


***CORPORATE PRESENTATION / JUNE 2023***

 **THRACE GROUP**

A WORLD OF MATERIALS & SOLUTIONS

# THRACE GROUP AT A GLANCE |

 <p>Operates in <b>3 business units</b> Technical Fabrics Packaging Solutions Hydroponic agriculture</p>	 <p>Meeting the demands of <b>25 market segments</b> With products and solutions</p>	 <p>Group headcount of <b>2,069 employees</b> Including joint ventures</p>	 <p>Sales network in <b>80 countries</b> worldwide</p>	 <p>Production capacity for <b>28 different technologies</b></p>	 <p>Reuse of <b>100%</b> internal recycled material</p>	 <p>Operations in <b>9 countries</b> with production, trading and distribution companies</p>
 <p>The Group comprises of <b>14 companies</b> worldwide (that have an active trading or production activity)</p>	 <p>FY 2022 Group net sales <b>€ 394 mil.</b> 48% Europe (excl. Greece &amp; UK) 22% Greece 18% UK 10% America 2% Asia, Africa &amp; Oceania</p>	 <p>Production <b>69% in Greece</b> 19% in the UK 10% in S-E Europe 2% in America</p>	 <p>Processing RM at the level of <b>110,000 MT</b> PP/PE each year</p>	 <p>Pledge to replace <b>8,500 MT</b> of virgin raw material with recycled plastic by 2025</p> 	 <p>Use of recycled polypropylene <b>13,407 MT</b> from production process residues and external sources</p>  <p>Member of the Circular Plastic Alliance</p>	 <p>Application for <b>120 product groups</b> supporting circular economy</p>

# BUSINESS UNITS I

Operating in three different BUs, realizing synergies and diversification

## TECHNICAL FABRICS BU



## PACKAGING SOLUTIONS BU



## AGRICULTURE BU



PRODUCING 100%  
RECYCLABLE PRODUCTS

The background of the image shows several layers of technical fabric, likely mesh or woven, in shades of light grey and dark grey. The fabric is draped and folded, creating a sense of depth and texture. The lighting is soft, highlighting the fine details of the weave.

***TECHNICAL FABRICS / BUSINESS UNIT***

# TECHNICAL FABRICS BU I

Top class European producer with wide and diversified product portfolio

## Product Categories:

- Geosynthetic products (woven, non-woven) with application in large road construction, drainage, erosion control projects, etc.
- Membranes, nets with application in constructions
- Fabrics, nets, films, ropes with application in agriculture / horticulture / aquaculture
- Products with application in landscape / gardening
- Fabrics with application in sports / leisure products
- Hygiene / medical products
- Filter fabrics
- Fabrics with application in furniture / bedding
- Fabrics with application in the automotive industry
- Fabrics for industrial packaging
- Advanced fabrics
- Fabrics for floor covering
- Industrial fabrics
- Straps / ropes
- Yarns / fibers for industrial use



# PRODUCTION & REVENUE BREAKDOWN I

European based production with global footprint and extended sales network



Revenue 2022  
**274.5mil**

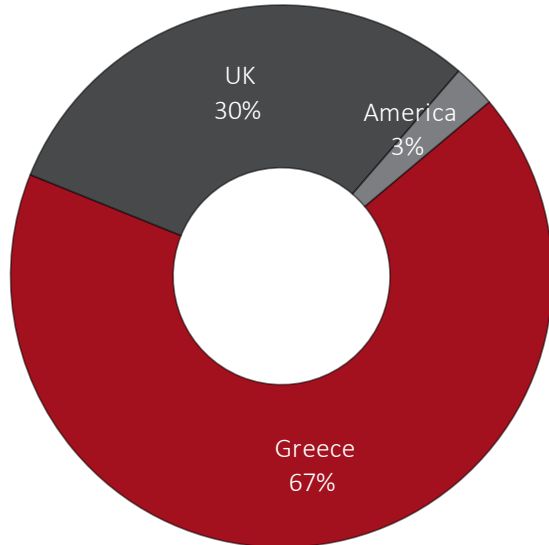
EBITDA 2022  
**29.7mil**

EBT 2022  
**20.1mil**

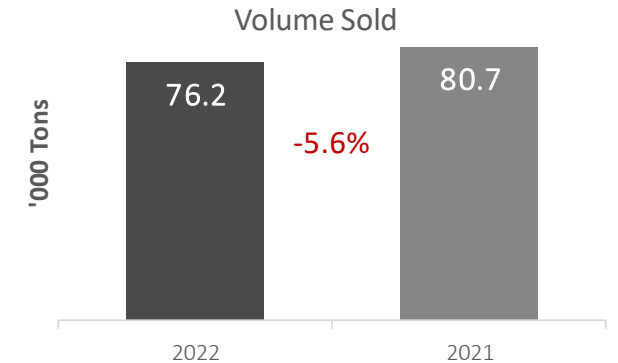
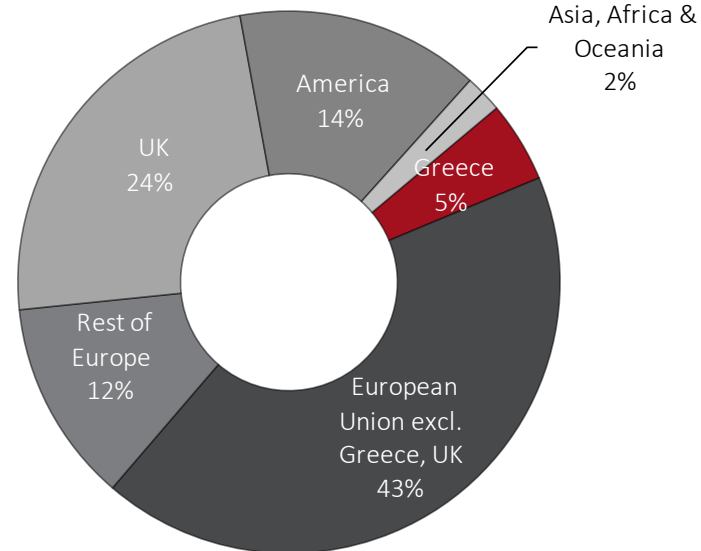


EBT 2019  
**2.7mil**

PRODUCTION GEOGRAPHICAL BREAKDOWN



SALES GEOGRAPHICAL BREAKDOWN



\* Includes Bulgaria, Albania, Romania, Serbia, Slovenia, Croatia, FYROM, Bosnia-Herzegovina, Montenegro, Kosovo  
 \*\* Includes all other European countries plus Russia, Ukraine and Georgia

- 67% of group production in Greece
- Extended sales presence, mainly in Europe (well diversified within Europe) and America



***PACKAGING SOLUTIONS | BUSINESS UNIT***

# PACKAGING BU I

Producer of food packaging and industrial products, being the market leader in SE Europe

## Product Categories:

- FIBC/ filling solutions
- Bags/ FFS Films (Form, Fill, Seal)
- Packaging film / Pallet covering
- Container liners / Cargo protection
- Packaging fabrics
- Buckets / pails / containers
- Cups/ thermoforming glasses
- Plastic crates
- Bag in box
- Garbage bags
- Ropes / twines



**THRACE PACK**

GREECE & SERBIA

8

**THRACE POLYFILMS**

GREECE

**THRACE IPOMA**

BULGARIA

**THRACE greiner**  
packaging

ROMANIA

**THRACE SYNTHETIC**

IRELAND

**THRACE GROUP**  
A WORLD OF MATERIALS & SOLUTIONS



# PRODUCTION & REVENUE BREAKDOWN |

SE Europe based production and sales, with leading market shares in a variety of products



Packaging  
BU

Revenue 2022  
**132.7mil**

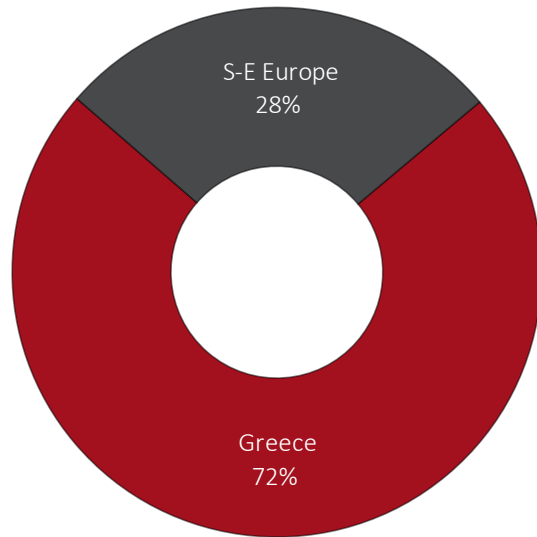
EBITDA 2022  
**18.9mil**

EBT 2022  
**12.2mil**

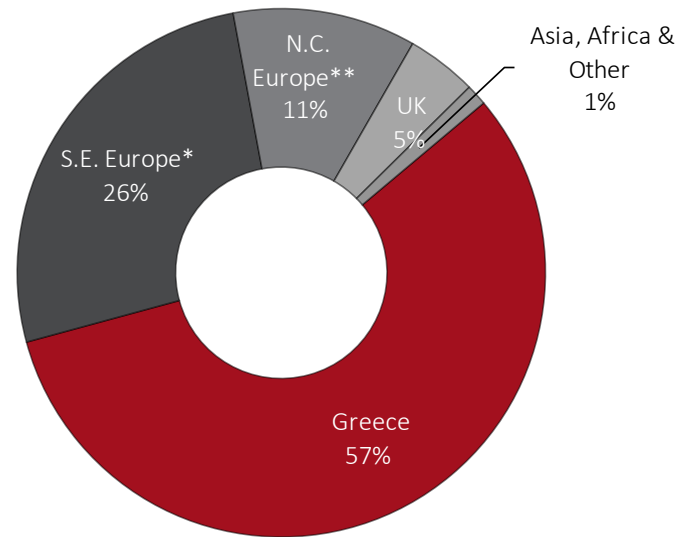


EBT 2019  
**6.6mil**

PRODUCTION GEOGRAPHICAL BREAKDOWN

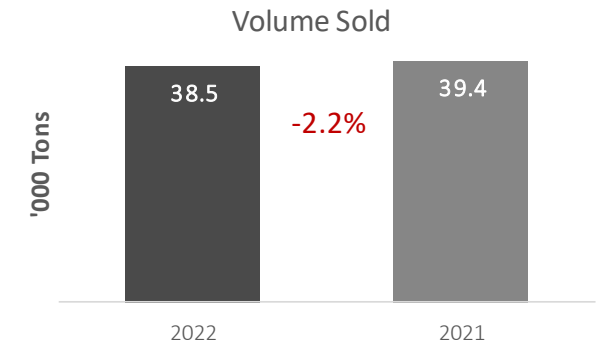


SALES GEOGRAPHICAL BREAKDOWN



\* Includes Bulgaria, Albania, Romania, Serbia, Slovenia, Croatia, FYROM, Bosnia-Herzegovina, Montenegro, Kosovo

\*\* Includes all other European countries plus Russia, Ukraine and Georgia



- 72% of production and 57% of sales in Greece
- Main markets are Greece and SE Europe (83%)



***AGRICULTURE | BUSINESS UNIT***

# AGRICULTURE BU |

Environmentally friendly Greenhouses with almost ZERO CO<sub>2</sub> footprint



Green Company of the Year 2023

- 18.5 Ha, the biggest hydroponic greenhouses in S.E Europe
- The only greenhouses in the world heated exclusively by geothermal energy
- Greek sun flavoured vegetables with almost zero CO<sub>2</sub> footprint
- Cultivating under the highest standards of Integrated Management Systems
- New €14.5mil. Investment plan. Period 2023-2026



Certified Integrated Management Systems and Good Agricultural Practices



# AGRICULTURE BU PRODUCTS |

A focused range of products, well placed in the Greek market, with growth potential locally & abroad

**Our Products:** Fresh & delicious hydroponic, low carbon footprint vegetables



Cucumber



Mini Cucumber



Aubergines



Cluster Tomato



Beef Tomato



Brioso Tomato



Papeletto Tomato



Integrated Management System



Almost Zero carbon Footprint



Good Agricultural Practices



Management of Water Resources



Natural Pollination



Plant Waste Management

# AGRICULTURE BU PRODUCTS |

A focused range of products, well placed in the Greek market, with growth potential locally & abroad

**Product packaging:** In collaboration with our innovation & creative partners we can design multi-use & **100% recyclable packaging** with endless branding capabilities for private labeling freshly packed in our amenities.



