

FINANCIAL RESULTS OF YEAR 2022

Strong recurring operating profitability
Dynamic growth compared to pre-pandemic levels

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

Full Year Highlights (Continuing Operations):

- **Turnover of €394.4 mil.**
- **EBITDA amounted to €48.3 mil.**
- **Earnings before Taxes (EBT) amounted to € 32.1 mil., of which €22.2 mil. related to the traditional product portfolio.**
- **Net Debt amounted to €21.5 mil.**
- **Proposed annual dividend to be distributed: €11.3 million, corresponding to a gross amount of ~€0.26 per share, which, excluding the interim dividend of €3 million that was already distributed, will result in a remaining dividend to be distributed of €8.3 million, corresponding to a gross amount of ~€0.19 per share.**

THRACE GROUP presents the financial results for the fiscal year 2022.

Annual Financial Results

The Group entered the post-pandemic era by recording enhanced profitability, almost double the pre-pandemic levels, despite the very challenging environment observed in 2022. **Turnover from continuing operations amounted to €394.4 million**, decreased by 7.9 % compared to the previous year's level of €428.4 million (with a corresponding volume decrease of 5.5%). **However, it should be noted that as a consequence of the significant increase in sales of COVID-19 personal protection products during 2021, the 2022 results are not directly comparable to 2021.**

In fiscal year 2022, the Group achieved significant recurring profitability, as the **Earnings before Taxes (EBT) from continuing operations amounted to €32.1 million**. Due to the above-mentioned increase in personal protection products related to COVID-19, in year 2021, EBT from continuing operations reached the extraordinary amount of €83.9 million.

In more detail, the €32.1 million of the Earnings before Taxes of year 2022 includes €22.2 million deriving from the traditional product portfolio, €5.3 million generated from sales of COVID-19 personal protection products, while the Group has also recorded an extraordinary financial income of €4.6 million. **Compared to the pre-pandemic levels, i.e. the year 2019, which is more applicable for direct comparison, the year 2022 Earnings before Taxes (EBT) from the traditional product portfolio posted an increase of 166% (€22.2 million compared**

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to €8.3 million in 2019). The above development demonstrates the significantly increased profitability of the Group, despite the especially unfavorable conditions that prevailed in the global market during the year 2022.

More specifically, the following table depicts the key financial figures from continuing operations of the Group during the fiscal year 2022 compared to 2021:

CONSOLIDATED FINANCIAL RESULTS (in € thous.)	31/12/2022	31/12/2021*	Change (%)
Turnover (Continuing Operations)	394,382	428,429	-7.9%
Gross Profit (Continuing Operations)	84,263	140,149	-39.9%
EBIT* (Continuing Operations)	27,407	83,913	-67.3%
EBITDA* (Continuing Operations)	48,259	103,791	-53.5%
Adjusted EBITDA* (Continuing Operations)	48,850	105,799	-53.8%
EBT (Continuing Operations)	32,068	83,920	-61.8%
Earnings after Taxes (Continuing Operations)	26,270	65,866	-60.1%
Earnings/(Losses) after Taxes (Discontinued Operations)	-35	6,591	-
Earnings after Taxes (Total Operations)	26,235	72,457	-63.8%
Earnings after Taxes and Non-Controlling Interests (Continuing Operations)	25,777	65,436	-60.6%
Earnings/(Losses) after Taxes and Non-Controlling Interests (Discontinued Operations)	-35	6,591	-
Earnings after Taxes and Non-Controlling Interests (Total Operations)	25,742	72,027	-64.3%
Basic Earnings per Share (Total Operations) (in €)	0.5977	1.6613	-64.0%

(*) The financial year 2021 is characterized by the extraordinary increased profitability, due to the pandemic and the increase in demand for personal protection products related to COVID-19.

Note: The discontinued operations concern the termination of production activities of the US subsidiary Thrace Linq Inc.

Therefore, it is now clear that despite the particularly difficult conditions prevailing in the global economy, the Group is in strong position to achieve stable, sustainable and significantly higher recurring profitability compared to pre-pandemic levels. Furthermore, this achievement was realized in very different and especially negative conditions compared to the previous years, demonstrating the Group's ability to adapt to the new conditions emerging each time, by demonstrating both flexibility and resilience. Furthermore, year 2022 has been the first year in the post-pandemic era, but on the other hand it was affected by a series of macroeconomic and geopolitical factors, as the ongoing war and energy crisis, combined with the strong inflationary increases, the negative impact on purchasing power of households particularly in the second half of the year, as well as the increase in interest rates and financing costs for businesses and households.

