

FINANCIAL RESULTS OF FIRST QUARTER 2023

4% increase in EBITDA from traditional portfolio

Smooth implementation of the planned investments which amounted to €30 mil.

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

First quarter 2023 Highlights:

- **Turnover: €93.0 mil.**
- **EBITDA: €11.7 mil.**
- **Earnings before Taxes (EBT): € 5.4 mil.**
- **Low Net Debt: €14.8 mil.**
- **Annual dividend distribution of ~€0.26 per share - after deducting the interim dividend, additional distribution of €8.3 million or ~€0.19 per share**

THRACE GROUP announces the financial results for the first quarter 2023.

First quarter 2023 Financial Results

The Group's **turnover** amounted to €93 million, while the corresponding level during the previous year had settled at €106.3 million. The above change was fully expected mainly due to nearly zero demand for COVID-19 related products, due to the significant drop in the average prices sales and also due to the marginal drop in product volumes of 4% (due to low demand from the deterioration of the broader environment). It should be noted that in the first months of 2022, raw material prices moved upward at historically high levels and therefore sales prices also moved significantly upward, especially in Technical Fabrics Segment, with a relative downward correction in the first quarter of 2023.

During the first quarter of 2023, Earnings before Interest, Taxes, Depreciation and Amortization (**EBITDA**) amounted to €11.7 million. Respectively in the first quarter of 2022, EBITDA had reached € 15.5 million. However, in the first quarter of 2022 when deducting the earnings generated from COVID-19 related products (of approximately €4.3 million), then on a fully comparable basis, the EBITDA in the first quarter of 2022 had actually settled at €11.2 million, and therefore the first quarter of 2023 EBITDA demonstrated an increase of 4%.

Therefore, it is now clear that despite the particularly difficult conditions prevailing in the global economy, the Group for another quarter is in a strong position to achieve stable, sustainable and high recurring profitability. Furthermore, this achievement was realized under economic recession, showing the Group's ability to adapt to the new conditions emerging each time, demonstrating both flexibility and resilience.

Regarding the liquidity levels of the Group and the trading cycle of the subsidiaries, there was no negative

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effect due to the difficult conditions observed during the period under consideration. On the contrary, the Group's **Net Debt** declined to €14.8 million, compared to €21.5 million at the end of the previous year.

At the same time, the implementation of the **planned investments** of the Group progresses smoothly with their level for 2023 expected to approach €30 million on a cash basis. These investments refer mainly to the Group's facilities in Greece but also to the other countries of operation.

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

CONSOLIDATED FINANCIAL RESULTS (in € thous.) Continuing Operations	31/03/2023	31/03/2022	Change (%)
Turnover	92,996	106,257	-12.5%
Gross Profit	20,656	24,687	-16.3%
EBIT	5,999	10,134	-40.8%
EBITDA*	11,654	15,531	-25.0%
EBT	5,396	10,742	-49.8%
Earnings after Taxes	3,915	8,790	-55.5%
Earnings after Taxes and Non-Controlling Interests	3,788	8,666	-56.3%
Basic Earnings per Share (in €)	0.0881	0.2002	-56.0%

* Q1 2022 EBITDA includes gains from COVID-19 products. The comparable Q1 2022 EBITDA from traditional portfolio amounted to €11.2 mil., change 4%.

It should be noted that the Ordinary General Meeting approved the distribution of a dividend of 11,300,000 (gross amount), which corresponds to a total of 0.2583361887 Euros per share (gross amount), where minus the interim dividend, which has already been distributed, the remaining amount to be distributed amounts to **€8,300,000 (gross amount) or 0.1897513599 Euros per share (gross amount)**.

Prospects of the Group

Regarding **the prospects for the year 2023**, the Management closely monitors the macroeconomic developments, on a global level, which are still characterized by inflationary trends thus affecting all cost items that constitute the industrial sector's cost base. On the other hand, there is also evidence of a slight de-escalation in the prices of primary and secondary materials and of transportation costs. At the same time, demand remains at very low levels, having however slightly recovered from the levels experienced in the last months of 2022.

For the **second quarter of 2023**, the Group's Management monitors and adapts to the changes taking place at the macroeconomic level, making an effort to achieve the best possible financial performance, while simultaneously managing the inherent business risks. More specifically, the Group's Management anticipates that a significant profitability will be achieved in the second quarter of the year as well, which demonstrates the Group's ability, despite the intense and difficult market environment, to remain focused on its ultimate goals. Therefore, 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.

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 OF FIRST QUARTER 2023 (in € thousand)

