of the provision of non-audit services by the statutory auditors and the audit firm.

3. Composition

Until 10/07/2024, the composition of the Audit Committee based on its election by the Extraordinary General Meeting of 15/07/2021 was as follows:

- κ. Christos Georgalis, Chairman of the Audit Committee, independent member of the Board of Directors
- κ. Antonios Barounas, member of the Audit Committee, independent member of the Board of Directors
- κ. Efstathios Banilas, member of the Audit Committee, third (not a member of the Board of Directors).

On 10/7/2024, the Extraordinary General Meeting of the Company convened and elected the following members of the Audit Committee. The Audit Committee was constituted on the same date, as follows:

- Koritsa Eleni, Chairman of the Audit Committee, independent member of the Board of Directors
- Antonios Barounas, member of the Audit Committee, independent member of the Board of Directors
- Efstathios Banilas, member of the Audit Committee, third (not a member of the Board of Directors).

4. Meetings of the Audit Committee

According to its Rules of Procedure, the Committee meets at least four (4) times a year. The total number of meetings within the year is determined by the requirements of the Commission's responsibilities. During 2024, the Audit Committee met thirteen (13) times on the following dates: 10.01.2024, 02.02.2024, 22.03.2024, 05.04.2024, 12.04.2024, 15.04.2024, 05.07.2024, 10.07.2024, 26.07.2024, 31.07.2024, 18.09.2024, 04.10.2024, 07.11.2024

All members of the Audit Committee were present at the above mentioned meetings and all decisions were taken unanimously.

Minutes shall be kept for each meeting and signed by all members of the Audit Committee. We note that in addition to the meetings, the members of the Audit Committee are in regular contact with the Company's auditor, the internal auditor, the CFO and other members of the Company's management in the context of the performance of their duties, in accordance with the Hellenic Capital Market Commission's Regulation and the applicable legislation.

5. Activities of the Audit Committee

- **Financial Statements - Statutory Audit**

The Audit Committee during the period from 01.01.2024 to 31.12.2024:

- He was briefed by the Auditor regarding, the audit design, the audit schedule, the audit approach, the audit scope, the method of determining materiality, the significant audit matters, how to assess the most significant risks and the proposed audit procedures for the 2023 annual financial statements and the 2024 semi-annual financial statements. The Committee found the audit design in relation to the identified risks to be satisfactory and the audit firm's safeguards to ensure the competence and independence of the audit team to be satisfactory.

- Before submitting them to the Board of Directors for approval, it examined the Company's financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), and assessed positively their completeness and consistency with the information brought to its attention and the accounting principles applied by the Company.

- Upon completion of the annual statutory audit for the 2023 financial statements, he met with the Company's Auditor and Management, where he was briefed on the audit findings, reviewed the issues raised and evaluated the results of the audit.

- As part of the completion of the audit of the 2023 financial statements, the Board received and reviewed the supplemental report of the Company's auditor to the Audit Committee in connection with the audit report.
- The Audit Committee, on the basis of all the evidence, assessed that the significant issues and significant risks identified during the audit process have been satisfactorily addressed, both by the external auditors and by the Company itself.

It is noted that throughout the preparation and audit of the financial statements for 2023 the Audit Committee acted as mentioned in point B.i of the decision 1302/2017 of the Hellenic Capital Market Commission.

- With regard to the financial statements for the 2023 financial year, he informed the Board of Directors about the contribution of the statutory audit to the quality and integrity of financial reporting, i.e. the accuracy, completeness and correctness of the financial information approved by the Board of Directors and disclosed to the public. At the same time, it provided information on its role in the above process, recalling the actions it took in the process of conducting the statutory audit to ensure the integrity of the financial information.

- Recommended to the Board of Directors for the audit of the financial statements for the financial year 2024 the renewal of the mandate of the auditing company "GRANT THORNTON SA ORKΩKTΩN ELΛΕΓΚΤΩΝ ΚΑΙ ΣΥΜΒΟΥΛΩΩΩΩΝ ΕΠΙΧΕΙΡΕΡΕΡΕΩΝ". The renewal of the appointment concerns:

  (a) the audit of the Company's annual corporate financial statements for the fiscal year 2024,

  (b) the conduct of a review report for the first half of 2024

  (c) the conduct of the special tax audit for the fiscal year 2024,

  (d) the Report on the verification of the completeness of the information contained in the Remuneration Report; and

  e) the ESEF assurance report for the year 2024

Assurance and other non-audit services

The members of the Commission examined the audit firm's bids for other services. The Committee, after concluding that the scope of the proposed services is not included in the prohibited non-audit services under paragraph 1 of Article 5 of Regulation 537/2014 and the proposed fees do not violate the cap for the provision of fees (CAP) for non-audit services in accordance with the 22.10.2018 ELTE directive regarding Regulation 537/2014 on the statutory audit of public interest entities and Law 4449/2017, gave its consent for the provision of specific services.

➢ **Internal Audit System Structure and Procedures**

Within the framework of its responsibilities, the Audit Committee, during the period from 01.01.2024 to 31.12.2024, provided supervision of the Internal Audit Unit and the Internal Audit System in general and informed the Board of Directors.

In particular the Audit Committee :

- It was informed about the audit plan of the Internal Audit Unit for the year 2024 and verified that the methodology applied by the Internal Audit Unit for the preparation of the annual audit plan is risk-based, which examines the existence and adequacy of the control mechanisms required to cover the respective risks and that it covers all units, functions, processes and information systems of the Company, including financial reporting.
- It found that the Internal Audit Unit is formally and substantially functionally independent and is not subordinate to any other organisational unit of the Company.

- Monitored the implementation of the annual audit plan through the reports of the Internal Audit Unit.
- He assessed the competence and recommended for the recruitment of the new internal auditor of the Company, who took up her duties on 09.04.2024.
- He worked with the Internal Auditor and was briefed and discussed the findings and conclusions of the audit reports.
- Examine and evaluate the effectiveness and efficiency of the Internal Audit System procedures.
- Evaluated the adequacy and effectiveness of the Company's Internal Control System for 2023, concluding that its operation is satisfactory. The assessment was based on international standards (COSO) and included controls in the areas of control environment, risk management, audit activities, information and communication, and monitoring activities.
- It carried out the necessary actions for the response to the letter of 12/07/2024 of the Hellenic Capital Market Commission, analysing its content and identifying the main points that needed to be answered. Made the appropriate preparations to ensure that the response was complete and well documented, ensuring that all the questions of the Securities and Exchange Commission were covered.
- Conducted a review of the Company's key processes, assessing their efficiency and ensuring compliance with best practices in corporate governance. The analysis focused on critical operational processes, identifying areas requiring improvements or adjustments.
- It came up with specific proposals to improve the Company's processes, including the strengthening of the sustainability policy and the recording of new policies related to the operation of the plant and Health & Safety issues. In addition, it was decided to immediately reactivate the Risk Management Committee and to present the risk register to the Board of Directors every six months, with the aim of optimal risk management.
- Evaluate the operation of Internal Audit, reviewing all audits carried out to date. Established a specific follow-up action log to address and eliminate findings, thereby enhancing the functionality and continuous improvement of the Company's internal processes.

The Audit Committee strives to contribute on an ongoing basis to maintaining an adequate and effective system of internal control by undertaking or participating in initiatives that upgrade the level of the Company's internal procedures.

6. Sustainable Development Policy

Corporate Sustainable Development is directly linked to the Company's business structures and determines how the Company chooses to move towards achieving continuous responsible development.

The Company has a sustainable development policy, even though it is not required under article 151 of Law 4548/2018. This policy provides that the Company adopts and complies with the applicable legislation on sustainable development and the application of the standards, policies, internal guidelines and relevant procedures applied by the Company, as well as other requirements arising from voluntary agreements, which Papoutsanis S.A. endorses and accepts.

Vathi Avlidos, 10/03/2025

E. FINANCIAL STATEMENTS

1. Statement of Financial Position

ASSETS	Note.	31.12.2024	31.12.2023
Non-current assets			
Tangible fixed assets	6.1	52.103.278	49.200.085
Investment in real estate	6.2	294.303	226.707
Intangible assets	6.3	1.552.764	1.513.744
Goodwill	6.3	1.274.398	1.274.398
Financial assets at fair value through the statement of comprehensive income	6.4	100.000	100.000
Derivative financial assets		-	300.112
Long-term receivables	6.5	58.904	54.521
		55.383.647	**52.669.568**
Current assets			
Stocks	6.6	11.129.699	9.484.003
Trade receivables	6.7	7.206.815	4.270.811
Other receivables	6.7	2.717.503	3.198.491
Cash and cash equivalents	6.8	4.899.765	5.703.004
		25.953.783	**22.656.309**
Total assets		**81.337.430**	**75.325.876**
CAPITAL EQUITY			
Equity attributable to equity holders			
Share capital	6.9	14.633.241	14.633.241
Share premium	6.9	1.975.977	1.975.977
Own shares	6.9	(582.015)	(411.390)
Fair value reserves	6.10	1.201.130	1.551.930
Other reserves	6.11	2.349.395	1.765.623
Retained earnings		12.054.882	10.286.309
Total equity capital		**31.632.610**	**29.801.690**
RESPONSIBILITIES			
Long-term liabilities			
Long-term loans	6.12	21.890.420	20.181.006
Deferred income tax	6.13	4.598.844	4.533.493
Provisions for employee benefits	6.14	394.702	314.501
Asset grants	6.16	1.457.105	1.608.799
		28.341.071	**26.637.799**
Short-term liabilities			
Suppliers	6.17	12.289.216	11.211.452
Other liabilities	6.17	3.198.597	3.085.126
Current income tax		590.538	702.453
Short-term loans	6.12	5.268.991	3.852.157
Forecasts	6.15	16.408	35.200
		21.363.749	**18.886.388**
Total liabilities		**49.704.820**	**45.524.186**
Total Equity and Liabilities		**81.337.430**	**75.325.876**

The notes set out on pages 68 to 121 form an integral part of the financial statements.

2. Statement of Comprehensive Income (by function)

		01.01.2024-31.12.2024	01.01.2023-31.12.2023
Sales	6.18	66.199.508	62.274.595
Cost of sales	6.19	(41.509.115)	(41.035.540)
Gross profit		**24.690.394**	**21.239.054**
Other revenue	6.20	1.279.263	803.353
Disposal costs		(12.408.496)	(10.110.539)
Administrative expenses		(3.942.401)	(3.588.321)
Research & development costs		(972.737)	(904.538)
Other expenses	6.21	(543.252)	(593.841)
Financial costs (net)	6.23	(2.050.390)	(1.809.817)
Profit before tax		**6.052.380**	**5.035.351**
Deferred income tax Deferred income tax	6.24	(170.144)	(266.468)
Current income tax	6.24	(608.714)	(687.565)
Net profit for the period (A)		**5.273.523**	**4.081.318**
Other Total Revenue:			
Items that shall not be reclassified subsequently in profit or loss			
Recalculations of defined benefit plans		(26.587)	(13.151)
Deferred tax on actuarial gains Losses		5.849	2.893
Revaluation of assets	6.10	(449.744)	-
Deferred tax on revaluation of assets		98.944	-
Other comprehensive income after tax (B)		**(371.538)**	**(10.258)**
Aggregated total income after tax (A+B)		**4.901.985**	**4.071.060**
Profit/(loss) after tax per share	6.25	0,1962	0,1513
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		10.587.411	9.216.593

The notes set out on pages 68 to 121 form an integral part of the financial statements.

3. Statement of Changes in Equity

	Equity capital	Treasury Shares	In favour of the even	Fair value reserves	Other reserves	Results as new	Total
Balances 1.1.2023	**14.633.241**	**(270.057)**	**1.975.977**	**1.551.930**	**650.868**	**8.403.430**	**26.945.390**
Aggregate total income after tax						4.071.060	4.071.060
Purchase of own shares		(141.334)					(141.334)
Dividend distribution						(1.081.595)	(1.081.595)
Reserve for payments based on equity securities					8.168		8.168
Taxed reserve of law 4399/2016					902.520	(902.520)	-
Establishment of a regular reserve					204.066	(204.066)	
Changes in items in the period	**0**	**(141.334)**	**0**	**0**	**1.114.754**	**1.882.879**	**2.856.300**
Balances 31.12.2023	**14.633.241**	**(411.391)**	**1.975.977**	**1.551.930**	**1.765.622**	**10.286.309**	**29.801.689**
	Equity capital	**Treasury Shares**	**In favour of the even**	**Fair value reserves**	**Other reserves**	**Results as new**	**Total**
Balances 1.1.2024	**14.633.241**	**(411.391)**	**1.975.977**	**1.551.930**	**1.765.622**	**10.286.309**	**29.801.688**
Aggregate total income after tax				(350.800)		5.252.785	**4.901.985**
Purchase of own shares		(170.624)					**(170.624)**
Distribution of dividend / Dividend						(2.087.490)	**(2.087.490)**
Dividend for the financial year 2023 (paid in 2023)						(812.949)	**(812.949)**
Reserve for payments based on equity securities					(22.758)	22.758	**-**
Reserves for tax exemptions under Law 4399/2016					342.854	(342.854)	**-**
Establishment of a regular reserve					263.676	(263.676)	**-**
Changes in items in the period	**-**	**(170.624)**	**-**	**(350.800)**	**583.773**	**1.768.573**	**1.830.921**
Balances 31.12.2024	**14.633.241**	**(582.015)**	**1.975.977**	**1.201.130**	**2.349.396**	**12.054.882**	**31.632.610**

The notes set out on pages 68 to 121 form an integral part of the financial statements.