However, the Group, through the investment and restructuring plan that took place over the previous years, has managed to set new performance standards in terms of its financial results, developing new prospects for the future.

It should be noted that the Company's Board of Directors will propose to the Ordinary General Meeting of shareholders, an **annual dividend distribution of €11,300,000** (gross amount), which corresponds to **0.2583361887 Euros per share (gross amount)**. After deducting the interim dividend of €3,000,000 that was already distributed, **the remaining dividend to be distributed will amount to €8,300,000** (gross amount), i.e. **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 some de-escalation in the prices of primary and secondary materials and in transportation costs. At the same time, demand remains at relatively low levels, having however recovered from the levels experienced in the last months of 2022.

For the **first quarter of the year 2023**, the Group's Management anticipates that a significant profitability will be achieved, which demonstrates the Group's commitment, despite the intense and difficult market environment, to remain focused on its ultimate goals. *Therefore, profitability in terms of EBITDA of the Group from the traditional product portfolio for the first quarter of 2023 will be at the same levels approximately with the EBITDA profitability of the first quarter of the previous year. This development is indeed satisfactory in view of the current market conditions. (It is noted that according to the relevant corporate announcement, the Earnings before Taxes (EBT) in the first quarter of 2022 from personal protection products related to COVID-19 had amounted to €4.3 million, while it is estimated that also at an EBITDA level in the first quarter of 2022, the favorable effect was approximately the same).*

Regarding the **prospects for the next year**, the Group's Management is constantly contemplating ways to mitigate, to the extent possible, the negative consequences of the ongoing economic crisis experienced in Europe, but also on international level. Despite the unfavorable market conditions and the overall uncertainty, which makes any attempt to estimate the course of next year rather difficult, there are very positive prospects for the Group. Thrace Group is now, capable of capitalizing on the significant recurring profitability of the year 2022, but also on the extensive investment plan that took place in the past years, with the aim to maintain and further enhance the Group's profitability.

Regarding the annual financial results, **Mr. Dimitris Malamos, Thrace Group CEO**, stated the following: *"The Group for another year achieved strong, recurring and significantly increased profitability, generated from the traditional product portfolio, compared to the pre-pandemic levels. The above was achieved even though in year 2022, being the first post-pandemic year, economies were challenged by high inflation, increased costs, high uncertainty and low demand, especially during the second half of the year. **Having implemented an extensive investment plan with a target to increase profitability, improve the product mix and attain sustainable growth, we are confident that we can further build on the stable profitability basis of 2022, generating additional benefits from the already implemented investments as well as the new investments, either already planned or gradually implemented, constantly targeting in the development of our people, our wider contribution to the society, while also focusing on achieving strong dividend yields for our shareholders.**"*

The Management of THRACE GROUP will host a Conference Call for the annual presentation to the Analysts, to present the financial year 2022 Financial Results. The Conference Call will take place on Wednesday, May 3, 2023. The details for the conference call will be announced in due time via a new press release by the Company on its website.

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.

ANALYSIS OF FINANCIAL RESULTS OF YEAR 2022 (in € thousand)

STATEMENT OF COMPREHENSIVE INCOME FY 2022	FY 2022	FY 2021	Change (%)
Turnover (Continuing Operations)	394,382	428,429	-7.9%
Gross Profit (Continuing Operations)	84,263	140,149	-39.9%
Gross Profit Margin	21.4%	32.7%	
Other Operating Income	2,766	1,613	71.5%
Sales & Distribution Expenses	39,693	35,891	10.6%
As % of Turnover	10.1%	8.4%	
Administrative Expenses	16,966	16,742	1.3%
As % of Turnover	4.3%	3.9%	
Research & Development Expenses	2,295	1,822	26.0%
As % of Turnover	0.6%	0.4%	
Other Operating Expenses	1,577	4,594	-65.7%
Other Income / (Losses)	909	1,200	-24.3%
EBIT* (Continuing Operations)	27,407	83,913	-67.3%
EBIT Margin	6.9%	19.6%	
EBITDA* (Continuing Operations)	48,259	103,791	-53.5%
EBITDA Margin	12.2%	24.2%	
Adjusted EBITDA* (Continuing Operations)	48,850	105,799	-53.8%
Adjusted EBITDA Margin	12.4%	24.7%	
Financial Cost (Net)	2,136	-2,763	-177.3%
Earnings / (Losses) from Companies consolidated with the Equity Method	2,525	2,770	-8.8%
EBT (Continuing Operations)	32,068	83,920	-61.8%
EBT Margin	8.1%	19.6%	
Income Tax	5,798	18,054	-67.9%
Earnings / (Losses) after Taxes (Continuing Operations)	26,270	65,866	-60.1%
Earnings / (Losses) after Taxes (Discontinued Operations)	-35	6,591	
Earnings / (Losses) after Taxes (Total Operations)	26,235	72,457	-63.8%
EAT Margin	6.7%	16.9%	
EATAM (Continuing Operations)	25,777	65,436	-60.6%
Earnings / (Losses) after taxes & Non Contr, Interests (Discont, Operations)	-35	6,591	-100.5%
EATAM (Total Operations)	25,742	72,027	-64.3%
EATAM Margin	6.5%	16.8%	
Earnings per Share (from Continuing Operations)	0.5985	1.5093	-60.3%
Earnings / (Losses) per Share (from Discontinued Operations)	-0.0008	0.1520	-100.5%
Earnings per Share from Total Operations (in Euro)	0.5977	1.6613	-64.0%