Plastic Cup



Shrink Film



Plastic bag with handle



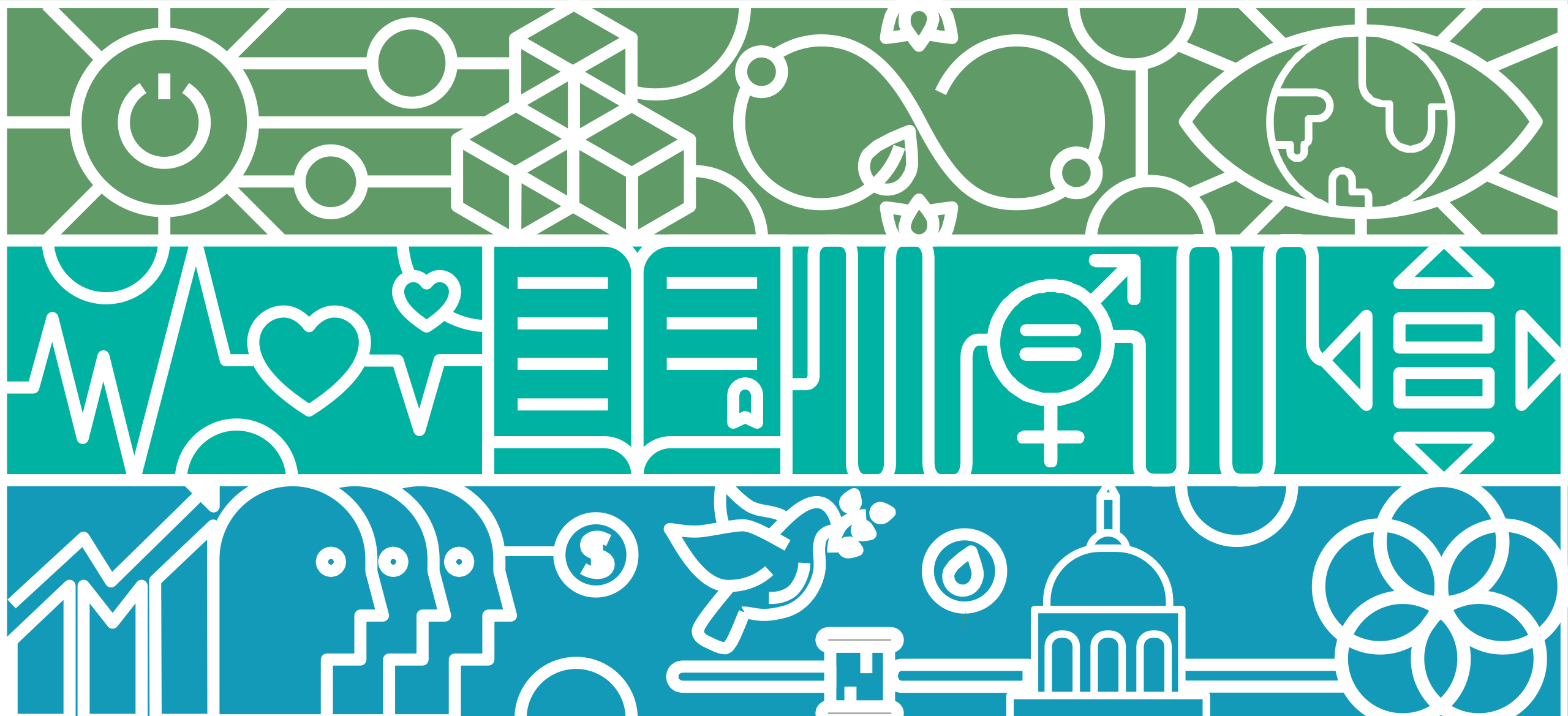
Carton box with lid



Plastic Bucket



100% RECYCLABLE PACKAGING



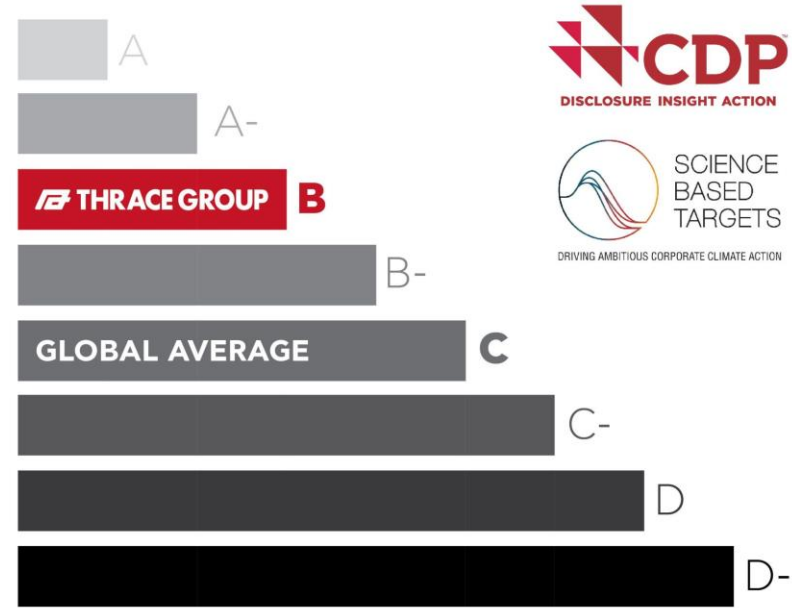
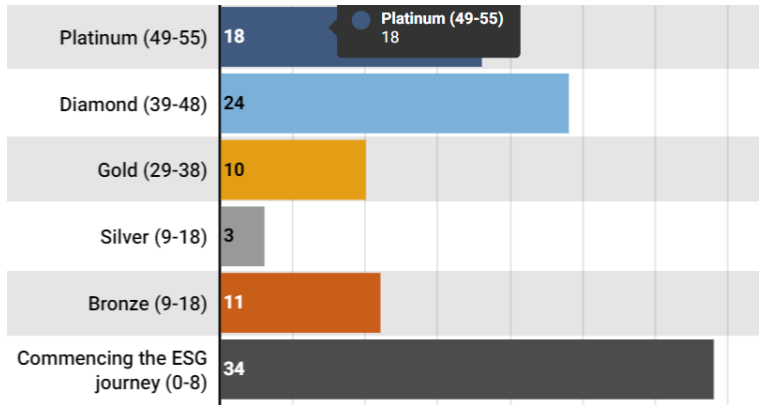
# SUSTAINABLE DEVELOPMENT APPROACH

GROWING WITH RESPECT TO SOCIETY AND THE ENVIRONMENT

# DISTINCTIONS & EVALUATIONS I

## “Platinum” ranking Forbes Top 100 ESG Transparency Index

Thrace Group has attained the highest rank, Platinum, on the Forbes Top 100 ESG Transparency Index in Greece. This recognition is a testament to the efforts of our people throughout the Group and underscores our unwavering dedication to sustainability, as we all have been committed to promoting long-term sustainable growth through transparent ESG policy, strategy, and performance. At the heart of all our business practices is the creation of value for both society and the environment, while on a daily basis we act and operate under a robust governance framework.



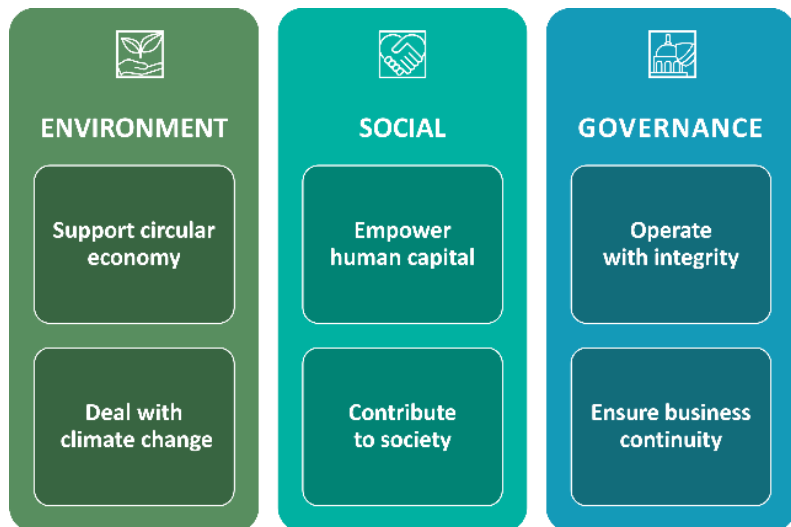
## CDP Evaluation

This recognition, along with our score “B” on the CDP Disclosure, highlights our focus to sustainability and is further solidified through our commitment to developing a Science Based Target. We remain dedicated to contributing to the transition towards a circular economy, mainly driven by our IN THE LOOP innovative environmental platform.

# SUSTAINABLE DEVELOPMENT I

We are implementing a robust sustainability plan according to UN SDGs

## SUSTAINABLE DEVELOPMENT PRINCIPLES



## THRACE GROUP FOCUSES ON 7 SUSTAINABLE DEVELOPMENT GOALS



## THRACE GROUP IS CONSTANTLY ALIGNED WITH THE MOST SIGNIFICANT INITIATIVES





# SUSTAINABLE DEVELOPMENT I

Focus on Circular Economy by developing sustainable & innovative products with a positive environmental impact



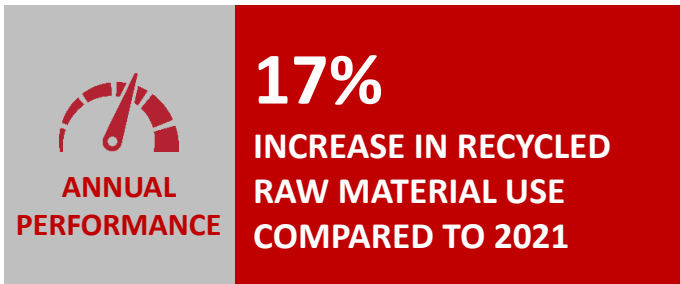
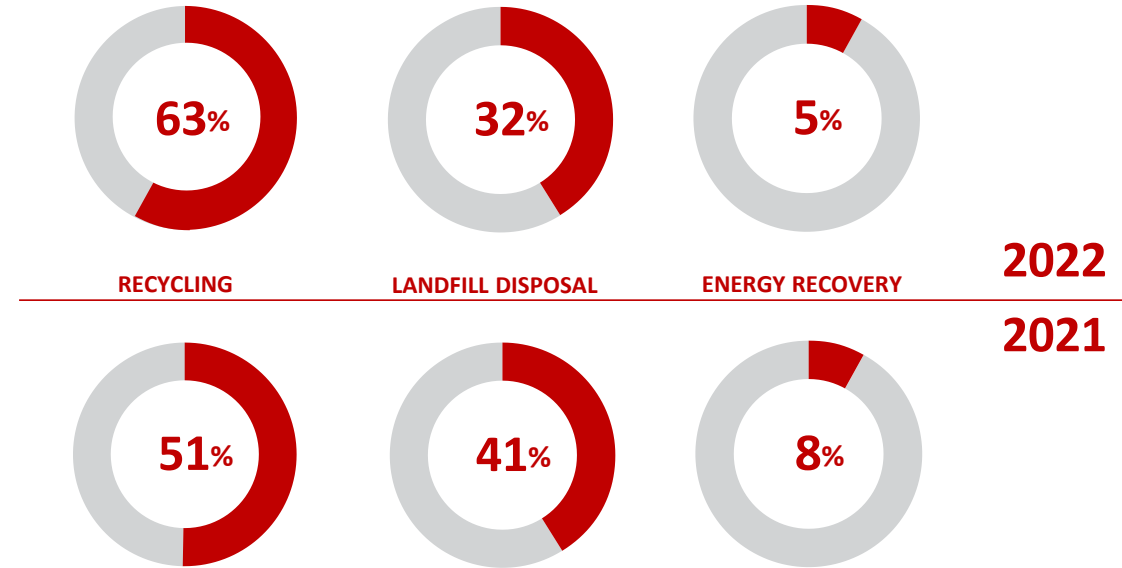
## DESIGN PRIORITIES

- Low environmental footprint
- Lowest possible weight ensuring same durability
- Reusability
- 100% recyclability through monomaterial characteristics
- Use of recycled material up to 100%

## RECYCLABILITY, TRACEABILITY & TRANSPARENCY

- RecyClass, EuCertPlus, OK TUV, LCA, EPD®

## NON-HAZARDOUS WASTE MANAGEMENT



Raw materials in 2022

**106,585 tn**

110,321 tn in 2021

Recycled raw materials in 2022

**13,407 tn**

11,443 tn in 2021

# SUSTAINABLE DEVELOPMENT I

Focus on energy efficiency, which is a never-ending effort

## ENERGY EFFICIENCY IMPROVEMENT

Energy consumption in 2022

**197,958 MWh**

211,780 MWh in 2021



**2025  
TARGET**

**-15%**

**REDUCTION OF ENERGY  
CONSUMPTION IN  
PRODUCTION PROCESSES**

Energy consumption on site  
from renewable sources owned  
by the Group in 2022

**12,337 MWh**

7,743 MWh in 2021



**ANNUAL  
PERFORMANCE**

**6.2%**

**USE OF ENERGY FROM  
RENEWABLE SOURCES  
IN 2022**

Energy intensity in 2022

**1.82 kWh/kg**

1.87 kWh/kg in 2021



**ANNUAL  
PERFORMANCE**

**2.7%**

**REDUCTION OF ENERGY  
INTENSITY (kWh/kg  
produced) IN 2022**

## CARBON FOOTPRINT

For the monitoring & calculation of greenhouse gas emissions, we employ a specialized platform aligned with the GHG Protocol methodology and ISO 14064-3.

