

FINANCIAL RESULTS OF THE NINE-MONTH PERIOD ENDED SEPT 30, 2023

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

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

Nine-month period of 2023 Highlights:

- **Turnover: €269.8 mil.**
- **EBITDA: €37.0 mil. and Earnings Before Taxes (EBT): € 20.2 mil.**
- **Net Debt: €19.4 mil.,** compared to €21.5 mil. at the end of 2022
- Smooth implementation of the **annual investment plan of €30 mil. New investment plan of €10 mil.** in the Packaging Sector in Greece.
- **Interim dividend: €3 mil.,** corresponding to **~€0.07 per share (gross amount)**

THRACE GROUP announces the financial results for the nine-month period ended September 30, 2023.

Financial Results of Nine-month period ended September 30, 2023

In the nine-month period of 2023, the Group's **Turnover** amounted to €269.8 mil. while the Turnover in the corresponding period of previous year had settled at €316.1 mil., mainly due to the significant decrease of average sale prices (in the first months of 2022, raw material prices increased at historically high levels and therefore sale prices had also settled at higher levels), and also due to the relatively limited decline in volumes by 1.6%, as a result of the low demand in the main sectors of the economy (e.g. construction, agricultural sector) primarily in the European Union, United Kingdom and USA.

During the first 9months of 2023, **EBITDA** amounted to 37.0 mil. During the nine-month period of 2022, EBITDA had amounted to €42.6 mil., however after deducting the extraordinary profit from the sales of COVID-19 products (of approximately €5.3 mil.), in directly comparable terms, EBITDA of the nine-month period of 2022 amounted to €37.3 mil. Therefore in comparable terms, EBITDA for the 9months period of 2023 decreased by 0.7% due to the lower demand.

In particular, **during the third quarter of the year**, Turnover amounted to €89.7 mil. compared to €103.4 mil. in the third quarter of 2022, entirely due to lower average sale prices resulting from the lower raw material prices and limited demand, however in terms of volumes, the Group managed to attain an increase by 6.9% compared to the third quarter of 2022. In terms of operating profitability, EBITDA of the third quarter amounted to €13.0 mil., increased by 7.7% compared to the adjusted EBITDA of €12.0 mil. of the third quarter of 2022 (i.e. after deducting the profit from the sales of COVID-19 products of €0.6 mil.).

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Regarding the liquidity levels of the Group and the trading cycle of the subsidiaries, the Group's **Net Debt** amounted to €19.4 mil. compared to €21.5 mil. at the end of the previous year, indicating that during the period, the Group's financial position was even further improved. Also, the calculation of Net Debt does not include a nine-month time deposit of €3.5 mil., therefore, in case the specific amount had been included, the Group's net debt would amount to €15.9 mil.

The Bord of Directors decided the distribution of an **interim dividend** for the fiscal year 2023, of a total amount of €3 mil. (gross amount). The distribution of the interim dividend will commence on December 6th, 2023.

More specifically, the following table depicts the key financial figures from continuing operations of the Group during the nine-month period of 2023 compared to the corresponding period of 2022:

CONSOLIDATED FINANCIAL RESULTS (in € thous.)			
Continuing Operations	30/09/2023	30/09/2022	Change (%)
Turnover	269,788	316,068	-14.6%
Gross Profit	62,576	70,235	-10.9%
EBIT*	19,684	27,034	-27.2%
EBITDA*	37,024	42,571	-13.0%
EBT *	20,229	32,180	-37.1%
Earnings after Taxes	15,409	26,814	-42.5%
Earnings after Taxes and Non-Controlling Interests	14,929	26,414	-43.5%
Basic Earnings per Share (in €)	0.3474	0.6111	-43.2%

Note: EBITDA, EBIT and Earnings before Taxes (EBT) of the nine-month period of 2022 include also profit from **sales of COVID-19 related products amounted to €5.3 mil. **The comparable nine-month period of 2022 EBITDA from traditional portfolio of the Group amounted to €37.3 mil., demonstrating a variance of -0.7%.***

Prospects of the Group

With regard to the last quarter of the year, the Group's Management closely monitors and continues to adapt to the changes taking place on the macro-economic level, making at the same time strong efforts to achieve the best possible financial performance, despite the deterioration of the geopolitical backdrop in Middle East. Although the Group does not expect any direct impact in terms of sales in that region, the broader uncertainty of macroeconomic conditions may affect both the markets and the economies in which the Group activates.

However, regarding the Group's **annual profitability**, the Management estimates that although demand in several product categories remains subdued and uncertainty flares up amid the new geopolitical crisis, the current year's profitability in terms of EBITDA is expected to fluctuate alongside the respective levels of 2022 (it is noted that the extraordinary profit of €5.3 mil. due to COVID-19 should be deducted from FY2022 EBITDA). This demonstrates the ability of the Group amid intense and adverse conditions to remain focused and capable of achieving its goals.

