



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR 2025

(January 1, 2025 – December 31, 2025)



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1. DECLARATION OF MEMBERS OF THE BOARD OF DIRECTORS PURSUANT TO ARTICLE 4, PARAGRAPH 2(C) OF LAW 3556/2007

Pursuant to Law 3556/2007 regarding “Transparency requirements for information concerning issuers whose securities have been admitted to trading on a regulated market and other provisions,” we, the undersigned, hereby declare that to the best of our knowledge:

1. The Annual Financial Statements for the fiscal year 2025 (01.01.2025 – 31.12.2025) which have been prepared in accordance with applicable accounting standards, present fairly the assets and liabilities, equity, and results of operations of PAPOUTSANIS S.A., in accordance with the provisions of Law 3556/2007.

2. The Annual Management Report of the Board of Directors of PAPOUTSANIS S.A. presents a true and fair view of the information required under Law 3556/2007.

Vathi Avlidas, March 16, 2026

THE PRESIDENT OF THE BoD

THE MANAGING DIRECTOR

MEMBER OF THE BoD

GEORGIOS GATZAROS

MENELAOS TASSOPOULOS

MARY ISKALATIAN

2. MANAGEMENT REPORT OF THE COMPANY'S BOARD OF DIRECTORS OF THE COMPANY IN ACCORDANCE WITH ARTICLES 150 AND 153 OF LAW 4548/2018 AND ARTICLE 4, PARAGRAPHS 6 AND 7 OF LAW 3556/2007

The Board of Directors of Papoutsanis S.A. (the Company) presents the Annual Management Report on the Annual Financial Statements for the fiscal year ended December 31, 2025, which has been prepared in accordance with the relevant provisions of Law 4548/2018, as currently in force, Law 3556/2007, and the implementing decisions of the Board of Directors of the Hellenic Capital Market Commission issued pursuant thereto. This report constitutes a single report pursuant to Article 153(4) of Law 4548/2018.

The above-mentioned Financial Statements have been prepared in accordance with International Financial Reporting Standards.

1. Evolution and performance over the reporting period

The Company's Turnover amounted to **€79,9 million**, compared to **€66,2 million in 2024**, marking **an increase of 21%**.

During the 2025 fiscal year, there was an improvement in all of the Company's profitability ratios. More specifically, gross profit amounted to €29,4 million compared to €24,7 million, an improvement of 19% thanks to the significant increase in turnover and the completion of the robust investment plan from previous years. As a result, a significant reduction in manufacturing costs and spare capacity (approximately 50% on average) has been achieved, which is essential for further Turnover growth through new agreements and the expansion of existing ones, as there is the potential to offer higher-quality products at competitive prices. At the same time, the limited production capacity and the age of existing facilities across Europe have strengthened opportunities for Papoutsanis in this direction.

The gross profit margin in 2025 remained at the same level as in 2024, at 37%, despite the increase in raw material prices. Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to €11,4 million, representing an 8% improvement compared to 2024. Earnings before taxes amounted to €7 million, or 9% of turnover, an improvement of 16%. Finally, net profit after taxes amounted to €6,2 million, an 18% improvement. The increase in net profit was also driven by the utilization of tax exemptions under Law 4399/2016 following the completion of investment programs.

In 2025, the Company significantly strengthened its liquidity, improving its operating cash flow by €6 million and reducing bank debt by €4 million.

	2025	2024	Change
Sales	79.855.194	66.199.508	21%
Gross profit	29.351.950	24.690.394	19%
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	11.392.902	10.587.411	8%
Profit before tax	7.030.093	6.052.380	16%
Profit after tax	6.215.371	5.273.523	18%

Turnover – sales

In 2025, the Company's Turnover reached €79,9 million (compared to €66,2 million in the corresponding period of 2024), marking a 21% increase. Exports continued to be a key driver of growth, accounting for 55% of total Turnover.

Regarding the contribution of the Company's four business segments, Turnover breakdown for 2025 was as follows:

- 32% from sales of branded products in Greece and abroad,
- 13% from sales to the hotel market,
- 42% from contract manufacturing,
- 13% from industrial sales of specialty soap bases.

The Company's strong Turnover growth stemmed both from the expansion of existing partnerships and the development of significant new ones, as well as from the further strengthening of branded products, with targeted expansion into new categories and channels in both the domestic and international markets.

Turnover by product category was as follows, compared to the previous fiscal year:

BRANDED PRODUCTS: The branded products category recorded strong growth of 31% compared to 2024, reflecting the dynamic expansion of the product portfolio and the Company's successful entry into new home care categories.

Specifically, sales in the Home Care categories doubled in 2025, thanks to the positive consumer response to Papoutsanis' innovative products. At the same time, traditional Personal Care categories continued their upward trend, recording a 7% increase in 2025 compared to 2024.

HOTEL PRODUCTS: In 2025, the hotel products category was 7% lower overall compared to 2024.

It is worth noting that Papoutsanis branded hotel products continued their positive trend, recording a 15% increase, with sales growth both in the domestic market (+14%) and abroad (+19%). The overall picture of the category was mainly affected by reduced activity in the production of hotel products for third parties, a development linked to changes in the product portfolio of specific customers.

THIRD-PARTY PRODUCTS (INDUSTRIAL SALES, PRIVATE LABEL): Sales in the category recorded impressive growth of +38% compared to 2024, as a result of the expansion of existing partnerships and the addition of new customers, confirming Papoutsanis' role as a reliable international manufacturing partner.

INDUSTRIAL SOAP SALES: Sales of soap bases decreased by 7%, a trend attributed primarily to the product mix of the industrial soap bases sold, as volume increased by 7%. At the same time, new commercial partnerships are being established, which are expected to support the performance of this segment in the forthcoming period.

Gross Profit

Gross profit in 2025 amounted to €29,4 million, compared to €24,7 million in 2024, representing an increase of 19% mainly driven by the significant growth in Turnover and the completion of the robust investment plan from previous years. The gross profit margin remained stable compared to 2024 and stood at 37%.

Operating Expenses

The Company's sales, administrative, and research and development expenses amounted to €21,5 million in 2025, compared to €17,3 million in 2024, representing a 24% increase. The increase is mainly attributable to distribution expenses, as a significant portion of these consists of variable costs that are directly influenced by the sales volume of branded products. Sales of branded products increased by 31%, which contributed to the corresponding increase in these expenses.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to €11,4 million compared to €10,6 million in 2024, an increase of 8%. Where EBITDA is the sum of earnings before taxes, net financial costs, depreciation, and amortization of grants.

Results

The Company's profit before tax amounted to €7,0 million, compared to €6,1 million in 2024, an increase of 16%. Profit after tax amounted to €6,2 million, compared to €5,3 million in 2024, an increase of 18%.

Operating cash flows

Operating cash flow amounted to €10,7 million, compared to €4,7 million in 2024, representing a significant improvement (128% compared to the previous period).

Debt

Net debt (bank loans minus cash and cash equivalents) decreased by 18% in 2025 and amounted to €18,4 million compared to €22,3 million in 2024, partially attributed to the reduction in inventory holding days.

Fixed assets

The net book value of fixed assets (tangible and intangible assets held for own use) amounted to €55,5 million as of December 31, 2025, compared to €53,7 million as of December 31, 2024.

Financial Structure

The total debt-to-equity ratio improved to 1,3 as of December 31, 2025, compared to 1,6 as of December 31, 2024.

Working Capital-Liquidity

Working capital (current assets minus current liabilities) as of December 31, 2025, amounted to €4,2 million, compared to €4,6 million as of December 31, 2024.

Alternative Performance Measurement Indicators (APMIs)

The Company uses Alternative Performance Measurement Indicators (APMIs) in the context of decision-making regarding its financial, operational, and strategic planning, as well as for the evaluation and disclosure of its performance. These APMIs contribute to a better understanding of the Company's financial and operational results, its financial position, and its cash flow statement. Alternative performance measures (APMIs) should always be considered in conjunction with financial results prepared in accordance with IFRS and in no way replace them.

	2025	2024
General Liquidity		
(Current Assets / Short-Term Liabilities) × 100	119%	121%

The ratio reflects the percentage of current liabilities covered by total current assets

Inventory Turnover

(Inventory / Cost of Goods Sold) × 365 days	87	98
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The ratio reflects the average number of days that inventory is held by the Company.

Trade Receivables Turnover

(Trade Receivables / Sales) × 365 days	33	40
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The ratio represents the average number of days it takes for the company's receivables to be collected.

Short-Term Trade Payables Turnover

(Suppliers / Cost of Goods Sold) × 365 days	96	108
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The ratio reflects the average number of days it takes to settle the Company's short-term trade liabilities.

Gross Profit Margin

(Gross Profit / Sales) × 100	37%	37%
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The ratio represents gross profit as a percentage of sales

Net Profit Margin

(Net Profit / Sales) × 100	8%	8%
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The ratio represents net profit after taxes as a percentage of sales.

Capital Burden

(Liabilities / Equity) × 100	133%	157%
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The ratio reflects the level of Liabilities (short-term and long-term) as a percentage of equity.

Net Debt

Long-Term Loans + Short-Term Loans - Cash and Cash Equivalents	18.351.118	22.259.646
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Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

Earnings before interest, taxes, and depreciation	11.392.902	10.587.411
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The ratio represents the sum of earnings before taxes, net financial expenses, depreciation, and amortization of grants

2. Other significant information for the fiscal year ended December 31, 2025

Company Properties

In 2025, the Company proceeded with the sale of building facilities to the Municipality of Athens, as well as the purchase of a plot of land in Ritsona, Evia. The overall picture of the real estate holdings is presented in the following table:

ADDRESS	AREA (in sq. m.)	USE
Parcel of land in Ritsona, Euboea (on which the factory is located)	36.476	For owner-occupancy
Agricultural plot in Ritsona, Evia	4.888	For personal use
Agricultural plot in Ritsona, Evia	2.920	For personal use
Agricultural plot in Ritsona, Evia	2.898	For personal use
Agricultural plot in Ritsona, Evia	868	For personal use
Agricultural plot in Ritsona, Evia	8.406	Owner-occupied
Main facilities in Ritsona, Evia	16.603	Own use
Farm in the Prefecture of Evia	141.692	Investment property held for capital appreciation
Agricultural plot in Ritsona, Evia	2.416	Own-use
Agricultural plot in Ritsona, Evia	4.023	For personal use
Agricultural plot in Ritsona, Evia	1.019	For personal use
Agricultural plot in Ritsona, Evia	291	For personal use
Plot of land in Aspropyrgos, Attica	13.663	Owner-occupied
Facilities in Aspropyrgos, Attica	2.135	Own use
Agricultural land in Ritsona, Euboea	5.097	Own-use

There are no liens on the properties.

Activities in the Research and Development Sector

The Company's Research and Development department serves as a guide in the development of the Company's activities. To this end, the Company systematically invests in equipment, recruits specialized staff to the team, and obtains the most appropriate certifications.

The Research and Development team is engaged in the creation of various products, including bar soaps and liquid cosmetics, with a strong emphasis on sustainability as expressed through the use of natural raw materials, the development of corresponding natural formulations, the vertically integrated production of the required packaging materials (bottles and caps) using recycled and recyclable raw materials wherever possible, and finally, the acquisition of relevant certifications. These products, as they align with current and/or anticipated consumer trends, are available to the Company for its own branded products as well as to third-party clients for the development of their own.

Examples of these include solid cosmetics (shampoos, conditioners, creams, etc.) as well as synthetic soap bases (syndets) as part of efforts to reduce plastic use and conserve water, thereby lowering the carbon footprint. Examples include melt-and-pour soap bases, liquid olive oil soaps, hot-fill technology, etc., or products in different shapes, recognizing the trend toward new and innovative packaging formats.

Branches

The Company does not maintain branches.

3 Risks and uncertainties

Macroeconomic Environment

The international macroeconomic environment is characterized by increased uncertainty and volatility, because of the combined impact of geopolitical tensions, restrictive monetary policy, and a slowdown in global economic activity. Central banks largely maintained a tight monetary stance aimed at countering inflationary pressures despite interest rate cuts in early 2025, a development that influenced investment and consumer decisions.

At the same time, ongoing geopolitical conflicts and disruptions in international supply chains continue to affect global trade and energy costs. In the Eurozone, economic activity showed modest growth rates, while inflation, although moderating from the high levels of previous years, remained above central banks' targets. In this context, companies are called upon to operate in an environment of shifting demand and intensifying geopolitical risks, shaping their strategies with the aim of maintaining their competitiveness and financial resilience.

The Company's Management systematically monitors developments to be able to take appropriate measures, either through alternative partners in the logistics sector or by developing alternative supply sources.

Price variation risk

The primary raw materials used in production are vegetable oils, as well as raw materials for plastic production such as PET, polyethylene (HDPE), and polypropylene (PP). The price of vegetable oils fluctuates according to supply and demand in the global market, as they are traded commodities. Similarly, the prices of raw materials for plastic production depend on energy costs combined with the associated transportation costs between different regions of the world. Due to increased competition in the industry, any increases in international and domestic raw material prices are not always passed on to the final product price, which carries the risk of a negative impact on the Company's results.

The Company addresses these risks through:

- passing on the corresponding increases to final products to the extent possible,
- an organized program to reduce production costs, supported by the completion of the robust investment plan from previous years,
- and finally, in collaboration with its customers and supported by the Research and Development department, redesigning, where feasible, the various products manufactured to reduce their costs while maintaining their high-quality standards.

The Company annually seeks out and ultimately uses the supplier that offers the best price, thereby reducing the risk of dependency. Furthermore, it continuously monitors the prices of raw materials and enters into relevant agreements with its suppliers.

Derivatives are not used to hedge this risk, although medium-term contracts are entered into when deemed advantageous.

The Company performs sensitivity analyses of its results to changes in raw material prices. It is estimated that if raw material prices were to increase by 0,5%, the Company's profitability would have been affected by 198 thousand euros in 2025 and 161 thousand euros in 2024.

Credit risk

Trade receivables consist primarily of receivables from large corporate groups (domestic supermarket chains, multinational companies) and companies operating in the hotel sector. To mitigate credit risk, the Company continuously monitors the financial condition of its debtors and maintains a credit insurance policy. In 2025, no bad debts were recorded.

The table below presents the breakdown of trade receivables, after the estimation of expected credit losses:

	2025	2024
Balance within the credit period	7.184.079	7.196.053
Balance beyond the credit period	65.298	10.763
Total	7.249.377	7.206.816

The movement in the allowance for impairment of trade receivables is presented below:

Balance as of 01.01.2024	(217.973)
Provision for credit losses for the period	(41.862)
Balance as of 31.12.2024	(259.835)
Reversal of provision for losses for the period	17.413
Balance as of 31.12.2025	(242.422)

Interest rate risk

Interest rate risk consists of the possibility that the fair value of a financial instrument's future cash flows may fluctuate due to changes in market interest rates.

Starting in 2024, the European Central Bank cut its key interest rate by 1 basis point following the increases of previous years, while in 2025 it proceeded with a further reduction of 1 basis point, which led to a decrease in the Company's borrowing costs.

The Company does not use relevant instruments to hedge against the risk of changes in the Euribor.

The interest expense on the Company's total bank debt is variable and based on Euribor. The bank debt is denominated exclusively in euros.

Interest Rate Risk Sensitivity Analysis

The sensitivity analysis illustrates the sensitivity of earnings after taxes and equity to reasonable possible changes in interest rates through their impact on borrowings and deposits. These changes are considered reasonably possible based on an observation of current market conditions.

The calculations are based on a change in the average market interest rate for each reporting period and on the Company's loan obligations as of each reporting date, while all other variables are held constant.

It should be noted that the methods and assumptions used have not changed from the previous period. The following changes are considered reasonably possible based on an observation of current market conditions.

	Impact on pre-tax profits	
	2025	2024
Increase of 50 basis points	(108.699)	(130.076)
Decrease by 50 basis points	108.699	130.076
Increase of 100 basis points	(217.398)	(260.152)
Decrease of 100 basis points	217.398	260.152

	Impact on equity	
	2025	2024
Increase of 50 basis points	(84.785)	(101.459)
Decrease of 50 basis points	84.785	101.459
Increase of 100 basis points	(169.570)	(202.919)
Decrease of 100 basis points	169.570	202.919

Foreign exchange risk

The Company's transactions in foreign currency are limited. There are no significant receivables or liabilities in currencies other than the euro. Therefore, there are no circumstances that could expose it to high foreign exchange risk.

Liquidity risk - Cash Flow risk

Liquidity risk management involves ensuring the availability of sufficient cash and cash equivalents, as well as maintaining creditworthiness through adequate credit lines from partner banks.

According to these financial statements, the Company has positive working capital and positive cash flows from operating activities and, consequently, does not face any significant liquidity risk. In addition, the Company maintains additional credit lines to cover periods of increased cash

requirements during the year, with the result that liquidity and cash flow risk is not considered significant.

The maturity of financial liabilities based on estimated undiscounted contractual cash outflows as of December 31, 2025, and 2024, respectively, is as follows:

	2025		
	Short-term	Long-term	
	Up to 1 year	1 to 5 years	>5 years
Borrowing	4.447.628	19.747.035	-
Finance lease liabilities	308.690	468.276	1.450
Trade and Other Liabilities	17.396.619	-	-
Undiscounted liabilities	22.152.938	20.215.311	1.450

	2024		
	Short-term	Long-term	
	Up to 1 year	1 to 5 years	>5 years
Borrowing	5.843.491	23.186.620	-
Finance lease liabilities	318.976	586.924	-
Trade and Other Liabilities	15.487.812	-	-
Undiscounted liabilities	21.650.279	23.773.544	-

The expected collection period for impaired accounts receivable is presented in the following table:

	2025	2024
Less than 6 months	7.184.079	7.196.053
Between 6 months and 1 year	65.298	10.763
Total	7.249.377	7.206.816

Climate Change Risk

For Papoutsanis, the concept of sustainable development is intertwined with responsible action and initiatives aimed at protecting the environment, while ensuring the Company's long-term prosperity. Therefore, we aim to achieve a balance between environmental, social, and economic aspects in all matters during the decision-making process. The Company maintains a high level of environmental awareness and is committed to environmentally friendly production that conserves resources, as well as to the development of innovative, high-quality products that conserve water and energy, with eco-friendly packaging design. Papoutsanis's ultimate goal is to actively contribute to mitigating climate change and, as such, it identifies risks and opportunities arising from climate change that may lead to changes in the Company's operations, the Company's earnings and expenses.

Risks:

- Extreme weather events may cause disruptions in the supply chain and problems in internal production, threatening business continuity.
- Available water resources are constantly decreasing, particularly during periods of drought and high temperatures (e.g., summer months).

Risk mitigation:

- Selecting suppliers operating in the domestic market to keep supply chains short.
- Strengthening the Company's infrastructure to ensure the safety of products and production systems and the health of employees.
- Continuous investment in water conservation and reuse infrastructure.

Going Concern

Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, matters related to going concern. The assessment did not reveal any events, conditions, or related business risks that could cast significant doubt on the Company's ability to continue as a going concern in the next fiscal year.

3. Significant Events that Occurred after the End of the Financial Year

At the end of February, geopolitical developments occurred in the Middle East, which have already begun to affect energy, raw material, and transportation prices. The extent of the impact will

depend largely on the duration and intensity of these developments. Management is closely monitoring the situation and taking the necessary measures and initiatives to mitigate potential impacts.

5. Objectives and Outlook – Projected Course

The external factors affecting the environment in which Papoutsanis operates remain volatile. Current geopolitical conditions in the Middle East have already impacted the prices of raw materials, energy, and transportation. The extent of their impact will depend on the duration of these events. In this context, the Company has developed strategies and tactics to further improve profitability and Turnover, such as:

- Increasing the competitiveness and flexibility of our facility in Ritsona, as a result of the completion of our three-year investment plan, which ensures:
 - o significant excess production capacity (50% on average), enabling new partnerships and limiting investments for the next 2–3 years,
 - o a reduction in production costs thanks to state-of-the-art equipment, which allows us to offer competitive prices to our customers and improve profitability,
- prioritizing sustainable growth through the installation of photovoltaic systems, which are operational from December 2024, helping to reduce our environmental footprint while further improving production costs.
- Expanding the share of Papoutsanis branded products—both consumer and hospitality—in the Company’s total Turnover by:
 - o dynamic growth in major new markets (home care) with the aim of increasing the penetration and market share of our branded consumer products,
 - o a focus on innovation and sustainability with new offerings and solutions that provide a competitive advantage to our branded product lines in Greece and abroad.
- Onboarding of new key clients in the contract manufacturing category while simultaneously expanding our customer base.
- Supporting and empowering the Company’s people:
 - o Continuous training and development of our workforce’s skills.
 - o A flat and effective organizational structure that enables speed and flexibility.
 - o Attracting and retaining talent in strategic positions within the Company.

- Ensuring financial strength and sustainable growth on a solid foundation and creating value for all stakeholders:
 - o restructuring and streamlining expenses,
 - o limiting borrowing by optimizing the parameters that affect it (inventories, trade receivables, liabilities, and investment control).

Management intends to propose to the Annual General Meeting of Shareholders the distribution of a minimum gross dividend of €0,09 per share, including the amount of €0,04 per share that has already been distributed to the Company's shareholders as an interim dividend in October 2025.

As of March 16, 2026, the Company, as part of its share buyback programs, holds 264.380 shares, representing 0,976% of the Company's share capital.

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

[Business Outlook](#)

Papoutsanis' management expects the Company to continue to post double-digit Turnover growth and further improve its overall profitability in 2026, based on:

- new partnerships and the further development of existing ones,
- the continued strengthening of branded products, as well as
- developments in the European production landscape, with the reduction of production facilities, a trend that creates opportunities and is expected to bring new partnerships to Papoutsanis in the contract manufacturing and soap base categories.

For 2026, in the branded products sector, the change in how commercial partnership discounts are applied to selected retail customers should also be taken into account. The agreed discount percentage will be applied by issuing a credit note to the customer rather than through an invoice, as was the case until 2025. This change will affect sales in the financial statements, but will result in a corresponding reduction in Distribution Expenses, without impacting the Company's final profitability.

Breakdown by business segment:

- The Papoutsanis branded products segment is a strategic priority and is expected to maintain its dynamic growth in 2026 as well, through the expansion of the personal care product range, and

greater penetration into the home care category with new products. Furthermore, exports of our branded products are projected to increase in 2026.

- The hotel products sector is expected to remain at 2025 levels, as international developments and instability in the Middle East may affect the initially positive forecasts for domestic tourism. At the same time, we continue to actively build on our long-standing partnerships with strategic clients abroad, while a strong foundation has been laid for the expansion of exports of our branded hotel products into a range of new markets.
- Finally, the contract manufacturing and specialty soap bars segments are expected to continue growing, primarily through expanding our customer base and further developing the range of products we produce for these customers, as well as the development of synthetic soap bases.

6. Transactions with Related Parties

a) Intercompany transactions

None.

b) Intercompany balances

None.

c) Transactions with key management personnel and members of the Board of Directors

	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Remuneration of executive members of the Board of Directors and senior executives (based on a special employment contract)	620.557	756.758
Remuneration of non-executive members of the Board of Directors	73.800	65.868
	694.357	822.626

d) Receivables and liabilities with executives and members of management

	<u>31.12.2025</u>	<u>31.12.2024</u>
Receivables from executives and members of management from performance-based accounts	508	504
Liabilities to executives and members of management arising from performance-based accounts	-	111
Liabilities to executives and members of management (from compensation)	9.324	189.655

e) Balance with shareholders

None.

7. Description of the company's policies regarding the environment, corporate social responsibility, and labor.

7.1 Environmental issues

[Actual and potential impacts of the entity on the environment](#)

Respect for and protection of the natural environment are a key element of Papoutsanis' corporate philosophy. In this context, the Company has established and implements an environmental policy aimed at complying with European and national environmental legislation related to factory operations and energy consumption.

More specifically, our Company's environmental policy is based on the following principles:

Compliance with applicable legislation

Its operations are in full compliance with existing European and national environmental legislation, while the emission limits set forth in the environmental permit issued for the Company's facilities are always adhered to.

Responsible Operation

It has full knowledge of the environmental impacts of the production process and takes all necessary measures to minimize them, as well as appropriate measures to prevent environmental risks.

Collaboration with certified contractors

The Company's partners in waste management (collection, transport, recovery, disposal) hold all necessary permits and follow proper management practices in accordance with relevant legislation.

