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FINANCIAL RESULTS OF THE FIRST HALF OF 2022

Strong profitability amid macroeconomic challenges

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

First Half Highlights (continuing operations):

- **Turnover of €212.7 mil.**
- **EBITDA amounted to €30 mil.**, improved by 82% compared with the EBITDA figures of the first half of 2019.
- **Earnings before Taxes (EBT) of half year amounted to € 20.1 mil.** out of which, €15.4 mil. relate to the traditional product portfolio.
- **Profitability target of the second quarter of 2022 was achieved - the Group's Earnings before Taxes (EBT) amounted to €9.3 mil.**, out of which €8.96 mil. were generated from the traditional product portfolio.
- **The Group's Net Debt amounted to €22.3 mil.**, while the implementation of the Group's annual investment program progressing smoothly.

The purpose of the current press release is to present the Group's financial results for the first half of 2022.

The Group's **Turnover** from continuing operations amounted to €212.7 mil., versus € 234.3 mil. in the first half of the previous year, posting a drop of 9.2%, while **Earnings before Taxes (EBT)** from continuing operations amounted to €20.1 mil., while in the first half of 2021, EBT amounted to €62 mil., as a result of the significantly decreased demand in products related to COVID-19. More specific, from the €20.1 mil. of EBT, €15.4 mil. relate to the traditional product portfolio and €4.7 mil. were generated from sales of personal protection products related to COVID-19. **As there is more direct comparison between the first half of 2022**

and the pre-pandemic levels, i.e. the first half of 2019, it should be noted that Earnings before Taxes from the traditional product portfolio have more than doubled (vs first half of 2019), recording an increase of 133%, demonstrating the significantly higher profitability that was generated amid especially difficult market conditions globally during the first half of 2022, along with the higher costs in terms of raw materials, energy and transportation.

More specifically, the following table depicts the key financial figures from continuing operations of the Group during the first half of in relation to the corresponding period of 2021. It is noted that the discontinued operations concern the termination of production activities of the US subsidiary Thrace Linq Inc.

CONSOLIDATED FINANCIAL RESULTS (in € thous.)	30/06/2022	30/06/2021	Change (%)
Turnover (Continuing Operations)	212,710	234,285	-9.2%
Gross Profit (Continuing Operations)	47,974	90,234	-46.8%
EBIT* (Continuing Operations)	19,558	61,193	-68.0%
EBITDA* (Continuing Operations)	29,960	72,459	-58.7%
Adjusted EBITDA* (Continuing Operations)	29,960	72,841	-58.9%
EBT (Continuing Operations)	20,068	61,970	-67.6%
Earnings after Taxes (Continuing Operations)	16,128	48,483	-66.7%
Earnings/(Losses) after Taxes (Discontinued Operations)	-29	32	
Earnings after Taxes (Total Operations)	16,099	48,515	-66.8%
Earnings after Taxes and Non-Controlling Interests (Continuing Operations)	15,889	48,179	-67.0%
Earnings/(Losses) after Taxes and Non-Controlling Interests (Discontinued Operations)	-29	32	
EATAM (Total Operations)	15,860	48,211	-67.1%
Basic Earnings per Share (Continuing Operations) (in €)	0.3675	1.1103	-66.9%
Basic Earnings / (Losses) per Share (Discontinued Operations) (in €)	-0.0007	0.0007	
Basic Earnings per Share (Total Operations) (in €)	0.3668	1.1110	-67.0%

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In terms of demand, the following were observed during the second quarter of 2022:

- Increased demand for products in the construction sector.
- Steady demand for products related to the infrastructure sector and to the large-scale construction projects.
- Lag in demand for most of the products of the agricultural sector.
- Steady demand for products related to the packaging sector.
- Significantly decreased demand for products related to COVID-19.
- Maintenance of the cost of raw materials at high levels.
- Significantly increased energy costs, which is much higher compared to the already increased costs of the past months, in all countries which the Group is operating in.
- Increased transport costs, with long delays on specific routes.
- Significantly increased cost of raw materials as well as of packaging materials.

Prospects of the Group

The Management closely monitors the macroeconomic developments, on a global level, which are characterized by the significantly stronger inflationary trends, throughout the economy but also in all cost items that constitute the industrial sector's cost base, and by the ongoing war between Russia and Ukraine, which is substantially aggravating the economic environment. As a result of the above developments, there is a lag in demand which depending on the sector and market might be more or less significant but also quite sufficient to negatively affect the broader economic environment. At the same time, costs remain significantly higher compared to the recent past.

