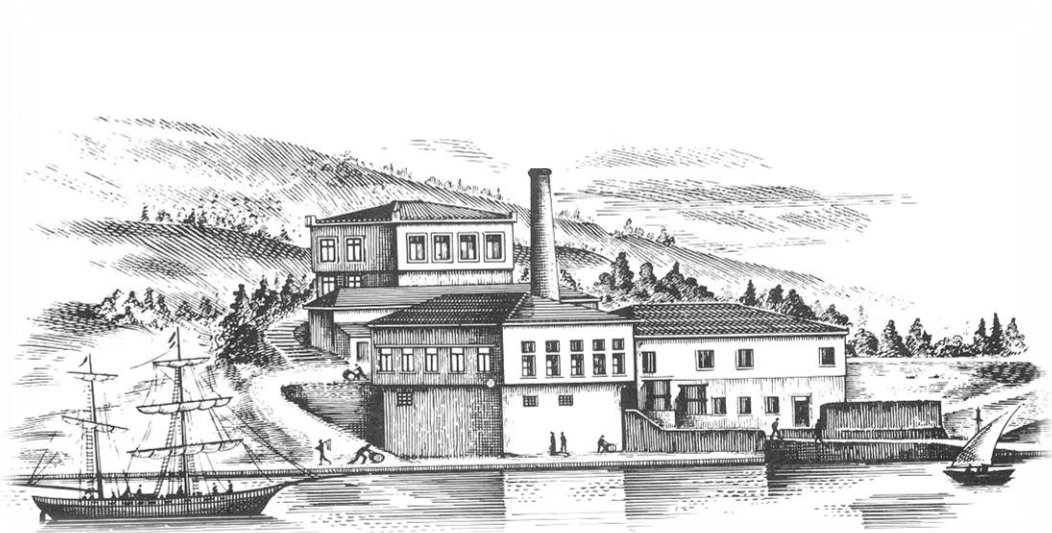


PAPOUTSANIS SA

CONDENSED SEMI-ANNUAL FINANCIAL REPORT

For the period ended
30th June 2023 (January 1st - June 30th, 2023)



This half-yearly report has been prepared in accordance with the provisions of article 5, Law 3556/2007 and the Capital Market Commission's decision as referred to by the relevant law

*Consumer Goods Industrial and Commercial Societe Anonyme
General Commercial Registry Registration No 121914222000
71st Km Athens-Lamia National Road, Vathy, Avlida, Chalkida*

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A. STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS PURSUANT TO ARTICLE.5 2(C) OF LAW 3556/2007

In accordance with Law 3556/2007 on the "Transparency requirements in relation to information about issuers whose securities have been admitted to trading on a regulated market and other provisions", we, the undersigned, declare that to the best of our knowledge:

1. The Semi-Annual Financial Statements for the business period 01.01.2023 - 30.06.2023, which were prepared according to the applicable accounting standards, give a true view of the assets and liabilities, net worth and profit and loss account of PAPOUTSANIS SA, as specified in Law 3556/2007.
2. The Semi-Annual Management Report of the Board of Directors of PAPOUTSANIS SA gives a true view of the information required under Law 3556/2007.

Vathy, Avlida, 4 August 2023

THE CHAIRMAN OF THE BoD

THE MANAGING DIRECTOR

THE MEMBER OF THE BoD

GEORGIOS GKATZAROS

MENELAOS TASSOPOULOS

MARY ISKALATIAN

B. SEMI-ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY UNDER PAR. 6 ART. 5 OF LAW.3556/2007 AND THE DECISIONS ISSUED BY THE CAPITAL MARKET COMMISSION No 1/434/3-7-2008 AND No 7/448/11.10.2007

The Board of Directors of Papoutsanis SA (the Company) presents the Semi-Annual Management Report on the Semi-Annual Financial Statements for the period 01.01.2023- 30.06.2023, which was prepared in accordance with the relevant provisions of the applicable Law 3556/2007, the decisions issued by the Hellenic Capital Market Commission and International Financial Reporting Standards that are applicable in the interim financial reporting (IAS 34).

A. Important events in the first half of 2023

Company turnover in the first half of 2023 was down 4%, with sales standing at € 32.2 million compared to € 33.6 million in the corresponding period in 2022.

The value of exports for Papoutsanis in the current period amounted to € 18.0 million, compared to € 22.2 million in the first half of 2022, down 18% and representing 56% of total turnover.

Regarding the contribution of the four activity sectors to total figures, it should be noted that 24% of total revenue comes from sales of Papoutsanis branded products in Greece and abroad, 21% from sales in the hotel market, 39% from third-party product production, and 16% from industrial sales of specialty soap bases.

In the first half of 2023 prices dropped for a significant proportion of the materials used by the Company to manufacture its products. Equally, energy prices (electricity and natural gas), while remaining at higher levels than those of the pre-pandemic era, are clearly better compared to the high levels seen in 2022. These trends had a positive impact on gross profit, which was up 5% at € 10.3 million compared to € 9.8 million for the same period in 2022. At the same time, the gross profit margin improved significantly and stood at 32%, compared to 29% in the first half of 2022.