Continuous improvement

The Company's goal is to continuously improve its environmental performance and reduce the environmental footprint of its activities.

Transparency

The Company engages in an open dialogue on environmental issues with all its stakeholders, including governmental and non-governmental organizations, academic institutions, local communities, and the broader public.

Education

The Company's staff is informed and actively participates in environmental management issues, as the Company's goals can only be achieved with the participation of all its employees.

To this end, the Company:

- Has modernized its equipment and redesigned its production process with the aim of reducing energy consumption.
- The electricity consumed by the Company comes mainly from renewable energy sources, and by the end of 2024, the installation and operation of photovoltaic systems had been completed, covering approximately 36% of the Company's needs.
- It uses recycled and recyclable materials for product packaging.
- It launches new sustainable products that promote the principles of the circular economy.
- Takes measures to prevent any environmental pollution.
- Has adopted a recycling program in collaboration with licensed solid waste management companies.
- Implements waste sorting during the production process.
- It complies with environmental standards set by the applicable legal framework and commissions certified laboratories to conduct analyses.

- It has a wastewater treatment facility.
- It prioritizes health and safety while upholding human rights and ethical standards in the workplace.

Additionally, the Company is committed, through its Code of Ethics and Business Conduct, to reducing the environmental footprint of its operations and business activities. Through the development of initiatives and the continuous improvement of environmental management, the Company contributes to the protection of the environment and quality of life in the regions where it operates. Furthermore, it is committed to full compliance with all environmental legislation, including obtaining and maintaining all permits and approvals required for its business operations, the proper handling, storage, and disposal of materials in accordance with relevant legislation, and the timely and accurate submission of required reports to the competent government agencies.

The following emerged as material sustainability issues in the context of the updated materiality analysis conducted by the Company and constitute Papoutsanis' priorities:

- Sustainable sourcing of raw materials
- Evaluation of suppliers regarding their compliance with environmental, social, and corporate governance standards
- Ensuring product safety and high quality
- Management of the company's business affairs and decision-making processes
- Sound water management practices and the elimination of water depletion
- Universal respect for human rights and strengthening of existing corporate ethics
- Adapting the Company's activities to combat the global phenomenon of climate change
- Taking measures and making decisions in line with a transparent, ethical, responsible, and moral business model
- Reducing energy consumption and replacing conventional energy sources with renewable and green forms of energy
- Investment in human resources and their appropriate development through training and specialization
- Ensuring appropriate conditions to safeguard the occupational health and safety of stakeholders
- Ensuring the Company's strong financial performance

In August 2025, Papoutsanis won the EcoVadis Silver Medal for the second consecutive year, ranking it among the top 15% of companies worldwide evaluated by the organization. This

distinction highlights the company's commitment to sustainable development practices, with particularly strong performance in the Environmental pillar.

Energy and Greenhouse Gas Emissions

Through the following practices, the Company aims to help reduce its environmental footprint and, to that end, implements energy-saving measures:

- Use of electric vehicles by Company executives, which are charged using chargers installed at the Company's facilities. The goal is the gradual replacement of all conventional vehicles with electric ones.
- Acquisition of Guarantees of Origin (GOs) for energy from renewable sources.
- Installation and operation of a net metering photovoltaic system for the generation of energy from renewable sources.
- Addition of a new 500 m² warehouse for soapstock
- Purchase of new, high-energy-efficiency equipment and machinery for soap stock production and soap molding
- Heat recovery from air compressors and use of hot water for office heating.
- Natural gas savings through optimization of the soap base production process.
- External thermal insulation of masonry and installation of double-pane windows in the office building.
- New 2,000 m² warehouse with pallet racks for automated storage of packaging materials and finished products
- Replacement of panels in the existing warehouse to improve insulation
- Installation of a synthetic soap production line to ensure sustainable development by reducing plastic packaging.
- Regular maintenance of equipment and machinery such as mixers, extruders, and presses on the production line, pumps, valves, filters, air compressors, and control panels, drying and packaging units, and steam boilers.

The Company's building infrastructure, including offices and production facilities, consumes energy from direct and indirect sources. Its production facilities account for the largest share of the Company's energy consumption. Specifically, the primary energy source for soap manufacturing is natural gas. The energy needs for other activities are met by electricity, while in the event of power outages from the grid, backup diesel generators are used.

As part of its ongoing monitoring of energy performance, the Company systematically tracks consumption through monthly reports from electricity and natural gas suppliers as well as internal daily measurements.

The Company recognizes the importance of identifying, quantifying, and mitigating greenhouse gas emissions to ensure the possibility of achieving carbon neutrality at the organizational, national, and EU levels.

The Company complies with National Climate Law 4936/2022 by submitting an annual emissions report related to its activities, starting in 2023 for the previous year's emissions. In full compliance with the specifications and requirements of the National Climate Law, the Company is committed to reducing its total Scope 1 & 2 greenhouse gas emissions by at least 30% by 2030 compared to 2019 levels, and has already achieved a reduction in this regard. In December 2025, the Company submitted its Compliance Report (Report on the carbon footprint of the base year and the emissions reduction plan, Article 19, Law 4936/2022), outlining the specific emission reduction actions to achieve the target.

Water Management

Water is an integral part of the Company's production process and is used for both production and for cleaning, washing, and disinfecting mechanical equipment. The water consumed at all facilities comes from a well and is temporarily stored in intermediate tanks, which ensure a continuous water supply and water self-sufficiency.

The Company acknowledges that the operation of the plant, as well as the entire production process, has impacts on water resources, primarily related to water consumption.

In this context, the plant has installed a reverse osmosis unit to treat the water used in production. To conserve water, a second reverse osmosis unit was added, which uses the wastewater from the first unit to operate the boiler room.

Given the importance of effective water management and reducing water consumption, the Company has automated the production of cosmetic batches to improve productivity and the management of water and materials. In the same vein, the Company has installed an automated CIP (Clean-in-Place) cleaning system in production to reduce water consumption.

Finally, the Research and Development Department focuses on new product technologies that use minimal water. Products such as solid shampoo and Olivia Thinks solid body wash have already been introduced to the hotel market. These products have a significantly reduced environmental footprint compared to their bottled counterparts, as the bars use fewer packaging materials, contain

no plastic, and have a small volume and weight, reducing transportation and storage costs, while their production requires less energy.

As part of responsible management and reduction of water consumption at its facilities, the Company also recognizes the importance of the disposal and impacts of wastewater generated by the plant's operations. The Company treats wastewater from washing liquids and mother liquors at its biological treatment plant, which is then discharged as surface water at the quality required by law.

Raw materials and packaging materials

The raw materials and packaging materials used in the production and packaging of a product are a decisive factor in its quality, safety, and environmental and social footprint. This has led many industries, including those producing soaps and cosmetics, to shift toward more sustainable solutions by utilizing raw materials certified according to international standards that meet specific environmental and social criteria, as well as the use of recycled and recyclable packaging materials that minimize the products' negative impact on the environment.

In this direction and as part of its quality policy, Papoutsanis invests in the creation of innovative products, including their packaging, produced from responsible raw materials. Key raw materials used in the Company's production process include various types of oils, chemicals, fragrances, and paper and plastic materials for packaging production. Detailed information for fiscal year 2024 is available in the Sustainability Report on the Company's website (see note 7.3)

✓ Raw Material Certifications

Given that the Company uses large quantities of various oils in the production of its soaps, it is a member of and holds certification from the Roundtable on Sustainable Palm Oil (RSPO), a global initiative comprising stakeholders in the palm oil value chain that promotes its environmental and social sustainability, and is also a member of the GreenPalm program under the same initiative.

In addition, the Company offers cosmetic lines certified by ECOCERT (COSMOS ORGANIC and COSMOS CERTIFIED) and Ecolabel, which are produced using raw materials of natural and organic origin. At the same time, the Company avoids sourcing raw materials containing substances harmful to human health and the environment (e.g., parabens, triclosan, etc.), while the majority of raw materials do not contain ingredients of animal origin, thereby ensuring the certification of products as vegan.

✓ Packaging Materials

The Company monitors developments in the field of packaging materials that include recycled materials and is a pioneer in testing and implementing such environmentally friendly packaging materials. For example, the Company sources cardboard boxes made from recycled packaging materials for storing products shipped to its customers.

Regarding the raw materials used to produce product packaging, the materials are made from recycled and recyclable PET (polyethylene terephthalate), PE (polyethylene), and PP (polypropylene), while no PVC (polyvinyl chloride) is used at all.

The Company systematically invests in solutions that reduce the environmental footprint of its products. All new product lines are designed with 100% recyclable packaging, which contains a significant percentage of recycled plastic. At the same time, emphasis is placed on the use of biodegradable materials and the development of refill systems to limit the consumption of new plastic and strengthen the circular economy.

Furthermore, product packaging is a key element of the Company's marketing strategy, as it provides essential information about the products and their quality. At the same time, product packaging provides adequate protection to maintain product quality during transport and storage.

Procedure and criteria for selecting suppliers of raw materials and packaging materials

The Company has established a Code of Conduct, which it ensures is sent to suppliers and partners, urging them to adhere to it throughout their collaboration. Overall oversight of supply chain processes is the responsibility of the Company's procurement department. The selection of partners is based on criteria regarding the quality of candidates' infrastructure and services, which also determine the establishment of long-term collaborative relationships.

In this context, a significant percentage of the Company's suppliers maintain commercial or professional relationships with the Company and have incorporated clauses addressing environmental issues, labor issues, and human rights, thereby promoting sustainability throughout the supply chain.

Solid waste and packaging waste

Limiting and reducing the Company's environmental footprint, as well as full compliance with applicable legislation regarding the management, storage, transport, recycling, and disposal of waste, are core commitments of Papoutsanis.

Recognizing the potential negative impacts on both the environment and human health resulting from the irresponsible management of solid waste generated by its operations, the Company sorts the waste generated by its offices and production process and collaborates with licensed companies for its collection and treatment. The Company's partners in waste management

(collection, transport, recovery, disposal) hold all necessary permits and follow proper management practices in accordance with relevant legislation.

The packaging of the Company's products is designed to preserve product quality and reduce Papoutsanis's environmental footprint. The packaging design is based on reducing the amount of plastic used, without compromising the safety and quality of the products. Regarding packaging waste, the plastics production department reuses and recycles the raw material generated by the shredder that would otherwise go to waste, thereby reducing waste production and contributing to the conservation of natural resources.

In 2024, Papoutsanis obtained ISO 14001, an international standard for the implementation of an Environmental Management System in any organization.

The primary objective of ISO 14001 is the proactive management of an organization's environmental impacts through commitments to pollution prevention, legal compliance, and continuous improvement. Certification of the Environmental Management System (EMS) in accordance with the ISO 14001 standard helps organizations demonstrate their ongoing commitment to improving their environmental performance. The standard was revised in 2015 and updated in 2021 to ensure that its objectives and purpose support the growing needs of today's world and reflect the increasingly complex environment in which organizations operate.

7.2 Labor Issues

Respect for Employee Rights

The Company views diversity as a fundamental right of its employees and as a source of its strength. Based on this principle, it ensures equal opportunities and combats discrimination through the selection, appointment, and compensation of all individuals who work for or collaborate with the Company based on their qualifications and suitability for the work to be performed, and not on criteria of race, religion, national origin, ethnicity, color, gender, age, nationality, sexual orientation, marital status, physical disability, or any other characteristics. At the same time, the Company prohibits sexual and any other form of harassment of its employees by anyone in the workplace.

Papoutsanis promotes a work environment that respects and protects human rights. At the same time, it monitors labor legislation, including provisions regarding child labor and respect for human rights, and is in full compliance with these provisions.

The cornerstone of the Company's responsible operations is the Code of Conduct, in which the Company commits to complying with applicable legislation regarding child labor. Specifically, in Greece, child labor is defined as the employment of any person under the age of fifteen (15); however, the Company is committed to not employing anyone under the age of sixteen (16).

In addition, by implementing its Whistleblowing Policy, the Company encourages the reporting and documentation of human rights violations, whether by name or anonymously, either through the Whistleblowing app—which is freely accessible to everyone via the company website— or through a suggestion box, by both employees and suppliers or partners. It then evaluates these reports and takes the necessary measures to mitigate and eliminate them, where deemed necessary.

The following are among the key issues related to the Company’s broader economic and social impacts on Sustainable Development:

- Consumer Health and Safety
- Employment, education, and employee development
- Occupational Health and Safety
- Human rights and equal opportunities
- Financial performance

Employment, training, and employee development

The Company complies with and is in full accordance with labor laws, while the basis of its approach to employment is described in detail in the Code of Conduct, which is also available on its website.

More specifically, the Company has developed and implements a series of procedures related to the management of employment and employee training by the human resources department. Specifically, the following procedures are implemented:

- Induction program for new employees (induction plan).
- An evaluation process, which takes place once a year.
- Training and development process.
- Process for providing products to staff.
- Procedures for conducting hiring and exit interviews.

Candidates are sought through the Company’s website, which is linked to the Human Resources Department’s electronic management system, and each job posting is simultaneously published on most job boards.

Following the initial screening of the list, an interview process is conducted, consisting of three stages. All selections are made on a merit-based basis, ensuring transparency and equal treatment of candidates. Candidates are evaluated using predetermined, objective, and merit-based criteria

and assessment standards. Following the final selection, the Company places great emphasis on the integration of new employees, following a thorough onboarding process.

To ensure the development and improvement of its employees' skills, the Company provides ongoing training starting from the employee's hiring and continuing throughout their employment with the Company on topics related to both their specific role and the Company's legal obligations (e.g., training in antiseptic preparation, GDPR training, handling and storage of hazardous materials), as well as additional skills (e.g., positive leadership, verbal and non-verbal communication, business English, Executive Coaching), which are identified as needs following the completion of the annual performance review.

Training focuses on current work, the immediate needs of the business, and the future development of employees. Training plays a vital role for our Company, as without it, it would not be possible to achieve its goals, and it is taken seriously as an activity that shapes its future. The training strategy we follow focuses on development through opportunities for personal growth, adaptation to the workplace, and an emphasis on individuals' leadership skills. Training is conducted either internally by the Company's qualified staff or through training centers in the form of seminars or long-term programs. The stages of training are defined as follows:

1. Identification of the required knowledge and skills
2. Identification of current knowledge levels
3. Identifying training needs and preparing the program
4. Training methods, as well as the location and timing of the training
5. Evaluation of employees after the completion of training regarding the knowledge or skills they have acquired in their field of work.

Regarding employee benefits, the Company provides the following list of benefits, which are offered to all staff regardless of contract type:

- Private insurance program
- Daily lunch and fresh juice for all employees
- Bonus payments
- Staff transportation
- Gifts for employees' children / Christmas party
- Various types of allowances
- Awards for employees' children for their successful admission to universities or technical colleges

- Free distribution of products to all staff.

Occupational health and safety

The protection of all employees and partners, as well as full compliance with applicable health and safety laws, is the Company's top priority.

The Company's employees and partners must respect and comply with the health and safety policies and standards established by the Company. These include not only legal obligations but also best practices in the industry to which the Company belongs, in order to ensure a healthy and safe work environment while also caring for customers and visitors at its facilities. For example, these practices include:

- Providing information and training to its workforce so they can effectively perform their duties, and to contractors, for whom, in fact, specific safety measures are applied, as defined by a specific procedure, and to others working on behalf of the Company, to ensure their commitment and awareness. In this context, it is emphasized that all new employees, during their orientation training, are made aware of the Company's safety rules, as well as personal protective measures for work in production. In addition, they are informed about the maintenance of emergency response systems and plans, which are monitored through regular drills.
- The integration of health, safety, and environmental protection issues into business decisions, plans, and the operation of the Company's facilities, within the framework of the Integrated Management System.
- Setting targets for the continuous improvement of health, safety, and environmental management systems.
- The assessment of risks arising from the Company's activities or the activities of contractors with whom the Company collaborates, and their elimination or reduction to acceptable levels.

In addition, the Company's health and safety policy includes:

- Monitoring compliance with the above practices in all workplaces.
- Ensuring the availability of necessary resources.
- Evaluating and reporting on safety performance.
- Conducting audits of the implementation of relevant standards and procedures.

The policy is evaluated and revised as necessary at regular intervals. To manage employee health and safety, our Company has a cooperation agreement with an external partner who provides a Safety Technician and an Occupational Physician, with responsibilities related to preventive matters concerning the health and safety of staff.

Furthermore, the Company is SMETA (SEDEX MEMBERS ETHICAL TRADE AUDIT) certified. SMETA is an audit developed by Sedex, the non-profit organization for the exchange of ethical data on suppliers, with member companies committed to the continuous improvement of their performance within the context of their supply chains.

7.3 Sustainability Reports

Papoutsanis has established and implements a sustainable development policy, and regularly monitors the progress of the indicators it has set.

The Sustainability Reports published by the Company are available on its website (Sustainability Reports < SUSTAINABLE DEVELOPMENT | Papoutsanis).

In October 2025, the 2024 Sustainability Report was published, and the 2025 Sustainability Report will be published in 2026.

3. EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 4, PARAGRAPHS 7 AND 8 OF LAW 3556/2007.

This explanatory report of the Board of Directors is submitted to the Company's Annual General Meeting of Shareholders pursuant to paragraph 8 of Article 4 of Law 3556/2007, and has been prepared in accordance with the provisions of paragraph 7 of Article 4 of the aforementioned law.

(a) Share Capital Structure

The Company's share capital amounts to fourteen million six hundred thirty-three thousand two hundred forty euros and seventy-six cents (€14.633.240.76), divided into twenty-seven million ninety-eight thousand five hundred ninety-four (27.098.594) common registered voting shares, with a par value of 0.54 euros each.

The Company's shares are listed for trading in the General Category (Main Market) of the Athens Stock Exchange.

The Company's shares are common registered shares with voting rights. Each share carries all the rights and obligations provided for by law and the Company's Articles of Association. Shareholders' liability is limited to the par value of the shares they hold.

(b) Restrictions on the Transfer of Company Shares

The transfer of the Company's shares, which are dematerialized and listed for trading in the General Category (Main Market) of the Athens Stock Exchange, is carried out as provided by law, and there are no restrictions on their transfer under the Articles of Association.

(c) Significant direct or indirect holdings within the meaning of Articles 9 through 11 of Law 3556/2007

The shareholders (natural or legal persons), or the controlling persons who, based on their declaration as of December 31, 2025, hold directly or indirectly a percentage equal to or greater than 5% of the total number of shares and the corresponding voting rights, within the meaning of Articles 9 through 11 of Law 3556/2007, are listed in the table below:

Full Name or Business Name of Shareholder /Controlling Person	Shares Held (in units)	Percentage
Menelaos Tassopoulos	6.313.129	23.30%
Gatzaros Georgios	6.142.217	22.67%
TRUAD VERWALTUNGS AG	5.726.302	21.13%
3K ANONYMOUS INVESTMENT COMPANY	1.670.390	6.16

No other natural or legal person holds a stake exceeding 5% of the Company's share capital as of the aforementioned date.

Mr. Menelaos Tassopoulos holds a total of 23.30% of the Company's voting rights, of which he directly controls 4.09% of the Issuer's voting shares and, indirectly, through the wholly-owned company SAPON, 19.21%.

Truad Verwaltungs AG, in its capacity as administrator of a foreign private discretionary trust established for the benefit of the present and future members of the family of the late Anastasios Georgios Leventis (the "Trust"), controls 5.726.302 voting rights (corresponding to 21,13% of the total number of voting rights of the Company) through its control of Torval Investment Corp., which controls Thrush Investment Holdings Ltd, which controls: (a) directly, 5.407.065 voting rights, corresponding to 19,95% of the Company's total voting rights; and (b) indirectly, through its control of Eagle Enterprises S.A., 319.237 voting rights, corresponding to 1.18% of the total number of the Company's voting rights.

The percentage of voting rights controlled by "3K Anonymous Investment Company" in the Company amounts to 6.16% of the total voting rights of the Company's shares as of December 31, 2025 (corresponding to 1.670.390 common, registered, voting shares of the Company). "3K Anonymous Investment Company" holds 100% of the share capital of "3K Investment Partners Single-Member Mutual Fund Management Company," a company that manages the mutual funds "3K Domestic Equity Fund," "3K Greek Value Domestic Equity Fund," and "NN HELLAS Equity Fund," which hold (as direct shareholders) shares of the Company. Mr. Georgios Koufopoulos is a controlling person of "3K Anonymous Investment Company," within the meaning of Article 3, paragraph 1c, subparagraph (dd) of Law 3556/2007.

(d) Holders of shares conferring special control rights

There are no shares of the Company that grant their holders special control rights.

(e) Restrictions on voting rights - Deadlines for exercising relevant rights

The Company's Articles of Association do not provide for any restrictions on voting rights arising from its shares.

(f) Shareholder Agreements Regarding Restrictions on the Transfer of Shares or the Exercise of Voting Rights

The Company is not aware of any shareholder agreements that entail restrictions on the transfer of shares or restrictions on the exercise of voting rights.

(g) Rules for the appointment/replacement of Board of Directors members and the amendment of the Articles of Association, to the extent that they differ from the provisions of Law 4548/2018.

The rules set forth in the Company's Articles of Incorporation regarding the appointment/replacement of members of the Board of Directors and the amendment of the relevant provisions of the Articles of Incorporation do not differ from those provided for in Law 4548/2018. Specifically, pursuant to Article 7, paragraph 3 of the Company's Articles of Association, the following provisions apply in the event of a vacancy on the Board of Directors:

“ARTICLE 7

Election and Replacement of a Member of the Board of Directors (Art. 81 of Law 4548, codified by Law 5255/2025)

[...]

3. If a vacancy arises for a Member or Members, for any reason:

a. If there is a substitute Member or substitute Members elected by the Company's General Meeting, they shall fill the vacant position or positions in the order of their election.

b. If there are none, the Board of Directors may either continue to manage and represent the Company, provided that the remaining Members exceed half of the total number of Members prior to the vacancy of the position or positions, but in any case, such members may not be fewer than three, or, provided that the remaining Members are at least three (3), elect a replacement Member or replacement Members to fill the vacancy or vacancies and for the remainder of the term of the Member or Members being replaced. This election shall be announced at the next regular or extraordinary General Meeting, which may replace the elected members, even if no such item is listed on the agenda. The choice between the two solutions mentioned in subparagraph (b) above is made by the Board of Directors at its sole discretion. The Board of Directors may, of course, replace only some of the vacant positions, provided that, following the partial replacement, the number of Members exceeds half of the total number of Members prior to the vacancy of the position or positions. The election decision shall be made public and announced by the Board of Directors at the next General Meeting, which may replace the elected members even if no such item is listed on the agenda.”

The choice between the two solutions set forth in subparagraph (b) above is made by the Board of Directors at its sole discretion.

(h) Authority of the Board of Directors to issue new shares / repurchase treasury shares pursuant to Article 49 of Law 4548/2018 (codified by Law 5255/2025)

1. Pursuant to the provisions of Article 24(1)(b) of Law 4548/2018, the Company's Board of Directors has the right, following a relevant resolution of the General Meeting subject to the publicity formalities of Article 13 of Law 4548/2018, to increase the Company's share capital by issuing new shares, by a resolution adopted by a majority of at least two-thirds (2/3) of all its members. In this case, the share capital may be increased in accordance with the applicable Law 4548/2018 up to three times the amount of capital paid in as of the date on which the General Meeting granted the Board of Directors the aforementioned authority. The aforementioned authority of the Board of Directors may be renewed by the General Meeting for a period not exceeding five years for each renewal. No such decision has been taken by the General Meeting of Shareholders.

2. Pursuant to the provisions of Article 113 of Law 4548/2018, by a resolution of the General Meeting, adopted by an enhanced quorum and majority, a share distribution program may be established for members of the Board of Directors and the Company's staff, as well as for affiliated companies within the meaning of Article 32 of Law 4308/2014, in the form of stock options, under the terms of this resolution, a summary of which shall be made public. The resolution of the General Meeting shall specify, in particular, the maximum number of shares that may be issued, which may not exceed 1/10 of the existing shares, as well as the price and terms of offering the shares to the beneficiaries. The Board of Directors, by resolution, regulates any other relevant details not addressed by the General Meeting, issues the stock option certificates, and the shares to the beneficiaries who have exercised their rights, increasing the share capital accordingly and certifying such increase, in accordance with Article 113, paragraph 3, of Law 4548/2018. Furthermore, pursuant to Article 113(4) of Law 4548/2018, the Board of Directors may, upon relevant authorization - a resolution of the General Meeting adopted by an increased quorum and majority and made public, to establish a share issuance program, potentially increasing the capital and taking all other relevant decisions. This authorization is valid for five (5) years, unless the General Meeting specifies a shorter period of validity, and is independent of the powers of the Board of Directors under paragraph 1 of Article 24 of Law 4548/2018. The decision of the Board of Directors is taken in accordance with the provisions of Article 113 of Law 4548/2018.