4. Cash Flow Statement (Indirect Method)

Operating activities	01.01.2024-31.12.2024	01.01.2023-31.12.2023*
Profit before tax	6.052.380	5.035.351
Plus / (minus) adjustments for:		
Depreciation	2.634.535	2.522.544
Forecasts	61.409	(10.425)
Fair value reserve	382.148	-
Amortisation of grants	(149.895)	(151.119)
Investment income/expenditure	300.112	211.791
Financial costs - (net)	2.050.390	1.809.817
	11.331.081	9.417.959
Plus/ minus adjustments for changes in capital accounts		
traffic or related to operational activities:		
Decrease / (increase) in receivables	(3.306.564)	2.563.940
Decrease / (increase) in inventories	(1.645.696)	242.500
(Decrease) / increase in liabilities (excluding banks)	80.637	(5.290.206)
Minus:		
Interest and similar charges paid	(1.768.066)	(1.656.805)
Total inflows / (outflows) from operating activities (a)	**4.691.392**	**5.277.388**
Investment activities		
Purchase of tangible and intangible fixed assets	(6.396.978)	(4.532.761)
Proceeds from the sale of tangible fixed assets	-	1.315
Total inflows / (outflows) from investing activities (b)	**(6.396.978)**	**(4.531.446)**
Financial activities		
Purchase of own shares	(170.625)	(141.334)
Reserve for payments Based on equity securities	-	8.168
Proceeds from loans issued/drawn	20.000.000	7.000.000
Receipt of State subsidy	34.215	467.521
Loan repayments	(17.134.994)	(12.696.123)
(Repayments) / Commitments under finance leases (charges)	261.241	(55.831)
Dividends/Dividends paid	(2.087.490)	(1.352.573)
Total inflows/(outflows) from financing activities(c)	**902.347**	**(6.770.172)**
Net increase / (decrease) in cash and cash equivalents for the period (a)+(b)+(c)	**(803.239)**	**(6.024.230)**
Cash and cash equivalents at the beginning of the year	5.703.004	11.727.234
Cash and cash equivalents at the end of the financial year	**4.899.765**	**5.703.004**

The notes set out on pages 68 to 121 form an integral part of the financial statements.
*The comparative figures have been reclassified for comparability with the amounts at 31.12.2024, for more details see note 6.26

5. Notes to the Financial Statements

5.1. General information

PAPOUTSANIS S.A. was founded in 1960 and is active in the production, import, export, marketing and general marketing of consumer goods, such as soapmaking products, detergents and cleaning products for household and industrial use, cosmetics and other personal care products, biocides and disinfectants for human use or for use on premises or objects, as well as the raw materials for their manufacture, etc. The Company is classified as a fully vertically integrated industry producing soaps and personal care products for the consumer, hotels, etc.

The company's facilities are located at 71° km of the Athens-Lamia National Road in the area of Ritsona of the Regional Unit of Evia.

PAPOUTSANIS S.A. has the form of a Public Limited Company and its shares are listed on the Athens Stock Exchange. The registered office of the Company is the Municipality of Chalkideon of the Regional Unit of Evia of the Region of Central Greece.

These financial statements were approved by the Board of Directors on March 24, 2025 and are posted, together with the auditor's report and the annual report of the Board of Directors, on the Internet at www.papoutsanis.gr

5.2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are described below. These policies have been applied consistently for all periods presented, except for the adoption of the following new standards and interpretations effective for annual periods beginning on or after 1 January 2024. More detailed information is provided below (5.2.4).

5.2.1. Framework for the preparation of financial statements

These financial statements have been prepared by the Management in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations of the Interpretations Committee of the International Financial Reporting Standards, as adopted by the European Union, and present the financial position of PAPOUTSANIS S.A, its financial performance and its cash flows on a going concern basis, taking into account macroeconomic and microeconomic factors and their impact on operations.

5.2.2. Changes in accounting policies

The accounting principles and calculations on which the financial statements have been prepared are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023, and have been applied consistently throughout the periods.

5.2.3. Risk of non-sustainability

Events, circumstances and relevant business risks that could cast serious doubt on the Company's ability to continue as a going concern in the next financial year were evaluated. There is no going concern risk.

5.2.4. New standards, amendments to standards and interpretations

New Standards, Interpretations, Revisions and Amendments to existing Standards that have entered into force and have been adopted by the European Union

The following new Standards, Interpretations and amendments to Standards have been issued by the International Accounting Standards Board (IASB), have been adopted by the European Union and their application is mandatory from 01/01/2024 or later.

- **Amendments to IFRS 16 Leases: Lease Obligation on a Sale and Leaseback" (effective for annual periods beginning on or after 01/01/2024)**

In September 2022, the IASB issued limited-purpose amendments to IFRS 16 Leases that add requirements on how an entity accounts for a sale and leaseback after the transaction date. A sale and leaseback is a transaction in which an entity sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements on the accounting treatment of a sale and leaseback at the date of the transaction. However, the Standard did not specify how to measure the transaction after that date, particularly when some or all of the payments are variable payments that are not index or interest rate dependent. The amendments issued add to the requirements in IFRS 16 on sale and leaseback, thereby supporting the consistent application of the accounting standard. These amendments will not change the accounting treatment for leases other than those arising from a sale and leaseback transaction. The amendments have no impact on the corporate Financial Statements.The above has been adopted by the European Union with an effective date of 01/01/2024.

- **Amendments to IAS 1 "Classification of Liabilities as Current or Long-Term" (effective for annual periods beginning on or after 01/01/2024)**

The amendments provide guidance on the requirements in IAS 1 for classifying liabilities as current or non-current. The amendments clarify the concept that a right to defer settlement of a liability should exist at the reporting date. Management's intention or the counterparty's right to settle the obligation through the transfer of equity securities does not affect the short-term or long-term classification. In addition, it is clarified that only covenants with which an entity must comply on or before the reporting date affect the classification of a liability. The amendments to the standard require disclosure of information about those covenants in the notes to the financial statements. The amendments are effective for annual accounting periods beginning on or after 1 January 2024, with early adoption permitted. The amendments have no impact on the Company's Financial Statements. The above have been adopted by the European Union with an effective date of 01/01/2024.

- **Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier Financing Arrangements (effective for annual periods beginning on or after 01/01/2024)**

In May 2023, the IASB issued amendments ("Supplier Finance Arrangements"), which amended IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures". The new amendments require an entity to provide additional disclosures about supplier financing arrangements. Those disclosures are intended to help users of financial statements (a) assess how supplier financing arrangements affect an entity's liabilities and cash flows, and (b) understand the effect of supplier financing arrangements on liquidity risks and how the entity might be affected if those financial instruments are no longer available. The amendments to IAS 7 and IFRS 7 are effective for the accounting period beginning on or after 1 January 2024. The amendments have no effect on the entity's financial statements. The above have been adopted by the European Union with an effective date of 01/01/2024.

New Standards, Interpretations, Revisions and Amendments to existing Standards that have not yet entered into force or been adopted by the European Union

The following new Standards, Interpretations and amendments to Standards have been issued by the International Accounting Standards Board (IASB) but are either not yet effective or have not yet been adopted by the European Union.

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": lack of exchangeability (effective for annual periods beginning on or after 01/01/2025)**

In August 2023, the IASB issued amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" that require entities to provide more useful information in their financial statements when one currency cannot be exchanged for another currency. The amendments include the introduction of a definition of the exchangeability of a currency and the process by which an entity should assess that exchangeability. In addition, the amendments provide guidance on how an entity should calculate the spot rate in situations where the currency is not exchangeable and require additional disclosures in situations where an entity has calculated an exchange rate because of a lack of exchangeability. The amendments to IAS 21 are effective for accounting periods beginning on or after 1 January 2025. The Company will consider the impact of all of the above on its Financial Statements. The above have been adopted by the European Union with an effective date of 01/01/2025.

- **IFRS 9 & IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" (effective for annual periods beginning on or after 01/01/2026)**

In May 2024, the IASB issued amendments to the classification and measurement requirements of IFRS 9 "Financial Instruments" and corresponding disclosures in IFRS 7 "Financial Instruments: Disclosures". In particular, the new amendments clarify when a financial liability should be derecognised when it is settled by electronic payment. It also provides additional guidance on the assessment of contractual cash flow characteristics for financial assets linked to ESG (environmental, social and corporate governance) criteria. In addition, the disclosure requirements for investments in equity securities designated at fair value through other comprehensive income were amended and disclosure requirements were added for financial instruments with contingent features not directly related to key risks and borrowing costs. The amendments are effective for accounting periods beginning on or after 1 January 2026. The Company will consider the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Annual Improvements to IFRSs-Statement 11 (effective for annual periods beginning on or after 01/01/2026)**

In July 2024, the IASB issued "Annual Improvements to IFRSs", which include minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IAS 7 "Statement of Cash Flows". The amendments are effective for accounting periods on or after 1 January 2026. The Company will consider the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IFRS 9 and IFRS 7 - "Reference Contracts for Nature-dependent Electricity" (effective for annual periods beginning on or after 01/01/2026)**

On 18 December 2024, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures", in order to help companies better report the financial effects of nature-based electricity reference contracts, also known as Power Purchase Agreements (PPAs). These contracts are used by companies to secure the supply of electricity from renewable sources such as wind and solar power. However, the amount of energy produced can vary due to exogenous factors such as weather conditions. The amendments aim to optimise the presentation of these contracts in the financial statements: a) by clarifying the application requirements for the concept of own-use; b) by allowing hedge accounting in cases where these contracts are used as hedging instruments; and c) by adding new disclosure requirements in order for investors to better understand the impact of these contracts on companies' financial results and cash flows. The amendments are effective for accounting periods beginning on or after 1 January 2026, with early adoption permitted. The Company will consider the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

- **IFRS 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods beginning on or after 01/01/2027)**

In April 2024, the IASB issued a new standard, IFRS 18, which replaces IAS 1 Presentation of Financial Statements. The purpose of the standard is to improve the way information is presented in an entity's financial statements, particularly in the income statement and disclosures on the financial statements. Specifically, the Standard will improve the quality of financial reporting due to: a) the requirement of defined sub-items in the income statement; b) the requirement to disclose in a separate note to the financial statements the performance measures defined by the entity's management (Management-defined Performance Measures); c) the new principles for aggregation/disaggregation of information. The Company will consider the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

- **IFRS 19 "Subsidiaries without Public Liability: Disclosures" (effective for annual periods beginning on or after 01/01/2027)**

In May 2024, the IASB issued a new standard, IFRS 19 "Subsidiaries without Public Liability: Disclosures". The new standard allows eligible qualifying entities to elect to apply the reduced disclosure requirements of IFRS 19 instead of the disclosure requirements set out in other IFRSs. IFRS 19 operates in parallel with other IFRSs, as subsidiaries should apply the measurement, recognition and presentation requirements set out in other IFRSs and the reduced disclosure requirements described in IFRS 19. This simplifies the preparation of financial statements for subsidiaries that meet the requirements of this Standard while maintaining their usefulness to users. IFRS 19 is effective for accounting periods beginning on or after 1 January 2027, with early adoption permitted. The Company will consider the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

5.2.5. Significant accounting estimates and assumptions

The preparation of the Financial Statements in accordance with International Financial Reporting Standards (IFRS) requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the periods presented.
In particular, amounts included in or affecting the financial statements, and related disclosures, are estimated, requiring the formation of assumptions about values or conditions that cannot be known with certainty at the time the financial statements are prepared and therefore actual results may differ from those estimated. An accounting estimate is considered significant when it is material to the Company's financial condition and results of operations and requires management's most difficult, subjective or complex judgments. Management's estimates and judgments are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually reassessed based on all available information. The Company evaluates such judgments on an ongoing basis, based on past results and experience, expert consultation, trends and other methods that are considered reasonable under the circumstances, as well as projections of how they may change in the future.

Income tax

The provision for income tax under IAS 12 is calculated by estimating the taxes payable to the tax authorities and includes the current income tax for each financial year, a provision for additional taxes likely to arise from future tax audits and the recognition of future tax benefits. The final settlement of income taxes may differ from the related amounts recorded in the financial statements.

Significant estimates are required to determine the total provision for income tax as presented in the Statement of Financial Position. For certain transactions and calculations, the determination of final tax is uncertain. The Company recognizes liabilities for anticipated tax matters based on estimates of whether additional tax will be incurred. Where the ultimate tax outcome of these matters differs from the amount initially recognized the differences affect the provision for income taxes and deferred taxes in the period in which the determination is made.

Provision for expected credit losses

For the determination of expected credit losses and the formation of the related provision for doubtful debts, the Company follows the general model as described in detail in paragraph 5.2.6.6 of the accounting policies. The data required both for determining whether there is a significant deterioration in credit risk after initial recognition and for determining the stage to which each financial asset falls, and for calculating the impairment provision are based on historical and prospective data and involve significant estimates. Past experience and estimates for the future may not be indicative of the actual amount of a default when an event occurs.

Deferred tax assets on tax losses and recoverability of deferred tax assets

A deferred tax asset is recognised for all unused tax losses to the extent that it is probable that sufficient taxable profit will be available to offset those tax losses. In determining the amount of deferred tax asset that can be recognized, significant judgments and estimates are required by the Company's management, based on future taxable income in conjunction with future tax strategies to be pursued. In addition, at each reporting date of the Financial Statements, the Company assesses the recognition of a deferred tax asset (recoverability assessment).

The deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of some or all of that deferred tax asset to be realised.

Contingencies/ Uncertain outcome of pending litigation

The Company may become involved in legal claims and damages in the normal course of business. The Company reviews pending litigation at each date of the Statement of Financial Position and makes provisions for litigation against the Company based on information from the law firms with which it works, which is derived from recent developments in the cases they are managing. Management believes that any settlements would not further impact the Company's financial position at December 31, 2024. However, the determination of contingent liabilities related to litigation claims and demands is a complex process that involves judgments about potential consequences and interpretations of laws and regulations. Changes in judgments or interpretations are likely to result in an increase or decrease in the Company's contingent liabilities in the future.

Useful life of depreciable assets (depreciation rates)

Management considers the useful lives of depreciable assets in each year. As of December 31, 2024, the Company's management estimates that the useful lives represent the expected useful lives of the assets. Depreciable balances are discussed in the notes to the financial statements. Realized results, however, are likely to differ due to technical obsolescence, particularly with respect to software and computer equipment.

Testing for impairment of tangible fixed assets

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. To calculate the value in use, management estimates the future cash flows from the asset or cash-generating unit and selects the appropriate discount rate to calculate the present value of future cash flows. Alternatively, it shall choose another fair value method that it considers to be a reliable reflection of the recoverable amount of the property, plant and equipment at the end of the period.

Examination for any impairment of goodwill

The Company annually reviews goodwill acquired for impairment and investigates events or circumstances that make impairment probable, such as a significant adverse change in the corporate climate or a decision to sell or dispose of a unit or operating segment. Determining whether an impairment exists requires a valuation of the relevant unit, which is estimated using the discounted cash flow method. In applying this methodology, the Company relies on a number of factors, which include actual operating results, financial projections and market data (both statistical and otherwise).

If this analysis results in a need for goodwill impairment, the measurement of impairment requires an estimate of the fair value of each recognised tangible or intangible asset of the related unit. In this case, the cash flow approach is used, which is discussed above. See note 6.3.

Provision for staff termination indemnities

Employee benefit obligations are calculated using actuarial methods which require management to estimate certain parameters such as discount rates, future employee salary growth rates, future employee separation rates and other factors such as the inflation rate. The Company's management makes best estimates of these parameters on an annual basis whenever an actuarial study is performed. Further details are included in note 6.14.

Identification of fair values

The Company is required or permitted to measure its assets or liabilities at fair value as part of the application of IFRSs. Fair value is a market-based measurement and does not relate to a specific entity. For some assets and liabilities, observable market transactions or market information may be available. For other assets and liabilities, observable market transactions or market data or market information may not be available.

The assets and liabilities that the Company measures at fair value include financial instruments (assets and liabilities) as well as non-financial assets, namely owner-occupied land and buildings, which are measured using the revaluation method.

To increase consistency and comparability in fair value measurements and related disclosures, the Company has adopted relevant requirements of IFRS 13 and has established a fair value hierarchy that categorizes inputs to the valuation techniques used to measure fair value into three levels. The fair value hierarchy gives maximum priority to formal prices (without adjustments) in markets with significant trading volumes for identical assets or liabilities (Level 1 inputs) and minimum priority to unobservable inputs (Level 3 inputs).

Level 1 data inputs are the official quoted prices (unadjusted) in the markets for identical assets or liabilities to which the entity has access at the measurement date.

Level 2 data inputs are inputs other than the official stock exchange prices included in level 1 that are observable for the asset or liability either directly or indirectly. If the asset or liability has a predetermined (contractual) maturity, a level 2 input shall be observable for the full life of the asset or liability.

Level 3 data inputs are unobservable data or transactions for the asset or liability.

5.2.6. Material accounting policy information

5.2.6.1. Tangible fixed assets

Owner-occupied property, plant and equipment (buildings, land) are valued at revalued value, which consists of the fair value at the date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value is determined after an appraisal by professional appraisers and the positive difference is recorded in an equity account "Fair value reserve". The negative difference is recorded in the income statement to the extent that it does not offset a corresponding fair value reserve. Such estimates are made when there is market evidence of a change in fair value and at least every 5 years. The last estimate was made as at 31 December 2024. The result of this valuation was an increase in the fair value of the Land by €11,780 and a decrease in the fair value of the Buildings by €461,523.

Other items of property, plant and equipment (machinery, equipment, etc.) are stated at cost less accumulated depreciation and any impairment. Cost includes expenditure directly related to the acquisition of the tangible fixed assets. Subsequent expenditure is either included in the carrying amount of property, plant and equipment or, if deemed more appropriate, recognised as a separate asset only when it is considered probable that future economic benefits will flow to the company and provided that the cost of the asset can be measured reliably. The costs of repairs and maintenance are expensed in the income statement when incurred.

Finance charges arising from the borrowing of funds used to finance the acquisition of property, plant and equipment are capitalised over the period of time required to prepare and complete the asset for future use. Other categories of borrowing costs are recognised as expenses in the profit or loss for the year.

Land is not subject to depreciation. Depreciation of other items of property, plant and equipment is calculated using the straight-line method with equal annual charges over the period of the expected useful life of the item so as to write off the cost at the end of the useful life. Residual values were estimated to be zero. The estimated useful lives of the major categories of fixed assets are as follows:

	Years
Industrial buildings	25-60
Machinery and mechanical equipment	10-30
Other mechanical installations and other mechanical equipment	2-7
Computer equipment and software	5-10
Means of transport of persons / cargo	10 / 8,3
Furniture and other equipment	10

The cost of subsequent expenditure is amortised over the expected useful life of each item. When a machine is composed of major components with different useful lives, the components are treated as separate items.

The residual values and useful lives of property, plant and equipment may be reviewed and adjusted, if necessary, at each balance sheet date.

When the depreciable amount of an item of property, plant and equipment exceeds its recoverable amount, the difference is recognised immediately as an expense in the income statement and the asset is carried at its recoverable amount.

Gains and losses on the sale of property, plant and equipment are determined by the difference between the proceeds and their depreciated value and are included in the income statement. In the event that property, plant and equipment measured at fair value is sold, the fair value reserves formed are transferred to retained earnings.

5.2.6.2. Intangible fixed assets

Research costs
Research costs are expensed as incurred.

Development costs
The costs of development projects (which mainly involve the design and testing of new or improved products) are recognised as intangible assets only when there is a probability of success of the projects, taking into account the degree of commercial and technological viability of the projects and when the costs can be measured reliably. Other development costs are recognised as expenditure when incurred. Development costs of finite-lived assets that have been capitalised are amortised from the start of commercial production of the products indicated using the straight-line method of depreciation in equal annual instalments over the expected useful life of the asset, which in any case may not exceed 10 years.

Computer software
Capitalised software licences are measured at cost less accumulated amortisation, less any accumulated impairment. Amortisation is calculated using the straight-line method over their useful lives, which cannot exceed 5 years. Expenditure required for the development or maintenance of software is recognised as an expense in the income statement as incurred.

Trade Name
As part of the business combination, the parent company acquires the brand name, intellectual property and technology licenses of the subsidiary. The cost of these intangible assets is the fair value at the date of acquisition. Fair value reflects the expectations of market participants regarding the likelihood that the expected future economic benefits embodied in the asset will flow to the Company.

Subsequent to initial recognition, the above brand name is measured at cost less any accumulated impairment losses and is subject to impairment testing annually or more frequently if events or changes in circumstances indicate that it may be impaired.

5.2.6.3. Goodwill

Goodwill arises on the acquisition of business units and is the excess of the sum of the consideration for the acquisition, the amount of the non-controlling interest in the acquired unit and the fair value of any previous interest in the acquired unit at the acquisition date over the fair value of the identifiable net assets of the acquired unit.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it may be impaired. The carrying amount of the impairment is compared to its recoverable amount, which is the higher of value in use and fair value less costs to sell.

Any impairment is recognised directly as an expense and is not reversed in the future.

In order to determine impairment, goodwill arising from the business combination is allocated to each cash-generating unit or group of cash-generating units expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill is allocated is the lowest level within the entity at which goodwill is monitored for internal management purposes.

5.2.6.4. Investment in real estate
The purpose of real estate investments is either rental or capital enhancement. They are valued at fair value annually with differences from the previous valuation recorded in the income statement. No depreciation is charged.

5.2.6.5. Earnings per share
Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during each year, excluding the average number of ordinary shares acquired as treasury shares.
Diluted earnings per share is calculated by dividing the net profit attributable to shareholders (after deducting interest on convertible shares, net of tax) by the weighted average number of shares outstanding during the year (adjusted for the effect of diluted convertible shares).
The weighted average number of ordinary shares outstanding during the accounting period and for all periods presented is adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

5.2.6.6. Financial instruments
A. Financial Assets

Initial identification
Financial assets are classified, on initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.
The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial asset and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financial component or for which the Company has applied the feasibility practice, the Company initially measures financial assets at fair value plus, in the case of a financial asset not measured through profit or loss, transaction costs.
Trade receivables that do not contain a significant financial component or for which the Company has applied the feasibility practice are measured at the transaction price determined in accordance with IFRS 15.
In order for a financial asset to be classified and measured at amortised cost or fair value through comprehensive income, it must generate cash flows that are "solely payments of principal and interest (SPPI)" on the principal. This assessment is referred to as the SPPI test and is considered at the financial asset level.
The Company's business model for managing financial assets refers to the way in which it manages its financial resources in order to generate cash flows. The business model determines whether the cash flows will be generated from the collection of contractual cash flows, sale of financial assets or both.
The purchase or sale of financial assets that require the delivery of assets within a time frame specified by regulation or market contract are recognised on the transaction date, i.e. the date on which the Company commits to purchase or sell the asset.
Subsequent measurement
For subsequent measurement purposes, financial assets are classified into the following categories:
Financial assets at fair value through profit or loss
Financial assets at amortised cost (debt securities)
Financial assets at fair value through comprehensive income without recycling of cumulative gains and losses on derecognition (equity instruments)

(a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets that are required to be measured at fair value.
Financial assets are classified as held for trading if they are acquired with the intention of selling or repurchasing them in the near future. Derivatives, including embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.
Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model.

(b) Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met: a) the financial asset is held in a business model with the objective of holding financial assets to collect contractual cash flows and b) the contractual covenants of the financial asset generate cash flows at specified dates that are solely payments of principal and interest on the principal balance.
Financial assets at amortised cost are subsequently measured using the (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(c) Financial assets designated at fair value through comprehensive income (equity securities)
Upon initial recognition, the Company may elect to irrevocably classify its equity investments as equity securities designated at fair value through comprehensive income when they meet the definition of equity in accordance with IAS 32 Financial Instruments: Presentation, and are not held for trading. Classification is determined on a financial instrument-by-financial instrument basis.
Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right to receive payment has been established, unless the Company benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognised in the statement of comprehensive income. Equity instruments designated at fair value through comprehensive income are not subject to impairment testing.

Impairment of financial assets
The Company measures the allowance for losses on trade receivables as an estimate of the present value of the cash flow shortfalls over the life of the trade receivables. Cash flow shortfall is defined as the difference between the cash flows due to the Company as contractually required and the cash flows the Company expects to receive.
The Company has adopted the simplified approach to the estimation of Expected Credit Losses ("ELL") for loans and advances to customers. At each reporting date, the Company measures the allowance for losses on loans and advances to customers at an amount equal to lifetime credit losses.
Stage 2: Measurement of LCI over the whole life - without credit impairment. If the financial asset has a significant increase in credit risk since initial recognition, but is not yet impaired, it is classified in Stage 2 and measured at lifetime LCA, defined as the expected credit loss attributable to all possible credit events over its expected life.
Step 3: Measurement of LCI over the entire life of the assets - with credit impairment. If the financial asset is designated as credit impaired, it is transferred to Step 3 and measured at the LCA over its entire life.
IFRS 9 presumes that the credit risk of a financial asset has increased significantly after initial recognition when contractual payments are more than 30 days past due. However, this presumption may be rebutted if there is reasonable and supportable information that is available without undue cost or effort that

demonstrates that the credit risk has not increased significantly since initial recognition despite the fact that contractual payments are more than 30 days past due.
The Company considers a financial asset to be in default when the borrower/debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realization of collateral and pledges, registration of mortgages, etc. An objective presumption for a credit impaired financial asset is a delay in collection in excess of the days' delay set as a threshold for each of them. The range of days set as a limit for the Company is between 30 and 180 days.
The following are the key inputs to the application of the Company's accounting policies with respect to the Company's LCI estimates:
Exposure at default ("EAD"): represents the amount of the exposure at the reporting date.
Probability of Default ("PD"): The probability of default is an estimate of the probability within the specified time horizon. The Company calculates PD using historical data, assumptions and forward-looking estimates.
Loss given default ("LGD"): represents the estimate of the loss that will be incurred at the date of default. LGD is calculated as the difference between the contractual cash flows of the instrument due and the expected future cash flows of the instrument expected to be received. The determination of Loss on Default also considers the effect of the recovery of expected cash flows arising from collateral held by the Company.
The Company measures LIAs on a collective basis for portfolios of customer receivables with similar credit characteristics. Specifically, the Company estimates LIAs by grouping receivables based on common risk characteristics and days past due. In addition, the Company evaluates expected credit losses associated with the Company's financial assets, taking into account forward-looking information. Forward-looking information is incorporated into the LCA model through consideration of various internal and external sources of actual financial information and financial projections. The Company has developed a provisioning matrix based on historical credit loss experience, adjusted for future factors appropriate to the debtors, their credit insurance coverage and the economic environment. The Company recognizes the related loss allowance at each reporting date.