Operating expenses (distribution, administration, research and development) stood at € 7.2 million compared to € 6 million; this was primarily due to the increase in marketing and sales support expenses for branded products, a sector which is growing significantly.

EBITDA stood at profits of € 4.3 million compared to profits of € 4.9 million in the first half of 2022.

In addition to the above, the Company's profits were also affected by the increased borrowing costs as a result of the constant increases in prime interest rates by central banks. Earnings before taxes stood at € 2.3 million compared to earnings of € 3.3 million in the first half of 2022. Earnings after taxes stood at € 1.7 million compared to € 2.5 million in the first half of 2022.

B. Risks and Uncertainties for the second half of the year**Price Change Risk**

The main raw materials used in production are vegetable oils, animal fat, as well as raw materials for the production of plastics such as PET, High-density polyethylene (HDPE) and Polypropylene (PP). The price of

oils fluctuates according to supply and demand in the world market, since they are traded products. Accordingly, the prices of raw materials for the production of plastics depend on energy costs combined with the relative transport costs between different regions of the world. Due to increased industry competition, any increases in international and domestic raw material prices are not always passed on to the final price of the products, which carries the risk of a negative impact on the Company's results. For this purpose, the Company annually looks for and finally co-operates with those suppliers who ensure the best price, zeroing out the risk of dependence. Derivatives are not used to hedge this risk and medium-term contracts are entered into when deemed beneficial.

Credit Risk

Trade accounts receivable mainly include receivables from large groups of companies (domestic supermarket chains, multinationals) and companies active in the hotel industry. To reduce the credit risk, the Company constantly monitors the financial status of its debtors and at the same time maintains a credit insurance policy.

Liquidity-Cash Flow Risk

The Company has profits in the first half of 2023, positive working capital and significant cash. Also, the Company has secured means of financing from the collaborating banks, capable of covering needs that may arise from the development of its activities.

According to the aforementioned, the risk of liquidity and cash flows is not considered significant.

Interest Rate Risk and Currency Risk

The financial cost of all of the Company's bank borrowing is variable based on Euribor. Bank borrowing takes place exclusively in euros.

As early as 2022, central banks have increased interest rates, and as a result, the Company's profit and loss account is burdened with additional borrowing cost. The Company has entered into a partial hedge against the risk of an increase in Euribor.

The table below shows the sensitivity of the profit and loss account for the financial year as well as own equity to a change in the interest rate by 0.5%. Changes in interest rates are estimated to be moving on a reasonable basis in relation to recent market conditions.

	<u>30.06.2023</u>	<u>30.06.2022</u>
Sensitivity of the Profit and Loss Account	68.875	52.922

The Company has foreign currency transactions to a limited extent. There are no significant receivables and liabilities in a currency other than the euro. Therefore, there are no circumstances that could expose it to high currency risk.

C. Significant related party transactions (decision 1/434/3.7.2007, art.3)

Related party transactions, according to IAS 24, are :

a) Intercompany transactions

There are no intercompany transactions.

b) Intercompany balances

There are no intercompany balances.

c) Transactions with key executive directors and Management members

	1.1- 30.06.2023	1.1- 30.06.2022
Executive members of the BoD and executive directors fees (on the basis of a special employment relationship)	254.831	247.686
Non-executive members of the BoD fees	29.351	26.585
	284.182	274.271

d) Receivables and liabilities with executive directors and Management members

	30.06.2023	30.06.2022
Liabilities from executive directors and management members resultant after rendering of accounts	144	924
Receivables from executive directors and management members resultant after rendering of accounts	323	-
Liabilities to executive directors and management members (from fees)	725	-

e) Balance retained by shareholders

There is no balance retained by shareholders.

D. Additional Information
Sales
Overview by activity sector

Branded products: The category reported strong growth of 51% compared to the first half of 2022 despite the significant decline in the antiseptic market in the organised retail trade sector (-53.2% for the six-month period January-June 2023 compared to the same period last year). Excluding antiseptics, the branded products category grew by 76%; around half of this was due to the positive contribution made by acquisition of the ARKADI soap factory, while the rest comes from organic growth of Papoutsanis' mass distribution

products. PAPOUTSANIS personal care products are gaining a significant market share in Greece and at the same time have more than doubled their sales abroad, with excellent prospects for further growth.

Hotel Products: Sales of hotel amenities grew by 1% relative to the sales in the first half of 2022, with domestic sales rising by 35% compared to last year and making up for some of the drop in sales abroad; these figures are compared to a very strong first half of 2022 with the re-opening of business travel and the tourism market after two years of pandemic-related lockdowns.

Third-party products (industrial sales, private label): Sales in this category were down 15%, a trend driven by foreign sales. In foreign markets, and above all in Europe, major inflationary pressures over the last year led some of our multinational customers to redefine their strategy and re-evaluate their product portfolio, resulting in certain SKUs being dropped and demand falling. Papoutsanis is also in discussions about new partnerships with very good prospects, which will bolster the category both inside and outside the EU, where -despite the strong competition- there are still opportunities for growth. On the contrary, retail sales of private label products in Greece and abroad rose by 15.3% in value compared to the same period in 2022, and contacts have been made, primarily with foreign chains, about entering into new collaboration agreements.