In accordance with the above provisions:

A) the Company's Board of Directors, on February 18, 2022, and following the authorization granted by the Ordinary General Meeting of May 05.2021, adopted a share distribution program for the benefit of executives who provide services to the Company on a permanent basis, in the form of stock options, in accordance with the applicable regulatory framework. The duration of the program was set at two years, meaning that the options granted to beneficiaries may be exercised until June 2024, in accordance with the specific terms of the program. The number of rights available under the program may amount to two hundred sixty-nine thousand sixty (269.060) for the entire duration

of the program. The Company's share capital will be adjusted accordingly in the event that new shares of the Company are allocated to the beneficiaries and in accordance with the rights exercised by the beneficiaries, by resolution of the Company's Board of Directors as provided by law and the terms of the program. The detailed terms of the program have been posted on the Company's website (www.papoutsanis.gr).

This program was completed on June 30, 2024, without any rights being exercised.

B) In accordance with the provisions of Article 113(4) of Law 4548/2018, a resolution was adopted on April 17, 2024, by the Annual General Meeting, pursuant to which the Board of Directors was authorized to establish a share distribution program in the form of stock options (stock options) under such terms and conditions within the framework of the law as the Board of Directors deems appropriate, but subject to the following restrictions:

- a) the options to be granted shall correspond to a maximum of 2% of the Company's total shares, provided that this maximum limit shall be adjusted in the event of corporate actions that, without new contributions, result in a change in the total number of shares
- b) the shares to be offered will result from an increase in the Company's share capital or from treasury shares.

As of the publication of the annual financial report, no stock option plan has been established pursuant to the resolution of the Annual General Meeting.

3. In accordance with the provisions of Articles 49 and 50 of Law 4548/2018, as currently in force, following approval by the General Meeting, the Company may acquire treasury shares, under the responsibility of its Board of Directors, provided that the par value of the shares acquired, including shares previously acquired and held by the Company, does not exceed 1/10 of its paid-in share capital. The resolution of the General Meeting must also specify the terms and conditions of the proposed acquisitions, and in particular the maximum number of shares that may be acquired, the duration for which the authorization is granted, which may not exceed twenty-four (24) months, and, in the case of acquisition for consideration, the minimum and maximum limits of the acquisition price.

On May 18, 2023, the Ordinary General Meeting approved the Company's share buyback program, pursuant to Article 49 of Law 4548/2018, pursuant to which the Company shall be entitled, within the 24-month period provided for by law, i.e., from May 18, 2023, to May 18, 2025, to purchase treasury shares amounting to up to 5% of the Company's total paid-in share capital, which as of May 18, 2023, corresponded to 1,354,929 shares. The maximum purchase price for the

Company's treasury shares was set at four euros (€4) per share and the minimum purchase price at one euro (€1) per share, while it was stipulated that the treasury shares to be acquired may be disposed of in any manner permitted by law. This treasury share purchase program was adopted by the Company's Board of Directors on May 18, 2023.

On April 24, 2025, the Ordinary General Meeting approved the Company's share buyback program, pursuant to Article 49 of Law 4548/2018, pursuant to which the Company shall be entitled, within the 24-month period provided for by law, i.e., from April 24, 2025, through April 24, 2027, to purchase treasury shares amounting to up to 5% of the Company's total paid-in share capital, which as of April 24, 2025, corresponded to 1.354.929 shares. The maximum purchase price for the Company's treasury shares was set at five euros (€5) per share and the minimum purchase price at one euro (€1) per share, while it was stipulated that the treasury shares acquired may be disposed of in any manner permitted by law. This share buyback program was adopted by the Company's Board of Directors on May 20, 2025.

Under the above programs, as of December 31, 2025, the Company held a total of 264.380 treasury shares, representing 0,98% of the Company's total shares.

(i) Significant agreements of the Company that take effect, are amended, or expire in the event of a change in control of the Company following a tender offer.

There are no material agreements that take effect, are amended, or terminated in the event of a change in control of the Company following a tender offer.

(j) Compensation agreements for members of the Board of Directors or employees in the event of resignation/dismissal without just cause or termination of term of office/employment due to a tender offer

There are no agreements between the Company and members of its Board of Directors or its staff which provide for the payment of compensation in the event of resignation or dismissal without just cause or termination of their term of office or employment due to a public tender.

4. CORPORATE GOVERNANCE STATEMENT PURSUANT TO ARTICLES 152 AND 153 OF LAW 4548/2018 & PURSUANT TO ARTICLE 18 OF LAW 4706/2020

This Corporate Governance Statement is prepared in accordance with Articles 152 and 153 of Law 4548/2018, as in force, and Article 18 of Law 4706/2020, as in force.

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INTRODUCTION

The term “corporate governance” describes the way in which companies are managed and controlled. Corporate governance is structured as a system of relationships between the Company’s Management, the Board of Directors, shareholders, and other stakeholders; it constitutes the framework through which the Company’s objectives are identified and set, the means to achieve these objectives are determined, and the performance of management is monitored during the implementation of the above.

In Greece, the corporate governance framework has been developed primarily through the adoption of mandatory rules, such as Law 4706/2020, as amended and currently in force, which, among other things, require the participation of non-executive and independent non-executive members on the Boards of Directors of Greek companies whose shares are listed on a regulated market in Greece, the establishment and operation of an internal audit unit and the adoption of internal operating regulations with minimum mandatory content in accordance with the above provisions. Furthermore, other legislative acts have incorporated European company law directives into the Greek legal framework or implemented European regulations, creating new corporate governance rules, such as Law 4449/2017, which mandates, among other things, the operation of an audit committee.

Finally, the Law on Public Limited Companies (Law 4548/2018) sets forth the basic rules of corporate governance for public limited companies.

1. Corporate Governance Code

1.1 Disclosure of the Company’s Voluntary Compliance with the Corporate Governance Code

The Company has decided to adopt the Greek Corporate Governance Code of the Hellenic Corporate Governance Council (HCGC) for Listed Companies (hereinafter referred to as the “Code”). This Code is available on the HGC website at the following URL: <https://www.esed.org.gr/web/guest/code-listed>.

In addition to the Hellenic Capital Market Commission’s website, the Code is available to all staff in printed form at the Finance Department and the Human Resources Department, as well as on the Company’s official website at the following web address: https://www.papoutsanis.gr/el/sxeseis-ependyton/etairiki-diakubernisi-2/kodikas-etairikis-diakubernisis_130794/

1.2 Deviations from the Corporate Governance Code and justification thereof. Specific provisions and practices of the Code for listed companies that the Company does not apply, and explanation of the reasons for non-application

The Company hereby certifies that it complies with the mandatory provisions of Greek law that establish the minimum requirements that any Corporate Governance Code must meet, as applied by a company whose shares are traded only on a regulated market in Greece.

These minimum requirements are incorporated as of the date hereof into the Code, which the Company has adopted and applies. The Code, however, contains, in addition to the minimum requirements, a series of specific practices from which deviation is permitted, as appropriate.

The Company deviates from or does not fully implement certain provisions of the Code relating to “Special Practices for Listed Companies,” to the extent permitted by applicable law. These deviations are detailed below (the relevant section number of the Code is cited at the end of each paragraph).

Regarding the Board of Directors

Role and responsibilities of the Board of Directors

- At the beginning of each calendar year, the Board of Directors does not adopt a meeting schedule or an annual action plan, which could be revised according to the Company’s needs, as it meets regularly; all of its members are residents of the Attica region, and it is easy to convene and hold meetings of the Board of Directors when required by the Company’s needs or by law, without the existence of a predetermined action plan. (1.17)

Size and Composition of the Board of Directors

- Diversity criteria do not apply beyond the members of the Board of Directors and senior or executive management with specific gender representation targets, due to the Company’s size and the small number of its administrative, management, and supervisory bodies (each of which consists of a small number of members), while respecting, among other things, the principles of non-discrimination and equality (2.2.15).

- There are no restrictions on the number of positions members of the Board of Directors may hold on the boards of other companies, as the adequacy of available time is assessed at the time of election (2.2.17 & 2.2.18).

- The Chairman of the Board of Directors is an executive member and is elected by the Board of Directors upon its formation, immediately following his election by the General Meeting pursuant to Article 8 of the Company’s Articles of Association (2.2.21).

- There is no provision limiting the total term of service for members of the Compensation and Nominating Committee to nine (9) years, as the committee is relatively new (first established and constituted in July 2021) (2.3.12 & 2.4.11).
- There is no restriction regarding the vesting of any stock options for executive members of the Board of Directors, as they are subject to the relevant publicly disclosed programs (2.4.13).
- The general remuneration of the Chairman of the Board of Directors, the Managing Director, and the members of the Board of Directors, both executive and non-executive, is provided for in the Remuneration Policy approved by the 2025, are specified in the proposals of the Remuneration and Nomination Committee and the decisions of the Board of Directors, and are adequately disclosed in the financial statements in accordance with IAS 24 and in the Remuneration Report that the Company is required to publish annually pursuant to Law 4548/2018, on which the General Meeting discusses and votes in an advisory capacity.

No “compensation package” has been agreed upon for any member of the Board of Directors.

The employment contracts of the executive members of the Board of Directors include the possibility of a bonus.

Operation of the Board of Directors

- There is currently no provision for the Board of Directors to be supported in the performance of its duties by a competent, specialized, and experienced corporate secretary, as its core functions are fully served by other departments of the Company (3.1.5, 3.2.1 & 3.2.2).
- The Board of Directors conducts a self-assessment annually, a process that includes the evaluation of executive members by non-executive members using questionnaires. The process does not provide for the individual evaluation of Board members or the evaluation of committees, except during the selection, replacement, or reappointment of Board members. The Board of Directors is not evaluated by an external consultant, as its term of office is three years and the relevant evaluation takes place during the selection, replacement, or renewal of its members. (2.2.22, 3.3.4, 3.3.5, 3.3.8, 3.3.10, 3.3.12, 3.3.14).
- There is no provision for orientation programs for new members of the Board of Directors, nor for ongoing professional training and development for the remaining members, given that the individuals proposed for election to the Board of Directors possess sufficient and proven experience and organizational and administrative skills (3.3.13).

1.3 Corporate governance practices implemented by the Company in addition to the provisions of the law

The Company does not implement any practices beyond the provisions of the applicable legislative framework regarding corporate governance.

2. Key Features of the Internal Control and Risk Management Systems in Relation to the Process of Preparing Financial Statements and Financial Reports

The Company's Internal Control and Risk Management System in relation to the process of preparing financial statements and financial reports includes safeguards and control mechanisms at various levels within the Organization, as described below:

2.1 General

Risk identification, assessment, measurement, and management:

Risk identification and assessment primarily take place during the strategic planning and annual business plan development phases. The issues examined vary depending on market conditions, the sector, and the industry in general, and include, for example, developments and trends in the markets where the Company operates or which are significant sources of raw materials, changes in technology, macroeconomic indicators, and the competitive environment. The Board of Directors conducts an annual review of the corporate strategy, key business risks, and internal control systems.

Planning and Monitoring / Budgeting:

The Company's performance is monitored through a detailed budget. The Company's financial performance depends largely on external factors, such as raw material prices and other market conditions. For this reason, the budget is adjusted at regular intervals to account for these changes. Management monitors the Company's financial performance through regular reports, comparisons with the budget, and meetings of the management team. Similar monitoring is conducted by the Board of Directors, which oversees the execution of the Company's business plan through budget execution and the monitoring of specific financial indicators.

Adequacy of the Internal Control System:

The Company's Management has designed and implements ongoing oversight activities, which are integrated into the Company's operations and ensure that the Internal Control System maintains its effectiveness over time. The Company also conducts periodic individual assessments of the

adequacy of the Internal Control System, which are primarily carried out by the Internal Audit Department.

The Company has an independent Internal Audit Unit, which, among other things, ensures that the risk identification and management procedures implemented by the Company's Management are adequate, ensures the effective operation of the Internal Control System and the quality and reliability of the information provided by Management to the Board of Directors regarding the Internal Control System.

The adequacy of the Internal Control System is monitored on a systematic basis by the Audit Committee through two-way communication with the Internal Audit Department.

Prevention and Suppression of Financial Fraud:

As part of risk management, areas considered high-risk for financial fraud are monitored using appropriate control systems and correspondingly enhanced safeguards. Examples include the existence of an organizational chart, operating regulations, as well as detailed procedures and approval thresholds. Furthermore, in addition to the control mechanisms implemented by each department, all of the Company's activities are subject to audits by the Internal Audit Department.

Internal Operating Regulations:

The Company has drafted relevant Internal Operating Regulations, which have been approved by the Board of Directors. The Regulations also define the duties and responsibilities of key positions, thereby promoting an adequate separation of duties within the Company.

Information System Safeguards:

The Company has developed a framework for monitoring and controlling its information systems, which is defined by specific control mechanisms, policies, and procedures. These include the assignment of specific access rights to all employees based on their position and role, while a log of access to the Company's systems is also maintained.

2.2 Safeguards for the financial statement preparation process

As part of the procedures for preparing the Company's financial statements, specific controls are in place and functioning, which relate to the use of tools and methodologies that are generally accepted based on international practices. The main areas in which safeguards related to the preparation of the Company's financial reports and financial statements are in place are as follows:

Organization - Allocation of Responsibilities

- The delegation of responsibilities and authorities to both the Company's senior management and its middle and lower-level executives ensures the enhancement of the Internal Control System's effectiveness, while safeguarding the required segregation of duties.
- Appropriate staffing of the finance departments with individuals who possess the necessary technical knowledge and experience for the responsibilities assigned to them.

Accounting monitoring procedures and preparation of financial statements

- Existence of policies and procedures for monitoring the accounting department.
- Training and briefing of staff involved in the preparation of financial statements.
- Automated controls and validations performed between the various information systems, while specific approval is required for accounting entries related to non-recurring transactions.
- The judgments and estimates made by management that are necessary for the preparation of the financial statements are reviewed in each reporting period, in light of the identified risks.

Internal control procedures for financial statements

- Internal control over the financial statement preparation process is designed to verify, through specific procedures, management's assertions to third parties and external auditors regarding the individual line items of the financial statements, which are:

For the Balance Sheet: the existence and ownership of the items, completeness, and measurement and classification in accordance with the accounting framework.

For the Income Statement: the existence of the transaction, the independence of the fiscal year, completeness, accuracy, and classification in accordance with the accounting framework.

Asset safeguarding procedures

- Existence of safeguards for fixed assets, inventory, cash and cash equivalents—checks and other Company assets, such as, for example, physical security of the cash office and warehouses, inventory and reconciliation of physical counts with those in the accounting records, adequate asset security, and others.

3. Board of Directors

3.1 Composition and Functioning of the Board of Directors

3.1.1. The role, powers, and relevant responsibilities of the Board of Directors are described in the Articles of Association and supplemented by the Board of Directors' Operating Regulations and the Company's Internal Operating Regulations.

The Board of Directors, acting collectively, is responsible for the administration and management of corporate affairs. It generally decides on all matters concerning the Company and performs all acts except those for which the General Meeting of Shareholders has jurisdiction, either by law or under the Articles of Association.

By way of example and without limitation, the Board of Directors:

- (a) Represents the Company in and out of court.

- (b) Initiates and conducts lawsuits, executes seizures, registers liens and mortgages, consents to their release, waives privileges, claims, and legal remedies, settles disputes in and out of court, and agrees to arbitration.

- (c) Acquires, establishes, or transfers real and personal rights in movable and immovable property and assumes obligations, enters into contracts of any kind, subject to Articles 99 through 101 of Law 4548/2018, and participates in public or other tenders as well as in competitive or non-competitive auctions.

- (d) Appoints, assigns, and dismisses employees and agents of the Company, sets their compensation and salaries, and grants and revokes any general or specific power of attorney on behalf of the Company.

- (e) Issues, accepts, and signs or guarantees or endorses promissory notes, bills of exchange, checks, and any other negotiable instruments.

- (f) Generally determines the Company's expenses.

(g) Audits the Company's books and cash, prepares the annual financial statements, proposes depreciation charges on facilities and bad debts, and proposes the dividends and profits to be distributed.

(h) It regulates the internal operations of the Company, issues the relevant regulations, and generally performs all acts of management of the Company and administration of its assets, and has all authority and rights to manage the Company's interests and to perform any act necessary to achieve the purposes pursued the Company pursues.

(i) It lawfully provides all types of guarantees on behalf of the Company in favor of legal or natural persons with whom the Company has or maintains commercial or financial transactions to serve its purposes.

(j) Decides on the issuance of bond loans, other than those referred to in Articles 71 and 72 of Law 4548/2018. With regard to the latter loans, the Board of Directors may decide on their issuance following authorization by the General Meeting in accordance with Articles 71 and 24(1) of Law 4548/2018.

3.1.2. The Board of Directors may, by resolution, delegate the exercise of all or some of its rights and powers relating to the administration, management, and representation of the Company to one or more persons, regardless of whether such persons are members of the Board or not. Such persons may, provided that this is provided for in the relevant resolutions of the Board of Directors, further delegate the exercise of the powers delegated to them, or part thereof, to other parties or third parties. The title and authority of each of these persons shall always be determined by the Board of Directors' resolution appointing them.

3.1.3 Each member of the Board of Directors is liable to the Company for any loss it suffers due to an act or omission constituting a breach of their duties. If damage results from a joint act of several members of the Board of Directors, or if several members are jointly liable for the same damage, they are all jointly and severally liable. The same applies if several members acted simultaneously or successively and it cannot be determined whose act caused the damage. However, the court may decide to apportion liability among the liable parties, depending on the gravity of the act, the degree of fault, and the distribution of duties among the members of the Board of Directors. The court may also rule on the right of recourse among the responsible parties. Liability does not apply to acts or omissions based on a lawful resolution of the General Meeting or relating to a reasonable business

decision, which was made (a) in good faith, (b) based on information sufficient for the specific circumstances, and (c) with the sole criterion of serving the company's interests. These factors are assessed with reference to the time the decision was made. The members of the Board of Directors bear the burden of proving the conditions of this paragraph. Furthermore, the court may find that no liability exists for acts or omissions based on a recommendation or opinion of an independent body or committee operating within the Company in accordance with the law.

3.1.4 Conflicts of Interest – Other Obligations

A) Members of the Board of Directors who participate in any way in the management of the Company, as well as its directors, are prohibited from acting, without the authorization of the General Meeting or a relevant provision in the Articles of Association, on their own behalf or on behalf of third parties, in acts falling within the Company's purposes, nor may they participate as general partners or as sole shareholders or partners in companies pursuing such purposes.

B) Members of the Board of Directors and any third party to whom the Board has delegated its powers have a duty of loyalty to the Company. In particular, they must:

a) Not to pursue personal interests that conflict with the interests of the Company.

b) To disclose in a timely and adequate manner to the other members of the Board of Directors their own interests that may arise from Company transactions falling within the scope of their duties, as well as any conflict between their interests and those of the Company or its affiliated entities within the meaning of Article 32 of Law 4308/2014, which arises in the course of performing their duties. They are also required to disclose any conflict of interest between the Company and the interests of the persons referred to in paragraph 2 of Article 99 of Law 4548/2018, provided they have a relationship with such people. A disclosure is considered adequate if it includes a description of both the transaction and the personal interests involved. Companies shall disclose instances of conflicts of interest and any contracts entered into that fall under Article 99 of Law 4548/2018 in the Board of Directors' annual report.

c) Maintain strict confidentiality regarding corporate matters and the Company's confidential information, which have come to their knowledge by virtue of their capacity as directors.

3.1.5. Meetings of the Board of Directors

The Board of Directors meets either at the Company's headquarters or at any location within the Attica Region or the Central Greece Region as proposed by the Chairman of the Board of Directors whenever required by law or the needs of the Company, and is convened by the Chairman or the Vice Chairman acting in his stead on a date and at a time determined by him. It is also convened

whenever the Chairman deems it appropriate or upon the request of two Directors, in accordance with the provisions of the law.

In addition to the Chairman or his substitute, two (2) members may request the convening of the Board of Directors by submitting a request to the Chairman or his substitute, who are obligated to convene the Board of Directors so that it may convene within seven (7) days of the submission of the request. The request must, on pain of inadmissibility, clearly state the matters to be considered by the Board of Directors. If the Board of Directors is not convened by the Chair or the Vice Chair within the aforementioned timeframe, the members who requested the meeting are permitted to convene the Board of Directors themselves within five (5) days from the expiration of the aforementioned seven (7)-day period, by notifying the other members of the Board of Directors of the relevant invitation.

In 2025, the Board of Directors held thirteen (13) meetings, all of which were attended by all members. The remaining decisions of the Board of Directors were adopted by signing the minutes, in accordance with Article 94 of Law 4548/2018.

Individual Attendance Rates of Board of Directors and Committee Members at Meetings for the Year 2025

	Board of Directors	Audit Committee	Compensation and Nomination Committee
Number of Meetings	13	21	4
Menelaos Tasopoulos - CEO & Executive Board Member	100% (13/13)		
Gatzaros Georgios - President and Executive Member of the Board of Directors	100% (13/13)		
Dimitrios Papoutsanis - Vice President, Non-Executive Member of the Board of Directors & Member of the Remuneration and Nomination Committee	100% (13/13)		100% (4/4)
Antonis Barounas - Independent Non-Executive Member of the Board of Directors, Member of the Audit Committee & the Remuneration and Nomination Committee	100% (13/13)	100% (21/21)	100% (4/4)

Eleni Koritsa - Independent Non-Executive Member of the Board of Directors, President of the Audit Committee & the Remuneration and Nomination Committee	100% (13/13)	100% (21/21)	100% (4/4)
Mary Iskalatian - Executive Board Member	100% (13/13)		
Christos Georgalis - Non-Executive Member of the Board of Directors	100% (13/13)		
Efstathios Banilas - Member of the Audit Committee		100% (21/21)	

3.2 Information on the members of the Board of Directors

Pursuant to Article 7, paragraph 2 of the Company's Articles of Association, the Board of Directors consists of three (3) to fifteen (15) members.