B. Financial Liabilities

Financial liabilities include trade and other payables, bank overdrafts, interest-bearing loans and credits and financial guarantee contracts.
(a) Recognition and measurement of financial liabilities
The Company recognises a financial liability in its statement of financial position when, and only when, it becomes a party to the financial instrument. On initial recognition, financial liabilities are recognised at fair value, and in the case of interest-bearing loans and borrowings, net of directly attributable transaction costs.
(b) Classification of non-derivative financial liabilities
After initial recognition, financial liabilities are measured as follows:
Financial liabilities measured at amortised cost:
All interest-bearing loans and borrowings are initially measured at fair value less directly attributable transaction costs to issue the financial liability. Subsequently they are measured at amortised cost using the effective interest rate method. Amortised cost is estimated taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are extinguished or impaired, as well as through the amortisation process.
Financial liabilities at fair value through profit or loss:
They include liabilities held for trading, acquired or incurred principally for the purpose of selling or repurchasing in the near term, part of a portfolio of individually managed financial instruments that were held in common and for which there is documented evidence of a recent pattern of short-term profit-

taking. Such liabilities are measured at fair value and gains or losses arising from changes in fair value are recognised in the income statement.
Financial guarantee contracts:
They include contracts that provide for specified payments by the issuer to compensate the holder for losses suffered as a result of the inability of a particular debtor to make payments in accordance with the original or modified terms of a debt instrument. These contracts are initially recognized as a liability at fair value, adjusted for transaction costs directly related to its issuance. They are subsequently measured at the higher of the amount recognized under IAS 37 and the amount initially recognized, reduced by the accumulated amortization recognized under IFRS 15, where applicable.

Γ. Offsetting of financial instruments
Financial assets and liabilities are offset and presented net in the statement of financial position if there is a legal right to offset the amounts recognised and, in addition, there is an intention to settle the net amount, i.e. to settle assets and liabilities in parallel.

D. Cessation of recognition of financial assets and liabilities
Financial assets: Financial assets (or, where applicable, part of a financial asset or part of a group of financial assets) are derecognised when:
- The rights to the cash inflow have expired or
- The Company retains the right to receive cash flows from the asset but has also assumed an obligation to third parties to pay those cash flows without significant delay in the form of a transfer agreement.
- The Company has transferred the right to receive cash flows from the asset and at the same time either (a) has transferred substantially all the risks and rewards of ownership or (b) has not transferred substantially all the risks and rewards of ownership but has transferred control of the asset.

Where the Company has transferred the rights to receive cash inflows from the asset but has not transferred substantially all the risks and rewards of ownership or control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. A corresponding liability is also recognised.
A continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the initial balance of the asset and the maximum amount the Company may be required to pay.
Financial liabilities: A financial liability is derecognised when the associated liability is discharged, cancelled or expires. Where a financial liability is replaced by another from the same lender on substantially different terms, or where the terms of an existing liability are substantially modified, the exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective current values is recognised in the income statement.

5.2.6.7. Stocks
Inventories are valued at the lower of cost and net realisable value.
Net realisable value is the estimated selling price in the ordinary course of business less the amount of disposal costs.
The costs of finished products and work in progress are determined by the weighted average cost method and consist of raw materials, direct labour costs and industrial overheads allocated on the basis of normal production capacity.

Appropriate provision shall be made for unusable, obsolete and very low-speed stocks if they exceed the prescribed level. Write-downs from book value to net realisable value and losses on inventories are expensed in the period to which the write-down or loss corresponds.

5.2.6.8. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, short-term investments of up to three months with a high degree of liquidity. Overdrafts are included in the balance sheet under short-term liabilities as borrowings.

5.2.6.9. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of a recognised asset for a specified period of time in exchange for consideration.

Lease accounting by the lessee

The Company applies a single recognition and measurement approach for all leases (including short-term and low-value leases). The Company recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease term (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted based on any remeasurement of the lease liability. The cost of right-of-use assets comprises the amount of the lease liability recognised, the initial direct costs and any rentals paid at or before the commencement of the lease term, less any lease incentives received. Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and their useful lives.

If ownership of the leased asset is transferred to the Company at the end of the lease term or if its cost reflects the exercise of a purchase option, depreciation is calculated in accordance with the estimated useful life of the asset.

The Company has leases of machinery, transport vehicles and other equipment used in their operations, as well as leases of real estate. Lease agreements may contain both leasehold and non-leasehold elements. The Company has elected not to separate the non-lease elements of the contract from the lease elements and therefore treats each lease element and any related non-lease elements as a single lease.

Right-of-use assets are subject to impairment testing.

ii. Liabilities from leases

At the commencement date of the lease, the Company measures the lease liability at the present value of the lease payments to be made during the lease term. Lease payments consist of fixed rents (including substantially fixed rents) less any lease incentives receivable, variable rents that are contingent on an index or interest rate and amounts expected to be paid under residual value guarantees. The Company uses the Company's differential borrowing rate to discount the lease payments as the implied lease rate cannot be readily determined.

After the commencement date of the lease, the amount of the lease liability is increased by interest on the liability and decreased by the payment of rentals. In addition, the carrying amount of the lease liability is remeasured if there are revaluations or amendments to the lease contract.

Accounting of the lease by the lessor

Leases in which the lessor does not transfer substantially all the economic benefits and risks of ownership of the leased asset are classified as operating leases. When assets are leased under operating leases, the asset is included in the statement of financial position on the basis of the nature of the asset. Rental income from operating leases is recognised in accordance with the terms of the lease using the straight-line method.

A lease that transfers substantially all the economic benefits and risks of ownership of the leased asset is classified as a finance lease.

Assets under finance lease are derecognised and the lessor recognises a receivable equal to the net investment in the lease. The lease receivable is discounted using the effective interest method and the carrying amount is adjusted accordingly. Rent receivable is increased on the basis of interest on the receivable and decreased as the rent is collected.

5.2.6.10. Revenue recognition

Although IFRS 15 does not introduce any material differences from the Company's current accounting policies, the corresponding accounting policy was formulated as follows:

The Company recognises revenue when a contractual obligation to a customer is discharged by the delivery of goods or provision of services (which is the time when control of the goods or services passes to the customer). If a contract contains more than one contractual obligation, the total contract value is allocated to the individual obligations based on the individual sales values. The amount of revenue recognised is the amount allocated to the relevant contractual obligation that has been fulfilled, based on the consideration that the entity expects to receive under the terms of the contract. Any variable consideration is included in the amount of revenue recognised to the extent that it is not significantly probable that this amount will be offset in the future.

Rights to future discounts based on sales volume are evaluated by the Company to determine whether they are material rights that the customer would not have acquired had the customer not entered into the contract. For all such rights, the Company assesses the likelihood of exercise and then the portion of revenue attributable to that right is recognized when the right is either exercised or expires.

In accordance with the requirements of the new standard, the Company determined that future volume discounts create an entitlement for which a provision should be made and recognized at the time of exercise or expiration. The Company provides volume discounts to customers based on the limits specified in the contracts between them. All such discounts are accounted for within the financial year and therefore the application of the new standard has no impact on the annual financial statements.

In addition, the Company concluded that the transfer of control of the products to the customer takes place at a specific time when the customer receives the goods, as that is when the customer is able to receive the benefits of the specific products.

5.2.6.11. Borrowing costs

Net financing costs consist of accrued interest on borrowings, calculated using the effective interest method.

Finance charges arising from the borrowing of funds used to finance the acquisition of property, plant and equipment are capitalised over the period of time required to prepare and complete the asset for future use. Other categories of borrowing costs are recognised as expenses in the profit or loss for the year.

5.2.6.12. Dividends

Dividends are recognised as income when the right to receive them has been established.

5.2.6.13. Dividend distribution

Dividends are recognised in the financial statements in the period in which they are approved by the General Meeting of Shareholders.

5.2.6.14. Distribution of Provisional Dividends

Pending the approval by the General Meeting of Shareholders of the audited annual financial statements for the financial year under review, interim dividends are shown in a current asset receivable account when conditions exist that may call into question their approval by the General Meeting. However, in cases where it is considered that approval of the interim dividend by the General Meeting of Shareholders is virtually certain, the interim dividend is accounted for by deducting it from equity.

5.2.6.15. Derivative financial assets and hedging instruments

Financial instrument contracts that are not designated as hedging instruments and do not qualify for hedge accounting are classified as available-for-sale derivatives and are measured at fair value through the income statement. Fluctuations in the fair value of these derivatives that do not qualify for hedge accounting are recognised directly in the income statement under "Other operating income / (expenses) (net)".

Financial instrument contracts designated as hedging instruments are classified as either fair value hedges, where the hedge is a hedge of the exposure to changes in the fair value of a recognised asset or liability, or cash flow hedges, where the hedge is a hedge of the variability in cash flows that may arise from a particular risk directly associated with the asset or liability. For derivatives used to hedge risks, hedge accounting is applied which includes the existence, at the inception of the transaction, of formal documentation, identification of the hedged item, the hedging instrument, the type of hedge, the hedged risk and the business strategy for hedging the risk.

In fair value hedging transactions that qualify for hedge accounting, gains or losses arising from the valuation of the hedging instrument at fair value are recognised in the income statement. The hedged asset is measured at fair value and the gains or losses are recognised in the income statement.

In cash flow hedges, gains or losses arising from the valuation of the hedging instrument at fair value and relating to the effective portion of the hedge are recognised in other comprehensive income. Conversely, gains or losses relating to the ineffective portion of the hedge are recognised directly in the income statement.

5.2.6.16. Impairment of non-financial assets

Assets with indefinite useful lives are not depreciated but are subject to impairment testing annually or more frequently when events or changes in circumstances indicate that their depreciable amount may not be recoverable. Fixed assets subject to depreciation are subject to impairment testing when there is an indication that their depreciable carrying amount may not be recovered.

Impairment losses are recognised immediately as an expense and are equal to the difference between the depreciated value and the recoverable amount of the underlying asset.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of calculating impairment, assets are categorised at the lowest possible level to link them to separately identifiable cash flows (cash-generating units).

5.2.6.17. Lending

Loans are initially recorded at fair value as amounts received less any direct transaction costs. Subsequently, they are measured at amortised cost using the effective interest method. Any difference between the amount received (net of related transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowing using the effective interest method. Loans are classified as current liabilities unless the Company has the right to defer repayment of the liability for at least 12 months after the balance sheet date.

5.2.6.18. Current and deferred income tax

Current income tax is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates those items in tax returns that relate to situations in which the applicable tax laws are subject to differing interpretations and makes provisions where necessary on the basis of the amounts expected to be paid to the tax authorities.

Deferred tax is defined as the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the respective tax bases used in the computation of taxable profit, and is accounted for using the balance sheet based method of computation.

Deferred income tax is not provided if it arises from the initial recognition of an asset or liability in a transaction other than a business combination and, at the time of the transaction, it affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences will be utilised. Deferred tax liabilities are always recognised.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply in the period when the deferred tax assets become due and payable.

Deferred tax is charged or credited to profit or loss unless it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is accounted for directly in other comprehensive income.

5.2.6.19. Forecasts

Provisions are recognised when: a) there is a present legal or constructive obligation arising from past events; b) it is probable that an outflow of resources will be required to settle the obligation; and c) the amount required can be reliably estimated. Future losses associated with the Company's current operations are not recorded as provisions.

Where there are a number of similar liabilities, the likelihood that an outflow will be required on liquidation is determined by considering the liability category as a whole. A provision is recognised even if the probability of an outflow in respect of any item included in the same class of liabilities may be remote. In those cases where the enterprise expects a provision to be covered by a third party, such as in the case of insurance policies, the coverage is recognised as a separate asset but only when the coverage is substantially assured.

Provisions are calculated at the present value of the costs which, based on management's best estimate, are required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current reasonable estimates of the time value of money related to the specific liability.

5.2.6.20. Grants

Government grants are recognised at fair value when it is expected with certainty that the grant will be received and the Company will comply with all stipulated conditions.

Government grants relating to costs are deferred and recognised in profit or loss to match the costs they are intended to compensate.

Government grants related to the purchase of property, plant and equipment are included in long-term liabilities as deferred government grants and are transferred as income (credited) to the income statement on a straight-line basis over the expected useful lives of the related assets.

5.2.6.21. Share-based payments

IFRS 2 "Share-based payments" requires an expense to be recognised when the Company acquires goods and services in exchange for shares (equity-settled transactions) or stock options or other assets equivalent in value to a given number of shares or share options (cash-settled transactions). The Company grants stock options to executives and employees. The fair value of the services of the executives and employees to whom the share options are granted is recognised in accordance with IFRS 2 as an expense in the statement of comprehensive income, with a corresponding increase in equity, over the period in which the services are received against which the options are granted. The total expense of options during the vesting period is calculated based on the fair value of the options granted at the grant date. The fair value of the options is measured by adopting an appropriate valuation model depending on the terms of each plan, taking into account appropriate inputs such as variance, discount rate and dividend yield.

5.2.7. Other accounting policy information

5.2.7.1. Information by sector

The segments are determined based on internal information received by the Company's management and are presented in the financial statements based on this internal classification. The Company has one business segment, that of production (in Greece) and distribution of products to domestic and foreign markets, which is divided into 4 strategic pillars as follows:

- Branded Products
- Hotel Products
- Third party products (industrial sales, private label)
- Industrial sales of soap masses

5.2.7.2. Currency conversions

<u>Functional and presentation currency</u>

The Company's financial statements are presented in euros, using the currency of the primary economic environment in which the Company operates (referred to as the "functional currency").