Industrial Sales of Soap Bases: In the first half of 2023, there was a 27% drop in this category (which primarily relates to foreign customers), mainly due to non-sale of the commodity soap bases manufactured in SE Asia. In 2022, by exploiting increased transport costs and long delays in deliveries from Asia, Papoutsanis was able to meet part of the overall demand in Europe, Africa and the Middle East for such soap bases. Transport costs and delivery times from Asia have now returned to normal, but that specific set of circumstances allowed Papoutsanis to develop remarkable partnerships which can only bolster this category.

Operating Flows

Operating flows were negative of € 3 m compared to negative operative flows of € 1m in the corresponding period of 2022. The burden on cash flows is mainly due to the reduction of approximately € 5m in liabilities. Operating flows are expected to improve during the second half of the year.

Borrowing

Net borrowing (bank loans less cash resources) amounted to € 24,1 m (compared to € 18,1 m as at 31.12.2022), which accounts for 32% of the Company's assets (compared to 22% as at 31.12.2022).

Fixed Assets

The undepreciated value of fixed assets of the Company (tangible fixed assets) amounted as at 30.06.2023 to € 48,9 m compared to € 47,8 m as at 31.12.2022.

Financial structure

The ratio of total liabilities to own equity amounted to 1,8 as at 30.06.2023, compared to 2,1 as at 31.12.2022.

Working Capital- Liquidity

Working capital (current assets less short-term liabilities) as at 30.06.2023 amounted to € 2 m compared to € 4,3 m as at 31.12.2022.

Assessment of the development of activities during the 2nd half of the year

Already, the unprecedented inflationary pressures across all goods combined with the continued rate increases by central banks are significantly affecting consumer purchasing power and creating a climate of uncertainty and insecurity.

In this volatile environment, Papoutsanis remains focused on its goal of strong, sustainable growth and continuous enhancement of turnover while improving profitability.

To this end the Company:

- Closely monitors the developments in order to immediately adapt to the new data and protect itself as possible
- Develops strategically in four distinct segments, which allows the Company to spread the risk and cover any lag of one category from the rest
- Emphasizes the further strengthening of Papoutsanis branded products and the expansion of its portfolio into new categories and markets
- Maintains and continuously strengthens close and long-term relationships and partnerships with strategic customers and suppliers
- Focuses on sustainability and the development of innovative products in the sectors in which operates
- Focuses on increasing productivity and reducing production costs by utilizing the investment plan of the last three years

For the second half of the year:

- Papoutsanis branded products will be our strategic priority. This is a sector expected to continue with dynamic double-digit growth and an increase in market share, through the enrichment of the product range, the significant advertising support provided and a stronger presence in stores, as well as our entry into new product categories, mainly driven by ARKADI. At the same time, exports of branded products are advancing very satisfactorily.
- The hotel products sector in Greece is expected to continue to grow in the second half of 2023 as a result of a generally good tourist season coupled with Papoutsanis' moves to bolster its branded hotel products. Likewise, steps to further bolster the sales network for branded hotel products abroad are generating good results. At the same time, exports of hotel products to customers abroad and international hotel chains have begun to return to historical normal levels after the shortfall seen in the first half of the year due to overstocking in 2022.
- Although we consider that multinational customers have now completed their rethink about product codes, which resulted in the removal of solid soap codes, this development will nonetheless continue to affect the third-party products category well into the second half of 2023. However, new agreements have already been entered into with existing and new customers, and there are discussions under way about new, very important partnerships scheduled to be implemented in the first half of 2024.

- Lastly, for the reasons explained above, we expect the special soap bases sector to continue to report a decline compared to 2022, similar to the one seen in the first half of the year. The synthetic soap bases category, on the contrary, is growing satisfactorily.

In the first half of 2023, the Company's gross profit margin (32%) improved significantly compared to the corresponding margin in 2022 (29%), an improvement which is due both to the reduction in the prices of materials and energy but also as a result of the completed investment plan. For the second half of the year, the Company expects a further improvement in profitability, and in particular the gross profit margin, which is expected to be significantly improved compared to the corresponding second half of 2022, where the prices of materials and energy fluctuated at the highest levels.

Alternative Performance Measurement Indicators (APMIs)

The Company uses Alternative Performance Measurement Indicators ("APMIs") in the context of decision-making on its financial, operational and strategic planning, as well as for the evaluation and publication of its performance. These APMIs serve to provide a better understanding of the Company's financial and operating results, its financial position as well as cash flow statement. The alternative indicators (APMIs) should always be considered in conjunction with the financial results prepared in accordance with IFRS and under no circumstances replace them. The indicators for the interim financial results are obtained by calculation an annual basis.

Overall Liquidity	30.06.2023	31.12.2022
(Current Assets / Short-Term Liabilities) X 100	109%	116%
The indicator illustrates the coverage percentage of short-term liabilities by total current assets.		
Equity Charge	30.06.2023	30.06.2022
(Foreign Equity / Own Equity) X 100	176%	209%
The indicator illustrates the amount of Liabilities (Short-Term and Long-Term) as a percentage of own equity.		
Gross Profit Margin	30.06.2023	30.06.2022
(Gross Earnings / Sales) x 100	32%	29%
The indicator illustrates the gross profit as a percentage of sales.		
Net Profit Margin	30.06.2023	30.06.2022
(Net Earnings / Sales) x 100	7%	10%
The indicator illustrates the net earnings after taxes, as a percentage of sales.		