The current Board of Directors of the Company consists of seven members, as elected by the Extraordinary General Meeting on July 10, 2024, and by the Board of Directors' resolution dated July 10, 2024, and consists of the following members:

a. Georgios Gatzaros, Chairman, executive member. He holds a degree in Mechanical Engineering from the National Technical University of Athens (NTUA). He founded the company Gageo S.A. in 1983 and served as CEO until 2009, when it merged with Papoutsanis S.A. (formerly Plias S.A.) and he became a shareholder. He also served as Industrialization Advisor to Papoutsanis S.A. until 2010. Since 2010, he has been Executive Chairman of the Board of Directors of Papoutsanis S.A. Mr. Georgios Gatzaros is the manager of Gageo Single-Member LLC and a major shareholder of Papoutsanis S.A.

b. Dimitrios Papoutsanis, Vice Chairman – non-executive member, has served on the Board of Directors of PAPOUTSANIS S.A. since the late 1990s. He studied Business Management with a specialization in Marketing and Communications at Adelphi University. He worked in the marketing, sales, and procurement departments of Coca-Cola 3E from 1998 to 2005.

c. Menelaos Tassopoulos, CEO, executive member. He holds a PhD in Applied Science from Yale University, a Master's in Industrial Engineering & Management Science from Columbia University, and a Master's in Chemical Engineering from Worcester Polytechnic Institute. He also holds a Bachelor's degree in Chemical Engineering from the National Technical University of Athens. He has

worked at P.D.P. PAPOUTSANIS, at the Center for Renewable Energy Sources, and subsequently at various companies within the VIOHALCO Group, most recently serving as CEO of HALCOR until 2009, when he assumed the role of management consultant at Eurobank EFG. In 2010, he assumed the position of CEO of PLIAS S.A. (later PAPOUTSANIS S.A.), of which he is also a major shareholder. Since 2024, he has been a member of the Board of Directors of the Hellenic Federation of Enterprises (SEV).

d. Mary Haigui Iskalatian, Executive Member and Chief Financial Officer. She holds an MBA from the University of Strathclyde in Scotland and a degree in Economics from the National and Kapodistrian University of Athens. She has collaborated with consulting firms as an external consultant on financial projects and European Community projects, and since 1995 she worked at Nova Telecommunications & Media S.M.S.A. (formerly WIND HELLAS S.A.) as Report & Budget Manager and Quality & Processes Manager. In 2000, she assumed the position of Financial Controller at the Papoutsanis Group. She also served as a member of the Boards of Directors of Plias Emporiki S.A., Tsakiris S.A., and GAGEO S.A. Since 2009, she has served as Chief Financial Officer and, since 2013, as an executive member of the Board of Directors at PAPOUTSANIS S.A., while she is a general partner in the company Hellenic View EE.

e. Christos Georgalis, Non-executive, non-independent member. He holds a degree from the Athens University of Economics and Business (ASOEE), has been registered with the Economic Chamber of Greece since 2001, and has extensive experience in financial matters within the industrial sector at companies of the VIOHALCO Group from 1973 to 2012. From 1990 to 2012, he served as Chief Financial Officer at the companies VEKTOR S.A., IBS S.A.-KEM S.A., and SIDENOR S.A.-KEM S.A. He served on the boards of directors of ETALBOND S.A. and ELMONDE HOLDINGS LIMITED until 2010, and was a member of the board of directors of PROSAL S.A. until 2014 and of BOZETTI LIMITED until 2016. Since 2013, he has been a member of the Board of Directors of PAPOUTSANIS S.A., and from 2017 until July 2024, he served on the Audit Committee, of which he was also chairman.

f. Antonios Barounas, Non-executive, independent member. He is a graduate of Deere Greece and the University of Denver in the fields of Information Systems Technology and Computer Science. He has many years of experience and a successful track record in senior management, having worked at Hewlett Packard, Wm Wrigley Jr. Company, Sony Ericsson Greece/Balkans, Sony Ericsson Western Region, and Sony Mobile, and has served as Vice President of Sony Mobile South Europe, Sony Mobile Europe, and Lenovo EMEA. He has previously served on the boards of directors of SONY MOBILE COMMUNICATIONS HELLAS, N. STAIKOS S.A., and UNIFLAME S.A. (a trading, import, and industrial company). Since January 2021, he has served as CEO of Elgen Food & Elgen Yachting.

g. Eleni Koritsa, Non-executive, independent member. She holds a Diploma in Board Direction from the Institute of Directors in London, a Certificate in Board Direction with Distinction from the Institute of Directors in London, a CFA in ESG Investing, holds an M.Sc. in Economics from the London School of Economics and Political Science, and is a summa cum laude graduate of the Department of Economics at the National and Kapodistrian University of Athens. Ms. E. Koritsa is also a non-executive member of several boards of directors, Vice Chair of the Board of Directors of Eurobank Asset Management S.A., Chair of the Board of Directors of the Professional Insurance Fund of the Association of Institutional Investors, and a member of the Board of Directors of Eurobank Fund Management Company (Lux) SA in Luxembourg. With over 30 years of experience in the financial sector, Ms. Koritsa has extensive experience in asset management and treasury, having served as Deputy Managing Director at Eurobank Asset Management S.A. for many years. She has in-depth knowledge of the regulatory environment, having served as a regulatory compliance advisor in the areas of market conduct and sustainability. Since July 2024, she has also been a member and chair of the Audit Committee and the Compensation and Nominating Committee of Papoutsanis S.A.

In addition, Ms. Dimitra Fountoulaki serves as Head of the Company's Internal Audit Unit since April 2024. She has professional experience in the field of internal and external auditing and has previously worked at PwC Greece. She holds a degree in Economics from the National and Kapodistrian University of Athens and is pursuing a Master's Program in Accounting and Finance at the Athens University of Economics and Business.

Apart from the above, there are no other senior executives at the Company pursuant to Law 4706/2020.

The updated resumes of the members of the Board of Directors are available on the Company's website at the following link: [The Board of Directors < CORPORATE GOVERNANCE | Papoutsanis](#)

Based on the above composition, the Board of Directors consists of three (3) executive and four (4) non-executive members, two (2) of whom are independent members, for whom the Board of Directors, at its meeting on February 5, 2025, confirmed that they maintain their independence, in accordance with the provisions of Law 4706/2020.

The term of office of the Board of Directors is three years, expiring on July 10, 2027, and is automatically extended until the first regular General Meeting following the expiration of its term. In any case, the term of office may not exceed four (4) years.

The Chairman of the Board of Directors is replaced by the Vice Chairman of the Board of Directors, exclusively with regard to the non-executive duties of the Chairman of the Board of Directors. In all

other respects, the Managing Director of the Company has been appointed as the Chairman's deputy.

The members of the Board of Directors, apart from their activities related to their capacity and position in the Company, do not engage in any other professional activities that are significant to the Company, with the following exceptions:

Georgios Gatzaros, Manager of GAGEO M. Ltd.

Menelaos Tassopoulos, member of the Board of Directors of the Hellenic Federation of Enterprises (SEV), consultant-manager of the company "Sapon Single-Member Limited Liability Company."

The members of the Board of Directors who hold shares directly and indirectly, as well as the shareholders who hold more than 5% of the Company's share capital, are listed below, along with the number of shares they hold and their corresponding percentage of the total shares of the Company.

Full Name or Name of Shareholder / Controlling Person	Shares Held (in units)	Percentage
Menelaos Tassopoulos	6.313.129	23.30%
Gatzaros Georgios	6.142.217	22.67%
Iskalatian – Hagui Mary	134.127	0.49%
Papoutsanis Dimitrios	789	0.003%
TRUAD VERWALTUNGS AG	5.726.302	21.13%
3K ANONYMOUS INVESTMENT COMPANY	1.670.390	6.16%

The members of the Board of Directors, Ms. Eleni Koritsa, Mr. Antonis Barounas, and Mr. Christos Georgalis, as well as the Head of the Internal Audit Unit, Ms. Dimitra Fountoulaki, do not hold any shares in the Company.

On January 21, 2026, the Company's Board of Directors was informed of the resignation of Mr. Dimitrios Papoutsanis, effective immediately, from his position as Vice President, a non-executive member of the Board of Directors, as well as, consequently, from the other positions on the Company's committees that he held by virtue of that position.

Following the above resignation, the Company's Board of Directors unanimously decided not to replace the resigning member and for the Board of Directors to continue with its current composition (with only the resigning member absent).

In view of the above, the Company's Board of Directors was reconstituted as follows:

1. Georgios Gatzaros, son of Sotirios, President of the Board of Directors, Executive Member.
2. Eleni Koritsa, daughter of Christos, Vice President of the Board of Directors, Independent, Non-Executive Member.
3. Menelaos Tassopoulos, son of Athanasios, Managing Director of the Company, Executive Member.
4. Mary Iskalatian, daughter of Sarkis, Executive Member.
5. Christos Georgalis, son of Petros, Non-Executive Member.
6. Antonios Barounas, son of Sotirios, Independent and Non-Executive Member.

The President of the Board of Directors, Mr. Gatzaros, is replaced by the Vice President of the Board of Directors, Ms. Eleni Koritsa, exclusively with regard to his non-executive duties as President of the Board of Directors. In all other respects, the Company's Managing Director, Mr. Tasopoulos, is designated as the President's deputy.

3.3 Board of Directors Evaluation Process

The Company implements a policy for evaluating members of the Board of Directors, the purpose of which is to ensure its effective operation and the fulfillment of its role as the Company's highest governing body. Board members are evaluated collectively on an annual basis. The process takes the form of a self-assessment based on questionnaires maintained by the Company's

Compensation and Nomination Committee and completed by all members of the Board of Directors. This process is led by the Chairman of the Board of Directors, and its results are discussed by the Board of Directors. Furthermore, the Board of Directors decides whether it is appropriate for the annual evaluation to be conducted with the assistance of an external consultant, taking into account, among other things, the time that has elapsed since the selection, replacement, or reappointment of its members.

At the same time, the Company's policy provides for the evaluation of the executive members of the Board of Directors by the non-executive members (without the presence of the other executive members) at a separate meeting, during which their performance is discussed in relation to the Company's overall performance against the budgeted targets, in accordance with the scope of responsibility of each executive member.

Once the above process is completed, an evaluation report is prepared, which includes the results of the self-assessment, a brief description of the evaluation process, a reference to the areas/points covered, the key strengths identified and the areas requiring improvement, as well as summary data on the responses provided in the self-assessment questionnaire.

Following a discussion of the self-assessment results, the Board of Directors determines by resolution any further actions deemed appropriate to implement, based on which the relevant action plan is drawn up.

The self-assessment process was completed in June 2025.

3.4 Audit Committee

In compliance with the provisions and requirements of Law 4449/2017, as amended and in force, the Company has established an Audit Committee to support the Board of Directors. in its duties relating, among other things, to financial reporting, internal audit, and the oversight of the regular audit.

The Audit Committee consists of two independent non-executive members of the Board of Directors, Ms. Eleni Koritsa and Mr. Antonios Barounas, and a third party to the Company who does not meet the independence criteria, Mr. Efstathios Banilas, a certified public accountant. The members of the Audit Committee are elected by the General Meeting.

Ms. Eleni Koritsa has been appointed Chair of the Audit Committee.

In accordance with the decision of the Extraordinary General Meeting on July 10, 2024, the term of the committee coincides with that of the Board of Directors, i.e., it expires on July 10, 2027, but is extended until the day following the date of the next Annual General Meeting, without exceeding four years.

In accordance with the Audit Committee Regulations, in the event of resignation, death, or loss of status as a member of the Audit Committee, the Board of Directors shall appoint, from among its existing members, a new member to replace the one who has vacated the position, for the remainder of the term, subject, where applicable, to paragraphs 1 and 2 of Article 82 of Law 4548/2018, which applies mutatis mutandis. When the member referred to in the preceding sentence is a third party who is not a member of the Board of Directors, the Board of Directors shall appoint a third party who is not a member of the Board of Directors as a temporary replacement, and the next General Meeting shall either appoint the same member or elect another, for the period until the expiration of his or her term on the Audit Committee.

At least one member of the Audit Committee, who is independent of the Company and possesses sufficient knowledge and experience in auditing or accounting—currently Mr. Stathis Banilas— is required to attend Audit Committee meetings concerning the approval of financial statements.

The responsibilities and obligations of the Audit Committee include, among others:

- a) monitoring the financial reporting process, reviewing management's judgments and estimates that affect the preparation of the financial statements, and overseeing any official announcements regarding the Company's financial performance,
- b) monitoring the effective operation of the internal control system and the risk management system, as well as supervising the Company's internal audit department and ensuring its independence,
- c) monitoring the progress of the mandatory audit of the Company's financial statements,
- d) reviewing and monitoring matters related to the existence and maintenance of the objectivity and independence of the statutory auditor or the audit firm, particularly with regard to the provision of other services to the Company by the statutory auditor or the audit firm.

During the 2025 fiscal year (January 1, 2025 – December 31, 2025), the Audit Committee met 21 times, and all members attended these meetings.

More specifically, during the period from 01.01.2025 to 31.12.2025, the Audit Committee:

- Was briefed by the Certified Public Accountant regarding the audit plan, the timeline, the audit approach, the scope of the audit, the method for determining materiality, the key audit matters, the method for assessing the most significant risks, and the proposed audit procedures for the 2024 annual financial statements and the 2025 semi-annual financial statements. The Committee deemed the audit planning satisfactory in relation to the identified risks, as well as the audit firm's safeguards to ensure the competence and independence of the audit team.
- Reviewed, prior to their submission for approval to the Board of Directors, the Company's financial statements prepared in accordance with International Financial Reporting Standards

(IFRS) and positively assessed their completeness and consistency in relation to the information brought to its attention and the accounting principles applied by the Company.

- Upon completion of the annual mandatory audit of the 2024 financial statements, it met with the Company's Certified Public Accountant and Management, where it was briefed on the audit findings, reviewed the issues that arose, and evaluated the audit results.
- As part of the completion of the audit of the financial statements for 2024, it received and reviewed the supplementary report of the Company's certified public accountant to the Audit Committee, in conjunction with the audit report.
- The Audit Committee, based on all available data, assessed that the significant issues and risks identified during the audit process, both by the external auditors and by the Company itself, have been satisfactorily addressed.
- It should be noted that throughout the preparation and audit of the financial statements for 2024, the Audit Committee acted in accordance with the provisions of Section B.i of Decision 1302/2017 of the Hellenic Capital Market Commission.
- With regard to the financial statements for the 2024 fiscal year, it informed the Board of Directors regarding the contribution of the statutory audit to the quality and integrity of financial reporting, namely the accuracy, completeness, and correctness of the financial information approved by the Board of Directors and made public. At the same time, it provided information on its role in the above process, recalling the actions it took during the conduct of the statutory audit to ensure the integrity of the financial information.
- It recommended to the Board of Directors, for the audit of the financial statements for the fiscal year 2025, the renewal of the term of the auditing firm "GRANT THORNTON S.A. CHARTERED AUDITORS AND BUSINESS CONSULTANTS."

Specifically, regarding the structure and procedures of the Internal Control System, the Audit Committee during the period from January 1, 2025, to December 31, 2025:

- Reviewed and verified the methodology of the Internal Audit Unit's risk-based audit plan for 2025.
- Confirmed the independence of the Internal Audit Unit.
- Monitored the implementation of the annual plan through relevant reports.
- Collaborated with the Internal Auditor and reviewed the audit findings.
- Assessed the effectiveness of the Internal Audit System and the Corporate Governance System, concluding that no material weaknesses were identified, in accordance with the applicable Regulatory Framework.
- Reviewed key corporate procedures, identifying areas for improvement.

- It informed the Board of Directors through relevant written reports, as well as by participating in its meetings, and submitted proposals on matters within its purview. In this context, the Audit Committee submitted written proposals to the Board of Directors on July 22, 2025, regarding matters falling within its scope of responsibility and oversight.
- It assessed the effectiveness of the Internal Control System and the Corporate Governance System, concluding that no material weaknesses were identified, in accordance with the applicable Regulatory Framework.
- Contributed to the establishment of a new Risk Management Committee, which substantially updated the Risk Register by assessing risks based on probability and impact and reviewing the effectiveness of safeguards.
- Contributed to the establishment of a new Regulatory Compliance Committee to strengthen the monitoring of regulatory framework issues.
- Met with the heads of the Risk Management and Regulatory Compliance Committees to coordinate and monitor relevant issues.
- Submitted written proposals highlighting the need to update the Health and Safety Policy and improve existing guidelines, strengthening its integration with risk management and corporate responsibility.
- Participated in Board of Directors meetings on corporate culture issues (Vision – Purpose – Values) by submitting specific proposals to improve the efficiency of the Company’s organizational chart
- Held meetings with relevant executives from key departments on important issues, such as the Company’s transformation plan and the actions of the Human Resources Department that affect the Internal Control System and Corporate Governance.
- Submitted a proposal to the Board of Directors regarding the hiring of an external consultant for the adoption of the New International Standards on Internal Control, with the aim of strengthening the Internal Audit System and the Corporate Governance System and ensuring adequate preparation for the relevant external audit expected to take place at the end of the five-year period.
- Submitted a recommendation to the Board of Directors to commission an external independent evaluator to assess the implementation and effectiveness of the Corporate Governance System as of December 31, 2025, so as to align it with the independent evaluation of the Company’s Internal Control System within the framework of the mandatory independent evaluation provided for by the applicable regulatory and institutional framework, and in particular the provisions of Law 4706/2020, the decisions of the Board of Directors of the Hellenic Capital Market Commission, as well as the relevant guidelines and audit programs of ELTE and SOEL.

It is clarified that the Company’s Statutory Auditor, who audits the annual and interim financial statements, does not provide any other non-audit services to the Company that are prohibited under the provisions of Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the

Council and Law 4449/2017, nor is he or she connected to the Company in any other capacity, in order to ensure his or her objectivity and independence.

3.5 Remuneration and Nomination Committee

In compliance with the provisions and requirements of Law 4706/2020, the Company has established a Remuneration and Nomination Committee for the purpose of:

- a) to formulate proposals to the Board of Directors regarding the remuneration policy to be submitted for approval to the General Meeting, in accordance with paragraph 1 of Article 110 of Law 4548/2018,
- b) to formulate proposals to the Board of Directors regarding the remuneration of persons falling within the scope of the remuneration policy, in accordance with Article 110 of Law 4548/2018, and regarding the remuneration of the Company's senior executives, in particular the head of the internal audit unit,
- c) reviewing the information included in the final draft of the remuneration report, providing its opinion to the Board of Directors prior to the submission of the report to the general meeting in accordance with Article 112 of Law 4548/2018,
- d) identifying and proposing to the Board of Directors individuals suitable for appointment as members of the Board of Directors, based on the procedure set forth in its operating regulations,
- e) the selection of candidates based on the factors and criteria established by the Company, in accordance with the suitability policy it adopts.

The Compensation and Nominating Committee consists of three members and is composed of two independent non-executive members of the Board of Directors, Ms. Eleni Koritsa, Mr. Antonios Barounas, and one non-executive member of the Board of Directors, Mr. Dimitrios Papoutsanis.

The members of the Compensation and Nominating Committee are elected by the Board of Directors. Ms. Eleni Koritsa has been appointed Chair of the Compensation and Nominating Committee effective July 10, 2024. During the 2025 fiscal year (January 1, 2025–December 31, 2025), the Compensation and Nominating Committee met four times, and all members attended these meetings.

More specifically, during the period from January 1, 2025, to December 31, 2025, the Compensation and Nominating Committee:

-examined and recommended to the Board of Directors matters concerning the compensation policy as well as its monitoring and implementation,

- assessed issues regarding the composition and staffing of the Board of Directors and its committees, in accordance with the applicable regulatory framework,
- reviewed and formulated proposals regarding the selection and nomination of candidates for membership on the Board of Directors, as well as their suitability, in accordance with the relevant provisions of Law 4706/2020 and the Company's Operating Regulations.

3.6 Other Management, Supervisory Bodies, or Committees of the Company

The Company has a Risk Management Committee to ensure the identification, assessment, and effective management of existing and emerging risks.

In addition, a Regulatory Compliance Committee has been established to ensure the Company's compliance with the applicable regulatory and legislative framework.

As of the date of this document, there are no other management or supervisory bodies or committees of the Company beyond those mentioned above within the framework of the Board of Directors' operations.

3.7 Diversity Policy Regarding the Composition of the Company's Administrative, Management, and Supervisory Bodies

Due to the size of the Company and the small number of its administrative, management, and supervisory bodies (each of which consists of a small number of members), the Company does not maintain a separate diversity policy regarding the composition of these bodies, while respecting, among other things, the principles of non-discrimination and equality.

3.8 Procedure for compliance with the obligations arising from Articles 99 to 101 of Law 4548/2018

The Company has adopted a procedure for compliance with the obligations arising from Articles 99 to 101 of Law 4548/2018, with the aim, among other things, of ensuring that its Board of Directors has sufficient information to make decisions regarding transactions between related parties. Specifically, when handling matters related to the Company's transactions with related parties, the following steps are followed in accordance with applicable law, with the assistance of the relevant Company departments:

- i. Preparation of the rationale regarding the transaction under consideration.
- ii. Determination of the basic terms of the transaction (financial and technical terms).
- iii. Identification of the parties to the transaction and assessment of whether they are considered related parties under International Accounting Standards 24 and 27.

- iv. Assessment of whether the transaction falls under the exceptions of Article 99 of Law 4548/2018 or not.
- v. Making a decision on how to handle the transaction following the Audit Committee's opinion, if deemed appropriate.
- vi. Determination of the transaction price.
- vii. Commissioning a report from a certified public accountant or auditing firm to assess the fairness and reasonableness of the transaction for the Company and the Shareholders who are not affiliated parties, including minority shareholders, in accordance with Article 101 of Law 4548/2018.
- viii. If the transaction is governed by the provisions of subparagraph (f) of paragraph 3 of Article 99 of Law 4548/2018, the persons referred to in paragraph 1 of Article 101 of Law 4548/2018 are tasked with the task of expressing an opinion regarding the extent to which the interests of the Company and the minority shareholders are adequately protected, or to the extent that their interests are not jeopardized by the execution of the transaction.
- ix. Announcement of the granting of authorization for the transaction in accordance with the applicable disclosure rules.
- x. Granting of authorization to enter into the transaction by the Board of Directors or the General Meeting, as provided.

3.9 Policy on the Suitability of Members of the Board of Directors

The Fitness Policy was drafted by the Company's Board of Directors and approved by the Annual General Meeting held on May 5, 2021. Its scope of application covers the members of the Board of Directors. The Fitness Policy aims to ensure high-quality staffing, effective operation, and fulfillment of the Board of Directors' role in accordance with the Company's overall strategy and medium- to long-term business objectives, with the aim of promoting the Company's interests. The Board of Directors continuously monitors the suitability of its members and, where deemed necessary under applicable law and the Suitability Policy, reassesses their suitability and, if necessary, initiates their replacement.

The Company does not fall under the criteria of Law 5178/2025 regarding mandatory representation of the underrepresented gender at a rate of 33% on the Board of Directors. Therefore, the provision for a minimum representation of the underrepresented gender of at least 25% of the total members of the Board of Directors applies.

In fiscal year 2025, the composition of the Company's Board of Directors includes 29% women and 71% men, a percentage that exceeds the minimum required threshold for the underrepresented gender, in accordance with the applicable regulatory framework.

3.10 Internal Control System Assessment Report

The Company, in accordance with Decision 1/891/30.09.2020 of the Hellenic Capital Market Commission and the provisions of Article 14 (paras. 3 and 4) of Law 4706/2020, as currently in force, as well as the Internal Control System Evaluation Policy, undertook an Internal Control System (ICS) Evaluation process by engaging MPI ELLAS S.A. AUDITING COMPANY, SOEL Reg. No. 155, led by independent evaluator Panagiotis Vroustouris, a certified public accountant with SOEL Reg. No. 12921, with a reference date of December 31, 2025. The evaluation covered the period from January 1, 2023, to December 31, 2025, and was conducted in accordance with International Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and the audit program issued by ELTE Decision No. 227 of November 10, 2022. The conclusion of the Report on the Assessment of the Adequacy and Effectiveness of the Internal Control System dated March 5, 2026 did not contain any significant findings or material weaknesses in the Company’s Internal Control System in accordance with the Regulatory Framework.

The previous assessment of the Internal Control System by an independent assessor was completed with a reference date of December 31, 2022, in accordance with the applicable regulatory framework.

During the period leading up to this assessment, the Audit Committee, within the scope of its obligations arising from paragraph 2 of Article 4 of Law 4706/2020, has assessed on an annual basis the implementation and effectiveness of the Company’s Internal Control System, and no material weaknesses were identified in this assessment.

Since the assessment did not reveal any significant findings or material weaknesses in the Internal Control System, Management was not required to prepare a specific action plan to address them. Consequently, during the reporting period, there was no need to implement corrective actions related to the assessment findings.

The next Internal Control System Assessment by an independent assessor is expected to be conducted with a reference date of December 31, 2028.

3.11 Corporate Governance System Assessment Report

The Board of Directors, going beyond the obligations arising from paragraph 1 of Article 4 of Law 4706/2020 and as part of the ongoing strengthening of corporate governance practices, to assess the implementation and effectiveness of the Company’s Corporate Governance System, has once again proceeded for the 2^h consecutive year to an external evaluation of the Corporate Governance System, with a reference date of December 31, 2025.

The Board of Directors commissioned the aforementioned assessment to MPI HELLAS AUDITING COMPANY, SOEL Reg. No. 155, headed by independent evaluator Panagiotis Vroustouris, a certified public accountant with SOEL Reg. No. 12921.

This assessment was conducted in accordance with the assurance procedures program included in Decision I'73/08b/14.02.2024 of the Supervisory Board of the Institute of Certified Public Accountants, in accordance with International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information." No material weaknesses in the Company's Corporate Governance System were identified as a result of the above engagement.

The next external assessment of the Corporate Governance System by an independent assessor will be conducted with a reference date of December 31, 2028.

3.12 Sustainability Report

The Company is not required, under the current legal framework, to prepare a Sustainability Report pursuant to Article 151 et seq. of Law 4548/2018, as in force, for the fiscal year 2025 because it does not meet the relevant criteria.

Nevertheless, it publishes Sustainability Reports, which are available on the Company's website (Sustainability Reports < SUSTAINABLE DEVELOPMENT | Papoutsanis), with the most recent report covering the fiscal year 2024.