We are in the process of establishing relevant reduction targets through the international Science Based Targets Initiative (SBTi).



**ANNUAL  
PERFORMANCE**

**6.7 MW**

**OPERATION OF  
PHOTOVOLTAIC SYSTEMS  
WITH EXPANSION PLAN**

# SUSTAINABLE DEVELOPMENT I

Strong progress in the expansion of “In-the-Loop”, a pioneer platform, aiming to link all stakeholders and upcycling the plastic waste



## IN THE LOOP

- Is based on the 3 pillars of the circular economy **REDUCE** | **REUSE** | **RECYCLE** and networks companies, brands, public bodies and consumers with the aim of reducing the environmental footprint throughout the value chain.
- Reflects the Group's approach regarding the environmental impact of packaging materials and the avoidance of their disposal in the environment.
- Contributes to the creation of lighter products with the aim of reducing the use of plastic while maintaining the same technical characteristics, reusable products and products from recycled raw material.
- Designs specialized reuse systems that enable monitoring and certification of the number of uses and specialized closed/controlled cycle recycling systems.



# SUSTAINABLE DEVELOPMENT I

We contribute to the local societies, with many initiatives for the local communities



## SUPPORTING LOCAL COMMUNITIES

The Group is committed to creating economic value for the societies in which it operates, with a focus on:

- Strengthening the local economies of the countries in which it operates.
- Meeting the needs of surrounding communities affected by its activities.
- Creating and maintaining employment opportunities throughout its value chain, both directly and indirectly.

## HEALTH AND SAFETY OF EMPLOYEES

- Operating in compliance with the health and safety legislation
- Establishing certification systems (ISO, EMAS)
- Training employees in the workplace
- Assessing and prioritizing hazards in the workplace
- Applying measures to prevent health and safety accidents
- Formulating a health insurance program for its employees

## RESPECT OF HUMAN RIGHTS

- Committed to zero tolerance for acts of harassment in the workplace, forced child labor and any other type of discrimination.
- Committed to resolving complaints and treating employees in a fair and impartial way.

## HEALTH AND SAFETY OF PRODUCTS

- Complying with the relevant national legislation but also adopting international guidelines, safety rules, best practices and industry standards for the production and design of its products
- Following best practices such as consolidating partnerships with suppliers and customers to optimize the added value of the supply chain and establishing quality management processes

# SUSTAINABLE DEVELOPMENT I

Robust Corporate Governance framework, being part of who we are and how we operate



## BOARD OF DIRECTORS

- 11 Board Members: 2 executive members, 9 non-executive members (5 independent members, including the Vice-Chairman)
- Board performance assessment on a yearly basis (both independent and self-assessment)

## BOARD OF DIRECTORS COMMITTEES

- Audit Committee (including Risk & Compliance)
- Remuneration & Nominations Committee
- Sustainability Committee
- Strategy & Investments Committee

## CORPORATE GOVERNANCE COMPLIANCE

- Full compliance with current CG code – First audit was successfully completed with zero material deficiencies.

*“Sustainable development is at the core of our corporate strategy and culture.”*

**K. Chalioris**  
*Chairman of the Board*

*“We remain consistent and committed to our goals, we reinforce our position in the market and we continue to invest in sustainable growth and uninterrupted progress.”*

**D. Malamos**  
*CEO*

# SUSTAINABLE DEVELOPMENT I

We improve our performance every year through targeted actions with tangible results

## ACTIONS & PERFORMANCES 2022



**INCREASE IN THE USE OF RECYCLED RAW MATERIAL**  
with the use of **13.4** thousand tons and a 17% increase compared to 2021




**PROPER WASTE MANAGEMENT**  
with the aim of continuously reducing the final disposal in landfill




**PRODUCTS' CERTIFICATION**  
with the aim of promoting recyclability and ensuring traceability




**REDUCTION OF ENERGY CONSUMPTION**  
by implementing measurable actions in all production processes



**USE OF RENEWABLE ENERGY SOURCES**  
with expansion of photovoltaic panels of total power **6.7 MW**



**CARBON FOOTPRINT RECORDING**  
with assurance based on AA1000 standard of direct and indirect emissions (scope 1, 2, 3)



**NET ZERO TARGETING**  
with a commitment to establish scientific targets for the reduction of carbon footprint



**CDP INTERNATIONAL RATING**  
with **B score** and an increase of 2 grades compared to 2021, Global average: C, Industry average: B



**ECOVADIS INTERNATIONAL RATING**  
with **5 silver awards** for the performance of Group companies in relation to society and the environment



# **STRATEGY** |

*PURSuing PROFITABLE GROWTH THROUGH INNOVATION AND SUSTAINABILITY*

# STRATEGY OVERVIEW

Group strategy implementation progressing, focusing on increased profitability and business development

## Sustainable Profitable Growth

### Value Capture

- Further reduce production cost
- Improvement of Product Mix (shift of sales to high margin products)
- Development of new high margin products
- Going downstream to the production chain
- Optimizing operations through internal restructuring

### New Business

- New business opportunities within the existing sectors
- New business opportunities in different sectors
- Explore acquisitions with synergies to the existing business

Focus on five key sustainable development pillars

Integrity, People, Circular Economy, Environment and the Local Communities

Infrastructure

People, Land & Buildings, Digitization

FINANCIAL DISCIPLINE

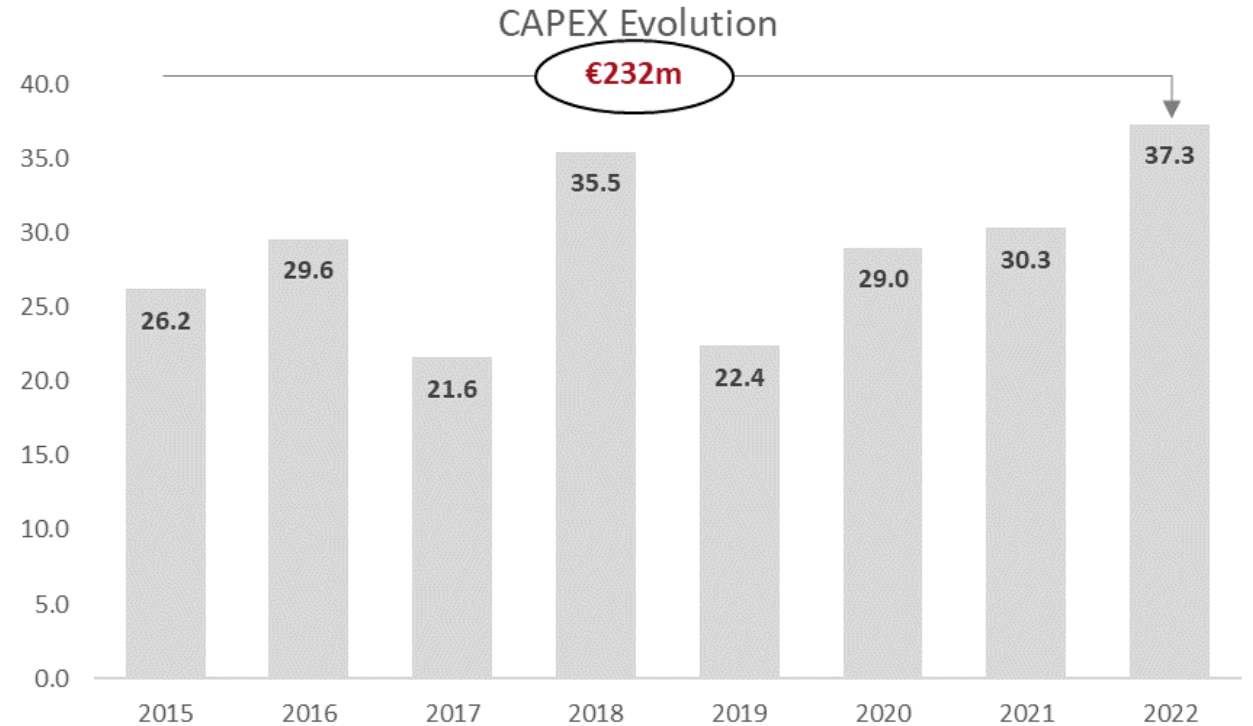
Net Debt, Working Capital, ROCE



# CAPEX PROGRESS |

An extensive CAPEX plan of €232 mil. during the last 8 years, targeting in value adding products and profitability increase

- In the period 2015 – 2019, the Group entered a new CAPEX plan for developing the Non-Wovens business, in parallel with capacity addition in Packaging BU.
- Another c. €97 mil. are invested in 2020-2022, accelerating the implementation of Group's strategy.
- Focus is placed on profitability increase and value adding technologies, in parallel with targeted capacity growth.
- Normally, 70% of CAPEX is allocated for New Business, while the remaining 30% is consumed for maintenance and infrastructure projects.



# STRATEGY OVERVIEW I

CAPEX plan implementation progressed in 2022, followed by new investments in 2023

- **FY 2022** investment program progressed (€37 mil.):
  - **New Fiber line** used as the basic raw material for the production of non-woven Needle Punch fabrics – kicked off in Q4 2022.
  - **Capacity growth in Packaging BU** (new Injection machines in Greece, Bulgaria, Ireland)
  - **New investment in recycling capacity**, for increasing consumption of third party waste – kicked off in Q3 2022
  - Ongoing plan for **new RES investment** (photovoltaics) – 6,3 MW implemented by the end of FY 2022
  - **Other infrastructure projects** implemented (land and buildings) to support growing operations – completed in Q2 2022
- **FY 2023** investment program (~€30 mil.\*) already kicked off:
  - **New pilot investment in paper packaging**, providing a complete product range in the market
  - **Investment in Spunbond conversion** production processes
  - Investment in **lamination film line for food packaging**
  - **Further investments in automations / robotics** in production processes
  - **Further capacity growth in Packaging BU** (new Injection machines in Greece, Ireland)
  - **Further expansion in Greenhouses**, with additional 70 acres to be built in 2023
  - **Further RES investments (photovoltaics)** to implement another 5MW



***FINANCIAL REVIEW / FY 2022***

# FY22 HIGHLIGHTS I

Another year of strong financial performance in a highly challenging environment

## Highlights

- European economy suffered during the year, as a result of war crisis
- Satisfactory level of demand during the H1 of the year but significant slowdown in demand in H2 and especially Q4
- Major uncertainties due to low demand, inflation, interest rates increases
- Major increases in energy cost and uncertainty for energy sufficiency
- Major increases in transportation cost and availability issues in many land and sea routes
- Projects delayed or even postponed – Number of clients' plants closed due to low demand and extreme costs
- Low demand in major sectors of economy (construction, agriculture)
- As expected significant decline for COVID-19 related products – high stocks and almost zero demand
- Decrease in households spending power

In this challenging environment, we achieved:



Strong profitability, counterbalancing the large number of negative parameters

Significantly improved financial performance vs pre-pandemic period

Cash flow normality and smooth CAPEX implementation

Progress in implementing our long-term strategy, with tangible results

# FINANCIAL HIGHLIGHTS FY22 |

Strong recurring operating profitability, demonstrating resilience and adaptability in a turbulent environment

## Market Overview

- A large slowdown in demand in the second half of the year (historical low), coupled with client's de-stocking and plants' production decrease
- Clients' inventories level declined, due to declining raw materials trend and energy related uncertainties
- Almost zero demand for COVID-19 related products
- Steady demand for products related to the packaging sector
- Lag in demand for most of the products of the agricultural sector
- High costs throughout the year, in the major cost categories

## CAPEX / Net Debt / Dividend

- Total FY2022 CAPEX of €37 mil., focusing on increasing volume, improving product mix and profitability, recycling and sustainable development
- Low Net Debt level (€21.5 m.), albeit the extended investment plan
- Fiscal Year 2022: Dividend distribution of c. €11,8 mil. (~€0.26/share).