Regarding the third quarter of 2022, the Management of the Group closely monitors and adapts to the changes taking place at the macroeconomic level and to the clearly more difficult conditions compared to the first half of the year. In this context, the Management is taking measures to maximize the Group's financial performance to the greatest possible extent and given the unfavorable market conditions, with a parallel effort to effectively manage the operational risks that arise each time. In any case, for the third quarter of 2022 a relative slowdown in terms of profitability generation is estimated, compared to the second quarter of the year. The above trend was an expected one, taking into consideration the conditions experienced by the European economies following the energy crisis and the ongoing war conflict, and in particular the extreme increases of energy costs, the double-digit inflation rates and the slowdown in demand. However, it should be noted that the third quarter of the

year will be more profitable, compared to the pre-pandemic levels, i.e. the corresponding period of 2019.

In relation to the performance of the Group for the entire year 2022, it is quite evident from the current conditions and also based on the mid/short-term views of the global markets, that the macroeconomic environment is becoming difficult and this difficulty is expected to become even greater in the coming months and until the end of the year, but possibly extend to the next year as well. In any case, the Group's Management is working uninterruptedly to achieve the annual profitability targets (an EBT of €25 million coming for the traditional product portfolio, as already announced in the past months), without any target revision, as it is considered achievable, provided that the energy cost will remain at current levels and the level of demand will not decline further in the coming months.

At this point, it should be noted that, with a target of decreasing the high energy cost, the Group, within the first half of 2022 has already implemented an investment of 5MW in photovoltaic parks, while its plan for further energy savings is still ongoing. Also, the mechanical units are modified, where applicable, to have the capacity to use all types of fuels and energy, with a target of becoming independent from natural gas.

It is critical to note that due to the great uncertainty generated by the global market conditions, any estimates on evolution of demand, cost or sufficiency of energy at European level and subsequently any estimates on future financial performance, become extremely difficult and unsecured. The Group's Management is closely monitoring the market conditions to be in position to make business decision based on their evolution.

With regard to the financial results of the first half of 2022, **Mr. Dimitris Malamos, Chief Executive Officer of the Group, commented:** "It is now fully evident and can be once again confirmed that despite the especially difficult conditions prevailing in the global economy, the Group is capable of generating a stable, sustainable, and significantly higher recurring profitability, compared to the pre-pandemic levels. Having entered a period of even greater uncertainty, we remain committed to our targets, operating with specific plans and financial discipline, focusing on operational efficiency and I am confident that even in this difficult period, the Group will demonstrate flexibility and resilience".

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

FINANCIAL RESULTS OF FIRST HALF 2022
www.thracegroup.com
ANALYSIS OF FINANCIAL RESULTS OF FIRST HALF 2022 (in € thousand)

STATEMENT OF COMPREHENSIVE INCOME OF FIRST HALF 2022	1H 2022	1H 2021	Change (%)
Turnover (Continuing Operations)	212,710	234,285	-9.2%
Gross Profit (Continuing Operations)	47,974	90,234	-46.8%
Gross Profit Margin	22.6%	38.5%	
Other Operating Income	1,208	638	89.4%
Sales & Distribution Expenses	19,867	17,500	13.5%
As % of Turnover	9.3%	7.5%	
Administrative Expenses	8,526	9,799	-13.0%
As % of Turnover	4.0%	4.2%	
Research & Development Expenses	1,037	951	9.0%
As % of Turnover	0.5%	0.4%	
Other Operating Expenses	780	2,130	-63.4%
Other Income / (Losses)	586	702	-16.5%
EBIT* (Continuing Operations)	19,558	61,193	-68.0%
EBIT Margin	9.2%	26.1%	
EBITDA* (Continuing Operations)	29,960	72,459	-58.7%
EBITDA Margin	14.1%	30.9%	
Adjusted EBITDA* (Continuing Operations)	29,960	72,841	-58.9%
Adjusted EBITDA Margin	14.1%	31.1%	
Financial Cost (Net)	-1,317	-1,126	17.0%
Earnings / (Losses) from Companies consolidated with the Equity Method	1,827	1,903	-4.0%
EBT (Continuing Operations)	20,068	61,970	-67.6%
EBT Margin	9.4%	26.5%	
Income Tax	3,940	13,487	-70.8%
Earnings / (Losses) after Taxes (Continuing Operations)	16,128	48,483	-66.7%
Earnings / (Losses) after Taxes (Discontinued Operations)	-29	32	
Earnings / (Losses) after Taxes (Total Operations)	16,099	48,515	-66.8%
EAT Margin**	7.6%	20.7%	
EATAM (Continuing Operations)	15,889	48,179	-67.0%
Earnings / (Losses) after taxes & Non Contr. Interests (Discont. Operations)	-29	32	
EATAM (Total Operations)	15,860	48,211	-67.1%
EATAM Margin**	7.5%	20.6%	
Earnings per Share (from Continuing Operations)	0.3675	1.1103	-66.9%
Earnings / (Losses) per Share (from Discontinued Operations)	-0.0007	0.0007	
Earnings per Share from Total Operations (in Euro)	0.3668	1.1110	-67.0%