4. Remuneration of Board of Directors Members

The total compensation of the Company's Board of Directors for the year 2025 is set forth in its compensation report, which is prepared in accordance with Article 112 of Law 4548/2018. The remuneration policy is posted on the Company's website at www.papoutsanis.gr.

5. Information required under Article 10(1)(c), (d), (f), (h), and (i) of Directive 2004/25/EC regarding takeover bids

This information concerns the following matters, which are already provided in the section titled "EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 4 OF LAW 3556/2007" of this annual Management Report of the Board of Directors, to which we refer:

- significant direct or indirect holdings (including pyramid structures, indirect holdings, or cross-holdings) within the meaning of Article 85 of Directive 2001/34/EC;
- the holders of any type of securities conferring special control rights and a description of those rights;
- any restrictions on voting rights, such as restrictions on the voting rights of holders of a given percentage or number of votes, time limits for the exercise of voting rights, or systems in which, with the cooperation of the company, the financial rights attached to securities are separated from the holding of the securities;
- the rules regarding the appointment and replacement of members of the Board of Directors, as well as regarding amendments to the articles of association;
- the powers of the members of the Board of Directors, in particular regarding the ability to issue or repurchase shares;

The disclosure of the above-mentioned required information is included in the section titled “EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS PURSUANT TO ARTICLE 4 OF LAW 3556/2007” of this Annual Management Report of the Board of Directors, to which we refer herein.

March 16, 2026

On behalf of the Board of Directors

The Chairman of the Board of Directors

The Managing Director

Georgios Gatzaros

Menelaos Tassopoulos

5. Independent Certified Public Accountant's Report

To the Shareholders of PAPOUTSANIS S.A. INDUSTRIAL AND COMMERCIAL COMPANY OF CONSUMER GOODS

Audit Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of PAPOUTSANIS S.A. INDUSTRIAL AND COMMERCIAL COMPANY OF CONSUMER GOODS (the Company), which consist of the statement of financial position as of December 31 December 2025, the statements of comprehensive income, changes in equity, and cash flows for the year ended on that date, as well as the notes to the financial statements, which include significant accounting policy disclosures.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PAPOUTSANIS S.A. INDUSTRIAL AND COMMERCIAL COMPANY OF CONSUMER GOODS as of December 31^h December 2025, its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as incorporated into Greek law. Our responsibilities under these standards are further described in the section of our report titled "Auditor's Responsibilities for the Audit of the Financial Statements." We are independent of the Company throughout our engagement, in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants, as incorporated into Greek law, and the ethical requirements relating to the audit of financial statements in Greece, and we have fulfilled our ethical obligations in accordance with the requirements of applicable law and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the audited fiscal year. These matters and the related risks of material misstatement were addressed in the context of our audit of the financial statements as a whole to form our opinion on them, and we do not express a separate opinion on these matters.

Most Significant Audit Matter	How the most significant audit matter was addressed
<p>Turnover Recognition (Turnover)</p> <p>The Company's Turnover for the fiscal year ended December 31, 2025, amounted to €79,855,194 and €66,199,508 for the fiscal year ended December 31, 2024.</p>	<p>Our audit approach included the following key procedures:</p>

<p>The Company recognizes Turnover when a contractual obligation to the respective customer is fulfilled through the delivery of goods or the provision of services (which coincides with the time when control over the goods or services passes to the customer). If a contract includes more than one contractual obligation, the total contract value is allocated to the individual obligations based on their respective sales values.</p> <p>Furthermore, the Company concluded that the transfer of control of the products to the customer occurs at a specific point in time, when the customer receives the goods, as that is when the customer is able to obtain the benefits of the specific products.</p> <p>We have identified this specific area as one of the most significant audit matters due to the fluctuations in trading volume and value observed in recent years, as well as its significant impact on the determination of financial results.</p> <p>Furthermore, this figure reflects the company's growth, which, in our judgment, is the primary focus of users of the financial statements.</p> <p>The Company's disclosures regarding the Turnover recognition policies followed are included in 8.2.6.9 (Turnover Recognition) and Note 9.18 of the financial statements.</p>	<ul style="list-style-type: none"> • Review of the information systems environment supporting the various Turnover categories, including the internal processes and related controls. • Verification of the correct allocation of Turnover by examining sales made near the end of the reporting period and immediately thereafter, by cross-referencing invoices with the corresponding shipping documents. • Targeted analytical procedures to identify any unusual changes and transactions requiring further investigation. • Review of a sample of customer contracts to assess the existing accounting principles and Turnover recognition methods. • Sample recalculation of discounts based on the confirmed turnover per case and the terms of the contracts, and reconciliation with the corresponding invoices and other supporting documents. • Assessment of the adequacy of disclosures in the accompanying financial statements regarding this matter.
Valuation of Inventories	
<p>The inventories held by the Company as of December 31, 2024, amounted to €11.129.699, and as of December 31, 2025, to €12.004.676.</p> <p>Inventories are valued at the lower of cost and net realizable value.</p>	<p>Our audit approach included the following key procedures:</p> <ul style="list-style-type: none"> • Review of internal controls regarding the warehouse tracking system, product costing, inventory counts, and the measurement of inventory value at the end of the fiscal year.

<p>Net realizable value is the estimated selling price in the ordinary course of business, less the amount of selling expenses.</p> <p>The cost of finished goods and work in progress is determined using the weighted average cost method and consists of raw materials, direct labor costs, and general manufacturing overheads, which are allocated based on normal production capacity.</p> <p>Appropriate measures are taken for obsolete, obsolete, and slow-moving inventory if such inventory exceeds projected levels. The reduction in value from book value to net realizable value and inventory losses are expensed in the period in which the impairment or loss occurs.</p> <p>We identified inventory valuation as one of the most significant audit matters, primarily due to the estimates required both in measuring inventory value and in calculating production costs, and their significant impact on the determination of financial results.</p> <p>The measurement of inventory value is based on management estimates that take into account inventory turnover during the fiscal year, their useful life, the ability to reuse or liquidate slow-moving inventory, etc.</p> <p>The Company's disclosures regarding the accounting policies followed for the valuation of inventories are included in Notes 5.2.6.7 (Inventories) and Note 6.6 (Inventories) of the financial statements.</p>	<ul style="list-style-type: none"> • Monitoring the conduct of the physical inventory and performing sample recounts. • Sampling verification of the correct calculation of the weighted average cost valuation method. • Evaluation of management's estimates for real estate and slow-moving inventory with sample references to historical sales data. • A sample-based comparison of selling prices with the cost of goods sold to identify inventory sold at a negative profit margin and an assessment of the extent to which their valuation was based on the lower of cost or lower of cost and net realizable value. • Assessment of the adequacy of the Company's disclosures in the accompanying financial statements regarding the above matter.
Impairment testing of goodwill and trademarks	
<p>The goodwill and trademarks held by the Company as of December 31, 2025 amounted to €1.274.398 and €1.110.000, respectively. There was no change in the above amounts compared to their balances as of December 31, 2024.</p>	<p>Our audit approach included the following key procedures:</p>

The above intangible assets have been recognized as having an indefinite useful life; therefore, the Company performs an annual impairment test of their carrying amount by comparing it to their recoverable amount. To measure the recoverable amount, the Company's management relies on significant judgments, estimates, and assumptions regarding future cash flows, the expected growth rate, the discount rate, external factors such as international political, economic, and geopolitical developments, as well as the legislative framework governing the Greek market.

Given the significance of the value of the aforementioned non-current assets, the subjectivity of management's assumptions, and the significant judgments and estimates made by management to determine the recoverable amount, we consider the assessment of the potential impairment of the aforementioned non-current assets to be one of the most significant matters of our audit.

The Company's disclosures regarding the accounting policy applied for the impairment test of the above non-current assets, as well as the significant judgments, estimates, and assumptions made by Management, are included in Notes 8.2.6.2 (Intangible Assets), 8.2.6.3 (Goodwill), and Note 9.3 (Intangible Assets) of the Company's financial statements.

- Assessment of the design and implementation of internal control mechanisms related to the impairment testing of the intangible assets under review.

- An assessment of the consistency and appropriateness of the methodology used to measure the recoverable amount. In addition, an assessment of the appropriateness and reasonableness of management's significant assumptions and estimates (such as expected growth rates, interest rates, future cash flows) as well as the models used, where required, to estimate the recoverable amount. In this evaluation process, we engaged a specialized expert from our firm.

- Assessment of the adequacy of the Company's disclosures in the accompanying financial statements regarding the above matter.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Management Report, to which reference is made in the "Report on Other Legal and Regulatory Requirements," in the Statements of the Members of the Board of Directors, but does not include the financial statements and the audit report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion regarding it in this opinion.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial

statements or the knowledge we have obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of Management and Those Responsible for Governance Regarding the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted by the European Union, as well as for those internal controls that management determines are necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and the use of the going concern accounting policy, unless management either intends to liquidate the Company or to cease its operations, or has no realistic alternative but to take such actions.

The Company's Audit Committee (Article 44 of Law 4449/2017) is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance constitutes a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into Greek law, will always detect a material misstatement when it exists. Errors may arise from fraud or error and are considered material when, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of our audit responsibilities, in accordance with ISAs as adopted by Greek law, we exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, by designing and performing audit procedures responsive to those risks and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, false representations, or circumvention of internal controls.
- We understand the internal controls relevant to the audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We evaluate the appropriateness of the accounting principles and methods used and the reasonableness of the accounting estimates and related disclosures made by management.

- We express an opinion on the appropriateness of management's use of the going concern accounting principle and, based on the audit evidence obtained, on whether there is material uncertainty regarding events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required in the auditor's report to draw attention to the relevant disclosures in the financial statements or, if those disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may result in the Company ceasing to operate as a going concern.
- We evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, as well as whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Among other matters, we communicate to those charged with governance the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

In addition, we report to those charged with governance that we have complied with the relevant ethical requirements regarding independence and disclose to them all relationships and other matters that might reasonably be thought to affect our independence, and the related safeguards, where applicable.

From the matters communicated to those charged with governance, we identify those that were of significant importance to the audit of the financial statements for the current fiscal year and therefore constitute the key audit matters.

[Report on Other Legal and Regulatory Requirements](#)

1. [Board of Directors' Management Report](#)

Given that management is responsible for preparing the Board of Directors' Management Report and the Corporate Governance Statement included in that report, in accordance with the requirements of paragraph 1, subparagraphs (aa), (ab) and (b) of Article 154C of Law 4548/2018, we note that:

- a) The Board of Directors' Management Report includes a corporate governance statement, which provides the information specified in Article 152 of Law 4548/2018.
- b) In our opinion, the Board of Directors' Management Report has been prepared in accordance with the applicable legal requirements of Articles 150–151 and paragraph 1 (cases c and d) of Article 152 of Law 4548/2018, and its content corresponds to the accompanying financial statements for the fiscal year ended December 31, 2025.
- c) Based on the knowledge we have gained during our audit of PAPOUSANIS S.A. INDUSTRIAL AND COMMERCIAL COMPANY OF CONSUMER GOODS and its environment, we have not identified any material misstatements in the Board of Directors' Management Report.

2. [Supplementary Report to the Audit Committee](#)

Our opinion on the accompanying financial statements is consistent with our Supplementary Report to the Company's Audit Committee, as required by Article 11 of European Union (EU) Regulation No. 537/2014.

3. Provision of non-audit services

We did not provide the Company with non-audit services prohibited under Article 5 of European Union (EU) Regulation No. 537/2014 or other permitted non-audit services.

4. Appointment of Auditor

We were first appointed as the Company's Certified Public Accountants by the resolution of the annual general meeting of shareholders dated July 16, 2019. Since then, our appointment has been continuously renewed for a total period of 7 years based on the annual resolutions of the Company's Annual General Meeting of Shareholders.

5. Operating Regulations

The Company has Operating Regulations in accordance with the content provided for in the provisions of Article 14 of Law 4706/2020.

6. Assurance Report on the European Single Electronic Reporting Format

Subject Matter

We were engaged to perform a reasonable assurance engagement to review the digital file of PAPOUTSANIS INDUSTRIAL AND COMMERCIAL CONSUMER GOODS COMPANY (hereinafter the "Company"), which was prepared in accordance with the European Single Electronic Format (ESEF) and which includes the Company's financial statements for the fiscal year ended December 31, 2025, in XHTML format (2138000VUEZXGAS3Q539-2025-12-31-1-el), (hereinafter "Subject Matter"), in order to verify that it was prepared in accordance with the requirements set forth in the Applicable Criteria section.

Applicable Criteria

The Applicable Criteria for the European Single Electronic Format (ESEF) are defined by the Delegated Regulation of the European Commission (EU) 2019/815, as amended by Regulation (EU) 2020/1989 (hereinafter the ESEF Regulation) and the European Commission's Interpretative Communication 2020/C 379/01 of 10 November 2020, as provided for by Law 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Exchange. In summary, these criteria stipulate, among other things, that all annual financial reports must be prepared in XHTML format.

Responsibilities of Management and Those Responsible for Corporate Governance

Management is responsible for the preparation and submission of the Company's financial statements for the fiscal year ended December 31, 2025, in accordance with the Applicable Criteria, as well as for those internal controls that management determines are necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to issue this Report regarding the evaluation of the Subject Matter, based on the work we have performed, which is described below in the section “Scope of Work Performed.”

Our work was performed in accordance with International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” (hereinafter “ISAE 3000”), with the objective of obtaining reasonable assurance.

ISA 3000 requires us to plan and perform our work so as to obtain reasonable assurance regarding the evaluation of the Subject Matter in accordance with the Applicable Criteria. As part of the procedures performed, we assess the risk of material misstatement of the information related to the Subject Matter.

We believe that the evidence we have gathered is sufficient and appropriate and supports the conclusion expressed in this assurance report.

Professional Ethics and Quality Management

We are independent of the Company throughout the duration of this engagement and have complied with the requirements of the Code of Ethics for Professional Auditors of the International Ethics Standards Board for Auditors (Code of the ICPE), the ethics and independence requirements of Law 4449/2017, and Regulation (EU) No. 537/2014.

Our audit firm applies the International Standard on Quality Management (ISQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements or Other Assurance or Related Services” and, consequently, maintains a comprehensive quality management system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Scope of Work Performed

The assurance work we performed covers exclusively the items included in Decision No. 214/4/11-02-2022 of the Board of Directors of the Accounting Standardization and Auditing Committee (ELTE) and in the “Guidelines regarding the work and assurance report of Certified Public Accountants on the European Single Electronic Format (ESEF) of issuers with securities listed on a regulated market in Greece,” as issued by the Institute of Certified Public Accountants on February 14, 2022, in order to obtain reasonable assurance that the Company’s financial statements prepared by management comply in all material respects with the Applicable Criteria.

Inherent Limitations

Our work covered the matters described in the “Scope of Work Performed” section to obtain reasonable assurance based on the procedures described. In this context, the work we performed could not absolutely ensure that all issues that could be considered material weaknesses would be identified.

Conclusion

Based on the work performed and the evidence obtained, we conclude that the Company's financial statements for the year ended December 31, 2025, in XHTML format (2138000VUEZXGAS3Q539-2025-12-31-1-el), have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, March 16, 2026

The Certified Public Accountant

Nikos Garbis

SOEL Reg. No. 25011



6. Audit Committee Activity Report

Letter from the President of the Audit Committee to the Shareholders

Dear Shareholders,

On behalf of the Audit Committee (hereinafter the “Committee”) of the public limited company under the name PAPOUTSANIS Public Limited Industrial and Commercial Company of Consumer Goods, and in my capacity as its Chairman, I hereby submit to you the Committee’s Activity Report for the fiscal year 2025.

The purpose of this Report is to provide shareholders with a concise overview of the Committee’s work and to demonstrate the Committee’s contribution to the Company’s compliance with the applicable legislative, regulatory, and operational framework, during the 2025 fiscal year as well as during the period leading up to the approval of the 2025 annual financial statements by the Company’s Board of Directors.

In performing its duties, the Audit Committee acted in accordance with the applicable legislative and regulatory framework and its Rules of Procedure.

The composition of the Audit Committee is as follows:

On July 10, 2024, the Company’s Extraordinary General Meeting was convened, which elected the following members of the Audit Committee. The Audit Committee was constituted on the same date, as follows:

- Ms. Eleni Koritsa, Chair of the Audit Committee, independent non-executive member of the Board of Directors
- Mr. Antonios Barounas, member of the Audit Committee, independent non-executive member of the Board of Directors
- Mr. Efstathios Banilas, member of the Audit Committee, third party (not a member of the Board of Directors).

During 2025, the Audit Committee met 21 times with all members present and decisions made unanimously. In addition to the meetings, the members of the Audit Committee were in regular contact with the Company’s Certified Public Accountant, the Internal Auditor, the Chief Financial Officer, and other members of the Company’s management in the course of performing their duties, in accordance with its Operating Regulations, the Capital Market Commission’s Regulations, and applicable legislation.

The main issues addressed by the Audit Committee during the 2025 fiscal year and up to the approval of the 2025 annual financial statements by the Company's Board of Directors are summarized as follows:

- Submission of a proposal to the Board of Directors regarding the selection of an audit firm for the regular audit of the 2025 fiscal year.
- Monitoring the process of preparing financial information and the process of drafting the financial statements for the year 2025.
- Monitoring the mandatory regular audit of the semi-annual and annual consolidated financial statements and the work of the Certified Public Accountants.
- Monitoring and verifying the independence of the Certified Public Accountants, particularly regarding the appropriateness of providing non-audit services, and approving the provision of audit and non-audit services.
- Reporting to the Board of Directors on the results of the mandatory regular audit, the contribution of the mandatory audit to the integrity of financial reporting, and the role of the Audit Committee in this process.
- Monitoring the effectiveness and efficiency of internal control, quality assurance, and risk management systems, as well as the Internal Audit Unit, primarily with regard to the preparation of financial information but also to the smooth operation of the Company.
- Approval and systematic monitoring of the Internal Audit Unit's activities to ensure its adequacy, independence, and effective operation with regard to the implementation of the annual audit plan as well as ad hoc audits.
- Reviewing the Company's key processes and evaluating their effectiveness to ensure compliance with best corporate governance practices
- Submitting proposals to the Board of Directors to optimize the Company's key policies and procedures through review and updating.
- Keeping the Board of Directors informed through relevant written reports, as well as by participating in its meetings, and submitting proposals on matters within its purview. In this context, the Audit Committee submitted written proposals to the Board of Directors on July 22, 2025, regarding matters falling within its scope of responsibility and oversight.
- Assessment of the effectiveness of the Internal Control System and the Corporate Governance System, concluding that no material weaknesses were identified, in accordance with the applicable Regulatory Framework.
- Contribution to the establishment of a new Risk Management Committee, which substantially updated the Risk Register by assessing risks based on probability and impact and reviewing the effectiveness of safeguards.
- Contribution to the establishment of a new Regulatory Compliance Committee to strengthen the monitoring of regulatory framework issues.
- Meetings with the heads of the Risk Management and Regulatory Compliance Committees, as part of the coordination and monitoring of relevant issues.

- Written proposal regarding the need to update the Health and Safety Policy and improve existing guidelines, strengthening its integration with risk management and corporate responsibility.
- Participation in Board of Directors meetings on corporate culture issues (Vision – Purpose – Values) with the submission of specific proposals to improve the efficiency of the Company’s organizational chart
- Holding meetings with relevant executives from key departments on important issues, such as the Company’s transformation plan and the actions of the Human Resources Department that affect the Internal Control System and governance.
- Submission of a recommendation to the Board of Directors regarding the hiring of an external consultant for the adoption of the New International Standards on Internal Control, with the aim of strengthening the Internal Control System and the Corporate Governance System and ensuring adequate preparation for the relevant external audit expected to take place at the end of the five-year period.
- Submission of a recommendation to the Board of Directors to commission an external independent evaluator to assess the implementation and effectiveness of the Corporate Governance System as of December 31, 2025, so as to align it with the independent evaluation of the Company’s Internal Control System within the framework of the mandatory independent evaluation provided for by the applicable regulatory and institutional framework, and in particular the provisions of Law 4706/2020, the decisions of the Board of Directors of the Hellenic Capital Market Commission, as well as the relevant guidelines and audit programs of ELTE and SOEL.

Finally, on behalf of the Members of the Commission, I would like to thank all those who have contributed and continue to contribute to the smooth operation of the Commission.

Athens, February 6, 2025

Sincerely,

Eleni Koritsa

Chair of the Audit Committee

7. FINANCIAL STATEMENTS

I. Statement of Financial Position

ASSETS	Note	31.12.2025	31.12.2024
Non-current assets			
Property, plant, and equipment	9.1	53.581.640	52.103.278
Investment property	9.2	295.774	294.303
Intangible assets	9.3	1.889.201	1.552.764
Goodwill	9.3	1.274.398	1.274.398
Financial assets measured at fair value through the statement of comprehensive income	9.4	100.000	100.000
Long-term receivables	9.5	64.107	58.904
		57.205.120	55.383.647
Current assets			
Inventories	9.6	12.004.676	11.129.699
Trade receivables	9.7	7.249.377	7.206.815
Other receivables	9.7	2.459.840	2.717.503
Cash and cash equivalents	9.8	4.643.338	4.899.765
		26.357.231	25.953.783
Total assets		83.562.351	81.337.430
EQUITY			
Equity			
Share Capital	9.9	14.633.241	14.633.241
Share premium	9.9	1.975.977	1.975.977
Treasury shares	9.9	(613.871)	(582.015)
Fair value reserves	9.10	1.201.130	1.201.130
Other reserves	9.11	3.462.928	2.349.395
Retained earnings		15.258.967	12.054.882
Total Equity		35.918.371	31.632.610
LIABILITIES			
Long-term liabilities			
Long-term loans	9.12	18.910.561	21.890.420
Deferred income tax	9.13	4.859.509	4.598.844
Provisions for employee benefits	9.14	427.343	394.702
Asset grants	9.16	1.276.985	1.457.105
		25.474.399	28.341.071
Current liabilities			
Suppliers	9.17	13.255.013	12.289.216
Other liabilities	9.17	4.142.967	3.198.597
Current income tax		687.706	590.538
Short-term loans	9.12	4.083.895	5.268.991
Provisions	9.15	-	16.408
		22.169.581	21.363.749
Total liabilities		47.643.980	49.704.820
Total Equity and Liabilities		83.562.351	81.337.430

The notes presented on pages 80 through 136 are an integral part of the financial statements

II. Statement of Comprehensive Income (by Function)

		01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Turnover	9.18	79.855.194	66.199.508
Cost of sales	9.19	(50.503.245)	(41.509.115)
Gross profit		29.351.950	24.690.394
Other Turnover	9.20	1.375.466	1.279.263
Distribution expenses		(16.107.427)	(12.408.496)
Administrative expenses		(4.344.754)	(3.942.401)
Research & development expenses		(996.593)	(972.737)
Other expenses	9.21	(572.058)	(543.252)
Financial expenses (net)	9.23	(1.676.489)	(2.050.390)
Profit before taxes		7.030.093	6.052.380
Deferred income tax	9.24	(259.670)	(170.144)
Current Income Tax	9.24	(555.052)	(608.714)
Net income for the period (A)		6.215.371	5.273.523
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		4.523	(26.587)
Deferred tax on actuarial gains and losses		(995)	5.849
Revaluation of assets	9.10	-	(449.744)
Deferred tax on asset revaluation		-	98.944
Other comprehensive income after taxes (B)		3.528	(371.538)
Total comprehensive income after taxes (A+B)		6.218.899	4.901.985
Earnings/(losses) per share after taxes	9.25	0,232	0,196
Earnings before interest, taxes, depreciation, and amortization (EBITDA)		11.392.902	10.587.411

The notes presented on pages 80 through 136 are an integral part of the financial statements.