# COST BASE I

Costs remain high, although drop in raw materials from May 2022

## Raw & Secondary Materials

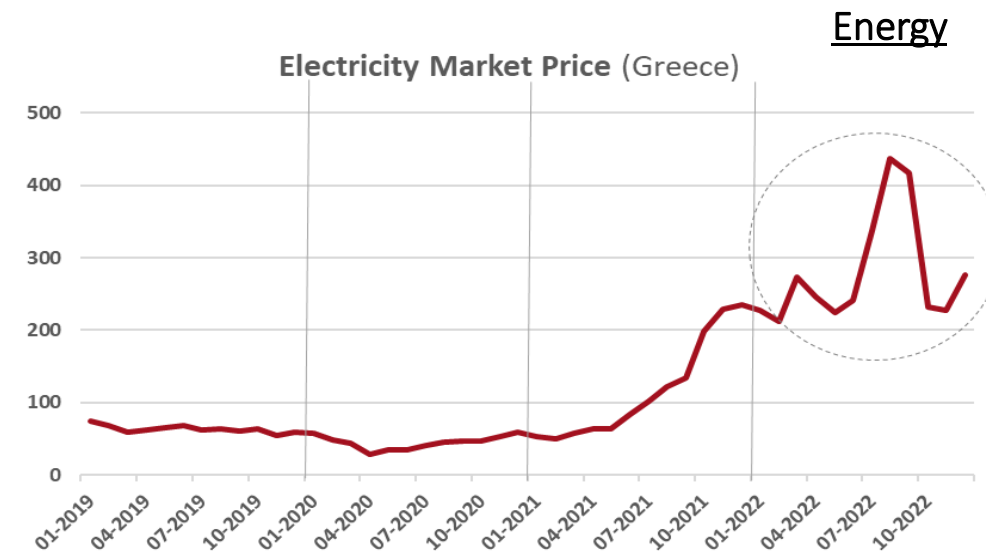
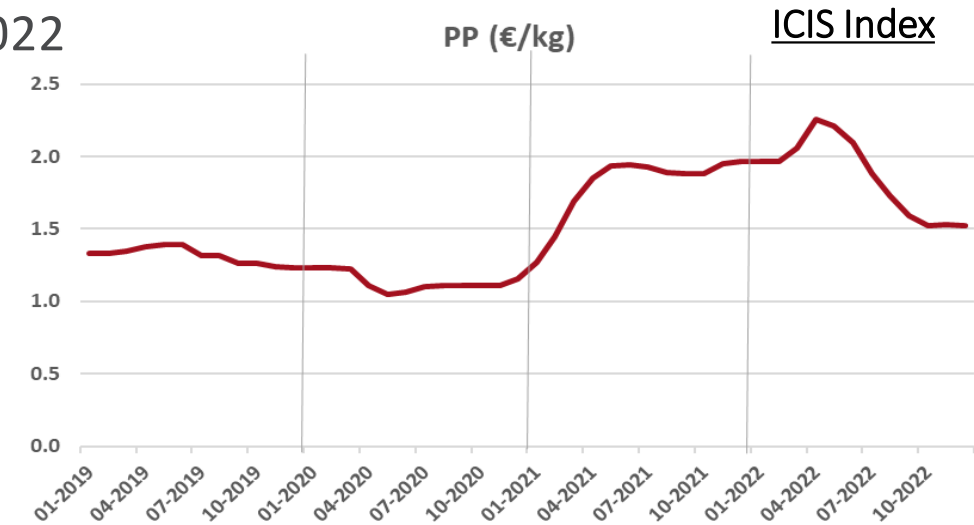
- After a significant increase in 2021, raw material cost gradually decreased, after reaching historical high prices in May 2022 - still above pre-pandemic levels.
- Reduction of customer inventories due to the drop in raw materials prices and in view of the uncertainty over the course of the European economy.
- Market pressures for sales price reductions

## Energy Cost

- Aggressive increase in 2022, in all countries of operations, with significant volatility per month.
- High uncertainty for energy sufficiency due to Russia-Ukraine war
- Hedging practices applied: Fixed/floating prices contracts and RES implementation

## Transportation Costs

- Steadily increased transport costs, with limited escalation on certain routes



# FINANCIAL ANALYSIS I

The Group managed to enter the post-pandemic era by posting enhanced profitability compared to the pre-pandemic levels

	2022	2021	Δ%	2019	Δ%
<b>Volume</b>	109,169	115,521	-5.5%	108,607	0.5%
<b>Turnover</b>	394,382	428,429	-7.9%	327,795	20.3%
<b>Gross Profit</b>	84,263	140,149	-39.9%	63,548	32.6%
<i>Gross Profit Margin</i>	21.4%	32.7%		19.4%	
<b>EBIT</b>	27,407	83,913	-67.3%	12,102	126.5%
<i>EBIT Margin</i>	6.9%	19.6%		3.7%	
<b>EBITDA</b>	48,259	103,791	-53.5%	28,745	67.9%
<i>EBITDA Margin</i>	12.2%	24.2%		8.8%	
<b>Adjusted EBITDA*</b>	48,850	105,799	-53.8%	30,606	59.6%
<i>Adjusted EBITDA Margin</i>	12.4%	24.7%		9.3%	
<b>EBT</b>	32,068	83,920	-61.8%	8,348	284.1%
<i>EBT Margin</i>	8.1%	19.6%		2.5%	
<b>EBT (Traditional portfolio)</b>	22,231	32,120	-30.8%	8,348	166.3%
EBT (PPE related & Extraordinary gains)	9,837	51,800	-81.0%		

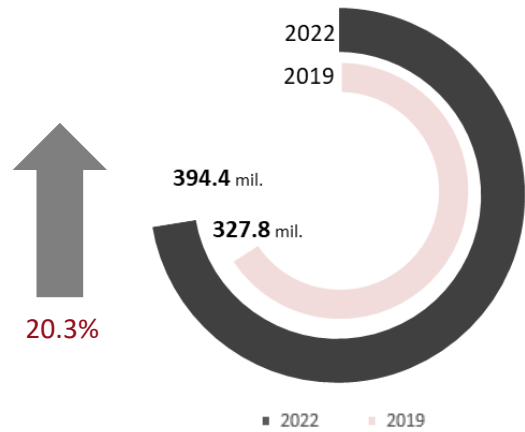
- EBT for COVID-19 related products amounted to €5.3 mil., while extraordinary profits amounted to €4.6 mil.

*Note: The financial figures between 2022 - 2021 are not directly comparable (or versus 2020), due to the special conditions (Due to sales related to Covid-19 products) and therefore the pre-pandemic financial figures (2019) are also supplementary included in total for better interpretation purposes.*

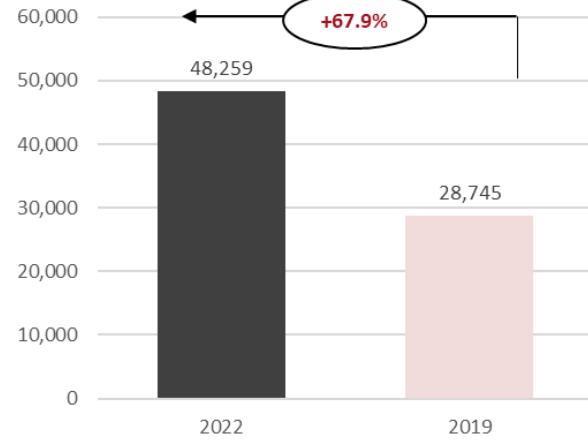
# FINANCIAL RESULTS FY 2022 vs FY 2019 |