Vathi Avlidas, 4 August 2023
The Managing Director

Menelaos Tassopoulos

Independent Auditor’s Review Report

To the Board of Directors of the Company **PAPOUTSANIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS**

Review Report on Interim Financial Information

Introduction

We have reviewed the accompanying interim condensed statement of financial position of the Company PAPOUTSANIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS as of 30 June 2023 and the related income statements and statements of other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that constitute the interim condensed financial information, which is an integral part of the six-month financial report according to Law 3556/2007.

Management is responsible for the preparation and presentation of this interim condensed financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union and which apply to Interim Financial Reporting (International Accounting Standard IAS 34). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and incorporated into the Greek Legislation and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Based on our review, we did not identify any material misstatement or error in the representations of the members of the Board of Directors and the information included in the

six-month Board of Directors Management Report, as required under article 5 and 5a of Law 3556/2007, in respect of interim condensed financial information.

Athens, 3 August, 2023

The Certified Public Accountant

Nikos Garbis

SOEL Reg. No.: 25011



D. SEMI-ANNUAL FINANCIAL STATEMENTS
1. Statement of financial position

ASSETS	Note	30.06.2023	31.12.2022
Non-current assets			
Tangible assets	6.1	48.895.328	47.819.300
Investments in real estate property		226.707	226.707
Intangible assets	6.1	1.492.190	1.485.627
Goodwill		1.274.398	1.274.398
Financial assets measured at fair value through statement of comprehensive income		100.000	100.000
Derivative financial assets		467.005	511.903
Long-term receivables		63.911	28.630
		52.519.539	51.446.566
Current assets			
Reserves	6.2	10.594.860	9.726.503
Trade receivables	6.3	7.445.966	5.989.235
Receivables (Checks)	6.3	363.836	493.873
Other receivables	6.3	2.083.298	3.772.569
Cash and cash equivalents		3.061.272	11.727.234
		23.549.232	31.709.412
Total Assets		76.068.771	83.155.978
EQUITY			
Total Equity attributable to the shareholders of the company			
Share capital	6.4	14.633.241	14.633.241
Share premium	6.4	1.975.977	1.975.977
Own shares	6.4	(283.428)	(270.057)
Reserves at fair value		1.551.930	1.551.930
Other reserves		1.557.557	650.868
Retained Earnings		8.159.017	8.403.430
Total Equity of the Company		27.594.294	26.945.390
Non-controlling interest		-	-
Total Equity		27.594.294	26.945.390
LIABILITIES			
Long-term liabilities			
Long-term borrowings	6.5	20.459.863	22.466.750
Deferred Income Tax	6.6	4.393.152	4.269.918
Provisions for employee benefits		346.452	324.926
Grants of assets	6.8	1.684.694	1.762.169
		26.884.161	28.823.763
Short-term liabilities			
Suppliers	6.9	11.512.795	16.060.840
Other liabilities	6.9	2.908.406	3.972.005
Current Income Tax		443.682	412
Short-term loans	6.5	6.690.233	7.318.368
Provisions		35.200	35.200
		21.590.316	27.386.826
Total liabilities		48.474.477	56.210.588
Total equity and liabilities		76.068.771	83.155.978

The notes following in the pages 16-26 are an integral part of the financial statements.

2. Statement of comprehensive income

		01.01- 30.06.2023	01.01- 30.06.2022
Sales	6.10	32.159.964	33.559.456
Cost of sales	6.11	(21.891.808)	(23.735.969)
Gross profit		10.268.155	9.823.487
Other revenues	6.12	393.451	515.153
Distribution expenses		(5.027.597)	(4.101.277)
Administrative expenses		(1.788.979)	(1.468.442)
Research and development expenses		(417.882)	(453.503)
Other expenses	6.13	(296.276)	(720.069)
Finance cost (net)	6.14	(824.072)	(314.624)
Profits before Tax		2.306.800	3.280.727
Deferred Income Tax		(123.234)	(117.985)
Current Income Tax		(443.864)	(687.279)
Net period earnings from continuing operations		1.739.702	2.475.463
Other Total Income			
Other total income after tax (B)		-	-
Total comprehensive income after tax (A+B)		1.739.702	2.475.463
Profit / (loss) after tax per share	6.15	0,0642	0,0917
Results before taxes, financing, investment, non-recurring results and depreciation		4.301.925	4.928.212

The notes following in the pages 16-26 are an integral part of the financial statements.