<u>Transactions and balances</u>

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of each transaction. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the balance sheet date are recognised in the income statement.

5.2.7.3. Equity capital

Ordinary shares are included in equity. The direct costs of issuing new shares are shown in equity as a deduction, net of tax. When the Company purchases treasury shares, the amount paid, including any incremental costs and net of income taxes, is shown as a deduction from equity as treasury shares until such shares are cancelled or reissued. When those shares are subsequently sold or reissued, the value of any such transaction shall be included in equity.

5.2.7.4. Staff benefits

(a) Short-term benefits

Short-term employee benefits in cash and in kind are recognised as an expense when they are earned.

(b) Post-employment benefits

Post-employment benefits include both defined contribution plans and defined benefit plans.

The accrued cost of defined contribution plans is recognised as an expense in the period to which it relates.

Liabilities arising from defined benefit plans for employees are measured at the discounted value of future employee benefits that have become accrued at the balance sheet date. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from empirical adjustments and from changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

Past service costs are recognised directly in profit or loss.

(c) Termination benefits

Termination benefits are payable when the Company either terminates the employment of employees before retirement or following an employee's decision to accept an offer of benefits in exchange for termination of employment. The Company recognises termination benefits as a liability and an expense on the earlier of (a) when the entity can no longer withdraw the offer of those benefits and (b) when the entity recognises restructuring costs within the scope of IAS 37 that involve the payment of termination benefits. Termination benefits payable 12 months after the balance sheet date are discounted.

5.2.7.5. Comparative figures and roundings

Differences presented between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding of decimal amounts to the nearest whole unit. In addition, where necessary, comparative figures for previous years are reclassified to conform to the current year's figures, with appropriate disclosure.

5.3. Financial risk management

The Company does not hold any material financial assets traded in active markets, except for possible temporary holding of treasury shares.

5.3.1. Financial risk factors

The Company is exposed to financial risks such as market risk (foreign exchange rate risk, cash flow risk and fair value risk from changes in interest rates and price risk), credit risk and liquidity risk.

(a) Market risk

Exchange rate risk
The Company has foreign currency transactions to a limited extent. There are no significant assets and liabilities in currencies other than the euro. Therefore, there are no circumstances that could expose it to high currency risk.

Interest rate risk
Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

From 2022 onwards, the central banks have increased interest rates, resulting in additional borrowing costs being charged to the Company's results. In the year 2024, the European Central Bank made 1 point reductions in the base rate.

The Company had entered into a partial hedge against the risk of Euribor increase. During the first half of 2024, it liquidated the derivative financial asset it held and no longer uses related instruments to hedge cash flows.

The financial cost of all of the Company's bank borrowings is variable based on euribor. The bank borrowings are exclusively in euros.

Risk sensitivity analysis

The sensitivity analysis illustrates the sensitivity of profit after tax and equity to reasonably possible changes in interest rates through their effect on borrowings and deposits. Such changes are considered reasonably likely based on the observation of current market conditions.

The calculations are based on a change in the average market interest rate for each reporting period and the Company's borrowings at each reporting date, with all other variables held constant.

It should be noted that the methods and assumptions used have not changed compared to the previous period. The following changes are considered reasonably possible based on the observation of current market conditions.

	Impact on profit before tax	
	2024	**2023**
Increase of 50 basis points	(130.076)	(136.000)
Reduction of 50 basis points	130.076	136.000
Increase of 100 basis points	(260.152)	(272.000)
Reduction of 100 basis points	260.152	260.512

	Impact on	
	2024	**2023**
Increase of 50 basis points	(101.459)	(106.080)
Reduction of 50 basis points	101.459	106.080
Increase of 100 basis points	(202.919)	(212.160)
Reduction of 100 basis points	202.919	203.199

Risk of price variation

The main raw materials used in production are vegetable oils, as well as raw materials for the production of plastics such as PET, polyethylene (HDPE) and polypropylene (PP). The price of oils fluctuates according to supply and demand on the world market, as they are traded commodities. Similarly, the prices of the raw materials for the production of plastics depend on energy costs combined with the relative transport costs between different parts of the world. Due to increased competition in the industry, any increases in international and domestic raw material prices are not in all cases passed through to the final price of the products, which carries the risk of adversely affecting the Company's results of operations.

The Company addresses these risks through:

- passing on the corresponding increases to the final products as far as possible,
- an organised production cost reduction programme supported by the completion of the strong investment plan of the previous years,
- and finally, in cooperation with its customers and supported by the Research and Development department, redesigning, where feasible, the various products produced in order to reduce their cost, while maintaining the high level of quality of the products produced by the Company.

The Company, annually, seeks and ultimately uses the supplier that provides the best price, reducing the risk of dependency. In addition, it monitors the prices of raw materials on an ongoing basis and enters into agreements with its suppliers.

Derivatives are not used to hedge this risk, and medium-term contracts are entered into where appropriate.

The Company performs sensitivity tests of its results due to changes in raw material prices. It is estimated that in the event of a 0.5% increase in material prices, the Company's profitability would have been affected by EUR 161 thousand in 2024 and EUR 160 thousand in 2023.

(b) Credit risk

Trade accounts receivable mainly include receivables from large groups of companies (domestic supermarket chains, multinationals) and companies operating in the hotel sector. In order to reduce credit risk, the Company constantly monitors the financial situation of its debtors and maintains a credit insurance policy. In the year 2024 no bad debts have arisen.

The table below shows the breakdown of trade receivables after estimation of expected credit losses:

	2024	2023
Balance within the credit period	7.196.053	4.221.595
Balance beyond the credit period	10.763	49.216
Total	**7.206.816**	**4.270.811**

The movement in the provision for impaired trade receivables is presented below:

Balance 01.01.2023	**(228.986)**
Reversal of provision for loss for the period	11.013
Balance 31.12.2023	**(217.973)**
Provision for credit loss for the period	(41.862)
Balance 31.12.2024	**(259.835)**

(c) Liquidity risk

Liquidity risk - cash flow risk

Liquidity risk management includes ensuring that sufficient cash and cash equivalents are available, as well as ensuring creditworthiness through the availability of adequate credit limits from the cooperating banks.

The Company, according to the present financial statements, has positive working capital, positive cash flows from operating activities and therefore has no significant liquidity risk. In addition, the Company maintains additional funding limits to cover periods of increased cash requirements during the year, and as a result, the Company is not considered to have significant liquidity and cash flow risk.

The maturity of financial liabilities based on estimated undiscounted contractual outflows as of December 31, 2024 and 2023, respectively, is as follows:

	2024			
	Short-term			Long-term
	within 6 months	6 to 12 months	1 to 5 years	more than 5 years
Borrowing	3.032.382	2.811.109	23.186.620	-
Finance lease obligations	165.068	153.908	586.924	-
Trade and other payables	15.487.812	-	-	-
	18.685.261	**2.965.016**	**23.773.544**	**-**

	2023			
	Short-term			Long-term
	within 6 months	6 to 12 months	1 to 5 years	more than 5 years
Borrowing	2.402.329	2.261.999	21.314.622	-
Finance lease obligations	160.324	125.675	337.384	-
Trade and other payables	14.296.578	-	-	-
	16.859.321	**2.387.674**	**21.652.006**	**-**

The expected collection time for impaired customers is shown in the following table:

	2024	**2023**
Less than 6 months	7.196.053	4.221.595
Between 6 months and 1 year	10.763	49.216
	7.206.816	**4.270.811**

5.3.2. Capital Management

The Company monitors capital management based on the following indicator based on the figures as presented in the Statement of Financial Position:

	31.12.2024	**31.12.2023**

Total borrowings	27.159.411	24.033.163
Less: Cash and cash equivalents	(4.899.765)	(5.703.004)
Net borrowing	**22.259.646**	**18.330.159**
Total Equity attributable to shareholders	31.632.610	29.801.690
Plus: Net Borrowing	22.259.646	18.330.159
Total capital employed	**53.892.256**	**48.131.849**
Leverage factor	41%	38%

5.3.3. Determination of fair values

The Company uses the following hierarchy for the determination and disclosures of fair values of financial assets, based on the valuation method used:
Level 1: fair values are determined by reference to published active market transaction prices.
Level 2: fair values are determined using measurement techniques for which all parameters that have a significant effect on the recorded fair value are supported by observable market transaction prices (directly or indirectly).
Level 3: fair values are determined using measurement techniques for which the parameters that have a significant effect on the recorded fair value are not supported by observable market transaction prices.

The following table presents the classification by level of the Company's non-financial assets measured at fair value on a recurring basis as of December 31, 2024 and December 31, 2023:

Fair value measurement at the end of the reporting period 31.12.2024

	Level 1	Level 2	Level 3	Total
Tangible fixed assets				
- Rights to use fixed assets (leasing)	-	862.328	-	**862.328**
-Owned properties	-	-	13.017.772	**13.017.772**
Investment in real estate				**0**
- Real Estate in Greece	-	-	294.302	**294.302**
Total		**862.328**	**13.312.075**	**14.174.403**

Fair value measurement at the end of the reporting period 31.12.2023

	Level 1	Level 2	Level 3	Total
Tangible fixed assets				
- Rights to use fixed assets (leasing)	-	589.080	-	**589.080**
-Owned properties	-	-	12.565.039	**12.565.039**
Investment in real estate				**0**
- Real Estate in Greece	-	-	226.707	**226.707**
Derivative Financial Instruments				**0**
- Valuation of a financial instrument	-	300.112		**300.112**

Total	**889.192**	**12.791.746**	**13.680.938**

The fair value of Level 2 right-of-use assets is determined using technical methods such as discounting future leases at appropriate market rates.
The fair value of the Company's investment properties has been estimated by an independent Chartered Surveyor as at 31 December 2024. Property valuations performed using the comparative method are based on the collection of data from either actual recent transfers of identical properties in the specific area or by researching the real estate market with brokers and comparing the data to the appraised value. In the case of land of investment interest, the Comparative Data Method or the Real Estate Market Method is also used to determine the value of land. Under this method, the value is determined on the basis of conclusions drawn from research and the collection of comparative data. The revaluation date was December 31, 2024 and the fair values are based on valuations performed by the independent appraiser.

The fair value of level 3 owner-occupied properties is measured at the Company by independent appraisers. The date of the last revaluation was December 31, 2024. The valuations performed by an independent appraiser were based on market prices.

For assets and liabilities recognised in the financial statements, on a regular basis the Company determines whether transfers between levels of the hierarchy have occurred by reassessing and re-categorising (based on the lowest level elements that are significant to the fair value measurement as a whole) at the end of each reporting period. There were no movements between levels during the year.

The carrying amounts of the following financial assets and liabilities approximate their fair values due to their short-term maturity:

- Trade and other receivables
- Suppliers and other liabilities
- Borrowings / financial liabilities
- Cash and cash equivalents

5.4. Information by sector

The Company has one business sector of activity, that of production (in Greece) and distribution of products to domestic and foreign markets, which is divided into 4 strategic pillars.

The Company's sales for the current and previous financial year, by geographical origin of customers, are presented in the following table:

	01.01.2024 - 31.12.2024		**01.01.2023 - 31.12.2023**	
Domestic Sales	29.946.130	*45,12%*	28.109.298	*45,17%*
Foreign sales	36.253.378	*54,62%*	34.165.296	*54,83%*
Total sales	**66.199.508**	*100%*	**62.274.594**	*100%*

All of the Company's non-current assets are located in Greece.

The Company operates in 4 pillars: Branded Products, Hotel Products, Third Party Products (industrial sales, private label) and Industrial Sales of soap products. To evaluate each pillar and to make appropriate business decisions, the Company monitors the earnings before interest, taxes, depreciation and amortization (EBITDA) of each pillar separately. The 4 pillars are broken down as follows :

1.1.2024 -31.12.2024

	Branded Products	Hotel Products	Third Party Products	Industrial Soapstone Sales	Total 2024
Sales	19.799	11.276	23.822	11.303	66.200
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**1.941**	**2.462**	**3.525**	**2.659**	**10.587**
% EBITDA on sales	**9,8%**	**21,8%**	**14,8%**	**23,5%**	**16,0%**

1.1.2023 -31.12.2023

	Branded Products	Hotel Products	Third Party Products	Industrial Soapstone Sales	Total 2023
Sales	16.918	10.894	24.518	9.945	62.275

Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**1.449**	**2.241**	**3.587**	**1.939**	**9.217**
% EBITDA on sales	**8,6%**	**20,6%**	**14,6%**	**19,5%**	**14,8%**

For the Company as a whole, EBITDA improved by 15% to EUR 10.6 million, thanks to the growth in turnover and the improvement production costs as a result of the completion of the investment plan.

In the Branded Products pillar, EBITDA improved significantly by 34% despite increased investment in promotions and advertising, which led to strong double-digit sales growth in the category and ultimately to increased profitability.

EBITDA in the hotel products pillar improved by 10% due to the increased presence of Papoutsanis branded products in the Greek and European markets.

The profitability of third-party products is maintained at almost the same level as in 2023, while EBITDA in the Soapstock Industrial Sales pillar shows a significant improvement. In these two categories, any change in material prices is passed on to customers and the continuous improvement in production costs leads to an increase in profitability.

