

## FINANCIAL RESULTS OF FIRST HALF OF 2023

Strong Profitability and resilience, despite the challenges of the economic environment

**ATHEX:** PLAT  
**Reuters:** THRr.AT  
**Bloomberg:** PLAT GA

### *First half of 2023 Highlights:*

- **Turnover: €180.1 mil.**
- **EBITDA: €24.1 mil., Earnings before Taxes (EBT): € 12.2 mil.**
- **Net Debt: €21.7 mil.**
- Smooth implementation of the **annual investment plan of €30 mil.**

THRACE GROUP announces the financial results for the first half of 2023.

### First half of 2023 Financial Results

In the first half of 2023, the Group's **Turnover** amounted to €180.1 million, compared to sales of €212.7 million in the corresponding period of the previous year, mainly due to the significant decrease in average sales prices (the first months of 2022, prices of raw materials fluctuated at historically high levels and therefore sales prices had also moved upward) but also due to the limited decline in volumes by 5.6%, as a result of the lower demand.

During the first half of 2023, **EBITDA** amounted to €24.1 million while the comparable EBITDA of the first half 2022 amounted to €25.3 million, i.e. without including the extraordinary profit from the sales of COVID-19 related products of ~€4.7m (the first half of 2022, EBITDA amounted to €30 mil. including profits from COVID-19 products). The limited decline of 4.7% is a result of the lower demand observed worldwide in the main sectors of the economy (construction, agricultural sector), primarily in the European Union, the United Kingdom and the USA.

It is therefore, now clear that despite the ongoing adverse conditions prevailing in the global economy and the recession observed in the main targeted markets, the Group has achieved a stable, sustainable and strong profitability for another quarter. **The fact that this achievement took place amid a period of economic recession, demonstrates the Group's ability to always align with the new market conditions, demonstrating flexibility and resilience, while creating optimism for further improvement of its financial performance in the future.**

It is worth mentioning that regarding the Group's **liquidity levels** and the trading cycle of its subsidiaries, there was no negative effect as a result of the adverse conditions prevailing. On the contrary, the Group's **Net Debt** amounted to €21.7 million, compared to €21.5 million at the end of the previous year, despite the fact that in

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the second quarter of 2023, working capital is higher due to sales seasonality. Also, the calculation of Net Debt does not include a 9-months bank time deposit of €3.5 million.

At the same time, the implementation of the **Group's investment plan** is progressing smoothly. The investment plan for 2023 is expected to amount to €30 million on a cash basis, with investments implemented mainly in the Group's facilities in Greece, but also in the other countries with production facilities.

More specifically, the following table depicts the key financial figures from continuing operations of the Group during the first half of 2023 compared to first half of 2022:

<b>CONSOLIDATED FINANCIAL RESULTS (in € thous.)</b>			
<b>Continuing Operations</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>Change (%)</b>
Turnover	180,096	212,710	-15.3%
Gross Profit	41,476	47,974	-13.5%
EBIT*	12,610	19,558	-35.5%
EBITDA*	24,068	29,960	-19.7%
EBT *	12,242	20,068	-39.0%
Earnings after Taxes	9,093	16,128	-43.6%
Earnings after Taxes and Non-Controlling Interests	8,790	15,889	-44.7%
Basic Earnings per Share (in €)	0.2045	0.3675	-44.4%

\*Note: EBITDA, EBIT and Earnings before Taxes (EBT) of first half of 2022 include also profit from sales of COVID-19 related products amounted to €4.7 million. The comparable First Half 2022 EBITDA from traditional portfolio amounted to €25.3 mil., a change of -4.7%.

## Prospects of the Group

For the third quarter of 2023, the Group's Management monitors the changes taking place at the macroeconomic level and makes the necessary operational adjustments accordingly, targeting to achieve the best possible financial performance. In particular, the Group's Management estimates that, even if the reduced demand in several product groups remains at that level, significant EBITDA profitability will be achieved in the third quarter, roughly at the same level with the EBITDA profitability of the third quarter of 2022, which demonstrates the Group's ability, despite the intense and difficult market environment, to remain focused on its ultimate targets.