III. Statement of Changes in Equity

	Share Capital	Treasury Stock	Share Premium	Fair value reserves	Other reserves	Retained earnings	Total
Balances as of 01.01.2024	14.633.241	(411.391)	1.975.977	1.551.930	1.765.622	10.286.309	29.801.688
Total comprehensive income after taxes				(350.800)		5.252.785	4.901.985
Purchase of treasury shares		(170.624)					(170.624)
Dividend/Interim dividend distribution						(2.087.490)	(2.087.490)
Interim dividend for fiscal year 2023 (paid in 2023)						(812.949)	(812.949)
Reserve for equity-based payments					(22.758)	22.758	-
Tax exemption reserves under Law 4399/2016					342.854	(342.854)	-
Formation of statutory reserve					263.676	(263.676)	-
Changes in items during the period	-	(170.624)	-	(350.800)	583.773	1.768.573	1.830.921
Balances as of 31.12.2024	14.633.241	(582.015)	1.975.977	1.201.130	2.349.396	12.054.882	31.632.610
	Share Capital	Treasury Stock	Share premium	Fair value reserves	Other reserves	Retained earnings	Total
Balances as of 01.01.2025	14.633.241	(582.015)	1.975.977	1.201.130	2.349.396	12.054.882	31.632.610
Total comprehensive income after taxes				-		6.218.899	6.218.899
Purchase of treasury shares		(31.856)					(31.856)
Dividend/Interim dividend distribution						(1.901.282)	(1.901.282)
Formation of statutory reserve					310.769	(310.769)	-
Tax exemption reserves under Law 4399/2016					802.764	(802.764)	-
Changes in items during the period	-	(31.856)	-	-	1.113.533	3.204.085	4.285.761
Balances as of 31.12.2025	14.633.241	(613.871)	1.975.977	1.201.130	3.462.928	15.258.967	35.918.371

The notes presented on pages 80 through 136 are an integral part of the financial statements.

IV. Statement of Cash Flows (Indirect Method)

	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
<u>Operating activities</u>		
Profit before taxes	7.030.093	6.052.380
Plus / (minus) adjustments for:		
Depreciation	2.852.252	2.634.535
Provisions	(17.771)	61.409
Fair value reserve	-	382.148
Amortization of grants	(165.932)	(149.895)
Investment income/expenses	-	300.112
Financial expenses - (net)	1.676.489	2.050.390
	11.375.131	11.331.081
Plus/minus adjustments for changes in equity accounts or related to operating activities:		
Decrease / (increase) in receivables	209.899	(3.306.564)
Decrease / (increase) in inventories	(874.977)	(1.645.696)
(Decrease) / increase in liabilities (excluding banks)	1.655.048	80.637
Less:		
Interest expense and related expenses paid	(1.653.732)	(1.768.066)
Total cash inflows / (outflows) from operating activities (a)	10.711.369	4.691.392
<u>Investing activities</u>		
Purchase of tangible and intangible fixed assets	(4.927.619)	(6.396.978)
Proceeds from sale of tangible fixed assets	57.915	-
Total cash inflows / (outflows) from investing activities (b)	(4.869.704)	(6.396.978)
<u>Financing activities</u>		
Purchase of treasury shares	(31.856)	(170.625)
Proceeds from loans issued/borrowed	2.150.000	20.000.000
Receipt of government grant	-	34.215
Loan repayments	(6.198.263)	(17.134.994)
(Repayments) / Commitments under finance leases (installments)	(116.692)	261.241
Dividends/Interim dividends paid	(1.901.282)	(2.087.490)
Total inflows/(outflows) from financing activities(c)	(6.098.093)	902.347
Net increase / (decrease) in cash and cash equivalents for the period (a)+(b)+(c)	(256.427)	(803.239)
Cash and cash equivalents at the beginning of the period	4.899.765	5.703.004
Cash and cash equivalents at the end of the fiscal year	4.643.338	4.899.765

The notes presented on pages 80 through 136 are an integral part of the financial statements.

8. Notes to the Financial Statements

8.1. General Information

PAPOUTSANIS S.A. was founded in 1960 and is engaged in the production, import, export, marketing, and general trade of consumer goods, such as soap products, detergents, and cleaning products for household and industrial use, cosmetics, and other personal care items, biocides and disinfectants for human use or for use on surfaces or objects, as well as the raw materials used in their manufacture, and other related products. The Company is characterized as a fully vertically integrated manufacturer of soaps and personal care products for consumers, hotels, and so on.

The Company's facilities are located at the 71st kilometer of the Athens-Lamia National Highway in the Ritsona area of the Regional Unit of Evia.

PAPOUTSANIS S.A. is a public limited company, and its shares are listed on the Athens Stock Exchange. The Company's headquarters are located in the Municipality of Chalkida, in the Regional Unit of Evia, within the Region of Central Greece.

These financial statements were approved by the Board of Directors on March 16, 2026, and are available online, along with the auditor's report and the Board of Directors' annual report, at www.papoutsanis.gr.

8.2. Summary of Significant Accounting Policies

The basic accounting principles applied in the preparation of the financial statements are described below. These principles have been consistently applied to all periods presented, except for the adoption of the following new standards and interpretations effective for annual periods beginning on January 1, 2026. More detailed information is provided below (8.2.4).

8.2.1 Basis of Preparation of the Financial Statements

These financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations of the International Financial Reporting Interpretations Committee, as adopted by the European Union, and present the financial position of PAPOUTSANIS S.A., its financial performance, and its cash flows on a going concern basis, taking into account macroeconomic and microeconomic factors and their impact on business operations.

8.2.2 Changes in Accounting Policies

The accounting principles and calculations used to prepare the financial statements are consistent with those used to prepare the annual financial statements for the year ended December 31, 2024, and have been consistently applied to all periods.

8.2.3 Risk of discontinuation of operations

Events, conditions, and related business risks that could create material uncertainty regarding the Company's ability to continue as a going concern in the next fiscal year were assessed. There is no risk of discontinuation of operations.

8.2.4 New Standards, Amendments to Standards, and Interpretations

[New Standards, Interpretations, Revisions, and Amendments to existing Standards that have become effective and have been adopted by the European Union](#)

The following new Standards, Interpretations, and amendments to Standards have been issued by the International Accounting Standards Board (IASB), have been adopted by the European Union, and are mandatory effective January 1, 2025, or later.

[Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”: Lack of Convertibility \(effective for annual periods beginning on or after January 1, 2025\)](#)

In August 2023, the IASB issued amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates,” which require entities to provide more useful information in their financial statements when a currency cannot be exchanged for another currency. The amendments include the introduction of a definition of currency convertibility, as well as the process by which an entity should assess this convertibility. In addition, the amendments provide guidance on how an entity should calculate the spot rate (spot rate) in cases where the currency is not convertible and require additional disclosures in cases where an entity has calculated an exchange rate due to a lack of convertibility. The above have been adopted by the European Union with an effective date of January 1, 2025. The amendments have no impact on the Company's Financial Statements.

[New Standards, Interpretations, Revisions, and Amendments to existing Standards that have not yet come into effect or have not been adopted by the European Union](#)

The following new Standards, Interpretations, and amendments to Standards have been issued by the International Accounting Standards Board (IASB), but have either not yet become effective or have not been adopted by the European Union.

[IFRS 9 & IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” \(effective for annual periods beginning on or after January 1, 2026\)](#)

In May 2024, the IASB issued amendments to the classification and measurement requirements of IFRS 9 “Financial Instruments” and corresponding disclosures in IFRS 7 “Financial Instruments: Disclosures.” Specifically, the new amendments clarify when a financial liability must be derecognized when it is settled via electronic payment. Additionally, further guidance is provided on assessing the characteristics of contractual cash flows for financial assets linked to ESG (environmental, social, and governance) criteria. Furthermore, the disclosure requirements regarding investments in equity securities measured at fair value through other comprehensive income have been amended, and disclosure requirements have been added for financial instruments with contingent features not directly related to core risks and borrowing costs. The Company will assess the impact of all the above on its Financial Statements. The above have been adopted by the European Union with an effective date of January 1, 2026.

Amendments to IFRS 9 and IFRS 7 – “Contracts for Nature-dependent Electricity” (effective for annual periods beginning on or after January 1, 2026)

On December 18, 2024, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures,” with the aim of helping companies better report the financial effects of natural-variable electricity reference contracts, also known as Power Purchase Agreements (PPAs). These contracts are used by companies to secure the supply of electricity from renewable sources, such as wind and solar power. However, the amount of energy generated may vary due to external factors, such as weather conditions. The amendments aim to ensure the optimal presentation of these contracts in financial statements: a) by clarifying the requirements for applying the concept of “own-use,” b) by permitting hedge accounting in cases where these contracts are used as hedging instruments, and c) adding new disclosure requirements so that investors can better understand the impact of these contracts on companies’ financial results and cash flows. The amendments are effective for accounting periods beginning on or after January 1, 2026, with early adoption permitted. The Company will assess the impact of all of the above on its Financial Statements. The above have been adopted by the European Union with an effective date of January 1, 2026.

Annual Improvements to IFRS—Volume 11 (effective for annual periods beginning on or after January 1, 2026)

In July 2024, the IASB issued “Annual Improvements to IFRS,” which include minor amendments to the following accounting standards: IFRS 1 “First-time Adoption of International Financial Reporting Standards,” IFRS 7 “Financial Instruments: Disclosures,” IFRS 9 “Financial Instruments,” IFRS 10 “Consolidated Financial Statements,” and IAS 7 “Statement of Cash Flows.” The amendments are effective for accounting periods beginning on or after January 1, 2026. The Company will assess the impact of all the above on its Financial Statements. The above have been adopted by the European Union with an effective date of January 1, 2026.

IFRS 18 “Presentation and Disclosure in Financial Statements” (effective for annual periods beginning on or after January 1, 2027)

In April 2024, the IASB issued a new Standard, IFRS 18, which replaces IAS 1 “Presentation of Financial Statements.” The purpose of the Standard is to improve the way information is presented in an entity’s financial statements, particularly in the income statement and the notes to the financial statements. Specifically, the Standard will improve the quality of financial reporting due to: a) the requirement for specific line items in the income statement, b) the requirement to disclose management-defined performance measures in a separate note to the financial statements c) the new principles for aggregating and disaggregating information. The Company will assess the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (effective for annual periods beginning on or after January 1, 2027)

In May 2024, the IASB issued a new Standard, IFRS 19 “Subsidiaries without Public Accountability: Disclosures.” The new standard allows eligible entities that meet its criteria to choose to apply the reduced disclosure requirements of IFRS 19 instead of the disclosure requirements set out in other IFRSs. IFRS 19 operates in parallel with other IFRSs, as subsidiaries must apply the measurement, recognition, and presentation requirements set forth in other IFRSs and the reduced disclosure requirements described in IFRS 19. This simplifies the preparation of financial statements for subsidiaries that meet the criteria for applying this standard, while maintaining their usefulness to users. IFRS 19 is effective for accounting periods beginning on or after January 1, 2027, with early adoption permitted. The Company will assess the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to IFRS 19 “Subsidiaries without Public Liability: Disclosures” (effective for annual periods beginning on or after January 1, 2027)

IFRS 19 “Subsidiaries without Public Accountability: Disclosures” was developed based on the disclosure requirements of other IFRSs as they were in effect on February 28, 2021. At the time of its issuance, IFRS 19 did not include reduced disclosure requirements for standards introduced or amended after that date. In August 2025, the IASB amended IFRS 19 to include reduced disclosure requirements for new or amended IFRSs issued between February 2021 and May 2024. IFRS 19 will continue to be updated as new or amended IFRSs are issued. The Company will assess the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”: Translation into the presentation currency of a hyperinflationary economy (effective for annual periods beginning on or after January 1, 2027)

In November 2025, the International Accounting Standards Board (IASB) issued amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates,” with the aim of clarifying how entities should translate financial statements from a functional currency that is not hyperinflationary to the presentation currency of a hyperinflationary economy. According to the amendments, all amounts

in the financial statements (assets, liabilities, equity, Turnover, and expenses, including comparative figures) must be translated at the closing rate as of the date of the most recent statement of financial position. Previously, assets and liabilities were translated at the closing rate, while Turnover and expenses were translated at the rates prevailing on the transaction dates. Furthermore, when an entity applies IAS 29 “Financial Reporting in Hyperinflationary Economies” to a foreign operation whose functional currency is not hyperinflationary, the comparative amounts for that foreign operation are restated using a general price index instead of the closing rate. The amendments also introduce additional disclosure requirements, including disclosures regarding the application of the new translation requirements, instances in which the presentation currency ceases to be hyperinflationary, as well as the provision of summary financial information for the affected foreign operations. The Company will assess the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

8.2.5 Significant accounting estimates and assumptions

The preparation of the Financial Statements in accordance with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates, and assumptions that affect the amounts of assets and liabilities, the disclosure of contingent assets and liabilities, as well as Turnover and expenses for the periods presented.

Specifically, amounts included in or affecting the financial statements, as well as the related disclosures, are estimated requiring the formation of assumptions regarding values or conditions that cannot be known with certainty at the time of preparing the financial statements; consequently, actual results may differ from those estimated. An accounting estimate is considered significant when it is material to the Company’s financial position and results and requires the most difficult, subjective, or complex judgments by management. Management’s estimates and judgments are based on past experience and other factors, including expectations of future events that are considered reasonable under the circumstances, and are continually reassessed based on all available information. The Company evaluates such estimates on an ongoing basis, based on past results and experience, consultations with experts, trends, and other methods deemed reasonable under the circumstances, as well as projections regarding how these may change in the future.

Income Tax

The provision for income tax under IAS 12 is calculated by estimating the taxes to be paid to the tax authorities and includes current income tax for each fiscal year, a provision for additional taxes that may arise from future tax audits, and the recognition of future tax benefits. The final settlement of income taxes may differ from the amounts recorded in the financial statements.

Significant estimates are required to determine the total income tax provision as presented in the Statement of Financial Position. For specific transactions and calculations, the determination of the final tax liability is uncertain. The Company recognizes liabilities for anticipated tax matters based on calculations of whether additional tax will arise. Where the final tax outcome of these matters

differs from the amount initially recognized, the differences affect the provision for income tax and deferred tax in the period in which the determination was made.

[Provision for expected credit losses](#)

To determine expected credit losses and establish a related allowance for doubtful accounts, the Company follows the general model as described in detail in paragraph 8.2.6.6 of the accounting policies. The data required both to determine whether there has been a significant deterioration in credit risk after initial recognition and to determine the stage to which each financial asset belongs, as well as for calculating the impairment allowance, are based on historical and future data and involve significant estimates. Past experience and estimates for the future may not lead to conclusions indicative of the actual extent of default when a relevant event occurs.

[Contingent events/Uncertain outcome of pending litigation](#)

The Company may be involved in legal claims and damages in the ordinary course of its business. The Company reviews pending legal cases as of each Statement of Financial Position date and makes provisions for litigation against the Company, based on information from the law firms with which it collaborates, which is derived from recent developments in the cases they are handling. Management believes that any settlements would not further affect the Company's financial position as of December 31, 2025. Nevertheless, determining contingent liabilities related to legal claims and demands is a complex process involving judgments regarding potential consequences and interpretations of laws and regulations. Changes in judgments or interpretations are likely to result in an increase or decrease in the Company's contingent liabilities in the future.

[Useful lives of depreciable assets \(depreciation rates\)](#)

Management reviews the useful lives of depreciable assets each fiscal year. As of December 31, 2025, the Company's management estimates that the useful lives represent the expected useful life of the assets. The unamortized balances are analyzed in the notes to the financial statements. Actual results, however, may differ due to technical obsolescence, primarily with respect to software and computer equipment.

[Testing for Impairment of Property, Plant, and Equipment](#)

Property, plant, and equipment are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. To calculate the value in use, management estimates the future cash flows from the asset or cash-generating unit and selects an

appropriate discount rate to calculate the present value of the future cash flows. Alternatively, it selects another reasonable method that it believes reliably reflects the recoverable amount of property, plant, and equipment at the end of the fiscal year.

[Testing for impairment of goodwill](#)

The Company tests acquired goodwill annually for impairment and investigates events or conditions that may indicate impairment, such as, for example, a significant adverse change in the business environment or a decision to sell or dispose of a unit or operating segment. Determining the existence of impairment requires the valuation of the relevant unit, which is estimated using the discounted cash flow method. In applying this methodology, the Company relies on a range of factors, including actual operating results, economic conditions, and market data (both statistical and non-statistical).

If this analysis indicates a need to impair goodwill, measuring the impairment requires an estimate of the fair value for each recognized tangible or intangible asset of the relevant unit. In this case, the cash flow approach described above is used. See Note 9.3 for further details.

[Provision for employee severance benefits](#)

Liabilities for employee severance pay are calculated using actuarial methods, the application of which requires management to estimate specific parameters such as discount rates, future rates of employee salary increases, future employee turnover rates, and other factors such as the inflation rate. The Company's management estimates the above parameters to the best of its ability on an annual basis whenever the relevant actuarial study is conducted. Further details are included in Note 9.14.

[Determination of Fair Values](#)

Under IFRS, the Company is required or has the option to measure its assets or liabilities at fair value. Fair value is a market-based measurement and does not relate to a specific entity. For certain assets and liabilities, observable market transactions or market information may be available. For other assets and liabilities, observable market transactions, market data, or market information may not be available.

Assets and liabilities that the Company measures at fair value include financial instruments (assets and liabilities) as well as non-financial assets, specifically owner-occupied land and buildings, which are valued using the revaluation method.

To enhance consistency and comparability in fair value measurements and related disclosures, the Company, adopting the relevant requirements of IFRS 13, has established a fair value hierarchy that categorizes the inputs to the valuation techniques used to measure fair value into three levels. The fair value hierarchy gives highest priority to official prices (without adjustments) in markets with significant trading volume for identical assets or liabilities (Level 1 inputs) and gives the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 data inputs are official market prices (unadjusted) in markets for identical assets or liabilities to which the entity has access at the measurement date.

Level 2 inputs are inputs beyond the official market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. If the asset or liability has a predetermined (contractual) life, a Level 2 input must be observable for the entire life of the asset or liability.

Level 3 inputs are unobservable data or transactions relating to the asset or liability.

8.2.6 Material accounting policy disclosures

8.2.6.1 Property, Plant, and Equipment

Own-use real estate assets (buildings, land) are measured at revalued amount, which consists of fair value as of the revaluation date less subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair value is determined following an appraisal by professional appraisers, and the positive difference is recorded in the equity account "Fair Value Reserves." The negative difference is recognized in the income statement to the extent that it does not offset a corresponding fair value reserve. Such appraisals are conducted when market data for changes in fair value is available and at least every 5 years. The most recent valuation was performed as of December 31, 2024. The result of this valuation was an increase in the fair value of the Land by €11.780 and a decrease in the fair value of the Buildings by €461.523.

Other items of property, plant, and equipment (machinery, equipment, etc.) are presented at acquisition cost less accumulated depreciation and any impairment. The acquisition cost includes expenses directly related to the acquisition of tangible fixed assets. Subsequent expenses are either included in the carrying amount of the tangible fixed assets or, if deemed more appropriate, recognized as a separate asset, only when it is probable that future economic benefits will flow to the company and provided that the cost of the asset can be measured reliably. The cost of repairs and maintenance is recognized as an expense in the income statement in the period in which it is incurred.

Financial expenses arising from the borrowing of funds used to finance the purchase of property, plant, and equipment are capitalized over the period required to prepare and complete the asset

for future use. Other categories of finance costs from borrowing are recognized in the income statement as expenses.

Land is not subject to depreciation. Depreciation of other items of property, plant, and equipment is calculated using the straight-line method with equal annual charges over the expected useful life of the asset, so that the cost is fully written off at the end of the useful life. Residual values were estimated to be zero. The estimated useful lives of the most significant categories of fixed assets are as follows:

	Years
Industrial buildings	25–60
Machinery and mechanical equipment	10–30
Other mechanical installations and Other mechanical equipment	2–7
Computer equipment and software	5–10
Passenger/cargo transport vehicles	10 / 8.3
Furniture and other equipment	10

The cost of subsequent expenditures is amortized over the expected useful life of each item. When a machine consists of major components with different useful lives, the components are treated as separate items.

The residual values and useful lives of property, plant, and equipment may be reviewed and adjusted, if deemed necessary, at each balance sheet date.

When the carrying amount of a tangible fixed asset exceeds its recoverable amount, the difference is recognized immediately as an expense in the income statement, and the asset is carried at its recoverable amount.

Gains and losses from the sale of tangible fixed assets are determined by the difference between the proceeds and their net book value and are included in the income statement. If tangible assets measured at fair value are sold, the accumulated fair value reserves are transferred to retained earnings.

8.2.6.2 Intangible Assets

Research Expenses

Research costs are recognized as an expense when incurred.

Development Expenses

The costs of development projects (which mainly involve the design and testing of new or improved products) are recognized as a category of intangible assets only when there is a likelihood of success for these projects, taking into account their commercial and technological viability and provided that the costs can be measured reliably. Other development costs are recognized as expenses when incurred. Development costs of assets with a finite useful life that have been capitalized are amortized from the start of commercial production of the products in question using the straight-line method, resulting in equal annual charges over the asset's expected useful life, which in any case may not exceed 10 years.

Computer software

Capitalized software licenses are valued at acquisition cost less accumulated amortization, less any accumulated impairment. Amortization is calculated using the straight-line method over their useful lives, which may not exceed 5 years. Costs incurred for the development or maintenance of software are recognized as expenses in the income statement as incurred.

Trade Name

As part of the business combination, the parent company acquires the subsidiary's trade name, intellectual property, and technology licenses. The cost of these intangible assets is their fair value as of the acquisition date. Fair value reflects market participants' expectations regarding the likelihood that the expected future economic benefits embodied in the asset will flow to the Company.

After initial recognition, the above trade name is measured at cost less any accumulated impairment losses and is subject to an impairment test on an annual basis or more frequently if events or changes in circumstances indicate a possible impairment.

8.2.6.3 Goodwill

Goodwill arises from the acquisition of business units and represents the excess of the sum of the consideration for the acquisition, the amount of the non-controlling interest in the acquired unit and the fair value of any prior interest in the acquired unit at the acquisition date, and the fair value of the identifiable net assets of the acquired unit.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances

indicate a possible impairment. The carrying amount is compared to its recoverable amount, which is the higher of its value in use and its fair value less costs to sell.

Any impairment is recognized directly as an expense and is not reversed in the future.

To determine impairment, goodwill arising from a business combination is allocated to each cash-generating unit or group of cash-generating units expected to benefit from the synergies of that combination. Each unit or group of units to which goodwill is allocated constitutes the lowest level within the Company at which goodwill is monitored for internal management purposes.

8.2.6.4 Investment property

The purpose of investment property is either rental income or capital appreciation. It is measured at fair value annually, with changes from the previous measurement recognized in the income statement. No depreciation is recognized.

8.2.6.5 Earnings per Share

Basic earnings per share are calculated by dividing the net income attributable to the Company's shareholders by the weighted average number of common shares outstanding during each year, excluding the average number of common shares acquired as treasury stock.

Diluted earnings per share are calculated by dividing the net profit attributable to shareholders (after deducting interest on convertible shares, net of tax) by the weighted average number of shares outstanding during the year (adjusted for the effect of dilutive convertible shares).

The weighted average number of common shares outstanding during the accounting period and for all periods presented is adjusted for events that have changed the number of common shares outstanding without a corresponding change in equity.

8.2.6.6 Financial Instruments

A. Financial Assets

Initial recognition

The Company's financial assets are recognized when the Company becomes a party to the relevant contracts and are initially measured at fair value, plus directly attributable transaction costs for items not measured at fair value through profit or loss. Trade receivables that do not contain a significant financial component are measured at the transaction price determined in accordance with IFRS 15.

Classification and Subsequent Measurement

After initial recognition, financial assets are classified according to their business model and the contractual characteristics of their cash flows into the following categories:

- Financial assets at amortized cost

- Financial assets at fair value through profit or loss
- Financial assets at fair value through the statement of comprehensive income

Financial assets at amortized cost

The Company holds trade receivables, other financial assets, and cash and cash equivalents for the purpose of collecting contractual cash flows, and, as a rule, the relevant contracts generate cash flows on specific dates that consist exclusively of principal and interest payments on the outstanding principal (SPPI criterion). on the initial principal.

Cash and cash equivalents include cash, demand deposits, and highly liquid short-term investments with maturities of up to three months. Overdrafts are included in the Statement of Financial Position under short-term liabilities as borrowings (financial liability).

These items are classified and measured at amortized cost and are subject to impairment testing based on the expected credit loss model of IFRS 9.

Financial assets whose cash flows do not meet the SPPI criterion or are not held in a “hold-to-collect contractual cash flows” business model are measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value.

Financial assets are classified as financial assets at fair value through profit or loss if they are acquired with the intention of selling or repurchasing them in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model.