Robust financial performance, compared to the pre-pandemic FY2019

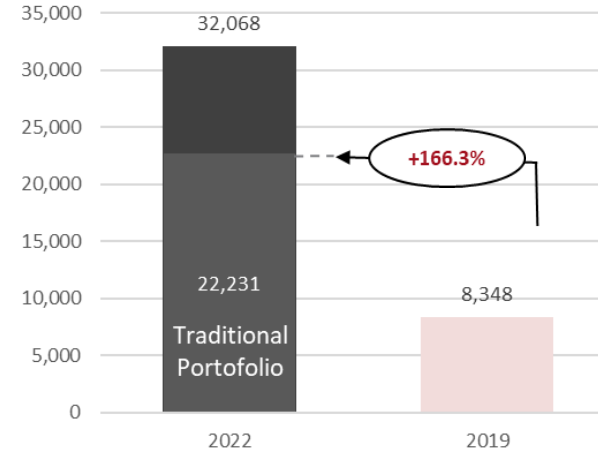
Turnover



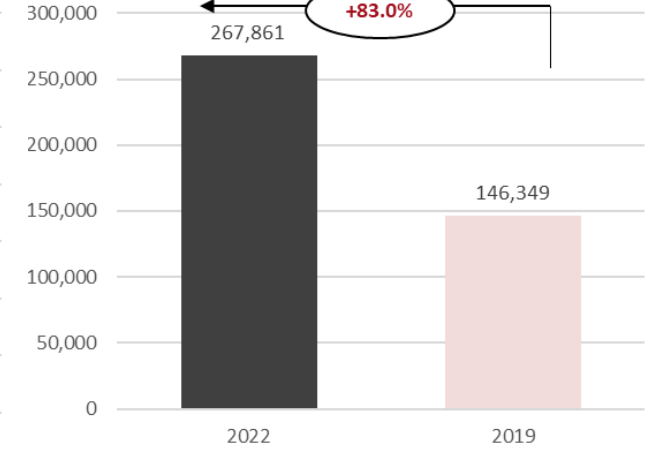
EBITDA



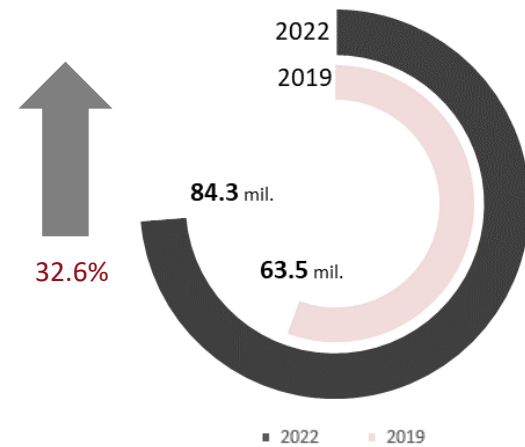
EBT



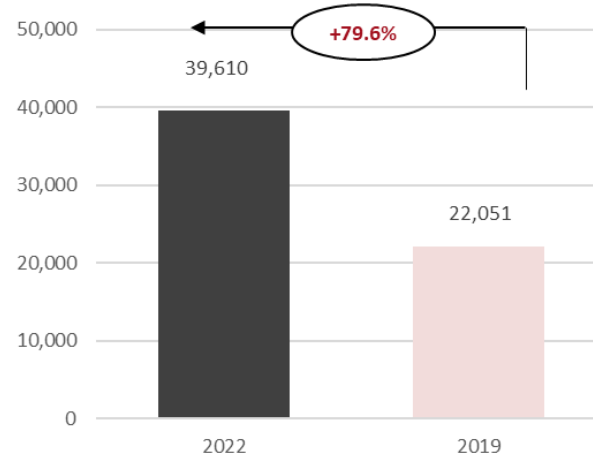
Equity Value



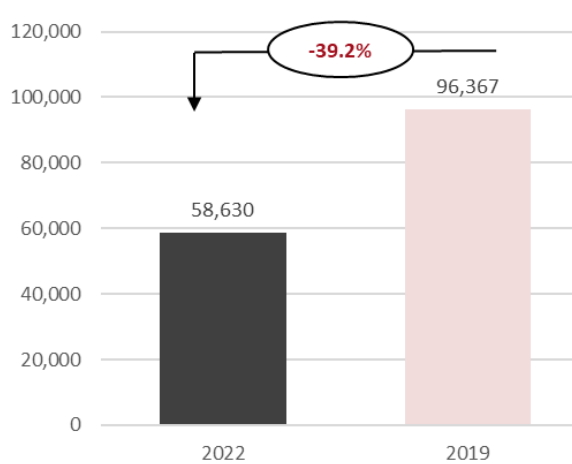
Gross Profit



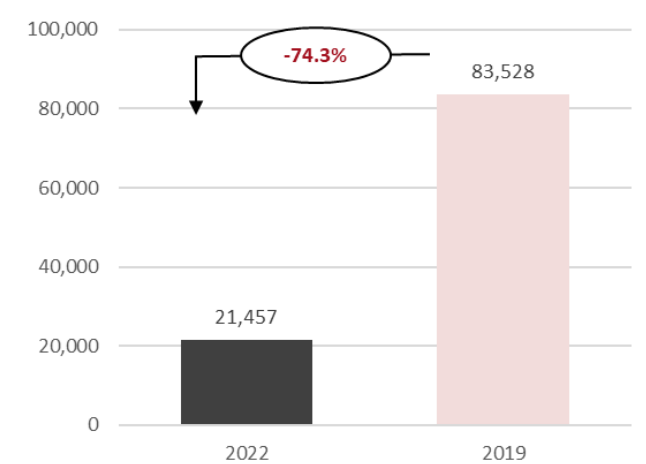
Cash



Bank Loans



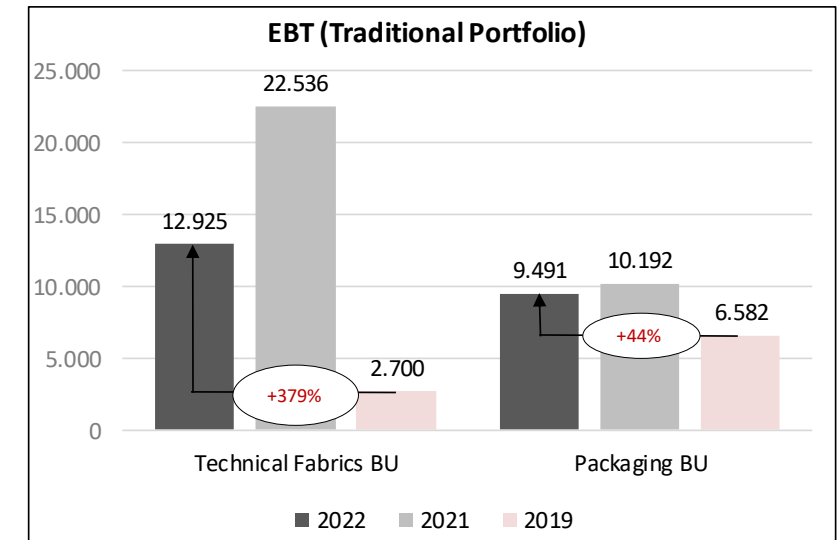
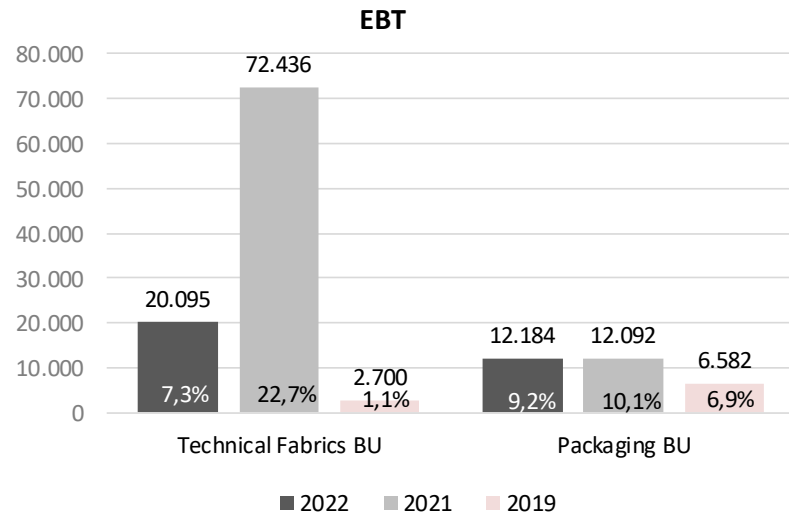
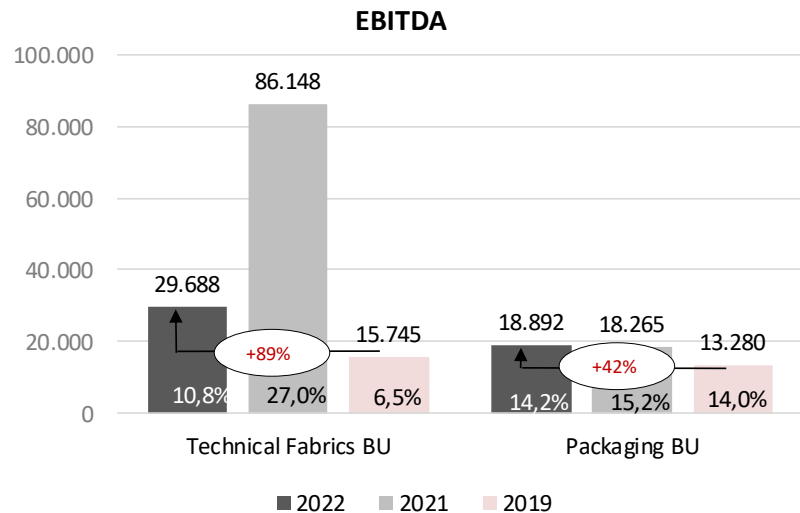
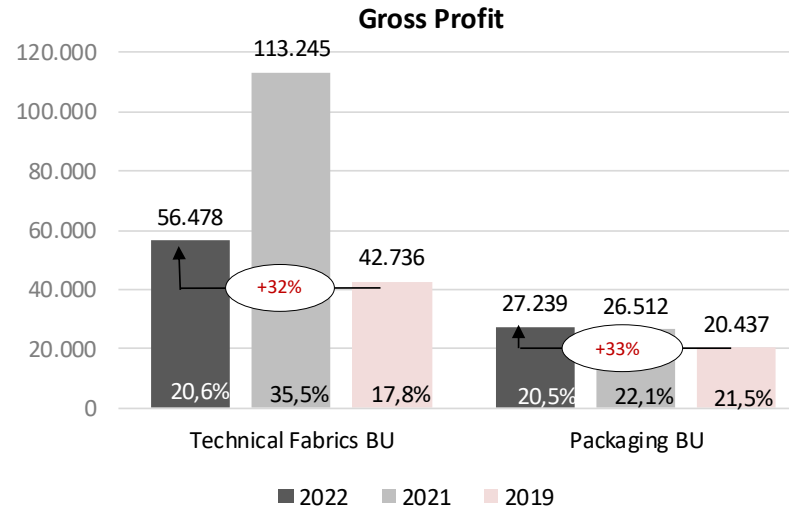
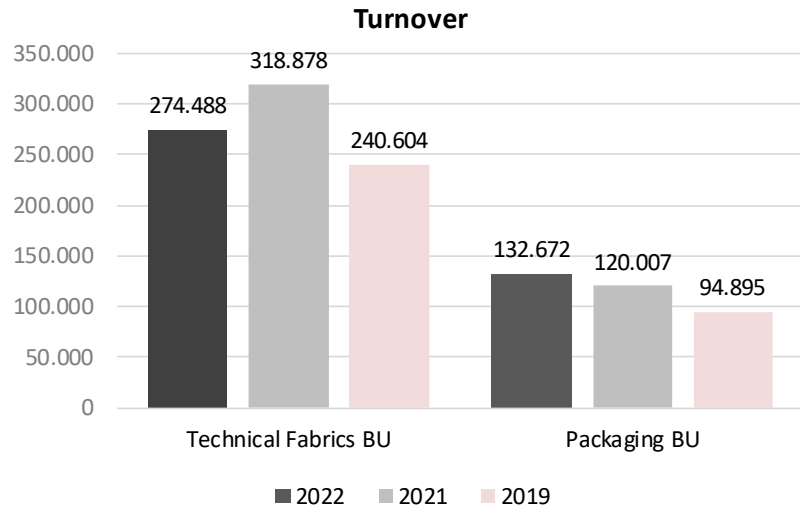
Net Debt





# SEGMENTAL PERFORMANCE I

The Group for another year achieved strong, recurring and significantly increased profitability,



# FINANCIAL POSITION I

Strong Balance Sheet, with relatively low debt level, after historical high total debt of >€100 mil. in 2019

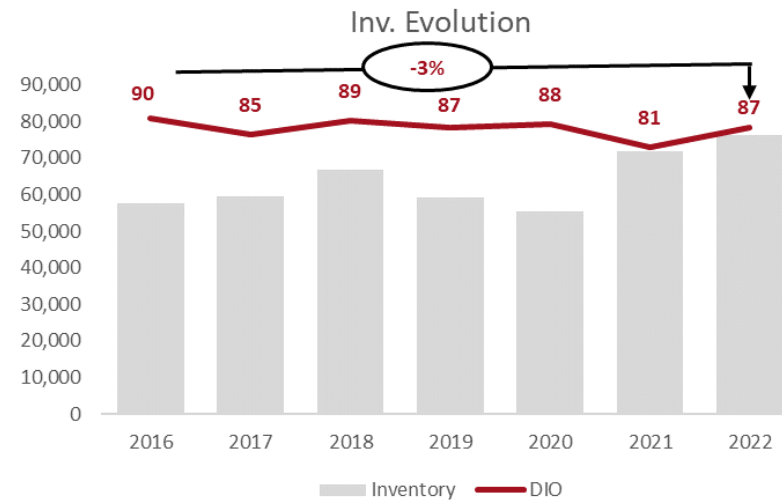
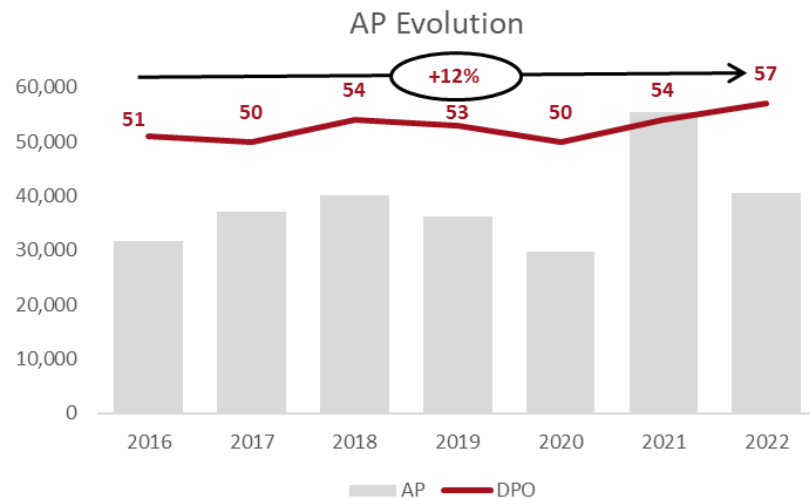
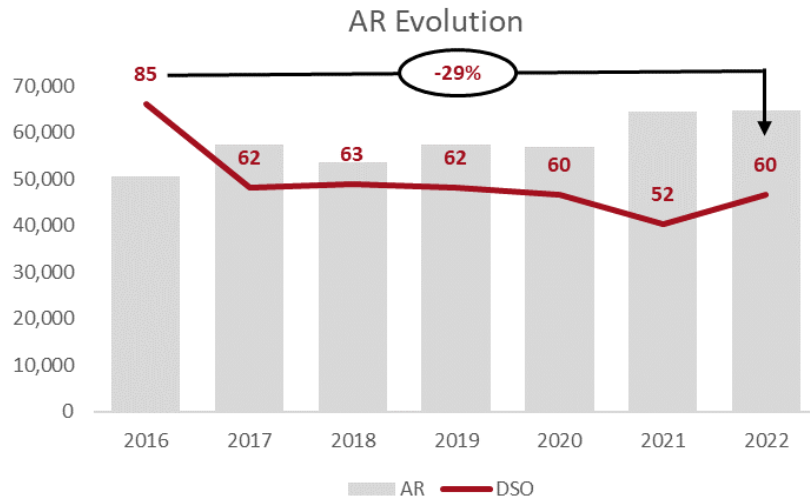
<b>Balance Sheet</b>	<b>2022</b>	<b>2021</b>	<b>2019</b>
Fixed Assets	182,209	167,551	149,645
Other NC Assets	27,579	23,393	20,471
<b>Non Current Assets</b>	<b>209,788</b>	<b>190,944</b>	<b>170,116</b>
Inventories	76,415	71,835	59,158
Receivables	64,769	64,547	57,428
Cash & Cash Equivalents	39,610	63,240	22,051
Assets available for sale	0	0	6,155
Other Currents Assets	14,213	14,633	8,432
<b>Current Assets</b>	<b>195,007</b>	<b>214,255</b>	<b>153,224</b>
<b>Total Assets</b>	<b>404,795</b>	<b>405,199</b>	<b>323,340</b>
Bank Loans	58,630	51,003	96,367
Liabilities from leases	2,437	2,975	9,212
Payables	40,630	55,441	36,187
Provisions for Pension Plans	1,385	3,499	15,252
Other Liabilities	33,852	40,031	19,973
<b>Total Liabilities</b>	<b>136,934</b>	<b>152,949</b>	<b>176,991</b>
<b>Equity</b>	<b>267,861</b>	<b>252,250</b>	<b>146,349</b>
<b>Equity &amp; Liabilities</b>	<b>404,795</b>	<b>405,199</b>	<b>323,340</b>