3. Statement of changes in equity

	Share capital	Own Shares	Share Premium	Fair value reserves	Other reserves	Retained earnings	Total
Balance at 1.1.2022	14.582.616	(60.406)	1.854.457	1.551.930	529.291	6.819.552	25.277.440
Net income for the year						2.475.463	2.475.463
Share capital increase	50.625		43.125				93.750
Own shares		(50.421)					(50.421)
Dividend						(1.348.388)	(1.348.388)
Reserves for payments based on equity securities					(35.163)	50.569	15.406
Changes in the period	50.625	(50.421)	43.125	-	(35.163)	1.177.644	1.185.810
Balance at 30.06.2022	14.633.241	(110.827)	1.897.582	1.551.930	494.127	7.997.196	26.463.251
Balance at 1.1.2023	14.633.241	(270.057)	1.975.977	1.551.930	650.868	8.403.430	26.945.390
Net income for the year						1.739.702	1.739.702
Own shares		(13.371)					(13.371)
Dividend						(1.081.594)	(1.081.594)
Reserves for payments based on equity securities					4.168		4.168
Tax reserves Law 4399/2016					902.520	(902.520)	-
Changes in the period	-	(13.371)	-	-	906.688	(244.412)	648.905
Balance at 30.06.2023	14.633.241	(283.428)	1.975.977	1.551.930	1.557.556	8.159.018	27.594.294

The notes following in the pages 16-26 are an integral part of the financial statements.

4. Statement of cash flows (indirect method)

	01.01- 30.06.2023	01.01- 30.06.2022
<u>Operating activities</u>		
Profits before tax	2.306.800	3.280.727
Plus / (minus) adjustments for:		
Depreciations	1.246.262	1.025.462
Provisions	21.526	(346.667)
Depreciations of grants	(75.208)	(76.399)
(Revenues) / expenses of investments	44.899	-
Finance cost (net)	824.072	314.624
	4.368.350	4.197.746
Plus/Less adjustments of working capital or related to operating activities:		
Decrease/(increase) of receivables	(682.197)	(3.075.401)
Decrease/(increase) of inventory	(868.357)	(5.947.410)
Decrease/(increase) of payables (excluding banks)	(5.127.183)	4.064.604
Less:		
Interest payable and related expenses paid	(707.225)	(250.246)
Total inflows / (outflows) of operational activities (a)	(3.016.612)	(1.010.706)
<u>Investment activities</u>		
Purchase of tangible and intangible assets	(2.930.169)	(4.104.167)
Proceeds from sales of tangible and intangible assets	1.315	-
Total inflows / (outflows) of investment activities (b)	(2.928.853)	(4.104.167)
<u>Financing activities</u>		
Proceeds from capital increase	-	93.750
Own shares	(13.371)	(50.421)
Reserve for Equity-Based Payments	-	15.406
Proceeds from issued/ taken up loans	2.000.000	8.328.665
Proceeds from grants	467.521	-
Repayment of loans	(4.570.245)	(3.670.885)
Repayment of liabilities from leasing agreements (payment of interest)	(64.777)	(177.646)
Dividend paid	(539.624)	(1.348.388)
Total inflows / (outflows) of financing activities (c)	(2.720.496)	3.190.481
Total increase (decrease) of cash and cash equivalents of the period (a) + (b) + (c)	(8.665.961)	(1.924.391)
Cash and cash equivalents at the beginning of the period	11.727.234	6.377.744
Cash and cash equivalents at the end of the period	3.061.272	4.453.353

The notes following in the pages 16-26 are an integral part of the financial statements.

6. Explanatory notes to the line items in the Financial Statements

6.1. Tangible and Intangible assets

Brief description of changes in tangible and intangible assets:

1.1-30.6.2023	Leased	Owned	Total
Additions	135.575	2.195.179	2.330.754
Disposals	-	(1.901)	(1.901)
Transfers	(109.000)	109.000	-
Depreciation and Amortisation	(96.319)	(1.149.943)	(1.246.262)
Change	(69.744)	1.152.335	1.082.592

1.1-30.6.2022	Leased	Owned	Total
Additions	119.554	3.998.382	4.117.936
Disposals	-	(13.663)	(13.663)
Transfers	(836.700)	836.700	-
Depreciation and Amortisation	(131.736)	(893.832)	(1.025.569)
Change	(848.882)	3.927.587	3.078.705

6.2. Inventories

	30.06.2023	31.12.2022
Raw and auxiliary materials	5.017.421	4.194.062
Merchandise	530.338	438.743
End products	5.080.101	5.126.698
Obsolescence provisions	(33.000)	(33.000)
	10.594.860	9.726.503

6.3. Trade and Other Receivables

	30.06.2023	31.12.2022
Customers	7.674.952	6.218.221
Cheques receivable	363.836	493.873
Less: Provisions for doubtful customers	(228.986)	(228.986)
Total receivables from customers	7.809.802	6.483.107

	30.06.2023	31.12.2022
Other deductions (Greek State)	16.608	14.630
VAT receivable for the financial year	967.731	1.301.376
Advances	892.685	1.350.899
Debtors	190.930	817.208
Other receivables	20.023	293.133
Less: Provisions for other doubtful receivables	(4.679)	(4.679)
Total other receivables	2.083.298	3.772.569
Total of receivables from customers and other receivables	9.893.100	10.255.676

6.4. Share Capital

Breakdown of share capital and share premium:

	Share Capital	Own Shares	Share premium
Balance 01.01.2022	14.582.616	(60.406)	1.854.458
Own shares		(209.650)	-
Increase in share capital	50.625		121.519
Balance 31.12.2022	14.633.241	(270.057)	1.975.977
Balance 01.01.2023	14.633.241	(270.057)	1.975.977
Own shares		(13.371)	
Balance 30.06.2023	14.633.241	(283.428)	1.975.977

By the decision of the Board of Directors dated 22.06.2022, following the exercise of stock options under a stock option plan available to the Company's personnel in accordance with Article 113 of Law 4548/2018, it was decided to increase the Company's share capital by €50,625 to €14,633,240.76, paid in cash by issuing 93,750 new ordinary registered shares with voting rights of a nominal value of €0.54 each.