Regarding the prospects for the year 2023, the Management is working continuously to limit, to the extent possible, the negative consequences of the evolving economic crisis experienced in Europe, but is also closely monitoring the macroeconomic developments, at a global level, which are still characterized by inflationary trends thus affecting all cost items that constitute the industrial sector's cost base. At the same time, demand remains at low level, especially in the main markets of focus for the Group (construction sector, agricultural sector), in the main geographical areas (European Union, United Kingdom and USA), while no recovery is expected until the end of the year. Despite the unfavorable market conditions and the overall uncertainty that is prevailing again, making any forecasts especially for the last quarter of the year 2023 rather precarious, it is now evident that the conditions of stable and strong profitability have further strengthened the prospects of the Group, especially following the Group's investment plan that has been realized over the past years but continues to be implemented in the current year.

Regarding the financial performance of the first half of 2023, **Mr. Dimitris Malamos, Group CEO, noted:** "The year 2023 is characterized by recession, high inflation and uncertainty. In these adverse economic conditions, the

Group manages to achieve increased level of profitability for another quarter, while further strengthening its financial position. In addition, it continues to invest in new technologies and applications, to increase its production capacity and to improve its cost base, aiming at the same time to constantly reduce its environmental footprint. Remaining committed to the implementation of our strategy, we continue to respond successfully to the international macroeconomic environment challenges, which will result in the further improvement of our financial performance."

For further clarifications or information regarding the present release, please refer to the Department of Investor Relations and Corporate Announcements, tel,: + 30 210-9875081.

### ANALYSIS OF FINANCIAL RESULTS OF THE GROUP (in € thousand)

STATEMENT OF COMPREHENSIVE INCOME	30/06/2023	30/06/2022	Change (%)
<b>Turnover (Continuing Operations)</b>	<b>180,096</b>	<b>212,710</b>	<b>-15.3%</b>
<b>Gross Profit (Continuing Operations)</b>	<b>41,476</b>	<b>47,974</b>	<b>-13.5%</b>
<b>Gross Profit Margin</b>	<b>23.0%</b>	<b>22.6%</b>	
Other Operating Income	1,420	1,208	17.5%
Sales & Distribution Expenses	19,467	19,867	-2.0%
As % of Turnover	10.8%	9.3%	
Administrative Expenses	8,942	8,526	4.9%
As % of Turnover	5.0%	4.0%	
Research & Development Expenses	1,292	1,037	24.6%
As % of Turnover	0.7%	0.5%	
Other Operating Expenses	787	780	0.9%
Other Gains / (Losses)	202	586	-65.5%
<b>EBIT* (Continuing Operations)</b>	<b>12,610</b>	<b>19,558</b>	<b>-35.5%</b>
<b>EBIT Margin</b>	<b>7.0%</b>	<b>9.2%</b>	
<b>EBITDA* (Continuing Operations)</b>	<b>24,068</b>	<b>29,960</b>	<b>-19.7%</b>
<b>EBITDA Margin</b>	<b>13.4%</b>	<b>14.1%</b>	
Financial Cost (Net)	-1,169	-1,317	-11.2%
Earnings / (Losses) from Companies consolidated with the Equity Method	801	1,827	-56.2%
<b>EBT (Continuing Operations)</b>	<b>12,242</b>	<b>20,068</b>	<b>-39.0%</b>
<b>EBT Margin</b>	<b>6.8%</b>	<b>9.4%</b>	
Income Tax	3,149	3,940	-20.1%
Earnings after Taxes (Continuing Operations)	<b>9,093</b>	<b>16,128</b>	<b>-43.6%</b>
Earnings after Taxes (Discontinued Operations)	0	-29	-100.0%
<b>Earnings after Taxes (Total Operations)</b>	<b>9,093</b>	<b>16,099</b>	<b>-43.5%</b>
<b>Earnings after Taxes Margin</b>	<b>5.0%</b>	<b>7.6%</b>	
Earnings after Taxes and Non-Controlling Interests (Continuing Operations)	8,790	15,889	-44.7%
Earnings after Taxes and Non-Controlling Interests (Discontinued Operations)	0	-29	-100.0%
<b>Earnings after Taxes and Non-Controlling Interests (Total Operations)</b>	<b>8,790</b>	<b>15,860</b>	<b>-44.6%</b>
<b>Earnings after Taxes and Non-Controlling Interests Margin</b>	<b>4.9%</b>	<b>7.5%</b>	

Earnings per Share (from Continuing Operations)	0.2045	0.3675	-44.4%
Earnings per Share (from Discontinued Operations)	0.0000	-0.0007	-100.0%
<b>Earnings per Share from Total Operations (in Euro)</b>	<b>0.2045</b>	<b>0.3668</b>	<b>-44.3%</b>