<b>Key Ratios</b>	<b>2022</b>	<b>2021</b>	<b>2019</b>
Total Debt	61,067	53,978	105,579
Cash	39,610	63,240	22,051
<b>Net Debt</b>	<b>21,457</b>	<b>-9,262</b>	<b>83,528</b>
<b>Net Debt / EBITDA</b>	<b>0.44</b>	<b>-0.08</b>	<b>2.91</b>
Net Debt / Sales	0.05	-0.02	0.25
Net Debt / Equity	0.08	-0.04	0.57
EV / EBITDA	4.3	1.6	9.3
ROCE	6.9%	24.2%	3.5%
ROE	9.8%	29.0%	2.6%
ROIC	7.5%	29.8%	3.4%
Operating WC	100,554	80,941	80,399
<i>as a % of Sales</i>	<i>25.5%</i>	<i>18.9%</i>	<i>24.5%</i>

# WORKING CAPITAL I

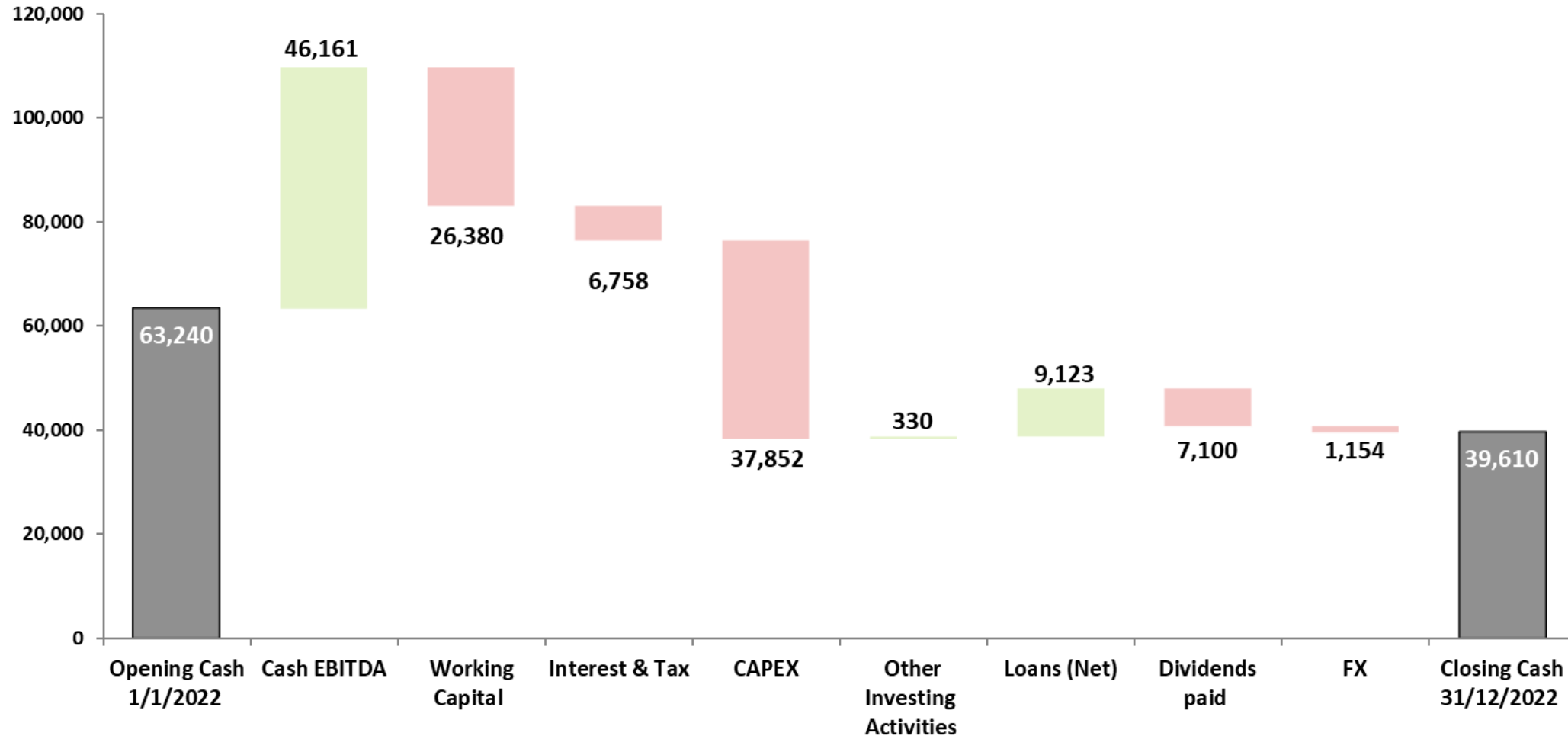
Normal WC pattern, despite the increased sales and Raw Materials prices

- DSO, DPO, DIO follow a normal pattern, excluding 2021, which is considered an outlier.
- DSO down by 29%, while total AR increased similar vs pre Covid period despite the relatively higher sales prices.
- Inventories' value slightly up, mainly due to the relatively higher cost of finished goods.
- DPO higher by 12%, following however a normal pattern.



# CASH FLOW OVERVIEW |

Cashflows follow the normal pattern – high outflows for CAPEX and dividends

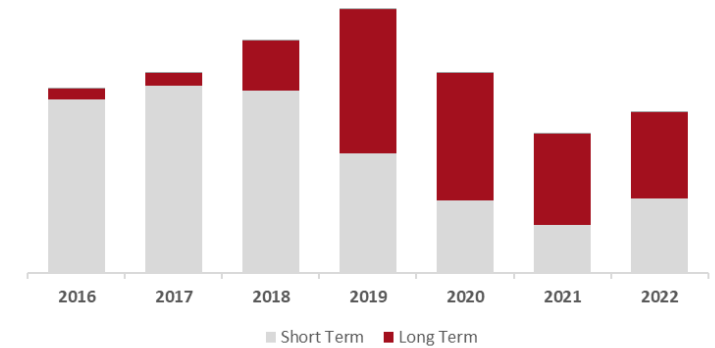


# NET DEBT I

After the historical high net debt of €84 mil. in 2019, following the 5yrs restructuring plan, Net Debt is settled at relatively low level, albeit the period 2020-2022 CAPEX of c. €97 mil.

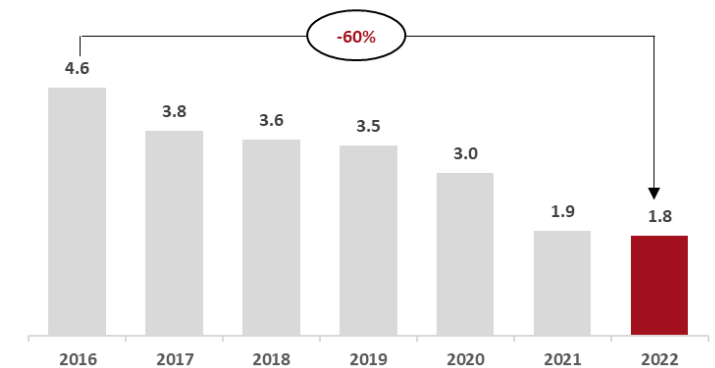
- Net Debt amounted to €21.5 million
- There has been an increase at the level of working capital, primary resulted from decrease at the level of trade payables whereas during 2022 there were specific and significant outflows, such as the financing of ongoing investments and the distribution of dividends.

Debt Maturity Profile\*

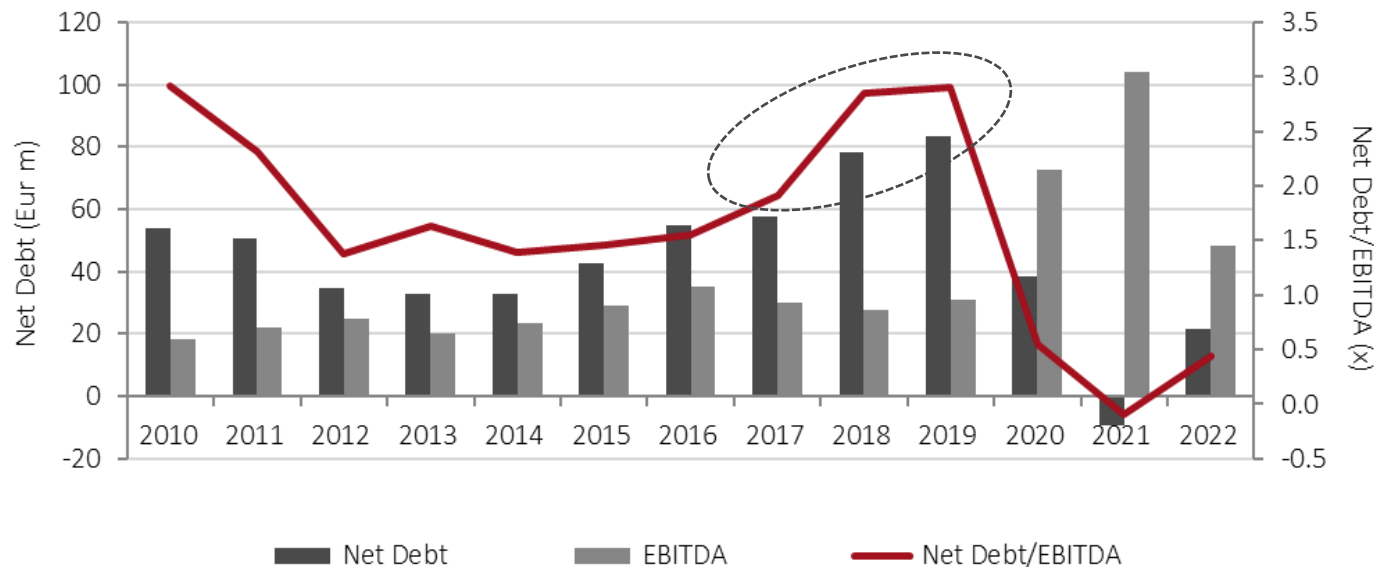


\* Excluding leases

Financing Cost (€m)\*



\* Excluding interest expense on leases





***FINANCIAL REVIEW / Q1 2023***

### CONSOLIDATED GROUP FIGURES

Snapshot

Snapshot



#### INVESTMENTS

The implementation of the planned investments progresses smoothly, expected to approach