The Company's shares are listed on the main market of the Athens Stock Exchange.

6.5. Loans

The fair value of loans does not differ significantly from the accounting value, as loans are at variable interest rates. The Company's loans are broken down as follows:

	30/6/2023	31/12/2022
Long-term		
Bank loans	20.223.315	22.182.570
Liabilities under finance lease contracts	236.548	284.180
Total	20.459.863	22.466.750
Short-term		
Bank loans	1.800.178	2.503.374
Short-term portion of long-term bank loans	4.635.089	4.542.884
Liabilities under finance lease contracts	254.965	272.110
Total	6.690.232	7.318.368
Loans total	27.150.096	29.785.118

The average cost of bank borrowing (interest and expenses on bank loans / average monthly amount of bank loans) was 4,89% in the first half of 2023 and 2,5% in the first half of 2022.

6.6. Leases

The Company's leasing obligations mainly concern mechanical equipment and means of transport according to IFRS 16 and as at 30.06.2023 are as follows:

	30.6.2023	31.12.2022
Long-term Liabilities from finance lease contracts	236.548	284.180
Short-term Liabilities from finance lease contracts	254.965	272.110
Total	491.513	556.290

Breakdown of lease liabilities 30.06.2023	up to 1 year	1 to 5 years	Later than 5 years	Total
Lease liabilities	276.145	243.062	1.326	520.534
Financial expense	(21.180)	(7.756)	(85)	(29.021)
Net present value of liability	254.965	235.307	1.242	491.513

Breakdown of lease liabilities 31.12.2022	up to 1 year	1 to 5 years	Later than 5 years	Total
Lease liabilities	304.548	294.205	2.713	601.466
Financial expense	(32.438)	(12.698)	(40)	(45.176)
Net present value of liability	272.110	281.507	2.673	556.290

6.7. Deferred tax

Deferred tax receivables and liabilities are offset when there is a legal right to offset current tax receivables against current tax liabilities and when the deferred tax receivables and liabilities arise from the same tax authority.

The total change in deferred income tax (liabilities) is as follows:

	01.01- 30.06.2023	01.01- 31.12.2022
Opening balance for the period	(4.269.918)	(3.598.029)
Debit / (credit) to profit and loss account statement	(123.234)	(552.707)
Debit / (credit) directly to other comprehensive income		(119.182)
Closing balance for the period	(4.393.152)	(4.269.918)

6.8. Grants for assets

These grants are recognised as income along with the depreciation and amortisation of the assets - mainly machinery - that were subsidised.

Government grants recognised in liabilities as future income relate to:

- (a) Investments made in the period from 1999 to 2006 and subsidised under Law 2601/1998.
- (b) Grant for an investment programme under Law 3299/2004, relating to investments made during the period from 2008 to 2012.

By decision reference no 77887/24.12.2014 of the Deputy Minister of Development & Competitiveness, the final disbursement of the grant for the amount stipulated under the investment programme of Law 3299/2004, relating to investments made during the period from 2008 to 2012, was approved. The final

disbursement took place on 3rd September 2015.

(c) By the decision of the Development Management Company of Central Greece and Thessaly under reference no 962/31.03.2016, the final disbursement of the grant of the investment programme "EXTROVERSION - COMPETITIVENESS OF BUSINESSES II", relating to investments made during the period from 2013 to 2014, was approved. The grant amounted to the sum of € 48,970 and was received in the financial year 2016.

(d) By the decision of the Development Management Company of Central Greece and Thessaly under reference no 3355/22.11.2016, the final disbursement of the grant of the investment programme "AID FOR SMEs THAT ARE ACTIVE IN THE SECTORS OF PROCESSING-TOURISM-COMMERCE & SERVICES", relating to investments made during the period from 2013 to 2015, was approved. The grant amounted to the sum of € 37,438.80 and was received in the financial year 2017.

(e) Within the first half of 2020, the company was approved to be included in the subsidised investment programme "Digital Jump" for an amount of EUR 100,000, of which the sum of €78,314 relates to subsidies on investment goods, and the sum of €21,686 relates to subsidies on expenditure. Within 2020, the company received as an advance payment the amount of €40,000 and within the first half of 2021 it received an additional advance payment in the amount of €39,735.85.

(f) Within the first half of 2021, the company was approved to be included in the subsidised investment programme "Qualitative Modernisation" for an amount of €99,750, of which the sum of €85,750 relates to subsidies on investment goods, and the sum of €14,000 relates to subsidies on expenditure. Within 2021, the company received as an advance payment the amount of €79,800.