STATEMENT OF COMPREHENSIVE INCOME	Q1 2023	Q1 2022	Change (%)
Turnover (Continuing Operations)	92,996	106,257	-12.5%
Gross Profit (Continuing Operations)	20,656	24,687	-16.3%
Gross Profit Margin	22.2%	23.2%	
Other Operating Income	520	326	59.5%
Sales & Distribution Expenses	9,811	10,303	-4.8%
As % of Turnover	10.5%	9.7%	
Administrative Expenses	4,334	4,022	7.8%
As % of Turnover	4.7%	3.8%	
Research & Development Expenses	650	459	41.6%
As % of Turnover	0.7%	0.4%	
Other Operating Expenses	441	248	77.8%
Other Gains / (Losses)	59	153	-61.4%
EBIT* (Continuing Operations)	5,999	10,134	-40.8%
EBIT Margin	6.5%	9.5%	
EBITDA* (Continuing Operations)	11,654	15,531	-25.0%
EBITDA Margin	12.5%	14.6%	
Financial Cost (Net)	-564	-457	23.4%
Earnings / (Losses) from Companies consolidated with the Equity Method	-39	1,065	-103.7%
EBT (Continuing Operations)	5,396	10,742	-49.8%
EBT Margin	5.8%	10.1%	
Income Tax	1,481	1,952	-24.1%
Earnings after Taxes (Continuing Operations)	3,915	8,790	-55.5%
Earnings after Taxes (Discontinued Operations)	0	-8	
Earnings after Taxes (Total Operations)	3,915	8,782	-55.4%
Earnings after Taxes Margin	4.2%	8.3%	
Earnings after Taxes and Non-Controlling Interests (Continuing Operations)	3,788	8,666	-56.3%
Earnings after Taxes and Non-Controlling Interests (Discont, Operations)	0	-8	-100.0%
Earnings after Taxes and Non-Controlling Interests (Total Operations)	3,788	8,658	-56.2%
Earnings after Taxes and Non-Controlling Interests Margin	4.1%	8.1%	
Earnings per Share (from Continuing Operations)	0.0881	0.2002	-56.0%
Earnings per Share (from Discontinued Operations)	0.0000	-0.0002	-100.0%
Earnings per Share from Total Operations (in Euro)	0.0881	0.2000	-56.0%

STATEMENT OF FINANCIAL POSITION	31/03/2023	31/12/2022	Change (%)
Property, Plant & Equipment	168,974	169,218	-0.1%
Right-of-use Assets	3,030	2,521	20.2%
Investment Property	113	113	0.0%
Intangible Assets	10,221	10,357	-1.3%
Investments in Joint Ventures	19,697	19,921	-1.1%
Net benefit from funded defined benefit plans	8,932	7,169	24.6%
Other Long-term Receivables	132	132	0.0%
Deferred Tax Assets	309	357	-13.4%
Total Fixed Assets	211,408	209,788	0.8%
Inventories	72,100	76,415	-5.6%
Income Tax Prepaid	1,606	1,984	-19.1%
Trade Receivables	72,963	64,769	12.7%
Other Receivables	12,225	11,945	2.3%
Financial derivative products	308	284	8.5%
Cash & Cash Equivalents	42,317	39,610	6.8%
Total Current Assets	201,519	195,007	3.3%
TOTAL ASSETS	412,927	404,795	2.0%
TOTAL EQUITY	273,196	267,861	2.0%
Long-term Debt	29,944	31,641	-5.4%
Liabilities from Leases	1,972	1,470	34.1%
Provisions for Employee Benefits	1,462	1,385	5.6%
Deferred Tax Liabilities	9,729	9,660	0.7%
Other Long-term Liabilities	162	174	-6.9%
Total Long-term Liabilities	43,269	44,330	-2.4%
Short-term Debt	24,207	26,989	-10.3%
Liabilities from Leases	958	967	-0.9%
Income Tax	2,179	1,048	107.9%
Suppliers	45,061	40,630	10.9%
Other Short-term Liabilities	24,057	22,970	4.7%
Total Short-term Liabilities	96,462	92,604	4.2%
TOTAL LIABILITIES	139,731	136,934	2.0%
TOTAL EQUITY & LIABILITIES	412,927	404,795	2.0%

STATEMENT OF CASH FLOWS	01/01/2023- 31/03/2023	01/01/2022- 31/03/2022
Cash flows from operating activities	14,894	(12,679)
Cash flows from investing activities	(4,614)	(8,745)
Cash flows from financing activities	(7,729)	5,612
Net increase / (decrease) in cash and cash equivalents	2,551	(15,812)
Cash and cash equivalents at beginning of period	39,610	63,240
Effect from changes in foreign exchange rates on cash reserves	156	(80)
Cash and Cash Equivalents at end of period	42,317	47,348

FINANCIAL RESULTS PER BUSINESS SEGMENT (Continuing Operations)												
Sector	Technical Fabrics			Packaging			Other		Intra-Segment Eliminations		Group	
	Q1 2023	Q1 2022	%	Q1 2023	Q1 2022	%	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
(Amounts in € thous.)												
Turnover	64,735	75,623	-14.4%	31,625	34,395	-8.1%	1,400	1,442	-4,764	-5,203	92,996	106,257
Gross Profit	13,114	17,532	-25.2%	7,370	7,022	5.0%	29	135	143	-3	20,656	24,687
Gross Profit Margin	20.3%	23.2%		23.3%	20.4%		2.1%	9.4%	-	-	22.2%	23.2%
Total EBITDA	6,647	10,093	-34.1%	5,225	5,436	-3.9%	-231	28	13	-27	11,654	15,531
EBITDA Margin	10.3%	13.3%		16.5%	15.8%		-16.5%	1.9%	-	-	12.5%	14.6%

It is noted that in the first quarter of 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" Segment and € 1.1 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 investment activities and taxes, 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 also 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 fixed assets, the amortization of grants and impairments, as well as before the financial and investment activities, and before 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.