#### TURNOVER

**93**  
mill. €

Change  
**-12.5%**

Reduced sales prices in the market and 4% decrease in product volumes

#### NET DEBT



Change  
**-31.2%**



#### DIVIDEND

Total Dividend fiscal year 2022



approx. **0.26 €**  
per share (gross amount)

after the interim dividend fiscal year 2022 which was distributed on February 2023

Remaining amount of dividend to be distributed at 7/6/2023



approx. **0.19 €**  
per share (gross amount)



# COST BASE I

Costs de-escalating softly – further de-escalation coupled with low demand

## Raw & Secondary Materials

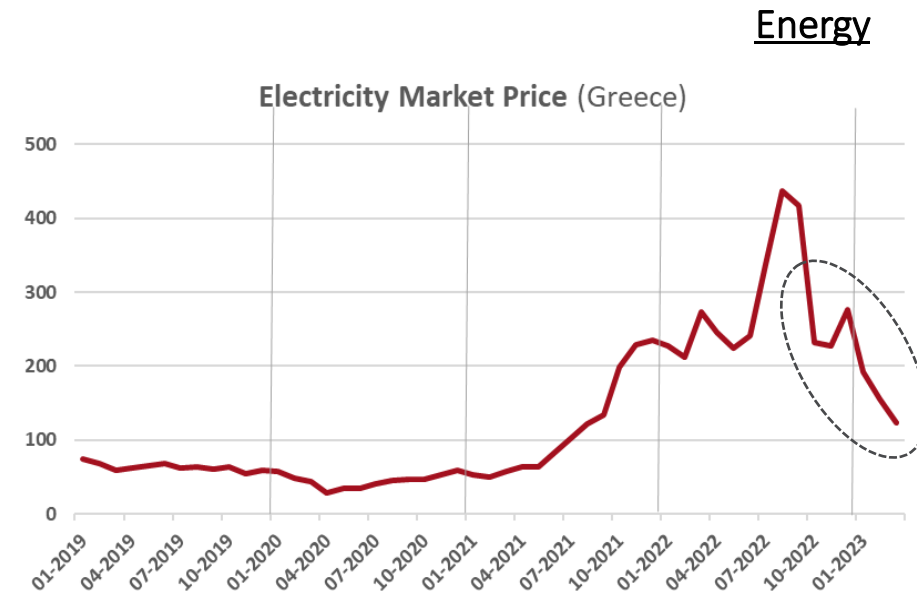
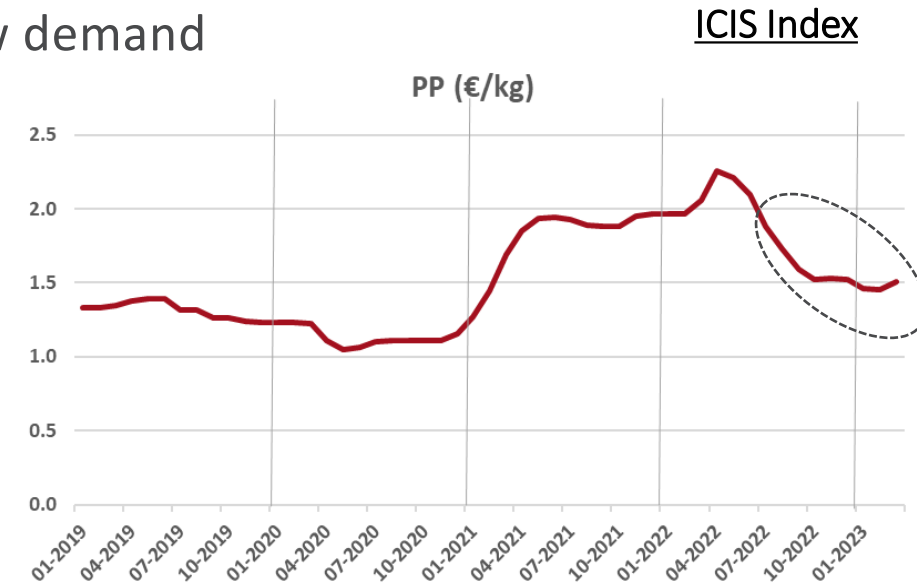
- After a significant increase in 2021, raw material cost gradually decreased, after reaching historical high prices in May 2022 – currently still above pre-pandemic levels, with a trend of a further de-escalation.
- De-stocking seems to have ended – decreased raw material prices may push some increase in inventories.
- Ongoing market pressures for sales price reductions

## Energy Cost

- Aggressive increase in 2022, in all countries of operations, followed by an ongoing de-escalation – still above pre COVID-19 period.
- Outlook looks positive and further price decrease anticipated, due to summer period.

## Transportation Costs

- Decreasing prices in all routes and adequate availability.





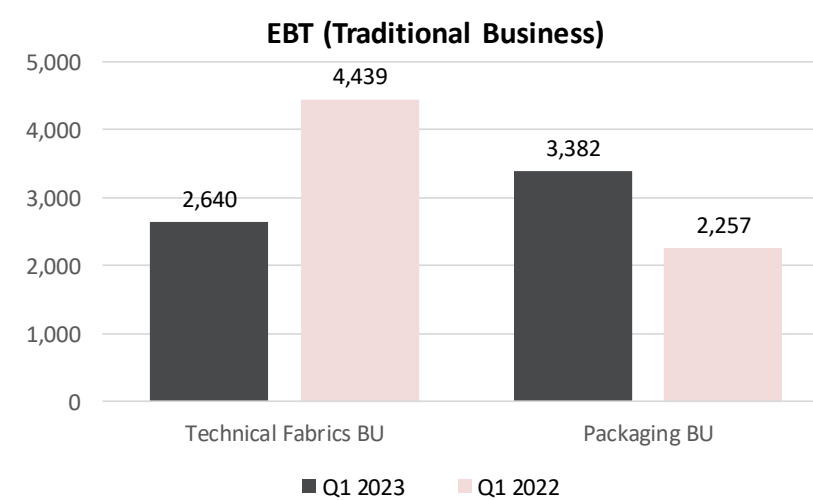
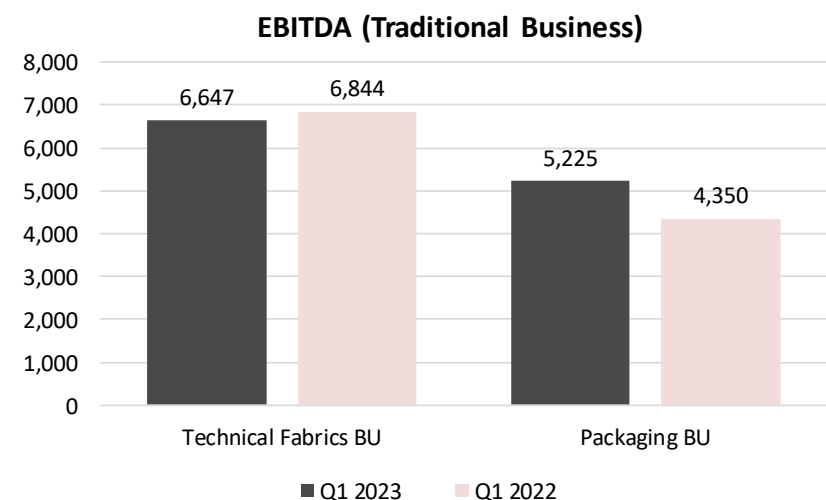
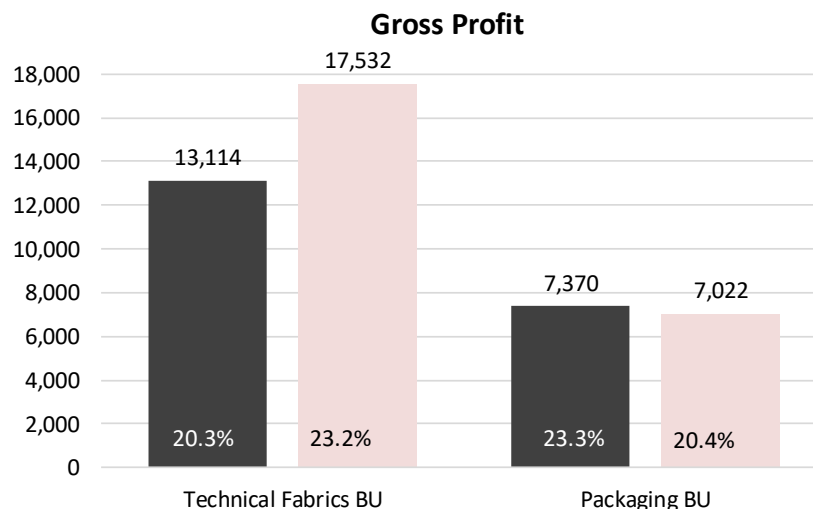
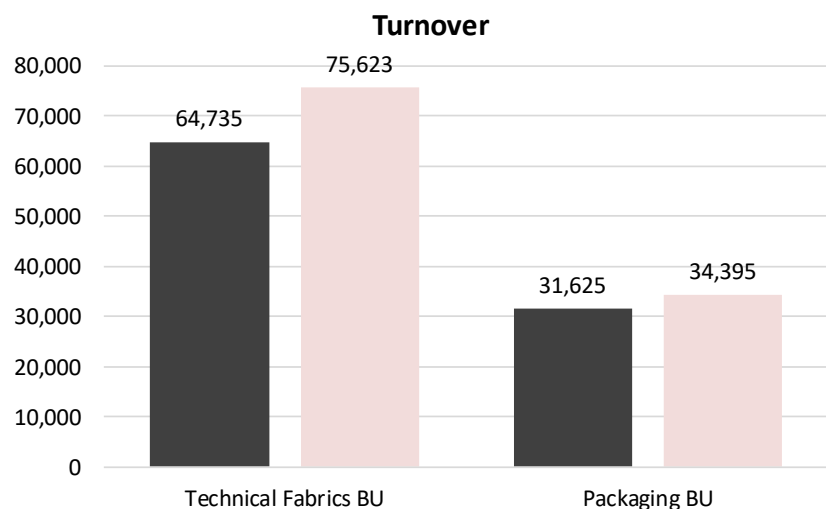
# FINANCIAL ANALYSIS | Q1 2023

Sales decline driven by nearly zero sales for COVID-19 products and lower sales prices – Improved EBITDA from traditional business

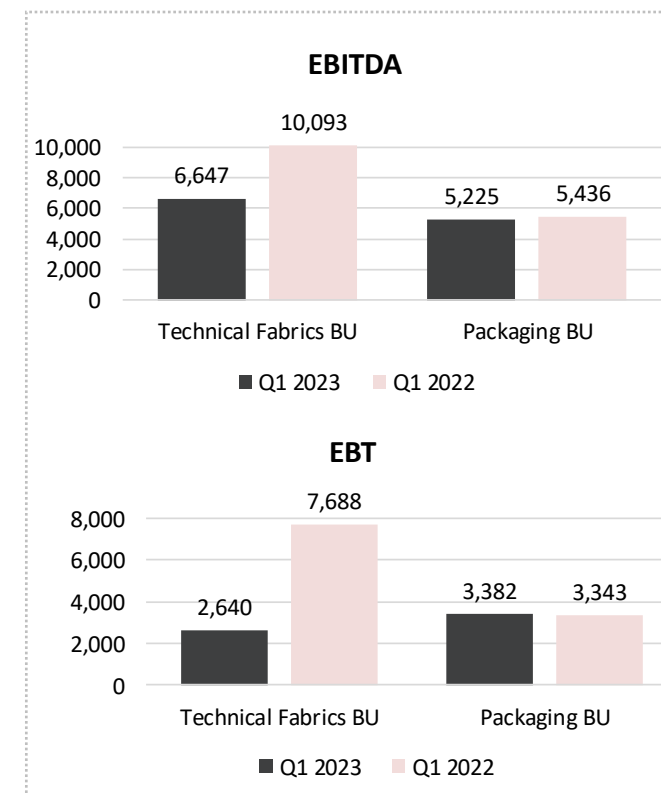
Continuing Operations	Q1 2023	Q1 2022	Δ%
<b>Turnover</b>	92,996	106,257	-12.5%
<b>Gross Profit</b>	20,656	24,687	-16.3%
<i>Gross Profit Margin</i>	22.2%	23.2%	
<b>EBIT</b>	5,999	10,134	-40.8%
<i>EBIT Margin</i>	6.5%	9.5%	
<b>EBITDA</b>	11,654	15,531	-25.0%
<i>EBITDA Margin</i>	12.5%	14.6%	
EBITDA (Traditional portfolio)	11,654	11,196	4%
EBITDA (PPE related)		4,335	
<b>EBT</b>	5,396	10,742	-49.8%
<i>EBT Margin</i>	5.8%	10.1%	
EBT (Traditional portfolio)	5,396	6,407	-15.8%
EBT (PPE related)		4,335	

- The Group's turnover amounted to €93 mil., while the corresponding level during the previous year had settled at €106.3 mil. The above change was fully expected mainly due to:
  - nearly zero demand for COVID-19 related products
  - the significant drop in the average prices sales
  - the marginal drop in volumes sold of 4% (due to low demand).