(g) Within 2021, the company was approved to be included in the subsidised investment programme "Aid to Medium-Sized Enterprises in Central Greece" for investments completed in 2020 to 2021. the grant amounted to € 782.451,31. Within the second half of 2021, the company received as an advance payment the amount of € 314.930,52 and in the first half of 2023 received the remaining amount of € 467.520,79.

(h) The Company by virtue of the incorporation decision no. of the 4th announcement of the "Mechanical Equipment Aids" regime of the development law 4399/2016 (Government Gazette B 5399/8.12.2020), for the strengthening of its investment plan with the object "Expanding the capacity of an existing soap and emulsion production unit at the 71st km E. THE. Athens-Lamia, D.E. Avlida, Municipality of Chalkidea, Regional Unity of Evia, Region of Central Greece".

The total eligible cost of the investment plan was set at €902.520, which is fully covered by the Company through the commitment of €902.520 from retained earnings, while the state aid will be in the form of a tax exemption of €315.882. This amount of €902.520 cannot be distributed before seven years have passed, according to the above.

Within the first half of 2023 and the financial year 2022, the account for grants to be recognised as income in future financial years was as follows:

Balance as at 1 January 2022	1.676.506
Grant receipt	428.292
Income recognised in the financial year	(175.300)
Balance 31.12.2022	1.929.498
Long-term balance of grants	1.762.169
Short-term balance of grants	167.329
Balance	1.929.498
Balance as at 1 January 2023	1.929.498
Grant adjustment	(17.745)
Income recognised in the financial year	(75.208)
Balance 30.06.2023	1.836.545
Long-term balance of grants	1.684.694
Short-term balance of grants	151.851
Balance	1.836.545

6.9. Suppliers and other liabilities

Suppliers and other liabilities are broken down as follows:

	30.06.2023	31.12.2022
Suppliers (open balances)	11.512.795	15.888.065
Suppliers (Cheques payable)	0	172.775
Supplier Total	11.512.795	16.060.840
Sundry creditors	1.546.243	2.294.580
Liabilities from taxes-duties	188.580	423.583
Insurance Funds	134.666	272.129
Customer credit balances	422.836	220.547
Transitional liability accounts	616.082	761.166
Other Liabilities Total	2.908.406	3.972.005
Supplier and Other Liabilities Total	14.421.202	20.032.846

6.10. Sales

Turnover (sales) is broken down as follows:

	1.1 - 30.06.2023	1.1 - 30.06.2022
Merchandise sales	1.586.191	383.112
Product sales	30.467.846	33.105.900
Sales of other inventories	105.927	70.444
Total	32.159.964	33.559.456

6.11. Sales Cost

Sales cost is broken down as follows::

	1.1 – 30.06.2023	1.1 – 30.06.2022
Merchandise cost	963.664	243.481
Product cost	20.928.144	23.492.488
Total	21.891.808	23.735.969

6.12. Other Operating Income

Other income for the periods 01.01 – 30.06.2023 και 01.01. – 30.06.2022, is broken down as follows:

	01.01 - 30.06.2023	01.01- 30.06.2022
Expenses collected	253.537	377.171
Exchange rate differences-income	-	51.641
Income from Previous Financial Years	-	6
Earnings from sale of fixed assets	1.315	286
Income from depreciation and amortization of grants	75.208	76.399
Miscellaneous	63.390	9.650
	393.451	515.153

6.13. Other Operating Expenses

Other operating expenses for the periods 01.01 – 30.06.2023 και 01.01. – 30.06.2022, are broken down as follows:

	01.01- 30.06.2023	01.01- 30.06.2022
Exchange rate differences-expenses	41.464	-
Expenses from previous financial years	8.455	17.892
Provision for doubtful receivables	-	15.173
Losses from destruction of inventories	147.909	176.119
Other extraordinary expenses	98.449	510.885
	296.276	720.069

6.14. Financial cost – net

Net financial cost for the periods 01.01 – 30.06.2023 και 01.01. – 30.06.2022 includes:

	1.1 – 30.06.2023	1.1 – 30.06.2022
Interest - expenses from bank loans	647.419	219.192
Lease interest	10.133	14.613
Assignment of receivables *	149.273	54.495
Other bank expenses	17.247	26.324
Καθαρά χρηματοοικονομικά έξοδα	824.072	314.624

(*) Relates to expenses for the assignment of customer receivables (without risk reduction) to factoring companies..

The average cost of bank borrowing (interest and expenses on bank loans / average monthly amount of bank loans) was 4,89% in the first half of 2023 and 2,5% in the first half of 2022.

6.15. Earnings per share

Earnings per share are calculated by dividing the profit attributable to shareholders of the company by the weighted average number of ordinary shares during the period.

By the decision of the Board of Directors dated 22.06.2022, following the exercise of stock options under a stock option plan available to the Company's personnel in accordance with Article 113 of Law 4548/2018, it was decided to increase the Company's share capital by €50,625 to €14,633,240.76, paid in cash by issuing 93,750 new ordinary registered shares with voting rights of a nominal value of €0.54 each.