Financial assets classified at fair value through the statement of comprehensive income

Upon initial recognition, the Company may choose to irrevocably classify its equity investments as equity instruments designated at fair value through comprehensive income when they meet the definition of equity in accordance with IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on a financial instrument-by-instrument basis.

Gains and losses on these financial assets are never reclassified to profit or loss. Dividends are recognized as other income in the income statement when the right to payment has been established, unless the Company benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognized in the statement of comprehensive income. Equity securities designated at fair value through comprehensive income are not subject to impairment testing.

Impairment of financial assets

Trade receivables are measured at amortized cost and are subject to impairment testing based on the Expected Credit Loss (ECL) model of IFRS 9. The Company applies the simplified approach, recognizing ECL over the entire life of all trade receivables, without staging.

ECL is measured on a collective basis, by grouping receivables into portfolios with similar credit characteristics and delinquency levels, using a provision matrix based on historical loss rates, adjusted for current conditions and reasonable, documented macroeconomic forecasts.

As an indication of a material increase in credit risk and default, the following are taken into account, among other factors: the duration of the delinquency (with thresholds ranging from 30 to 180 days per customer category) and the assessment of recoverability, including any collateral. The loss allowance is remeasured at each reporting date and recognized in the income statement.

B. Financial Liabilities

Financial liabilities include trade and other payables, bank overdrafts, interest-bearing loans and credits, and financial guarantee contracts.

Recognition and Measurement

The Company recognizes a financial liability in the statement of financial position when, and only when, it becomes a party to the financial instrument. Upon initial recognition, financial liabilities are recognized at fair value, and in the case of interest-bearing loans and credits, net of directly attributable transaction costs.

a) Classification of non-derivative financial liabilities

After initial recognition, financial liabilities are measured as follows:

Financial liabilities measured at amortized cost:

All interest-bearing loans and credits are initially measured at fair value, net of directly attributable transaction costs incurred in issuing the financial liability. Subsequently, they are measured at amortized cost using the effective interest method. Amortized cost is estimated by taking into

account all issuance costs, as well as any discount or premium upon settlement. Gains and losses are recognized in the income statement when the liabilities are extinguished or impaired, as well as through the amortization process.

Financial liabilities at fair value through profit or loss:

These include liabilities held for trading, acquired or incurred principally for the purpose of selling or repurchasing in the near term, are part of a portfolio of individual financial instruments that were managed together and for which there is documented evidence of a recent plan for short-term realization. Such liabilities are measured at fair value, and gains or losses from changes in fair value are recognized in the income statement.

Financial guarantee contracts

These include contracts that provide for specific payments by the issuer to compensate the holder for a loss incurred due to the failure of a specific debtor to make payments in accordance with the original or modified terms of a debt instrument. These contracts are initially recognized as a liability at fair value, adjusted for transaction costs directly attributable to the issuance. They are subsequently measured at the higher of the amount recognized under IAS 37 and the amount initially recognized, reduced by the accumulated amortization recognized in accordance with IFRS 15, where applicable.

Reverse Factoring Agreements (SFA)

The Company participates in supplier financing programs, under which a financial institution (factor/bank) assumes the payment of supplier receivables owed to the Company, and the Company repays the related liability to the financial institution at a later date.

The liabilities subject to such programs arise from purchases of goods in the ordinary course of the Company's business, the nature and operation of which do not differ materially from other trade liabilities (non-material modification of credit terms, absence of a new debt instrument). The Company classifies these liabilities as "trade and other payables" and measures them at amortized cost, in accordance with IFRS 9. The relevant amounts are disclosed separately in the note "Trade and other payables."

C. Offsetting of financial instruments

Financial assets and liabilities are offset and presented on a net basis in the statement of financial position if there is a legally enforceable right to offset the recognized amounts and, in addition, there is an intention to settle the net amount, i.e., to settle the assets and liabilities simultaneously.

D. Derecognition of financial assets and liabilities

Financial assets:

Financial assets (or, as the case may be, a portion of a financial asset or a portion of a group of financial assets) are derecognized when:

- The rights to receive cash flows have expired, or
- The Company retains the right to receive cash flows from the specific asset but has simultaneously assumed an obligation to third parties to pay those specific cash flows without significant delay, in the form of a transfer agreement.
- The Company has transferred the right to receive cash flows from the specific asset and, at the same time, either (a) has transferred substantially all the risks and rewards of ownership, or (b) has not transferred substantially all the risks and rewards of ownership, but has transferred control of the specific asset.

Where the Company has transferred the rights to receive cash flows from the specific asset but has not transferred substantially all the risks and rewards of ownership or control of the specific asset, then the asset is recognized to the extent of the Company's continuing involvement in the asset. A corresponding liability is also recognized.

The continuing involvement, which takes the form of a guarantee on the transferred asset, is measured at the lower of the asset's carrying amount and the maximum amount the Company may be required to pay.

Financial Liabilities

A financial liability is derecognized when the related obligation has been settled, canceled, or expired. In the event that a financial liability is replaced by another from the same lender with substantially different terms, or where the terms of an existing liability have been substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective fair values is recognized in the income statement.

8.2.6.7 Inventories

Inventories are measured at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of disposal.

The cost of finished goods and work in progress is determined using the weighted-average cost method and consists of raw materials, direct labor costs, and general manufacturing overheads, which are allocated based on normal production capacity.

Appropriate measures are taken for obsolete, obsolete, and slow-moving inventory if such inventory exceeds projected levels. The reduction in value from book value to net realizable value and inventory losses are expensed in the period in which the impairment or loss occurs.

8.2.6.8 Leases

Upon the inception of a contract, the Company assesses whether the contract constitutes, or contains, a lease. A contract constitutes, or contains, a lease if the contract transfers the right to control the use of a recognized asset for a specific period of time in exchange for consideration.

Lease accounting by the lessee

The Company applies a single approach to the recognition and measurement of all leases (including short-term leases and low-value leases). The Company recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

a. Right-of-use assets

The Company recognizes right-of-use assets on the commencement date of the lease term (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted based on any remeasurement of the lease liability. The cost of right-of-use assets consists of the amount of the recognized lease liability, initial direct costs, and any lease payments made on or before the commencement date of the lease term, less any lease incentives received. Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and their useful life.

If ownership of the leased asset is transferred to the Company at the end of the lease term or if its cost reflects the exercise of a purchase option, depreciation is calculated based on the asset's estimated useful life.

The Company has lease agreements for machinery, vehicles, and other equipment used in its operations, as well as real estate lease agreements. Lease agreements may contain both lease and non-lease components. The Company has elected not to separate the non-lease components of the contract from the lease components and therefore treats each lease component and any related non-lease components as a single lease.

Assets with a right-of-use are subject to impairment testing.

b. Lease Liabilities

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments to be made over the lease term. Lease payments consist of fixed lease payments (including effectively fixed lease payments) reduced by any lease incentives receivable,

variable lease payments that depend on an index or interest rate, and amounts expected to be paid under residual value guarantees. To discount lease payments, the Company uses the Company's incremental borrowing rate, as the implied interest rate of the lease cannot be readily determined.

After the lease commencement date, the amount of the lease liability increases based on interest on the liability and decreases as lease payments are made. In addition, the carrying amount of the lease liability is remeasured if there are revaluations or amendments to the lease agreement.

[Lease accounting by the lessor](#)

Leases in which the lessor does not transfer substantially all the economic benefits and risks associated with ownership of the leased asset are classified as operating leases. When assets are leased under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease Turnover from operating leases is recognized in accordance with the terms of the lease using the straight-line method.

A lease that transfers substantially all the economic benefits and risks associated with ownership of the leased asset is classified as a finance lease.

Assets held under finance leases are derecognized, and the lessor recognizes a receivable equal to the net investment in the lease. The lease receivable is discounted using the effective interest method, and the carrying amount is adjusted accordingly. Lease receivables are increased by interest on the receivable and decreased upon collection of lease payments.

8.2.6.9 Turnover Recognition

The Company recognizes Turnover when a contractual obligation to the respective customer is fulfilled upon delivery of the goods (which coincides with the time when control of the goods passes to the customer). If a contract includes more than one contractual obligation, the total contract value is allocated to the individual obligations based on their respective sales values. The amount of Turnover recognized is the amount allocated to the corresponding contractual obligation that has been satisfied, based on the consideration the company is expected to receive under the terms of the contract. Any variable consideration is included in the amount of Turnover recognized, to the extent that it is not highly probable that this amount will be reversed in the future.

Rights to future volume-based discounts are evaluated by the Company to determine whether they constitute substantive rights that the customer would not have obtained had it not entered into the specific contract. For all such rights, the Company assesses the likelihood of their exercise, and subsequently, the portion of Turnover attributable to that specific right is recognized when the right is either exercised or expires.

In accordance with the requirements of IFRS 15, the Company concluded that future volume-based sales discounts create a right for which a provision must be made and recognized at the time of

exercise or expiration. The Company provides customers with volume-based sales discounts based on the thresholds specified in their respective contracts. All such discounts are accounted for within the fiscal year.

Furthermore, the Company has determined that the transfer of control of the products to the customer occurs at a specific point in time, when the customer receives the goods, as that is when the customer is able to obtain the benefits of the specific products.

8.2.6.10 Dividend income

Dividends to be received in the future will be recognized as Turnover when the right to receive them has been established.

8.2.6.11 Dividend Distribution

Dividends distributed are recorded in the financial statements in the period in which they are approved by the General Meeting of Shareholders.

In the event of a dividend distribution in kind through the issuance of treasury shares, the Company recognizes a liability to shareholders at the fair value of the shares, as determined on the date the distribution is approved. Upon completion of the transfer of the securities to the beneficiaries, the liability is written off against the acquisition cost of the treasury shares. The difference between the distribution value and the acquisition cost is recognized directly in equity as a transfer between equity items, with no effect on the income statement, in accordance with IAS 32.

8.2.6.12 Distribution of Interim Dividends

Until the General Meeting of Shareholders approves the audited annual financial statements for the fiscal year under review, interim dividends are recorded as a receivable in current assets when conditions exist that may call into question their approval by the General Meeting. However, in cases where it is deemed that the approval of the interim dividend by the General Meeting of Shareholders is virtually certain, the interim dividend is recognized as a deduction from equity (Retained Earnings) following its approval by the Board of Directors.

8.2.6.13 Derivative financial instruments and hedging instruments

Financial instrument contracts that are not designated as hedging instruments and do not meet the criteria for hedge accounting are classified as derivatives held for sale and measured at fair value through the income statement. Changes in the fair value of these derivatives that do not meet the

criteria for hedge accounting are recognized directly in the income statement under “Other operating income/(expenses) (net).”

Financial instrument contracts designated as hedging instruments are classified either as fair value hedges, when the risk of a change in the fair value of the designated asset or liability is hedged, or as cash flow hedges, when the fluctuation in cash flows is hedged, which may arise from a specific risk directly attributable to the asset or liability. For derivatives used for risk hedging, hedge accounting is applied, which includes the existence, at the inception of the transaction, of formal documentation, the identification of the hedged item, the hedging instrument, the type of hedge, the hedged risk, and the business strategy for risk hedging.

In fair value hedge transactions that meet the criteria for hedge accounting, gains or losses arising from the measurement of the hedging instrument at its fair value are recognized in the Income Statement. The hedged item is measured at fair value, and the gains or losses are recognized in the income statement.

In cash flow hedging transactions, gains or losses arising from the measurement of the hedging instrument at fair value and relating to the effective portion of the hedge are recognized in other comprehensive income. In contrast, gains or losses relating to the ineffective portion of the hedge are recognized directly in the Income Statement.

It should be noted that the Company used derivative financial instruments during the previous fiscal year.

8.2.6.14 Impairment of non-financial assets

Fixed assets with an indefinite useful life are not subject to depreciation but are subject to an impairment test annually or more frequently when events or changes in circumstances indicate that their carrying amount may not be recoverable. Fixed assets subject to depreciation are tested for impairment when there are indications that their net book value will not be recovered.

Impairment losses are recognized immediately as expenses and equal the difference between the net book value and the recoverable amount of the asset in question.

Recoverable value is the higher of the asset’s fair value less costs to sell and its value in use. For the purpose of calculating impairment, fixed assets are categorized at the lowest possible level so as to be associated with separate identifiable cash flows (cash-generating units).

8.2.6.15 Current and deferred income tax

Current income tax is calculated based on tax laws enacted or substantively enacted as of the balance sheet date. Management periodically assesses those items in the tax returns that relate to

situations where applicable tax provisions are subject to differing interpretations and makes provisions where necessary based on the amounts expected to be paid to the tax authorities.

Deferred tax is defined as the tax expected to be payable or recoverable for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable, and is accounted for using the balance sheet method.

Deferred income tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction other than a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax liabilities are always recognized.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to be in effect in the period in which the deferred tax assets are expected to be realized and the liabilities become payable.

Deferred tax is charged or credited to income unless it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is recognized directly in other comprehensive income.

8.2.6.16 Provisions

Provisions are recognized when: a) there is a present legal or constructive obligation arising from past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount can be reliably estimated. Future losses associated with the Company's current operations are not recognized as provisions.

Where there are various similar obligations, the probability that an outflow will be required upon settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the probability of an outflow relating to any item included in the same class of obligations may be small. In cases where the entity expects a provision to be covered by a third party, as is the case with insurance contracts, the coverage is recognized as a separate receivable but only when the coverage is substantially assured.

Provisions, once recognized, are calculated at the present value of the expenses which, based on management's best estimate, are required to settle the present obligation as of the balance sheet date. The discount rate used to determine the present value reflects current reasonable estimates of the time value of money relevant to the specific liability.

8.2.6.17 Grants

Government grants are recognized at fair value when it is reasonably certain that the grant will be received and the Company will comply with all applicable conditions.

Government grants relating to expenses are deferred and recognized in income so as to match the expenses they are intended to compensate.

Government grants related to the purchase of property, plant, and equipment are included in long-term liabilities as deferred government grants and are recognized as Turnover (credited) to the income statement using the straight-line method over the expected useful lives of the related assets.

8.2.6.18 Share-based payments

IFRS 2 "Share-based Payment" requires an expense to be recognized when the Company acquires goods and services in exchange for shares (equity-settled transactions) or stock options, or in exchange for other assets equivalent in value to a specified number of shares or rights to shares (cash-settled transactions). The Company grants stock options to executives and employees. The fair value of the services of the executives and employees to whom stock options are granted is recognized in accordance with IFRS 2 as an expense in the statement of comprehensive income, with a corresponding increase in equity, over the period in which the services for which the options are granted are rendered. The total expense for stock options over the vesting period is calculated based on the fair value of the stock options granted on the grant date. The fair value of the stock options is measured by adopting an appropriate valuation model depending on the terms of the respective plan, taking into account relevant data such as volatility, the discount rate, and the dividend yield.

The free distribution of treasury shares to the Company's shareholders, which takes place as part of a dividend distribution in kind and is not linked to the provision of services by executives or employees, does not fall within the scope of IFRS 2. The accounting treatment of this distribution is described in the note above titled "Dividend Distribution."

8.2.7 Other Information on Accounting Policies

8.2.7.1 Segment Information

Segments are determined based on the internal information received by the Company's management and are presented in the financial statements based on this internal classification. The Company has a single business segment, that of production (in Greece) and distribution of products in domestic and foreign markets, which is divided into 4 strategic pillars as follows:

- Private Label Products
- Hotel Products
- Third-Party Products (Industrial Sales, Private Label)
- Bulk soap sales

8.2.7.2 Currency conversions

Functional currency and presentation currency

The items in the Company's financial statements are measured in euros, using the currency of the primary economic environment in which the Company operates (referred to as the "functional currency").

Transactions and balances

Transactions in foreign currencies are translated into the functional currency based on the exchange rates in effect on the date of each transaction. Gains and losses from foreign exchange differences are recognized in the income statement, which arise from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing on the balance sheet date.

8.2.7.3 Share Capital

Common shares are included in equity. Direct expenses related to the issuance of new shares are presented as a deduction from equity, net of taxes. When the Company purchases treasury shares, the amount paid, including any additional expenses and net of income taxes, is deducted from equity in the form of treasury stock until such shares are canceled or reissued. When such shares are subsequently sold or reissued, the value of any such transaction is included in equity.

8.2.7.4 Employee benefits

a) Short-term benefits

Short-term employee benefits in cash and in kind are recognized as an expense when they become vested.

b) Post-employment benefits

Post-employment benefits include both defined contribution plans and defined benefit plans.

The accrued cost of defined contribution plans is recognized as an expense in the period to which it relates.

Obligations arising from defined benefit plans for employees are calculated at the present value of future employee benefits that have accrued as of the balance sheet date. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

Past service cost is recognized immediately in profit or loss.

c) Termination benefits

Termination benefits are payable when the Company either terminates employees' employment prior to retirement or following a decision by employees to accept an offer of benefits in exchange for the termination of their employment. The Company recognizes termination benefits as a liability and an expense on the earlier of the following dates: (a) when the entity can no longer withdraw the offer of such benefits; and (b) when the entity recognizes restructuring costs that fall within the scope of IAS 37 and result in the payment of termination benefits. Termination benefits due 12 months after the balance sheet date are discounted.

8.2.7.5 Comparative figures and rounding

Differences between the amounts in the financial statements and the corresponding amounts in the notes are due to the rounding of decimal amounts to the nearest whole number. Furthermore, where necessary, comparative figures for prior periods are reclassified to make them comparable with the current period's figures, with appropriate disclosure.

8.3. Financial Risk Management

The Company does not hold any material financial assets that are traded on active markets, except for any temporary holdings of treasury shares.

8.3.1 Financial Risk Factors

The Company is exposed to financial risks such as market risks (changes in exchange rates, cash flow risk, and fair value risk from changes in interest rates and price risk), credit risk, and liquidity risk.

a) Market risk

Foreign exchange risk

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

Interest rate risk

Interest rate risk consists of the possibility that the fair value of a financial instrument's future cash flows may fluctuate due to changes in market interest rates.

Starting in 2024, the European Central Bank cut its key interest rate by 1 basis point following the increases of previous years, while in 2025 it proceeded with a further reduction of 1 basis point, which led to a decrease in the Company's borrowing costs.

The Company does not use relevant instruments to hedge against the risk of changes in the Euribor.

The financial cost of the Company's total bank debt is variable based on Euribor. Bank debt is exclusively denominated in euros.

Interest Rate Risk Sensitivity Analysis

The sensitivity analysis illustrates the sensitivity of earnings after taxes and equity to reasonably possible changes in interest rates through their impact on borrowings and deposits. These changes are considered reasonably possible based on an observation of current market conditions.

The calculations are based on a change in the average market interest rate for each reporting period and on the Company's loan obligations as of each reporting date, while all other variables are held constant.

It should be noted that the methods and assumptions used have not changed from the previous period. The following changes are considered reasonably possible based on an observation of current market conditions.

	Impact on pre-tax profits	
	2025	2024
Increase of 50 basis points	(108.699)	(130.076)
Decrease of 50 basis points	108.699	130.076
Increase of 100 basis points	(217.398)	(260.152)
Decrease of 100 basis points	217.398	260.152

	Impact on equity	
	2025	2024
Increase of 50 basis points	(84.785)	(101.459)
Decrease of 50 basis points	84.785	101.459
Increase of 100 basis points	(169.570)	(202.919)
A decrease of 100 basis points	169.570	202.919

Price risk

The primary raw materials used in production are vegetable oils, as well as raw materials for plastic production such as PET, polyethylene (HDPE), and polypropylene (PP). The price of vegetable oils fluctuates according to supply and demand in the global market, as they are traded commodities. Similarly, the prices of raw materials for plastic production depend on energy costs combined with the associated transportation costs between different regions of the world. Due to increased competition in the industry, any increases in international and domestic raw material prices are not always passed on to the final product price, which carries the risk of a negative impact on the Company's results.

The Company addresses these risks by:

- passing on the corresponding increases to final products to the extent possible,
- an organized program to reduce production costs, supported by the completion of the robust investment plan from previous years,
- and finally, in collaboration with its customers and supported by the Research and Development department, redesigning, where feasible, the various products manufactured to reduce their costs while maintaining their high quality standards.

Each year, the Company seeks out and ultimately selects the supplier that offers the best price, thereby reducing the risk of dependency. Furthermore, it continuously monitors the prices of raw materials and enters into relevant agreements with its suppliers.

Derivatives are not used to hedge this risk, while medium-term agreements are entered into when deemed advantageous.

The Company performs sensitivity analyses of its results to changes in raw material prices. It is estimated that if raw material prices were to increase by 0.5%, the Company's profitability would have been affected by 198 thousand euros in 2025 and 161 thousand euros in 2024.

b) Credit risk

Trade receivables consist mainly of receivables from large corporate groups (domestic supermarket chains, multinational companies) and companies operating in the hotel sector. To mitigate credit risk, the Company continuously monitors the financial condition of its debtors and maintains a credit insurance policy. In 2025, no bad debts arose.

The table below presents the breakdown of trade receivables, after the estimation of expected credit losses:

	2025	2024
Balance within the credit period	7.184.078	7.196.053
Balance beyond the credit period	65.298	10.763
Total	7.249.376	7.206.816

The movement in the allowance for impairment of trade receivables is presented below:

Balance as of 01.01.2024	(217.973)
Provision for credit losses for the period	(41.862)
Balance as of 31.12.2024	(259.835)
Reversal of provision for losses for the period	17.413
Balance as of 31.12.2025	(242.422)

a) Liquidity risk

Liquidity risk – cash flows

Liquidity risk management involves ensuring the availability of sufficient cash and cash equivalents, as well as maintaining creditworthiness through adequate credit lines from partner banks.

According to these financial statements, the Company reports positive working capital and positive cash flows from operating activities and therefore does not face significant liquidity risk. In addition, the Company maintains additional credit lines to cover periods of increased cash requirements during the year, with the result that liquidity and cash flow risk is not considered significant.

The maturity of financial liabilities based on estimated undiscounted contractual cash outflows as of December 31, 2025, and 2024, respectively, is as follows:

	2025		
	Short-term	Long-term	
	Up to 1 year	1 to 5 years	>5 years
Borrowing	4.447.628	19.747.035	-
Finance lease liabilities	308.690	468.276	1.450
Trade and Other Liabilities	17.396.619	-	-
Undiscounted liabilities	22.152.938	20.215.311	1.450

	2024		
	Short-term	Long-term	
	Up to 1 year	1 to 5 years	>5 years
Borrowing	5.843.491	23.186.620	-
Finance lease liabilities	318.976	586.924	-
Trade and Other Liabilities	15.487.812	-	-
Undiscounted liabilities	21.650.279	23.773.544	-

The expected collection period for impaired accounts receivable is presented in the following table:

	2025	2024
Less than 6 months	7.184.078	7.196.053
Between 6 months and 1 year	65.298	10.763
Total	7.249.376	7.206.816

8.3.2 Capital Management

The Company monitors capital management based on the following ratio, which is derived from figures as presented in the Statement of Financial Position:

	31.12.2025	31.12.2024
Total debt	22.994.456	27.159.411
Less: Cash and cash equivalents	(4.643.338)	(4.899.765)
Net debt	18.351.118	22.259.646
Total Equity	35.918.371	31.632.610
Plus: Net Debt	18.351.118	22.259.646
Total Capital Employed	54.269.489	53.892.255
Leverage ratio	34%	41%

8.3.3 Determination of Fair Values

The Company uses the following hierarchy to determine and disclose the fair values of financial assets, based on the valuation method it follows:

Level 1: Fair values are determined by reference to published active market transaction prices.

Level 2: fair values are determined using measurement techniques for which all inputs that have a significant impact on the recorded fair value are supported by observable market transaction prices (directly or indirectly).

Level 3: Fair values are determined using measurement techniques for which the inputs that have a significant impact on the recorded fair value are not supported by observable market transaction prices.

The table below presents the classification by level of the Company's non-financial assets measured at fair value on a recurring basis as of December 31, 2025, and December 31, 2024:

Fair value measurement at the end of the reporting period December 31, 2024

	Level 1	Level 2	Level 3	Total
Tangible Fixed Assets				
- Rights to use fixed assets (leasing)	-	862.328	-	862.328
- Properties for Own Use	-	-	13.017.772	13.017.772
Investment Property				
- Properties in Greece	-	-	294.302	294.302
Total	-	862.328	13.312.075	14.174.403

Fair value measurement at the end of the reporting period December 31, 2025

	Level 1	Level 2	Level 3	Total
Tangible Fixed Assets				
- Rights to use fixed assets (leasing)	-	731.698	-	731.698
- Properties for Own Use	-	-	13.272.080	13.272.080
Investment Property				
- Properties in Greece	-	-	295.774	295.774
Total	-	731.698	13.567.854	14.299.552

The fair value of Level 2 right-of-use assets is determined using technical methods such as discounting future lease payments at appropriate market interest rates.