Changes between the two periods

	Branded Products	**Hotel Products**	**Third Party Products**	**Industrial Soapstone Sales**	**Sets of disputes**
Change in sales	2.881	382	(696)	1.358	3.925
Change in Earnings before interest, taxes, depreciation and amortization (EBITDA)	**492**	**221**	**(62)**	**720**	**1.370**
Change % EBITDA on sales	**1,24%**	**1,26%**	**0,17%**	**4,03%**	**1,19%**

6. Explanatory notes to the items in the Financial Statements

6.1. Tangible fixed assets

The Company's property, plant and equipment are analysed as follows:

	31.12.2024	**31.12.2023**
Tangible fixed assets	51.240.950	48.611.005
Leased Fixed assets	862.328	589.080

52.103.278	**49.200.085**

Analysis of Own Fixed Assets

	Grounds & Land	Buildings & Building Facilities	Machinery and Mechanical Installations	Other equipment	Fixed under in execution	TOTAL
Acquisition or valuation value						
On 1 January 2023	**2.012.169**	**11.119.353**	**49.992.955**	**2.686.554**	**769.034**	**66.580.064**
Additions	-	532.214	2.271.425	184.150	446.077	3.433.866
Transfers from under way	-	-	2.423	-	(2.423)	-
Withdrawal	-	-	(2.237)	-	-	(2.237)
Transfer from leased	-	-	533.000	-	-	533.000
At 31 December 2023	**2.012.169**	**11.651.567**	**52.797.566**	**2.870.704**	**1.212.688**	**70.544.694**
On 1 January 2024	**2.012.169**	**11.651.567**	**52.797.566**	**2.870.704**	**1.212.688**	**70.544.694**
Additions	-	323.787	2.073.470	250.058	2.696.315	5.343.631
Transfers from under way	-	858.084	1.491.165	-	(2.349.249)	-
Withdrawal	-	-	-	-	-	-
Value adjustment	11.780	(461.523)		-	-	(449.744)
At 31 December 2024	**2.023.949**	**12.371.915**	**56.362.202**	**3.120.761**	**1.559.754**	**75.438.581**

	Grounds & Land	Buildings & Building Facilities	Machinery and Mechanical Installations	Other equipment	Fixed under in execution	TOTAL
Accumulated depreciation						
On 1 January 2023	**-**	**838.769**	**16.973.094**	**1.856.525**	**-**	**19.668.389**
Depreciation and amortisation for the year	-	259.928	1.718.599	137.752	-	2.116.279
Withdrawal of fixed assets	-	-	(2.237)	-	-	(2.237)
Depreciation carried forward from leased assets	-	-	6.987	144.270	-	151.257
At 31 December 2023	**-**	**1.098.697**	**18.696.444**	**2.138.547**	**-**	**21.933.689**
On 1 January 2024	**-**	**1.098.697**	**18.696.443**	**2.138.547**	**-**	**21.933.689**
Depreciation and amortisation for the year	-	279.395	1.821.561	162.987	-	2.263.943
At 31 December 2024	**-**	**1.378.092**	**20.518.004**	**2.301.534**	**-**	**24.197.631**
Depreciable Value						
At 31 December 2023	2.012.169	10.552.870	34.101.124	732.157	1.212.688	48.611.005
At 31 December 2024	**2.023.949**	**10.993.824**	**35.844.198**	**819.227**	**1.559.754**	**51.240.950**

There are no collateral securities on the properties.

Management has reassessed the fair value of its owner-occupied properties as at 31 December 2024. The analysis of the historical cost of owner-occupied land and buildings and the changes in fair value, in accordance with the valuation performed, is disclosed in notes 6.1, 6.2 and 6.3.

Analysis of leased assets (held under finance/operating leases and rights to use assets):

	BUILDINGS	MEANS OF TRANSPORT	MACHINERY & EQUIPMENT	OTHER EQUIPMENT	TOTAL
On 1 January 2024	**198.088**	**1.041.719**	**189.878**		**1.429.686**
Additions	218.342	353.130	23.938		**595.410**
Reductions		(14.105)	(5.923)		**(20.028)**
At 31 December 2024	**416.430**	**1.380.744**	**207.894**		**2.005.069**
On 1 January 2024	**141.763**	**582.483**	**116.360**	**-**	**840.606**
Depreciation and amortisation for the year	68.455	206.646	27.034		**302.135**
Amortisation of reductions					**-**
At 31 December 2024	**210.218**	**789.129**	**143.394**	**-**	**1.142.741**
<u>Depreciable Value</u>					
At 31 December 2023	**56.325**	**459.236**	**73.518**	**-**	**589.080**
At 31 December 2024	**206.212**	**591.615**	**64.500**	**-**	**862.328**

A breakdown of lease obligations for future years and the recognised rights of use of assets by asset category is provided:

Right to Use Assets	**31.12.2023**	**Useful additions**	**Reductions in usefulness**	**Depreciation and amortisation for the year**	**31.12.2024**
Buildings	56.325	218.342	-	(68.455)	206.212
Printing Machinery	73.518	23.938	(5.923)	(27.034)	64.500
Pallet trucks	254.829	43.420	(14.105)	(31.996)	252.148
Cars	204.407	309.710	-	(174.650)	339.467
Right to Use Assets	**589.080**	**595.410**	**(20.028)**	**(302.135)**	**862.328**

Operating lease obligations	31.12.2023	Useful additions	Reductions in usefulness	Payments for use	Interest for use	31.12.2024
Buildings	59.064	218.342	-	(72.490)	2.602	207.518
Printing Machinery	78.286	23.938	(5.923)	(30.935)	3.244	74.533
Pallet trucks	256.519	43.420	(14.105)	(77.851)	7.558	229.646
Cars	193.281	309.710	-	(176.968)	10.670	336.693
Lease obligation	**587.150**	**595.410**	**(20.028)**	**(358.244)**	**24.074**	**848.390**

Analysis of lease obligations	up to 1 year	1 to 5 years	Total
Lease obligations	318.975	586.925	**905.900**
Financial output	(28.107)	(29.402)	**(57.509)**
Net present value of the Liability	**290.868**	**557.523**	**848.390**

6.2. Investment in real estate

The investments in real estate relate to agricultural land with a one-storey house owned by the Company (in Evia), with a fair value of 294,302 euros. In the 2024 financial year there was an increase in fair value of €67,595.41 which was recognised in profit or loss (other income).

The change in fair value you have as follows:

Balance 01.01.2023	**226.707**
Balance 31.12.2023	**226.707**
Balance 01.01.2024	**226.707**
Fair value measurement differences	67.595
Balance 31.12.2023	**294.302**

6.3. Intangible assets

Intangible assets relate to purchased computer software and new product development costs, purchased trademarks and goodwill paid in a business acquisition. They are analysed as follows:

	Computer software	Development costs	Trademarks	Goodwill	Total
Acquisition or valuation value					
On 1 January 2023	**2.433.921**	**251.697**	**1.110.000**	**1.274.398**	**5.070.016**
Additions	105.505	-	-	-	**105.505**
At 31 December 2023	**2.539.426**	**251.697**	**1.110.000**	**1.274.398**	**5.175.521**

On 1 January 2024	**2.539.426**	**251.697**	**1.110.000**	**1.274.398**	**5.175.521**
Additions	107.	-	-	-	**107.**
At 31 December 2024	**2.646.903**	**251.697**	**1.110.000**	**1.274.398**	**5.282.998**
Accumulated depreciation					
On 1 January 2023	**2.071.536**	**238.454**	**-**	**-**	**2.309.991**
Depreciation and amortisation for the year	74.198	3.190	-	-	**77.388**
At 31 December 2023	**2.145.734**	**241.644**	**-**	**-**	**2.387.379**
On 1 January 2024	**2.145.734**	**241.644**	**-**	**-**	**2.387.379**
Depreciation and amortisation for the year	66.978	1.479	-	-	68.457
At 31 December 2024	**2.212.712**	**243.123**	**-**	**-**	**2.455.836**
Depreciable Value					
At 31 December 2023	393.692	10.053	1.110.000	1.274.398	2.788.142
At 31 December 2024	**434.191**	**8.574**	**1.110.000**	**1.274.398**	**2.827.162**

Analysis of goodwill fund

During the financial year ended 31.12.2022, the Company acquired the business of "G.MALIKOUTIS TRADE - INDUSTRY - INDUSTRY-SAPONOS S.A." which it absorbed on 30.12.2022.

The goodwill arising as the difference between the acquisition price and the fair value of the identifiable net assets of the acquired subsidiary amounts to EUR 1,274,398.

With the above business combination, the use of the trade name (trademark) "ARKADI" was acquired, which has strong recognition in the market and provides significant financial benefit to the Company. The fair value of the trade name amounted to EUR 1,110,000.

It should be noted that the above intangible assets have been recognised with an indefinite useful life and therefore, the Company performs an annual impairment test of their carrying value by comparing it with their recoverable amount.

Control

Subsequent to initial recognition, the Company measures goodwill and trademark at cost less any accumulated impairment losses. Goodwill and trademark are subject to impairment testing on an annual basis or more frequently if events or changes in circumstances indicate that impairment may exist.

The carrying amount of goodwill and trademark is compared with its recoverable amount, which is the higher of value in use and fair value less costs to sell.

The recoverable amount was taken to be the value in use. This calculation uses cash flow projections derived from a financial budget approved by management covering a detailed five-year period. The key assumptions are the growth rate in perpetuity, the discount rate and the estimated gross margin.

The values assigned to the key assumptions reflect past experience and are consistent with external sources of information. The growth rate in perpetuity and gross profit are calculated according to the figures achieved in the immediately preceding year or in the current year adjusted by the expected improvement in performance. The impairment test carried out has shown that there is no need to impair either the goodwill or the value of the acquired brand name.

The average gross margin and the growth rate of the unit was calculated with a reference date of 31.12.2024 as follows:

- Average gross profit margin 49%
- Average sales growth rate 6%
- Long-term growth rate 1.5%

In order to determine the discount rate of the units the methodology of the Weighted Average Cost of Capital (WACC) was used and the resulting interest rate was 9.60%.

Management has determined that a reasonably possible change in two key assumptions could result in such a change in the estimated recoverable amount of the two units that it would be less than the carrying amount. These changes are as follows:

- Discount rate (WACC) : + 5,05%
- Long-term growth: - 7.5%

6.4. Financial assets at fair value through profit or loss

In July 2022, Papoutsanis acquired shares of Naxos Apothecary LTD, based in Nicosia, Cyprus, representing 1% of its share capital.

6.5. Long-term receivables

They relate to given financial guarantees and other long-term receivables and their movement during fiscal years 2024 and 2023 was as follows:

	Guarantees	Total
Balance 01.01.2023	**28.630**	**28.630**
In-use repayments of guarantees	(33.390)	(33.390)
Granting of guarantees in use	59.281	59.281
Balance 31.12.2023	**54.521**	**54.521**
Balance 01.01.2024	**54.521**	**54.521**
In-use repayments of guarantees	-	-
Granting of guarantees in use	4.	4.383
Balance 31.12.2024	**58.**	**58.904**

6.6. Stocks

	31.12.2024	31.12.2023
Raw and auxiliary materials	4.502.857	3.898.330
Merchandise	470.719	662.721
Ready products	6.189.123	4.955.952
Devaluation projections	(33.000)	(33.000)
	11.129.698	**9.484.003**

6.7. Trade and other receivables

The Company's trade and other receivables are analysed as follows:

Analysis:

	31.12.2024	31.12.2023
Customers	7.411.321	4.447.063
Cheques receivable	55.329	41.720
Minus: Provisions for doubtful accounts	(259.835)	(217.973)
Total trade receivables	**7.206.815**	**4.270.811**
Other deductions (Greek State)	17.660	21.105
Use VAT claim	790.000	1.382.324
Advances	1.360.722	256.468
Debtors	132.250	995.050
Other receivables	421.550	548.224
Less: Provisions for other doubtful receivables	(4.679)	(4.679)
Total other receivables	**2.717.503**	**3.198.491**
Total customer and other receivables	**9.924.319**	**7.469.302**

Analysis and measurement of trade receivables

	Balances of claims - Time overdue of balances				
	Current receivables			bad debts (balances from previous operations)	Total
31.12.2023	**Without delay**	**1-180 days**	**more than 180 days**		
Trade receivables	4.243.123	23.278	222.382	0	4.488.784
Loss rate	0,5%	2,2%	88,1%	-	
Estimated credit losses	(21.529)	(523)	(195.921)	-	(217.973)
Balance (net) of receivables from customers 31.12.2023	4.221.595	22.755	26.461	0	4.270.811

	Balances of claims - Time overdue of balances				
	Current receivables			bad debts (balances from previous operations)	Total
31.12.2024	**Without delay**	**1-180 days**	**more than 180 days**		
Trade receivables	7.233.158	1.009	232.484	0	7.466.650
Loss rate	0,5%	2,3%	95,8%	-	
Estimated credit losses	(37.105)	(23)	(222.707)	-	(259.835)
Balance (net) of receivables from customers 31.12.2024	7.196.053	986	9.777	0	7.206.816

The movement in the provision for the Company's impaired trade receivables during the years ended 31.12.2024 and 31.12.2023 is as follows:

Balance 01.01.2023	**(228.986)**
Reversal of provision for loss for the period	11.013
Balance 31.12.2023	**(217.973)**
Provision for credit loss for the period	(41.862)
Balance 31.12.2024	**(259.835)**

6.8. Cash and cash equivalents

Cash and cash equivalents represent cash and bank deposits.