The average weighted number of ordinary shares outstanding during the accounting period that ended on 30.06.2023 as well as the comparative period are shown in the following table:

	1.1- 30.06.2023	1.1- 30.06.2022
Earnings	1.739.702	2.475.463
Weighted average number of shares	27.098.594	27.008.594
Basic earnings per share	0,0642	0,0917

6.16. Remuneration and Expenses to Employees

The number of employees and their cost that burdened the profit and loss account in the first half of 2023 and 2022, was:

	1.1.- 30.06.2023	1.1.- 30.06.2022
Average number of persons	204	187
Persons at the end of the period	197	203
Ordinary Remuneration	3.829.656	3.399.772
Fringe benefits & expenses for staff	177.536	171.633
Total cost	4.007.192	3.571.404

6.17. Contingent liabilities, receivables and commitments

A) Pending court cases:

- The Company has brought an action against the decision no 56960/2009 of the Head of the NOM, by which an amount of EUR 204,928.97 was imposed on the Company as outstanding contributions and differences in contributions of 1% (on sales of cosmetic products pursuant to Article 11(1)(g) of Law 1316/1983), as well as an amount of EUR 408,833.99 as default interest (pursuant to Article 11(5) of Law 1316/1983) and an amount of EUR 81,971.57 as fines (pursuant to Article 11(3a) of Law 1316/1983), namely a total amount of EUR 695,734.53. The said action was dated 27.10.2009, bore the general filing no 41240/2009 and was brought before the Athens Administrative Court of First Instance. The action under filing no 41240/2009 brought before the Athens Administrative Court of First Instance was given a hearing date and was heard on 29.09.2016 (adjourned from 09.06.2016), and the decision no 5492/2017 of the 19th Chamber was issued, by which the case is referred to be heard before the Athens Administrative Court of Appeal. With regard to the action, decision no A439/31-1-2020 was issued, which again adjourned the hearing of the case to 4th June 2020 and finally decision no 504/2021, which accepted in part the company's action, annulled the decision 56960/30.07.2009 of the Chairman of the Board of Directors (BoD) of the National Organisation for Medicines (NOM) in so far as it imposed contributions, a late payment fine and default interest for the years 1988, 1989, 1990, 1991 and 1998, varied the same decision in so far as it relates to the years 1993, 1994, 1995, 1996 and 1997 and limited the differences in contributions owed to a total of € 122,616.62, plus a fine due to late payment, amounting to percentage of 40% of the amount of the contributions owed and default interest on the arrears, in so far as the relevant claims of NOM for interest were not subject to the five-year limitation period laid down in Article 250 of the Civil Code. Against this decision, the company lodged before the Council of State an appeal, which was assigned the filing no E2013/17.09.2021, while the fixing of its hearing date by the court is pending until today.
- An action has been brought by a former employee of the company, who is seeking recognition of the invalidity of the termination of his employment contract. The assessment of the Company's Management, based on the assessment of the lawyer handling the case, is that the case will have a positive outcome.
- There are litigated disputes of the Company against third parties. Any benefit arising will be recognised in the profit and loss account of the Company when realised.

There are no other litigated disputes or disputes under arbitration.

B) Unaudited Financial Tax Years

For the financial years 2017 to 2021 inclusive, the Company has received a Tax Compliance Report in accordance with Article 82(5) of Law 2238/1994 and Article 65A(1) of Law 4174/2013, without there being any material differences. Under Circular MO 1006/2016, companies that have been subject to the above special tax audit are not exempt from undergoing the regular audit by the competent tax authorities.

For the financial year 2022, the tax audit of the Certified Auditors-Accountants for obtaining a Tax Compliance Report is in progress and the relevant tax certificate is expected to be issued after the

publication of the Financial Statements for the first half of 2023. Upon completion of the tax audit, management does not expect to incur any significant tax liabilities beyond those recorded and reflected in the financial statements.

Finally, it should be noted that within 2023 the Company received an order for a partial tax audit for the tax period 1/1/2018 - 31/12/2019 from the competent tax authorities.

6.18. Related parties transactions

a) Intercompany transactions

There are no intercompany transactions.

b) Intercompany balances

There are no intercompany balances.

c) Transactions with key executive directors and Management members

	<u>1.1- 30.06.2023</u>	<u>1.1- 30.06.2022</u>
Executive members of the BoD and executive directors fees (on the basis of a special employment relationship)	254.831	247.686
Non-executive members of the BoD fees	29.351	26.585
	284.182	274.271

d) Receivables and liabilities with executive directors and Management members

	<u>30.06.2023</u>	<u>30.06.2022</u>
Liabilities from executive directors and management members resultant after rendering of accounts	144	924
Receivables from executive directors and management members resultant after rendering of accounts	323	-
Liabilities to executive directors and management members (from fees)	725	-

e) Balance retained by shareholders

There is no balance retained by shareholders.

6.19. Events after the Balance Sheet date

There are no significant events that occurred after the Balance Sheet date.

Vathy, Avlida, 4 August 2023

The Chairman of the BoD

Georgios Gkatzaros

The Managing Director

Menelaos Tassopoulos

The Chief Financial Officer & Member of the BoD

Mary Iskalatian

The Head of Accounts

Alexandros Georgiadis