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STATEMENT OF FINANCIAL POSITION	31/12/2022	31/12/2021	Change (%)
Property, Plant & Equipment	169,218	153,848	10.0%
Right-of-use Assets	2,521	3,051	-17.4%
Investment Property	113	113	0.0%
Intangible Assets	10,357	10,539	-1.7%
Investments in Joint Ventures	19,921	18,012	10.6%
Net benefit from funded defined benefit plans	7,169	0	-
Other Long-term Receivables	132	5,001	-97.4%
Deferred Tax Assets	357	380	-6.1%
Total Fixed Assets	209,788	190,944	9.9%
Inventories	76,415	71,835	6.4%
Income Tax Prepaid	1,984	274	624.1%
Trade Receivables	64,769	64,547	0.3%
Other Receivables	11,945	14,359	-16.8%
Financial derivative products	284	0	-
Cash & Cash Equivalents	39,610	63,240	-37.4%
Total Current Assets	195,007	214,255	-9.0%
TOTAL ASSETS	404,795	405,199	-0.1%
TOTAL EQUITY	267,861	252,250	6.2%
Long-term Debt	31,641	33,610	-5.9%
Liabilities from Leases	1,470	2,061	-28.7%
Provisions for Employee Benefits	1,385	3,499	-60.4%
Deferred Tax Liabilities	9,660	6,742	43.3%
Other Long-term Liabilities	174	237	-26.6%
Total Long-term Liabilities	44,330	46,149	-3.9%
Short-term Debt	26,989	17,393	55.2%
Liabilities from Leases	967	914	5.8%
Income Tax	1,048	4,057	-74.2%
Suppliers	40,630	55,441	-26.7%
Other Short-term Liabilities	22,970	28,995	-20.8%
Total Short-term Liabilities	92,604	106,800	-13.3%
TOTAL EQUITY & LIABILITIES	404,795	405,199	-0.1%

STATEMENT OF CASH FLOWS	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
Cash flows from operating activities	13,023	87,079
Cash flows from investing activities	(36,502)	(24,999)
Cash flows from financing activities	1,003	(41,195)
Net increase / (decrease) in cash and cash equivalents	(22,476)	20,885
Cash and cash equivalents at beginning of period	63,240	40,824
Effect from changes in foreign exchange rates on cash reserves	(1,154)	1,531
Cash and Cash Equivalents at end of period	39,610	63,240

FINANCIAL RESULTS PER BUSINESS SEGMENT (Continuing Operations)												
Sector	Technical Fabrics			Packaging			Other		Intra-Segment Eliminations		Group	
	(Amounts in € thous,)	FY 2022	FY 2021	% Change	FY 2022	FY 2021	% Change	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
Turnover	274,488	318,878	-13.9%	132,672	120,007	10.6%	5,658	5,668	-18,436	-16,124	394,382	428,429
Gross Profit	56,478	113,245	-50.1%	27,239	26,512	2.7%	282	24	264	368	84,263	140,149
Gross Profit Margin	20.6%	35.5%		20.5%	22.1%		5.0%	0.4%	-	-	21.4%	32.7%
Total EBITDA	29,688	86,148	-65.5%	18,892	18,265	3.4%	-339	-512	19	-110	48,259	103,791
EBITDA Margin	10.8%	27.0%		14.2%	15.2%		-6.0%	-9.0%	-	-	12.2%	24.2%

*** 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.

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 and any expenses in relation restructuring, mergers and acquisitions.