	31.12.2024	31.12.2023

Checkout	22.931	10.663
Sight deposits in Euro	4.346.887	5.198.683
Sight deposits in foreign currency	529.948	493.658
	4.899.765	**5.703.004**

6.9. Share capital

Analysis of share capital and share premium :

	Equity capital	Treasury Shares	In favour of the even	Total Number of Shares
Balance 01.01.2023	**14.633.241**	**(270.057)**	**1.975.977**	**27.098.594**
Treasury shares		(141.334)	-	
Balance 31.12.2023	**14.633.241**	**(411.391)**	**1.975.977**	**27.098.594**
Balance 01.01.2024	**14.633.241**	**(411.391)**	**1.975.977**	**27.098.594**
Treasury shares		(170.625)		
Balance 31.12.2024	**14.633.241**	**(582.016)**	**1.975.977**	**27.098.594**

The Company's shares are listed for trading in the General Category (Main Market) of the Athens Exchange.

Dividend Policy
The Management intends to propose to the Annual General Meeting of Shareholders the distribution of a dividend of a gross amount of €0,03 per share. The proposed distribution is subject to the approval of the Annual General Meeting of Shareholders. In addition, it is noted that at the meeting of the Board of Directors of the Company on November 7, 2024, the distribution of a gross interim dividend of €0.03 per share was approved and paid to the shareholders on November 15, 2024.

6.10. Fair value reserves

At 31.12.2024 the company revalued its properties. The fair value reserves are derived from the valuation of the properties by independent professional appraisers and are broken down as follows:

Fair value reserves	**2024**	**2023**
Balances at the beginning of the financial year	1.551.930	1.551.930
Effect of reassessment	(449.744)	-
Deferred revaluation tax	98.944	-
Balances at the end of the financial year	**1.201.130**	**1.551.930**

6.11. Other reserves

Other reserves are broken down as follows:

	Regular reserve	Other repositories	Total
Balance at 1 January 2023	**636.280**	**14.589**	**650.869**
Establishment of a regular reserve	204.066	-	204.066
Taxed reserve of law 4399/2016	-	902.520	902.520
Special stock option reserve	-	8.168	8.168
Balance at 31 December 2023	**840.346**	**925.277**	**1.765.622**
Balance at 1 January 2024	**840.346**	**925.277**	**1.765.622**
Establishment of a regular reserve	263.676		263.676
Special stock option reserve		(22.758)	(22.758)
Reserves for tax exemptions under Law 4399/2016		342.854	342.854
Balance at 31 December 2024	**1.104.022**	**1.245.373**	**2.349.395**

(a) Regular reserve

The ordinary reserve is formed compulsorily, in accordance with the provisions of Law 4548/2018, to cover any losses of the company. The amount consists of 5% of the profit for the financial year, after deduction of income tax, up to 1/3 of the share capital.

(b) Other reserves

1. Other reserves include reserves formed under development laws from net profits for financing investments (Taxed reserve under Law 4399/2016)

2. Other reserves also include tax-free reserves for development laws.

3. The special stock option reserve relates to a stock option plan which ended on 30.06.2024 without any rights being exercised.

The above share option program was approved by the Board of Directors of the Company on 18.02.2022. The vesting period of the rights granted to the Company's executives concerned two periods of time, namely the exercise of 50% of the granted rights in June 2023 and the remaining 50% of the rights in June 2024.
The fair value of the options was determined based on the number of assigned options using the Black Schools model.

6.12. Loans

The fair value of the loans does not differ significantly from the carrying amount, as the loans are variable rate loans. The Company's loans broken down as follows:

	31.12.2024	31.12.2023
Long term		
Bank loans	21.332.898	19.864.826
Liabilities arising from finance leases	557.522	316.180
Total	**21.890.420**	**20.181.006**
Short term		
Bank loans	282.522	153.210
Short-term portion of long-term bank loans	4.695.600	3.427.978
Liabilities arising from finance leases	290.868	270.969
Total	**5.268.991**	**3.852.157**
Total loans	**27.159.411**	**24.033.163**

The average cost of bank borrowings (interest and expenses on bank loans and leases / average monthly bank borrowings) was 5.15% in FY2024 and 4.5% in FY2023. The increase in average borrowing costs was due to the increase in Euribor.

It is noted that no mortgages/guarantees have been registered in respect of the loans taken out, while there are no collateral securities on the Company's properties.

Finance leases are broken down as follows:

Operating lease obligations	31.12.2023	Useful additions	Reductions in usefulness	Payments for use	Interest for use	31.12.2024
Buildings	59.064	218.342	-	(72.490)	2.602	207.518
Printing Machinery	78.286	23.938	(5.923)	(30.935)	3.244	74.533
Pallet trucks	256.519	43.420	(14.105)	(77.851)	7.558	229.646
Cars	193.281	309.710	-	(176.968)	10.670	336.693
Lease obligation	**587.150**	**595.410**	**(20.028)**	**(358.244)**	**24.074**	**848.390**

Analysis of lease obligations	**up to 1 year**	**1 to 5 years**	**Total**
Lease obligations	318.975	586.925	**905.900**

Financial output	(28.107)	(29.402)	**(57.509)**
Net present value of the Liability	**290.868**	**557.523**	**848.390**

6.13. Deferred tax

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities arise from the same taxation authority.

The offsetting of deferred assets and liabilities gives rise to deferred tax liabilities payable after recovery of the accumulated tax losses. Under current tax legislation, tax losses for each year are offset against taxable profits for the following five years in order to calculate the amount of income tax payable on the difference, after the offset.

The total change in deferred income tax (liabilities) is as follows:

	31.12.2024	**31.12.2023**
Opening balance	**(4.533.493)**	**(4.269.918)**
Debit/(credit) to profit and loss account	(170.143)	(266.468)
Debit/(credit) directly to other comprehensive income	104.793	2.893
Balance at the end of the financial year	**(4.598.843)**	**(4.533.493)**

The balances and changes in deferred tax assets and liabilities during the financial year, excluding the offsetting of balances, are as follows:

Deferred tax	**2024**	**2023**
Balance of tax receivables	363.231	267.819
Balance of tax liabilities	(4.962.074)	(4.801.311)
Net balance	**(4.598.843)**	**(4.533.493)**

Deferred tax assets:

	Valuation of stocks	Government grants	Provision for workers' compensation	Investment in real estate	Bad debts IFRS 9	Operating leases	Total
Balance at 1 January 2023	**7.819**	**186.821**	**71.484**	**7.764**	**50.377**	**2.999**	**327.264**
Debit/(credit) to the profit and loss account	29.213	(80.518)	(5.187)	-	(2.423)	(3.424)	(62.339)
Debit/(credit) to other comprehensive income	-	-	2.893	-	-	-	2.893
Balance at 31 December 2023	**37.032**	**106.303**	**69.190**	**7.764**	**47.954**	**(425)**	**267.819**
Balance at 1 January 2024	**37.032**	**106.303**	**69.190**	**7.764**	**47.954**	**(425)**	**267.819**
Debit/(credit) to the profit and loss account	8.627	77.444	11.795	(14.871)	9.210	(2.641)	89.563
Debit/(credit) to other comprehensive income	-	-	5.849	-	-	-	5.849
Balance at 31 December 2024	**45.659**	**183.747**	**86.834**	**(7.107)**	**57.164**	**(3.066)**	**363.231**

Deferred tax liabilities:

	Own-use properties	Tangible fixed assets	Trademarks	Total
Balance at 1 January 2023	**1.278.348**	**3.074.635**	244.200	**4.597.182**
Debit/(credit) to the profit and loss account	(24.310)	228.439	-	**204.129**
Debit/(credit) to other comprehensive income	-	-	-	**-**
Balance at 31 December 2023	**1.254.038**	**3.303.074**	**244.200**	**4.801.311**
Balance at 1 January 2024	**1.254.038**	**3.303.074**	**244.200**	**4.801.311**
Debit/(credit) to the profit and loss account	(15.639)	275.345	-	259.706
Debit/(credit) to other comprehensive income	(98.944)	-	-	(98.944)
Balance at 31 December 2024	**1.139.455**	**3.578.419**	**244.200**	**4.962.074**

6.14. Provisions for employee benefits

The plan in force is the contractual obligation to provide benefits in the form of a lump sum in the event of retirement, depending on the length of service, based on the current legislation (Law 2112/20, as amended and in force until Law 4635/2019). The Company's obligation to the persons it employs, for the future payment of benefits, is calculated and reflected on the basis of the accrued right expected to be paid by each employee, at the balance sheet date, discounted to its present value, in relation to the expected time of payment. The above liability has been calculated by certified actuaries at the end of the financial year as follows:

	31.12.2024	31.12.2023
Amounts to be recognised in the balance sheet		
Present value of liabilities	394.702	314.501
Net liability to be entered in the balance sheet at the end of the financial year	**394.702**	**314.501**

Amounts to be recognised in the income statement		
Cost of current service	46.003	43.052
Interest expenditure	13.238	11.086
Cost of previous experience	296	1.159
Cost of settlements/losses/special cases	99.062	187.549
Expenditure to be entered in the profit and loss account at the end of the financial year	**158.600**	**242.847**

Other comprehensive income (OCI)		
Actuarial (gain) loss on liability due to financial assumptions	4.934	14.710
Actuarial (gain) loss on experience liability	21.653	(1.559)
Amount (gain) loss recorded in OCI at the end of the financial year	26.587	13.151
Cumulative OCI amount	**202.527**	**175.941**

Changes in the present value of the obligation		
Present value of liabilities at the beginning of the financial year	314.501	324.926
Cost of current service	46.003	43.052
Interest expenditure	13.238	11.086
Cost of previous experience	296	1.159
Cost of settlements/losses/special cases	99.062	187.549
Benefits paid in the current year	(104.986)	(266.423)
Actuarial (gain) loss on liability	26.587	13.151
Present value of liabilities at the end of the financial year	**394.702**	**314.501**

Changes in balance sheet liability		
Net liability to be entered in the balance sheet at the beginning of the financial year	314.501	324.926
Expenditure to be entered in the profit and loss account	158.600	242.847
Benefits paid in the current year by an employer	(104.986)	(266.423)
Amount recorded in OCI	26.587	13.151
Net liability to be entered in the balance sheet at the end of the financial year	**394.702**	**314.501**

6.15. Forecasts

The forecasts are broken down as follows:

	31.12.2024	31.12.2023
Short-term provisions	16.408	35.200
	16.408	**35.200**

6.16. Asset grants

These grants are recognised as income along with the depreciation of the assets - mainly machinery - that were subsidised.

Government grants recognised in liabilities as deferred income relate to:

(a) Investments made during the period from 1999 to 2006 and subsidised under Law 2601/1998.

(b) Grant for an investment programme under Law 3299/2004, concerning investments made during the period from 2008 to 2012.

By the decision of the Deputy Minister of Development & Tourism of the Ministry of Development & Tourism of the Republic of Cyprus, No 77887/24.12.2014 Competitiveness, the final disbursement of the grant amount of the investment programme of Law 3299/2004, concerning investments made during the period from 2008 to 2012, was approved. The final disbursement took place on 3h September 2015.

(c) By the decision of the Development Management Authority of Central Greece and Thessaly with protocol number 962/31.03.2016, the final disbursement of the grant of the investment programme "EXTRACTION - COMPETITIVENESS OF BUSINESSES II" was approved, concerning investments made during the period from 2013 to 2014. The grant amounted to 48,970 € and was received in the financial year 2016.

(d) With the decision of the Development Management Authority of Central Greece and Thessaly with protocol number 3355/22.11.2016, the final disbursement of the grant of the investment programme "ENICHYSI M.M.E. OPERATING IN THE MANUFACTURING-TOURISM-COMMERCE & MANUFACTURING-TOURISM-COMMERCIAL SECTORS SERVICES' concerning investments carried out in the period from 2013 to 2015. The grant amounted to €37,438.80 and was received in the 2017 financial year.

(e) During the first half of 2020, the company was approved to be included in the subsidized investment program "Digital Jump" amounting to€ 100.000. Within 2020, the Company received an advance of €40,000 and within the first half of 2021, the Company received an additional advance of €39,735.85. The project was completed within 2024 with a final grant amount of€ 94,040.74, of which €76,463.74 relates to subsidies for investment goods and €17,577 relates to subsidies for expenses and the collection of the balance of €14,304.89 in fiscal year 2024.

(f) During the first half of 2021, the Company's inclusion in the subsidized investment program "Quality Modernization" of €99,750 was approved. The program was completed in 2024 with a final grant amount of €99,709.85 of which €85,750 relates to a subsidy for capital goods and €13,959.85 relates to a subsidy for costs. In 2021 the Company received an advance payment of €79,800, while in 2024 the remaining grant amount of €19,909.85 was received.

(g) During 2021, the Company's inclusion in the subsidised investment programme "Support for Medium Enterprises in Central Greece" was approved, which concerns investments made during the period 2020 to 2021. The grant amounted to 782.451,31. During the second half of 2021 the Company received an advance payment of € 314,930.52 and during the first half of 2023 the balance of € 467,520.79 was received.