** Note: EAT margin and EATAM margin have been calculated as percentage of the Total Turnover (from continuing and discontinued operations). Specifically for the first half of 2022, the Total Turnover amounted to € 212,710 thousand whereas for the first half of 2021 the Total Turnover had settled at € 234,285 thousand.

FINANCIAL RESULTS PER BUSINESS SEGMENT (Continuing Operations)												
Sector	Technical Fabrics			Packaging			Other		Intra-Segment Eliminations		Group	
	1H 2022	1H 2021	% Ch.	1H 2022	1H 2021	% Ch.	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021
(Amounts in € thous.)												
Turnover	149,884	179,350	-16.4%	69,879	60,004	16.5%	2,910	2,631	-9,963	-7,700	212,710	234,285
Gross Profit	33,434	75,720	-55.8%	14,215	14,480	-1.8%	240	-477	85	511	47,974	90,234
Gross Profit Margin	22.3%	42.2%		20.3%	24.1%		8.2%	-18.1%	-	-	22.6%	38.5%
Total EBITDA	19,828	62,797	-68.4%	10,091	10,605	-4.8%	-44	-835	84	-108	29,960	72,459
EBITDA Margin	13.2%	35.0%		14.4%	17.7%		-1.5%	-31.7%	-	-	14.1%	30.9%

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Statement of Financial Position	30/06/2022	30/06/2021	Change (%)
Property, Plant & Equipment	158,947	153,848	3.3%
Right-of-use Assets	2,701	3,051	-11.5%
Investment Property	113	113	0.0%
Intangible Assets	10,377	10,539	-1.5%
Investments in Joint Ventures	20,015	18,012	11.1%
Other Long-term Receivables	3,728	5,001	-25.5%
Deferred Tax Assets	358	380	-5.8%
Total Fixed Assets	196,239	190,944	2.77%
Inventories	83,163	71,835	15.8%
Income Tax Prepaid	286	274	4.4%
Trade Receivables	83,671	64,547	29.6%
Other Receivables	12,092	14,359	-15.8%
Cash & Cash Equivalents	40,047	63,240	-36.7%
Total Current Assets	219,259	214,255	2.34%
TOTAL ASSETS	415,498	405,199	2.5%
TOTAL EQUITY	255,768	252,250	1.4%
Long-term Debt	35,687	33,610	6.2%
Liabilities from Leases	1,765	2,061	-14.4%
Provisions for Employee Benefits	1,584	3,499	-54.7%
Other Long-term Liabilities	7,345	6,979	5.2%
Total Long-term Liabilities	46,381	46,149	0.5%
Short-term Debt	24,009	17,393	38.0%
Liabilities from Leases	862	914	-5.7%
Suppliers	62,008	55,441	11.8%
Other Short-term Liabilities	26,470	33,052	-19.9%
Total Short-term Liabilities	113,349	106,800	6.1%
TOTAL EQUITY & LIABILITIES	415,498	405,199	2.5%

Statement of CashFlows	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Cash flows from operating activities	-8,766	67,559
Cash flows from investing activities	-15,677	-10,008
Cash flows from financing activities	1,690	-32,178
Net increase / (decrease) in cash and cash equivalents	-22,753	25,373
Cash and cash equivalents at beginning of period	63,240	40,824
Effect from changes in foreign exchange rates on cash reserves	-440	810
Cash and Cash Equivalents at end of period	40,047	67,007

*** 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 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 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, and before taxes. The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover.

Adjusted EBITDA (The adjusted indicator of operating earnings before the financial and investment activities as well as the depreciation, amortization, impairment and taxes): The adjusted EBITDA equals with the EBITDA excluding any extraordinary Expenses/Income.