STATEMENT OF FINANCIAL POSITION	30/06/2023	31/12/2022	Change (%)
Property, Plant & Equipment	170,319	169,218	0.7%
Right-of-use Assets	3,073	2,521	21.9%
Investment Property	113	113	0.0%
Intangible Assets	10,178	10,357	-1.7%
Investments in Joint Ventures	19,121	19,921	-4.0%
Net benefit from funded defined benefit plans	9,030	7,169	26.0%
Other Long-term Receivables	147	132	11.4%
Deferred Tax Assets	336	357	-5.9%
<b>Total Non-Current Assets</b>	<b>212,317</b>	<b>209,788</b>	<b>1.21%</b>
Inventories	78,295	76,415	2.5%
Income Tax Prepaid	678	1,984	-65.8%
Trade Receivables	71,119	64,769	9.8%
Other Receivables	13,012	11,945	8.9%
Financial derivative products	0	284	-100.0%
Cash & Cash Equivalents	39,223	39,610	-1.0%
<b>Total Current Assets</b>	<b>202,327</b>	<b>195,007</b>	<b>3.75%</b>
<b>TOTAL ASSETS</b>	<b>414,644</b>	<b>404,795</b>	<b>2.4%</b>
<b>TOTAL EQUITY</b>	<b>268,525</b>	<b>267,861</b>	<b>0.2%</b>
Long-term Debt	33,032	31,641	4.4%
Liabilities from Leases	1,916	1,470	30.3%
Provisions for Employee Benefits	1,544	1,385	11.5%
Deferred Tax Liabilities	10,323	9,660	6.9%
Other Long-term Liabilities	154	174	-11.5%
<b>Total Long-term Liabilities</b>	<b>46,969</b>	<b>44,330</b>	<b>6.0%</b>
Short-term Debt	24,906	26,989	-7.7%
Liabilities from Leases	1,042	967	7.8%
Income Tax	2,592	1,048	147.3%
Suppliers	47,895	40,630	17.9%
Other Short-term Liabilities	22,690	22,970	-1.2%
Financial derivative products	25	0	-
<b>Total Short-term Liabilities</b>	<b>99,150</b>	<b>92,604</b>	<b>7.1%</b>
<b>TOTAL LIABILITIES</b>	<b>146,119</b>	<b>136,934</b>	<b>6.7%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>414,644</b>	<b>404,795</b>	<b>2.4%</b>

TATEMENT OF CASH FLOWS	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022
Cash flows from operating activities	24,255	(8,766)
Cash flows from investing activities	(9,258)	(15,677)
Cash flows from financing activities	(16,287)	1,690
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,290)</b>	<b>(22,753)</b>
Cash and cash equivalents at beginning of period	39,610	63,240
Effect from changes in foreign exchange rates on cash reserves	903	(440)
<b>Cash and Cash Equivalents at end of period</b>	<b>39,223</b>	<b>40,047</b>

FINANCIAL RESULTS PER BUSINESS SEGMENT (Continuing Operations)												
Sector	Technical Fabrics			Packaging			Other		Intra-Segment Eliminations		Group	
	H1 2023	H1 2022	%	H1 2023	H1 2022	%	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
(Amounts in€thous.)												
<b>Turnover</b>	121,726	149,884	-18.8%	64,869	69,879	-7.2%	2,799	2,910	-9,298	-9,963	180,096	212,710
<b>Gross Profit</b>	25,825	33,434	-22.8%	15,358	14,215	8.0%	32	240	261	85	41,476	47,974
<b>Gross Profit Margin</b>	21.2%	22.3%		23.7%	20.3%		1.1%	8.2%	-	-	23.0%	22.6%
<b>Total EBITDA</b>	13,870	19,828	-30.0%	10,754	10,091	6.6%	-510	-44	-46	84	24,068	29,960
<b>EBITDA Margin</b>	11.4%	13.2%		16.6%	14.4%		-18.2%	-1.5%	-	-	13.4%	14.1%

It is noted that in the first half of of 2022, the Group profits at an EBITDA level from sales of products related to COVID-19 amounted to €4.7 mil., out of which, € 3.2 mil. was generated from the "Technical Fabrics" Segment and € 1.5 mil. was generated from the "Packaging" Segment.

**\* Note**

**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 minus Cost of Sales plus other operating income minus the total operating expenses, before the financial and investing activities and taxes. The EBIT margin (%) is calculated by dividing the EBIT by the total turnover.

**EBITDA (The indicator of operating earnings before financial and investing activities as well as depreciation, amortization and taxes)**

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

**EBITDA Margin:** It is calculated as the ratio of EBITDA to total Turnover.