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 €'000)

STATEMENT OF COMPREHENSIVE INCOME	30/09/2023	30/09/2022	Change (%)
Turnover (Continuing Operations)	269,788	316,068	-14.6%
Gross Profit (Continuing Operations)	62,576	70,235	-10.9%
Gross Profit Margin	23.2%	22.2%	
Other Operating Income	2,059	1,831	12.5%
Sales & Distribution Expenses	28,936	30,916	-6.4%
As % of Turnover	10.7%	9.8%	
Administrative Expenses	13,006	12,582	3.4%
As % of Turnover	4.8%	4.0%	
Research & Development Expenses	1,903	1,614	17.9%
As % of Turnover	0.7%	0.5%	
Other Operating Expenses	1,283	981	30.8%
Other Gains / (Losses)	177	1,061	-83.3%
EBIT* (Continuing Operations)	19,684	27,034	-27.2%
EBIT Margin	7.3%	8.6%	
EBITDA* (Continuing Operations)	37,024	42,571	-13.0%
EBITDA Margin	13.7%	13.5%	
Financial Cost (Net)	-1,199	2,355	
Earnings / (Losses) from Companies consolidated with the Equity Method	1,744	2,791	-37.5%
EBT (Continuing Operations)	20,229	32,180	-37.1%
EBT Margin	7.5%	10.2%	
Income Tax	4,820	5,366	-10.2%
Earnings after Taxes (Continuing Operations)	15,409	26,814	-42.5%
Earnings after Taxes (Discontinued Operations)	0	-49	
Earnings after Taxes (Total Operations)	15,409	26,765	-42.4%
Earnings after Taxes Margin	5.7%	8.5%	
Earnings after Taxes and Non-Controlling Interests (Continuing Operations)	14,929	26,414	-43.5%
Earnings after Taxes and Non-Controlling Interests (Discontinued Operations)	0	-49	-100.0%
Earnings after Taxes and Non-Controlling Interests (Total Operations)	14,929	26,365	-43.4%
Earnings after Taxes and Non-Controlling Interests Margin	5.5%	8.3%	
Earnings per Share (from Continuing Operations)	0.3474	0.6111	-43.2%
Earnings per Share (from Discontinued Operations)	0.0000	-0.0011	-100.0%
Earnings per Share from Total Operations (in Euro)	0.3474	0.6100	-43.0%

FINANCIAL RESULTS OF THE NINE-MONTH PERIOD OF 2023

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STATEMENT OF FINANCIAL POSITION	30/09/2023	31/12/2022	Change (%)
Property, Plant & Equipment	172,691	169,218	2.1%
Right-of-use Assets	3,108	2,521	23.3%
Investment Property	113	113	0.0%
Intangible Assets	10,307	10,357	-0.5%
Investments in Joint Ventures	20,286	19,921	1.8%
Net benefit from funded defined benefit plans	9,430	7,169	31.5%
Other Long-term Receivables	139	132	5.3%
Deferred Tax Assets	352	357	-1.4%
Total Non-Current Assets	216,426	209,788	3.2%
Inventories	72,963	76,415	-4.5%
Income Tax Prepaid	1,029	1,984	-48.1%
Trade Receivables	71,776	64,769	10.8%
Other Receivables	11,495	11,945	-3.8%
Financial derivative products	0	284	
Cash & Cash Equivalents	38,406	39,610	-3.0%
Total Current Assets	195,669	195,007	0.3%
TOTAL ASSETS	412,095	404,795	1.8%
TOTAL EQUITY	275,222	267,861	2.7%
Long-term Debt	32,598	31,641	3.0%
Liabilities from Leases	1,926	1,470	31.0%
Provisions for Employee Benefits	1,620	1,385	17.0%
Deferred Tax Liabilities	10,254	9,660	6.1%
Other Long-term Liabilities	139	174	-20.1%
Total Long-term Liabilities	46,537	44,330	5.0%
Short-term Debt	22,235	26,989	-17.6%
Liabilities from Leases	1,058	967	9.4%
Income Tax	2,458	1,048	134.5%
Suppliers	41,443	40,630	2.0%
Other Short-term Liabilities	22,915	22,970	-0.2%
Financial derivative products	227	0	
Total Short-term Liabilities	90,336	92,604	-2.4%
TOTAL LIABILITIES	136,873	136,934	0.0%
TOTAL EQUITY & LIABILITIES	412,095	404,795	1.8%

STATEMENT OF CASH FLOWS	01/01/2023- 30/09/2023	01/01/2022- 30/09/2022
Cash flows from operating activities	33,914	(2,611)
Cash flows from investing activities	(16,109)	(26,674)
Cash flows from financing activities	(19,723)	3,460
Net increase / (decrease) in cash and cash equivalents	(1,918)	(25,825)
Cash and cash equivalents at beginning of period	39,610	63,240
Effect from changes in foreign exchange rates on cash reserves	714	(944)
Cash and Cash Equivalents at end of period	38,406	36,471

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FINANCIAL RESULTS PER BUSINESS SEGMENT (Continuing Operations)												
Sector	Technical Fabrics			Packaging			Other		Intra-Segment Eliminations		Group	
	(Amounts in €'000)	9M 2023	9M 2022	%	9M 2023	9M 2022	%	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023
Turnover	181,675	222,514	-18.4%	96,600	103,854	-7.0%	4,196	4,300	-12,683	-14,600	269,788	316,068
Gross Profit	39,007	49,021	-20.4%	23,018	20,840	10.5%	156	363	395	11	62,576	70,235
Gross Profit Margin	21.5%	22.0%		23.8%	20.1%		3.7%	8.4%	-	-	23.2%	22.2%
Total EBITDA	21,187	27,970	-24.3%	16,179	14,520	11.4%	-358	28	16	53	37,024	42,571
EBITDA Margin	11.7%	12.6%		16.7%	14.0%		-8.5%	0.7%	-	-	13.7%	13.5%

It is noted that in the nine-month period of 2022, the Group profits at an EBITDA level from sales of products related to COVID-19 amounted to €5.3 mil., out of which, € 3.2 mil. was generated from the "Technical Fabrics" Segment and € 2.1 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 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.