# SEGMENTAL PERFORMANCE | Q1 2023



It is noted that Q1 2022, the Group profits at an EBITDA level from sales of products related to COVID-19 amounted to €4.3 mil., out of which, € 3.2 mil. was generated from the “Technical Fabrics” BU and € 1.1 mil. was generated from the “Packaging” BU.



# FINANCIAL POSITION | Q1 2023

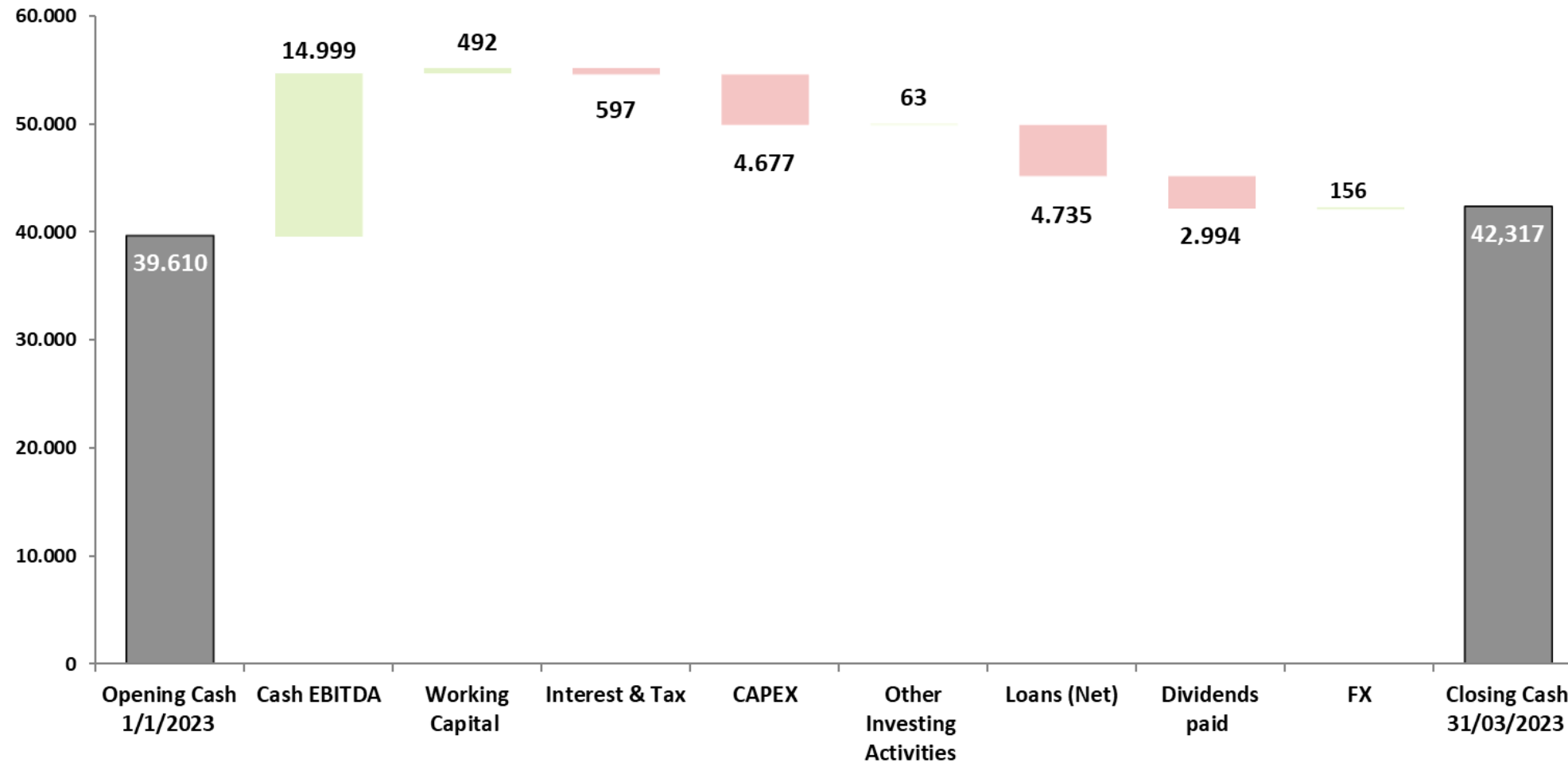
Balance Sheet further deleveraged, with a decreased Net Debt of €14,8 mil.

<b>Balance Sheet</b>	<b>31/3/2023</b>	<b>31/12/2022</b>
Fixed Assets	182,338	182,209
Other NC Assets	29,070	27,579
<b>Non Current Assets</b>	<b>211,408</b>	<b>209,788</b>
Inventories	72,100	76,415
Receivables	72,963	64,769
Cash & Cash Equivalents	42,317	39,610
Financial derivative products	308	284
Other Currents Assets	13,831	13,929
<b>Current Assets</b>	<b>201,519</b>	<b>195,007</b>
<b>Total Assets</b>	<b>412,927</b>	<b>404,795</b>
Bank Loans	54,151	58,630
Liabilities from leases	2,930	2,437
Payables	45,061	40,630
Provisions for Pension Plans	1,462	1,385
Other Liabilities	36,127	33,852
<b>Total Liabilities</b>	<b>139,731</b>	<b>136,934</b>
<b>Equity</b>	<b>273,196</b>	<b>267,861</b>
<b>Equity &amp; Liabilities</b>	<b>412,927</b>	<b>404,795</b>

<b>Key Ratios</b>	<b>31/3/2023</b>	<b>31/12/2022</b>
Total Debt	57,081	61,067
Cash	42,317	39,610
<b>Net Debt</b>	<b>14,764</b>	<b>21,457</b>
<b>Net Debt / EBITDA</b>	<b>0.33</b>	<b>0.44</b>
Net Debt / Sales	0.04	0.05
Net Debt / Equity	0.05	0.08
EV / EBITDA*	4.7	4.4
ROCE	5.7%	6.9%
ROE	7.8%	9.8%
ROIC	6.2%	7.5%
Operating WC	100,002	100,554
<i>as a % of Sales</i>	<i>26.2%</i>	<i>25.5%</i>

# CASH FLOW OVERVIEW | Q1 2023

Robust cash generation, with WC normalization and outflows for CAPEX and debt repayment





***OUTLOOK / FY 2023***

# 2023 OUTLOOK I

Thrace Group is now, more than ever, capable of capitalizing on the significant recurring profitability of the year 2022

## H1 2023

- The economic environment remains challenging due to low demand, persistent inflation levels and high financing costs
- Soft de-escalation on most of the cost categories coupled with sales prices pressures
- **Outlook remains positive**, despite still moderate levels of demand – demand slightly recovered vs second half of 2022
- It is estimated that for the first half of 2023, if the market conditions are not significantly changed, the **EBITDA** will be at the same level approximately with the EBITDA of the first half of 2022 from traditional portfolio, i.e. excluding the profits of COVID-19 products, which for the first half of 2022 amounted to approximately €4.7 million at an EBITDA level. (H1 EBITDA at the level of €25 mil.)

## FY 2023

- Limited visibility, based on order books – high uncertainty for the second half of the year, hence optimism for a better financial performance in second half of the year vs. same period prior year.
- **Outlook remains positive**, despite the high inflation, the moderate demand level and the relatively high energy cost.
- **There is the potential of an annual EBITDA at the same or higher level vs FY2022**, provided that macroeconomic outlook and consumption / demand trend will remain at current levels and evolve as anticipated.
- A cash CAPEX plan of c. €30 mil. currently ongoing, focusing on targeted volume increase investments and cost efficiencies.



# ***THRACE GROUP STOCK / DATA***

# SHAREHOLDERS ANALYSIS I

Sufficient free float and well diversified investors portfolio. Focusing on achieving strong dividend yields for our shareholders



Year of Reference	Dividend Amount	Year of Dividend Payout	Payout Ratio	Gross Dividend per share	Dividend Yield
2017	2.058.218	2018	15%	0,05	1,95%
2018	1.944.000	2019	18%	0,04	2,10%
2019	2.000.003	2020	26%	0,05	2,38%
<b>Distribution from PY Profits</b>	2.500.262	2020	n/a	0,06	1,00%
2020	6.947.002	2021	19%	0,16	4,38%
2021	11.750.000	2022	16%	0,27	5,86%
2022	11.300.000	2023	43%	0,26	6,50%

- Capitalization remains below the level of Equity value
- Single digit P/E and low EV/EBITDA ratio - Dividend yield of 6,5%
- Annual dividend: €11.3 mil. or ~€0.26 / share (gross amount)
- Thrace share included in “high circulation” stock category



# ALTERNATIVE PERFORMANCE MEASURES | Analysis

## Alternative Performance Measures (APM)

During the description of the developments and the performance of the Group, ratios such as the EBIT and the EBITDA are utilized.

- **EBIT (The indicator of earnings before the financial and investment activities as well as the taxes)**

The EBIT serves the better analysis of the Group's operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses, before the financial and investment activities. The EBIT margin (%) is calculated by dividing the EBIT by the turnover.

- **EBITDA (The indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes)**

The EBITDA serves the better analysis of the Group's operating results and is calculated as follows: Turnover plus other operating income minus the total operating expenses before the depreciation of fixed assets, the amortization of grants and the impairments, as well as before the financial and investment activities. The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover.

- **Adjusted EBITDA (The adjusted figure of operating earnings before the financial and investment activities as well as depreciation, amortization, impairment and taxes)**

The Adjusted EBITDA equals with the EBITDA figure from which the restructuring costs, merger and acquisition costs and other non-recurring expenses have been deducted.

Ratios	Explanation
Net Debt / Sales	Relation between Net Debt and Sales
Net Debt / Equity	Relation between Net Debt and Equity
Net Debt / EBITDA	Relation between Net Debt and EBITDA
EV/EBITDA: Value of the Company / Operating Earnings before Financial and Investment Activities, Depreciation, Amortization, Impairments and Taxes	Current Market Capitalization, plus the Company's Debt, minus its Cash, divided by the Operating Earnings before Financial and Investment Activities, Depreciation, Amortization, Impairments and Taxes
ROCE: Return on Capital Employed	Operating Earnings before Financial and Investment Activities and Taxes minus the Taxes divided by the Total Assets minus the Current Liabilities
ROE: Return on Equity	Earnings after Taxes and Minority Rights / Equity attributable to shareholders of the Company
ROIC: Return on Invested Capital	Operating Earnings before Financial and Investment Activities and Taxes minus the Taxes divided by the Invested Capital (Bank Debt + Equity – Cash)

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A WORLD OF MATERIALS & SOLUTIONS