The movement within fiscal years 2024 and 2023 of the grants account to be recognized as revenue in future years was as follows:

Balance at 1 January 2023	**1.929.498**
Adjustment of the grant	(17.745)
Revenue recognised in the year	(151.119)
Balance 31.12.2023	**1.760.635**
Long-term balance of grants	1.608.799
Short-term balance of grants	151.836
Balance	**1.760.635**
Balance at 1 January 2024	**1.760.635**
Adjustment of the grant	(40)
Revenue recognised in the year	(151.745)
Balance 31.12.2024	**1.608.850**
Long-term balance of grants	1.457.105
Short-term balance of grants	151.745
Balance	**1.608.850**

6.17. Suppliers and other liabilities

Trade and other payables are analysed as follows:

	31.12.2024	**31.12.2023**
Suppliers (open balances)	12.289.216	11.211.452
Total Suppliers	**12.289.216**	**11.211.452**
Various creditors	648.732	952.423
Short-term balance of grants	151.745	151.836
Tax-tax liabilities	434.930	494.384
Insurance funds	308.477	274.408
Customer credit balances	399.147	619.135
Accrued sales promotion costs	479.080	97.743
Other accrued expenses for the year	776.485	495.197
Total Other liabilities	**3.198.596**	**3.085.126**
Total suppliers and other liabilities	**15.487.812**	**14.296.578**

The items in the transitional liability account relate to accrued charges for the financial year for which the relevant documents were issued in the following financial year.

6.18. Sales

The turnover (sales) is analysed as follows:

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Sales of goods	4.142.027	2.932.852
Product sales	61.852.129	59.173.724
Sales of other stocks	205.352	167.805
Service provision	-	214
Total	**66.199.508**	**62.274.595**

6.19. Cost of sales

The cost of sales is broken down as follows:

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Cost of goods	2.137.080	1.821.938
Cost of products	39.372.035	39.213.603
Total	**41.509.115**	**41.035.540**

6.20. Other Operating Income

Other revenues for the fiscal year 2024 and 2023 are detailed below:

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Costs to be recovered	920.975	519.488
Exchange rate differences - income	53.513	39.544
Gains on sale of assets	-	1.315
Revenue from the amortisation of subsidies	149.895	151.119
Income from revaluation of investment property	67.595	-
Revenue from reversal of forecasting of pension provisions IFRS 9	-	11.013
Other	87.285	80.874
	1.279.263	**803.353**

The increase in costs collected is mainly due to an increase in costs passed on to customers. The corresponding costs are included in .selling expenses

6.21. Other Operating Expenses

Other Operating expenses for the years 2024 and 2023 are detailed below:

	01.01.2024-31.12.2024	01.01.2023-30.06.2023
Exchange rate differences Expenses	-	96.784
Expenses of previous years	112.859	39.459
Provision for doubtful debts IFRS 9	41.862	-
Losses from destruction of stocks	378.455	209.215
Other expenses	10.077	248.382
	543.252	**593.840**

6.22. Expenses per item

The expenses for the years 2024 and 2023, which are allocated in the statement of comprehensive income to cost of sales, selling expenses, selling expenses, administrative expenses and research and development expenses, are broken down by type as follows:

	2024	2023
Purchases and changes in stocks	31.764.901	32.044.266
Staff remuneration & expenses	8.328.056	7.674.851
Third party fees & expenses	2.959.175	2.230.201
Third party benefits	3.224.234	3.155.527
Taxes - fees	506.372	515.913
Miscellaneous expenses	9.270.115	7.263.876
Depreciation	2.634.535	2.522.544
Operating forecasts	145.361	231.761
	58.832.748	**55.638.939**

In addition, for the year ended December 31, 2024, the Company's expenses discussed above include fees to the Company's Certified Public Accountants, in addition to the regular and tax audit, of approximately €2 thousand for other assurance services.

The increase in Miscellaneous expenses is mainly due to increased investment in promotions and advertising, which led to strong double-digit sales growth in the category.branded

6.23. Financial costs - net

The net financial costs for the years 2024 and 2023 include

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Interest - expenses on bank loans	1.340.965	1.225.011

Assignment of receivables *	443.973	505.804
Assignment of liabilities **	188.426	13.194
Interest on financial leasing	24.074	19.416
Interest cost of actuarial study	13.238	11.086
Other bank charges	39.714	35.306
	2.050.391	**1.809.817**

(*) Refers to costs for assignment of customer receivables (without risk transfer) to factoring companies.
(**) Refers to the costs of assigning liabilities (without risk transfer) to reverse factoring companies.

The average cost of bank borrowings (interest and bank loan costs / average monthly bank loan amount) was 5.15% in FY2024 and 4.5% in FY2023. The increase in the average cost of borrowing is due to the increase in Euribor.

6.24. Income tax

The Company's tax returns have either been examined by the tax authorities or have been audited, in accordance with article 82 par. 5 of Law 2238/1994 as amended and in force with article 65a of Law 4174/2013 and the Company has received tax compliance reports from an Independent Certified Public Accountant with an "unqualified" conclusion.

It is also noted that for the financial year 2024 the tax audit of the Company by independent certified public accountants is in progress.
It is also noted that in 2023 the Company received a partial tax audit order for the tax period 1/1/2019 - 31/12/2019 from the competent tax authorities, which is currently in progress.

Within 2024, a request for completion was submitted within the framework of the investment project "Mechanical equipment aids of Law 4399/2016 (3rd cycle)". The aid will take the form of tax exemptions totalling € 1,567,405.32. The aid to which the Company is entitled under these investment projects will not exceed, per year, 1/3 of the total approved amount of the tax exemption. For the said investment project and pending the relevant completion decision, the Company has formed a exemption provision for the fiscal year 2024 in the amount of€ 286,463.93 under Circular E 2008/11-02-2025.

Management believes that there is no need to make a provision in its Financial Statements to cover any differences arising from tax audits.

	31.12.2024	31.12.2023
Profit before tax	6.052.380	5.035.351
Tax rate	**22%**	**22%**
Income tax (based on the applicable tax rate)	1.331.524	1.107.777
Deferred tax effect	181.431	82.137
Proportional tax on expenses not recognised as a deduction	(111.495)	64.148
Provision for the benefit of tax exemptions under Law 4399/2016	(629.318)	(342.854)
Other taxes	6.716	42.824

Tax reported in the Income Statement	**778.858**	**954.032**

6.25. Earnings per share

Earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the period.

The weighted average number of ordinary shares outstanding during the accounting period ended 31.12.2024 and the comparative period are shown in the following table:

	01.01-31.12.2024	**01.01-31.12.2023**
Earnings	5.273.523	4.081.318
Weighted average number of shares	26.885.591	26.968.762
Basic earnings per share	0,1962	0,1513

6.26. Dividends/shares

During the financial year 2024 and 2023, in accordance with the resolutions of the Annual General Meeting of 18.04.2024 and 18.05.2023 and the decision of the Board of Directors of 07.11.2024, the Company paid dividends and interim dividends as follows:

	01.01.2024-31.12.2024	**01.01.2023-31.12.2023**
Dividend to shareholders	1.076.007	539.624
Profit distribution to staff	205.413	
Dividends paid in the financial year	**1.281.420**	**539.624**
Dividends paid in the financial year	806.070	812.949
Total	**2.087.490**	**1.352.573**

Dividends are recognised in the financial statements in the period in which they are approved by the General Meeting of Shareholders.
The pre-dividend paid in 2023 based on the resolutions of the Board of Directors dated 14.09.2023 and 08.11.2023 was recorded in the statement of changes in equity upon approval by the General Meeting of Shareholders on 18.04.2024.

The interim dividend paid in fiscal year 2024, in accordance with the applicable guidelines (see 5.2.6.14. Distribution of interim dividends), was recorded in the statement of equity in fiscal year 2024, as it is considered that the approval of the interim dividend by the General Meeting of Shareholders is virtually certain.

The cash outflows of the interim dividends that took place during the financial year 2024 amounted to €806,070 (2023: €812,949) and are presented under the heading "Dividends/Interim Dividends paid" in the Cash Flow Statement as flows of financial activity. In the published financial statements of the previous financial year 2023, the corresponding outflow of interim dividends of € 812,949 was included in the item "Reduction / (increase) of claims" of the operating activity.

As a consequence of the above, in order to make the balances of the above items of the Cash Flow Statement of the previous financial year 2023 similar and comparable with those of the financial year 2024, the following reclassification of the amount of the outflow of interim dividends paid in the financial year 2023 was made:

Cash flow allocation	Reclassified 31.12.2023	Initial publication 31.12.2023	Delta
Decrease / (increase) in receivables	2.563.940	1.750.991	812.949
Dividends paid	(1.352.573)	(539.624)	(812.949)

6.27. Remuneration and expenses to employees

The number of employees and their costs that burdened the results in fiscal years 2024 and 2023 were:

	01.01.2024-31.12.2024	**01.01.2023-31.12.2023**
Average number of people	202	202
Persons at the end of the period	206	196
Regular Remuneration	7.872.372	7.278.074
Fringe benefits & staff costs	455.684	396.778
Total cost	**8.328.056**	**7.674.852**

6.28. Depreciation

The depreciation of property, plant and equipment and intangible assets in 2024 and 2023, which are analysed in notes 6.1 and 6.3, as well as the depreciation of grants analysed in note 6.16, are summarised as follows:

	01.01.2024- 31.12.2024	**01.01.2023- 31.12.2023**
Depreciation of fixed assets	2.484.640	2.371.425
Amortisation of grants	149.895	151.119
Total	**2.634.535**	**2.522.544**

6.29. Contingent liabilities , assets and commitments

A) Pending court cases:

- The Company has brought an appeal against the decision of the Head of the Greek National Organisation for Animal Health (EOF) No. 56960/2009, by which the amount of EUR 204,928.97 was imposed on the Company as outstanding contributions and differences in contributions of 1% (on sales of cosmetic products pursuant to article 11 par. 1(g) of Law 1316/1983), EUR 408,833.99 as default interest (pursuant to Article 11(5) of Law 1316/1983) and EUR 81,971.57 as fines (pursuant to Article 11(3a) of Law 1316/1983), i.e. a total amount of EUR 695,734.53 by way of an action before the Athens Administrative Court of First Instance dated 27.10.2009 and bearing the general number 41240/2009. The appeal with case no. 41240/2009 before the Athens Administrative Court of First Instance was heard on 29.09.2016 (with adjournment from 09.06.2016), and the decision of the 19th Chamber, no. 5492/2017, was issued, by which the case is referred to the Athens Administrative Court of Appeal. On the appeal the decision no. A439/31-1-2020 decision, which postponed the case again for the hearing of 4 June 2020 and finally the decision No. 504/2021, which partially accepted the Company's appeal, annulled the 56960/30.07.2009 decision of the Chairman of the Board of Directors (BoD) of the National Organization of Medicines (N.O.F.) in so far as it imposed contributions, late payment penalties and default interest for the years 1988, 1989, 1990, 1991 and 1998, reformed the same decision in so far as it relates to the years 1993, 1994, 1995, 1996 and 1997 and limited the differences in contributions due, in total to € 122.616,62, plus a penalty for late payment, amounting to 40% of the amount of the contributions due and default interest on the arrears, in so far as the relevant claims of the E.O.F. for interest were not subject to the five-year limitation period laid down in Article 250 of the Code of Civil Procedure.
  The Company filed an appeal against this decision before the Council of State, which received the filing number E2013/17.09.2021, and the hearing of the appeal was initially set for 24/01/2024, was postponed to 22/05/2024 and was postponed again to 11/12/2024. The hearing of the case was set for 07/05/2025.
- A lawsuit has been filed by a Cypriot company in the context of termination of cooperation.
- There are disputes of the Company against third parties. Any benefit arising will be recognised in the results of the Company when realised.

The Company's Management, based on the assessment of the lawyers handling the above cases, has made provisions, which it considers adequate.

There are no other disputes in dispute or under arbitration.

B) Tax-exempt uses

For fiscal years 2019 to 2023, the Company has received a Tax Compliance Report, in accordance with para. 5 of article 82 of Law 2238/1994 and article 65A paragraph 1 of Law 4174/2013, without any material differences. According to the circular POL. 1006/2016, companies that have been subject to the aforementioned special tax audit are not exempted from the regular audit by the competent tax authorities.

For the fiscal year 2024, the tax audit of the Certified Public Accountants for the issuance of a Tax Compliance Report is in progress and the relevant tax certificate is expected to be issued after the publication of the 2024 Financial Statements. Upon completion of the tax audit, management does not expect to incur any significant tax liabilities beyond those recorded and reflected in the financial statements.

Finally, it is noted that in 2023 the Company received a partial tax audit order for the tax period 1/1/2019 - 31/12/2019 from the competent tax authorities, which is ongoing

6.30. Transactions with related parties

α) Inter-company transactions

They do not exist.

b) Intercompany balances

They do not exist.

c) Transactions with key management personnel and members of the Management

	01.01.2024-31.12.2024	**01.01.2023-31.12.2023**
Remuneration of executive members of the Board of Directors and managers (based on a special employment relationship)	756.758	678.626
Remuneration of non-executive members of the Board of Directors	65.868	58.701
	822.626	**737.327**

d) Claims and obligations with directors and management

	31.12.2024	**31.12.2023**
Liabilities to directors and senior management arising from assigned accounts	111	441
Claims from directors and senior management arising from assigned accounts	504	
Liabilities to directors and members of the management (from remuneration)	189.655	126.558

e) Balance with shareholders
It does not exist.

6.31. Events after the Balance Sheet date

There is no post-closing event that may have a material effect on the financial position or operations of the Company.

Vathi Avlida, 24 March 2025

The President of the Board

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Georgios Gatzaros

The Managing Director

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Menelaos Tassopoulos

The Financial Director & Board Member

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Mary Iskalatian

Accountant First Class

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Evangelia