The fair value of the Company's investment properties has been estimated using the comparative method, based on data collected either from actual recent sales of comparable properties in the specific area or through real estate market research in collaboration with real estate agents, and by comparing this data with the property being appraised. In the case of land parcels of investment interest, the comparative data or real estate market method is also used to determine land value. With this method, the value is determined based on conclusions drawn from research and the collection of comparative data. The revaluation date was December 31, 2025.

The fair value of the Company's Level 3 owner-occupied properties is measured by independent appraisers. The valuations performed by an independent appraiser were based on market prices, and the revaluation date was December 31, 2024.

For the assets and liabilities recognized in the financial statements, the Company determines on a regular basis whether transfers have occurred between levels of the hierarchy through re-evaluation and reclassification (based on the lowest-level data that are significant for measuring fair value as a whole) at the end of each reporting period. During the fiscal year, there were no transfers between levels.

The carrying amounts of the following financial assets and liabilities approximate their fair value due to their short-term nature:

- Trade and other receivables
- Trade and other payables
- Borrowings / financial liabilities
- Cash and cash equivalents

8.4. Segment Information

The Company operates in a single business segment, namely the production (in Greece) and distribution of products in domestic and international markets, which is divided into four strategic pillars.

The Company's sales for the current and previous fiscal years, broken down by customers' geographic origin, are presented in the following table:

	01.01.2025 -		01.01.2024 -	
	31.12.2025	%	31.12.2024	%
Domestic Sales	36.061.604	45%	29.946.130	45%
Foreign Sales	43.793.590	55%	36.253.378	55%
Total Sales	79.855.194	100%	66.199.508	100%

All of the Company's non-current assets are located in Greece.

The Company operates in four business segments: Branded Products, Hotel Products, Third-Party Products (industrial sales, private label), and Industrial Sales of Soap Bars. To evaluate each pillar and make appropriate business decisions, the Company tracks the earnings before interest, taxes, depreciation, and amortization (EBITDA) of each pillar separately. The four pillars are analyzed as follows:

01.01.2025 - 31.12.2025					
EBITDA per pillar	Branded Products	Hotel Products	Third-Party Products	Industrial Sales of Soap Bars	Totals 2025
Sales	25.886	10.523	33.153	10.293	79.855
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	2.557	2.458	4.415	1.963	11.393
EBITDA as a percentage of sales	9,9%	23,4%	13,3%	19,1%	14,3%

01.01.2024 - 31.12.2024					
EBITDA per pillar	Branded Products	Hotel Products	Third-Party Products	Industrial Sales of Soap Bars	2024 Totals
Sales	19.799	11.276	23.822	11.303	66.200
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	1.941	2.462	3.525	2.659	10.587
EBITDA as a percentage of sales	9,8%	21,8%	14,8%	23,5%	16,0%

For the Company as a whole, despite the burden of rising raw material prices and increased promotional activities that supported the significant growth in Turnover, EBITDA improved by 8% and reached €11.4 million.

The Branded Products segment saw a 32% improvement in EBITDA and maintained profitability margins, taking into account the increased investment in promotional activities and advertising, which led to strong double-digit sales growth in the category of 31%.

In the hotel products segment, the profit margin improved by 2% due to the increased presence of Papoutsanis-branded products in the Greek and European markets.

The profitability of third-party products improved by 39% thanks to a significant increase in sales (compared to 2024).

Finally, in the Industrial Sales of Soap Blanks segment, the different product mix compared to 2024 affected both sales and EBITDA.

Changes between the two periods

	Branded Products	Hotel Products	Third-Party Products	Industrial Sales of Soap Bars	Total Differences
Change in sales	6.087	(753)	9.331	(1.010)	13.655
Change in Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	616	(4)	890	(696)	806
Change in EBITDA as a percentage of sales	0,1%	1,5%	-1,5%	-4,5%	-1,7%

9. Notes to the Financial Statements

9.1. Property, Plant, and Equipment

The Company's property, plant, and equipment are broken down as follows:

	31.12.2025	31.12.2024
Property, plant, and equipment (Owned)	52.848.557	51.240.950
Leased Assets (Right of Use)	733.083	862.328
	53.581.640	52.103.278

Breakdown of Owned Fixed Assets

Breakdown of Owned Fixed Assets

	Sports Fields & Plots	Buildings & Building Facilities	Machinery and Mechanical Installations	Other Equipment	Fixed Assets Under Construction	TOTAL
<u>Acquisition or valuation value</u>						
As of January 1, 2024	2.012.169	11.651.567	52.797.566	2.870.704	1.212.688	70.544.694
Additions	-	323.787	2.073.470	250.058	2.696.315	5.343.631
Transfers from projects in progress	-	858.084	1.491.165	-	(2.349.249)	-
Value adjustment	11.780	(461.523)	-	-	-	(449.744)
As of December 31, 2024	2.023.949	12.371.915	56.362.202	3.120.761	1.559.754	75.438.581
As of January 1, 2025	2.023.949	12.371.915	56.362.202	3.120.761	1.559.754	75.438.581
Additions	76.501	369.089	1.445.002	207.736	2.015.016	4.113.343
Transfers in progress	-	121.184	1.277.312	12.131	(1.410.627)	-
Decreases	-	(66.404)	(441.577)	(95.352)	-	(603.333)
As of December 31, 2025	2.100.450	12.795.785	58.642.939	3.245.276	2.164.143	78.948.591

	Land & Plots	Buildings & Building Facilities	Machinery and Mechanical Installations	Other Equipment	Fixed Assets Under Construction	TOTAL
<u>Accumulated Depreciation</u>						
As of January 1, 2024	-	1.098.697	18.696.443	2.138.547	-	21.933.689
Depreciation for the year	-	279.395	1.821.561	162.987	-	2.263.943
Depreciation of disposed assets						
Accumulated depreciation carried forward from leased assets						
As of December 31, 2024	-	1.378.092	20.518.003	2.301.534	-	24.197.631
As of January 1, 2025	-	1.378.092	20.518.003	2.301.534	-	24.197.631
Depreciation for the year	-	253.810	1.950.404	236.768	-	2.440.982
Depreciation of disposed assets		(7.747)	(435.480)	(95.351)		(538.578)
As of December 31, 2025	-	1.624.155	22.032.927	2.442.951	-	26.100.036
<u>Net Book Value</u>						
As of December 31, 2024	2.023.949	10.993.824	35.844.199	819.227	1.559.754	51.240.949
As of December 31, 2025	2.100.450	11.171.630	36.610.011	802.325	2.164.143	52.848.555

There are no property liens.

Breakdown of leased assets (held under finance/operating leases and rights to use assets):

	BUILDINGS	TRANSPORTATION EQUIPMENT	MACHINERY & EQUIPMENT	TOTAL
As of January 1, 2025	416.430	1.380.744	207.894	2.005.069
Additions		183.396	17.929	201.325
As of December 31, 2025	416.430	1.564.140	225.823	2.206.394
As of January 1, 2025	210.218	789.129	143.394	1.142.741
Depreciation for the year	72.781	231.890	25.899	330.569
As of December 31, 2025	282.999	1.021.019	169.293	1.473.310
<u>Net Book Value</u>				
As of December 31, 2024	206.212	591.615	64.500	862.328
As of December 31, 2025	133.432	543.121	56.530	733.083

The following is a breakdown of lease obligations for the coming years, as well as the recognized rights to use assets by asset class:

Right to Use Assets	31.12.2024	Additions for the year	Depreciation for the year	31.12.2025
Buildings	206.212	-	(72.781)	133.432
Printing Equipment	64.500	17.929	(25.899)	56.530
Pallet Trucks	252.148	-	(54.735)	197.413
Cars	339.467	183.396	(177.155)	345.708
Right-of-Use Assets	862.328	201.325	(330.569)	733.083

Liabilities from operating leases	31.12.2024	Additions for the year	Payments for the year	Interest for the year	31.12.2025
Buildings	207.518	-	(77.940)	7.880	137.458
Printing Equipment	74.533	17.929	(29.225)	2.620	65.857
Pallet trucks	229.646	-	(59.918)	6.718	176.446
Cars	336.693	183.396	(184.606)	16.454	351.937
Lease liability	848.390	201.325	(351.689)	33.672	731.698

Breakdown of lease liabilities	Up to 1 year	1 to 5 years	Later 5 years or more	Total
Lease obligations	308.690	468.276	1.450	778.416
Financial expense	(25.527)	(21.172)	(18)	(46.717)
Net present value of liability	283.163	447.103	1.432	731.698

9.2. Investment Property

Investments in real estate relate to plots of land with a single-story house owned by the Company (in Euboea), with a fair value of €295.775. In fiscal year 2025, there was an increase in fair value of €1.472, which was recognized in the income statement (other income).

The change in fair value is as follows:

Balance as of 01.01.2024	226,707
Fair value measurement differences	67,595
Balance as of 31.12.2024	294,303
Balance as of 01.01.2025	294,303
Fair value measurement differences	1,472
Balance as of 31.12.2025	295,775

9.3. Intangible Assets

Intangible Assets include purchased computer software, new product development costs, acquired trademarks, and goodwill paid in a business acquisition. They are broken down as follows:

	Computer Software	Development costs	Trademarks	Goodwill	Total
Acquisition or valuation cost					
As of January 1, 2024	2.539.426	251.697	1.110.000	1.274.398	5.175.521
Additions	107.477	-	-	-	107.477
As of December 31, 2024	2.646.903	251.697	1.110.000	1.274.398	5.282.998
As of January 1, 2025	2.646.903	251.697	1.110.000	1.274.398	5.282.998
Additions	407.163	9.974	-	-	417.137
As of December 31, 2025	3.054.067	261.671	1.110.000	1.274.398	5.700.136
Accumulated Depreciation					
As of January 1, 2024	2.145.734	241.644	-	-	2.387.379
Depreciation for the year	66.978	1.479	-	-	68.457
As of December 31, 2024	2.212.712	243.123	-	-	2.455.836
As of January 1, 2025	2.212.712	243.123	-	-	2.455.836
Depreciation for the year	78.434	2.267	-	-	80.701
As of December 31, 2025	2.291.146	245.390	-	-	2.536.537
Net Book Value					
As of December 31, 2024	434.191	8.574	1.110.000	1.274.398	2.827.162
As of December 31, 2025	762.921	16.281	1.110.000	1.274.398	3.163.599

Breakdown of Goodwill

During the fiscal year ended December 31, 2022, the Company acquired the business of "G. MALIKOUTIS TRADING – BIOTECHNIA-SAPONOS SINGLE-MEMBER S.A., which it absorbed on December 30, 2022.

The goodwill arising from the difference between the purchase price and the fair value of the identifiable net assets of the acquired subsidiary amounts to €1.274.398.

Through the above business combination, the Company also acquired the right to use the trade name (trademark) "ARKADI," which has strong market recognition and provides significant economic benefits to the Company. The fair value of the trade name amounted to €1,110.000.

It should be noted that the above intangible assets have been recognized as having an indefinite useful life; therefore, the Company performs an annual impairment test on their carrying amount by comparing it to their recoverable amount.

Impairment Test

After initial recognition, the Company measures goodwill and the trademark at cost less any accumulated impairment losses. Goodwill and the trademark are subject to an impairment test on an annual basis or more frequently if events or changes in circumstances indicate a possible impairment.

The carrying amount of goodwill and the trademark is compared to its recoverable amount, which is the higher of its value in use and fair value less costs to sell.

The value in use was taken as the recoverable amount. This calculation uses cash flow projections derived from a financial budget approved by Management and covering a detailed five-year period. Key assumptions include the perpetual growth rate, the discount rate, and the projected gross profit margin.

The values assigned to the key assumptions reflect past experience and are consistent with external sources of information. The perpetual growth rate and gross profits are calculated based on the figures realized in the immediately preceding year or the current year, adjusted for the expected improvement in performance, while the Company monitors climate risks and relevant legislation for the calculation of the recoverable amount. The impairment test conducted revealed that there is no need to impair either the goodwill or the value of the acquired brand name.

The average gross profit margin and the unit's growth rate were calculated with a reference date of December 31, 2025, as follows:

- Average gross profit margin 49%
- Average sales growth rate 6%
- Long-term growth rate of 1.5%

To determine the discount rate for the units, the Weighted Average Cost of Capital (WACC) methodology was used, and the resulting rate was 9.60%.

Management has determined that a reasonably possible change in two key assumptions could result in such a change in the calculated recoverable amount of the two units that it would become less than the carrying amount. These changes are as follows:

- Weighted Average Cost of Capital (WACC): +5.60%
- Long-term growth rate: -9%

9.4. Financial assets measured at fair value through the statement of comprehensive income

In July 2022, Papoutsanis acquired shares in Naxos Apothecary LTD, based in Nicosia, Cyprus, representing 1% of its share capital.

9.5. Long-term receivables

These relate to cash guarantees provided and other long-term receivables, and their movement during the fiscal years 2025 and 2024 was as follows:

	Cash Guarantees	Total long-term receivables
Balance as of 01.01.2024	54.521	54.521
Guarantees granted during the fiscal year	4.383	4.383
Balance as of 31.12.2024	58.904	58.904
Balance as of January 1, 2025	58.904	58.904
Guarantees granted during the fiscal year	5.203	5.203
Balance as of 31.12.2025	64.107	64.107

9.6. Inventories

The Company's inventory is broken down as follows:

	31.12.2025	31.12.2024
Raw and auxiliary materials	5.107.360	4.502.857
Merchandise	514.619	470.719
Finished goods	6.382.696	6.189.123
Impairment provisions	-	(33.000)
	12.004.676	11.129.698

9.7. Trade and Other Receivables

The Company's trade and other receivables are broken down as follows:

	December 31, 2025	December 31, 2024
Customers	7.476.089	7,411,321
Checks receivable	15.710	55,329
Less: Allowances for doubtful accounts	(242.422)	(259,835)
Total trade receivables	7.249.377	7,206,815
Other reservations (Greek government)	17.660	17,660
VAT receivable for the period	765.000	790,000
Income Tax Advance Payment	1.008.503	850,786
Other Advances	278.890	509,936
Accounts Receivable	168.631	132,250
Other receivables	225.834	421,550
Less: Allowances for doubtful other receivables	(4.679)	(4,679)
Total other receivables	2.459.840	2,717,503
Total trade receivables and other receivables	9,709,217	9.924.319

[Analysis and measurement of trade receivables](#)

31.12.2025		Current receivables			Total
		No delinquency	1-180 days	Over 180 days	
Trade Receivables		7.217.154	888	273.758	7.491.800
Loss rate		0,5%	1,5%	76,5%	
Estimated credit losses		(33.075)	(13)	(209.334)	(242.422)
Balance (net) of accounts receivable from customers as of December 31, 2025		7.184.079	874	64.424	7.249.377

31.12.2024		Current receivables			Total
		No delinquency	1-180 days	Over 180 days	
Trade Receivables		7.233.158	1.009	232.484	7.466.650
Loss rate		0,5%	2,3%	95,8%	
Estimated credit losses		(37.105)	(23)	(222.707)	(259.835)
Balance (net) of accounts receivable from customers as of December 31, 2024		7.196.053	986	9.777	7.206.816

The movement in the Company's allowance for impairment of trade receivables during the fiscal years ended December 31, 2025, and December 31, 2024, is as follows:

Balance as of January 1, 2024	(217.973)
Provision for credit losses for the period	(41.862)
Balance as of December 31, 2024	(259.835)
Reversal of provision for losses for the period	17.413
Balance as of 31.12.2025	(242.422)

9.8. Cash and cash equivalents

Cash and cash equivalents represent cash and bank deposits.

	31.12.2025	31.12.2024
Cash	13.271	22.931
Euro demand deposits	4.169.838	4.346.887
Demand deposits in foreign currency	460.229	529.948
	4.643.338	4.899.765

9.9. Share Capital

Breakdown of share capital and share premium:

	Share Capital	Treasury Stock	Share Premium	Number of Shares
Balance as of January 1, 2024	14.633.241	(411.391)	1.975.977	27.098.594
Treasury shares		(170.625)		
Balance as of 31.12.2024	14.633.241	(582.015)	1.975.977	27.098.594
Balance as of January 1, 2025	14.633.241	(582.015)	1.975.977	27.098.594
Treasury stock		(31.856)		
Balance as of 31.12.2025	14.633.241	(613.871)	1.975.977	27.098.594

The Company's shares are listed for trading in the General Category (Main Market) of the Athens Stock Exchange.

Dividend Policy

Management intends to propose to the Annual General Meeting of Shareholders the distribution of a minimum gross dividend of €0.09 per share, including the amount of €0.04 per share that has already been distributed to the Company's shareholders as an interim dividend in October 2025.

9.10. Fair value reserves

The Company revalued its properties as of December 31, 2024. Fair value reserves arise from the valuation of properties by independent professional appraisers and are broken down as follows:

Fair value reserves	2025	2024
Balances at the beginning of the fiscal year	1.201.130	1.551.930
Effect of revaluation	-	(449.744)
Deferred tax on revaluation	-	98.944
Balances at the end of the fiscal year	1.201.130	1.201.130

9.11. Other reserves

Other reserves are broken down as follows:

	Statutory reserve	Other Reserves	Total
Balance as of January 1, 2024	840.346	925.277	1.765.622
Formation of statutory reserve	263.676	-	263.676
Special stock option reserve	-	(22.758)	(22.758)
Tax exemption reserves under Law 4399/2016	-	342.854	342.854
Balance as of December 31, 2024	1.104.022	1.245.373	2.349.396
Balance as of January 1, 2025	1.104.022	1.245.373	2.349.396
Formation of Statutory Reserve	310.769	-	310.769
Tax exemption reserves under Law 4399/2016	-	802.764	802.764
Balance as of December 31, 2025	1.414.791	2.048.137	3.462.928

i. [Statutory reserve](#)

The statutory reserve is required to be established in accordance with the provisions of Law 4548/2018 to cover any losses incurred by the company. The amount consists of 5% of the profits for the fiscal year, after deducting income tax, until it reaches 1/3 of the share capital.

ii. [Other reserves](#)

1. Other reserves include reserves formed under development laws from net profits to finance investments (Taxed reserve under Law 4399/2016)
2. Other reserves also include tax-exempt reserves established under development laws.
3. The stock option reserve relates to a stock option plan that was terminated on June 30, 2024, with no options exercised.

The aforementioned stock option plan was approved by the Company's Board of Directors on February 18, 2022.

The vesting period for the options granted to Company executives spanned two time periods: 50% of the granted options were exercisable in June 2023, and the remaining 50% in June 2024.

The fair value of the stock options was determined based on the number of options granted using the Black-Scholes model.

9.12. Loans

The fair value of loans does not differ significantly from their carrying amount, as the loans are variable-rate. The Company's loans are broken down as follows:

	31.12.2025	31.12.2024
Long-term		
Bank loans	18.462.027	21.332.898
Liabilities from finance lease agreements	448.535	557.522
Total	18.910.561	21.890.420

Short-term

Bank loans	522.955	282.522
Short-term portion of long-term bank loans	3.277.778	4.695.600
Liabilities from finance lease agreements	283.163	290.868
Total	4.083.895	5.268.991

Total loans	22.994.456	27.159.411
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The average cost of bank borrowing (interest and expenses on bank loans and finance leases / average monthly bank loan balance) was 3.67% in fiscal year 2025 and 5.15% in fiscal year 2024. The decrease in the average cost of borrowing is due to the decline in the Euribor.

No liens or guarantees have been registered in connection with the loans taken out, and there are no real property encumbrances on the Company's real estate, while the Company complies with the financial terms of the loans taken out.

Finance leases are broken down as follows:

Liabilities from operating lease agreements	31.12.2024	Additions for the year	Payments for the year	Interest for the year	31.12.2025
Buildings	207.518	-	(77.940)	7.880	137.458
Printing Equipment	74.533	17.929	(29.225)	2.620	65.857
Pallet trucks	229.646	-	(59.918)	6.718	176.446
Cars	336.693	183.396	(184.606)	16.454	351.937
Lease liability	848.390	201.325	(351.689)	33.672	731.698

Breakdown of lease liabilities	Up to 1 year	1 to 5 years	Later 5 years or more	Total
Lease obligations	308.690	468.276	1.450	778.416
Financial expense	(25.527)	(21.172)	(18)	(46.717)
Net present value of liability	283.163	447.103	1.432	731.698

9.13. Deferred taxes

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

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

	31.12.2025	31.12.2024
Beginning-of-year balance	(4.598.843)	(4.533.493)
Debit/(Credit) to income statement	(259.670)	(170.143)
Debit/ (credit) directly to other comprehensive income	(995)	104.793
Balance at year-end	(4.859.509)	(4.598.843)

The balances and changes in deferred tax assets and liabilities during the fiscal year, without taking into account the offsetting of balances, are as follows:

Deferred tax	2025	2024
Balance of tax assets	381.523	363.231
Balance of tax liabilities	(5.241.031)	(4.962.074)
Net balance	(4.859.509)	(4.598.843)

[Deferred tax assets:](#)

	Inventory valuation	Government grants	Provision for employee benefits	Investment property	Doubtful receivables IFRS 9	Operating leases	Total
Balance as of January 1, 2024	37.032	106.303	69.190	7.764	47.954	(425)	267.819
Charge/(credit) to the income statement	8.627	77.444	11.795	(14.871)	9.210	(2.641)	89.563
Charge/(credit) to other comprehensive income	-	-	5.849	-	-	-	5.849
Balance as of December 31, 2024	45.659	183.747	86.834	(7.107)	57.164	(3.066)	363.231
Balance as of January 1, 2025	45.659	183.747	86.834	(7.107)	57.164	(3.066)	363.231
Charge/(credit) to the income statement	5.535	6.968	8.176	(324)	(3.831)	2.761	19.287
Charge/(credit) to other comprehensive income	-	-	(995)	-	-	-	(995)
Balance as of December 31, 2025	51.194	190.715	94.016	(7.430)	53.333	(305)	381.523

Deferred tax liabilities:

	Properties for own use	Other tangible fixed assets	Trademarks	Total
Balance as of January 1, 2024	1.254.038	3.303.074	244.200	4.801.311
Charge/(credit) to the income statement	(15.639)	275.345	-	259.706
Debit/(credit) to other comprehensive income	(98.944)	-	-	(98.944)
Balance as of December 31, 2024	1.139.455	3.578.419	244.200	4.962.074
Balance as of January 1, 2025	1.139.455	3.578.419	244.200	4.962.074
Charge/(credit) to the income statement	(4.646)	283.603	-	278.957
Debit/(credit) to other comprehensive income	-	-	-	-
Balance as of December 31, 2025	1.134.809	3.862.022	244.200	5.241.031

9.14. Provisions for employee benefits

The current plan is a contractual obligation to provide a lump-sum payment upon retirement, based on length of service, in accordance with applicable law (Law 2112/20, as amended and in effect up to Law 4635/2019). The Company's obligation to its employees regarding future benefit payments is calculated and presented based on the expected accrued entitlement of each employee as of the balance sheet date, discounted to present value in relation to the expected payment date. The above liability has been calculated by certified actuaries at the end of the fiscal year, as follows:

	31.12.2025	31.12.2024
Amounts to be recognized on the balance sheet		
Present value of liabilities	427.343	394.702
Net liability to be recorded on the balance sheet at the end of the fiscal year	427.343	394.702

Amounts to be recognized in the income statement		
Current service cost	53.093	46.003
Interest expense	12.327	13.238
Past service cost	785	296
Cost of settlements/reductions/special cases	157.736	99.062
Expense to be recorded in the income statement at the end of the fiscal year	223.940	158.600
Other comprehensive income (OCI)		
Actuarial (gain) loss on the liability due to financial assumptions	(8.128)	4.934
Actuarial (gain) loss on the liability due to experience	3.605	21.653
Amount of (gain) loss recognized in OCI at the end of the period	(4.523)	26.587
Accumulated OCI	198.004	202.527

Changes in the present value of the liability		
Present value of liabilities at the beginning of the fiscal year	394.702	314.501
Current service cost	53.093	46.003
Interest expense	12.327	13.238
Past service cost	785	296
Cost of settlements/reductions/special cases	157.736	99.062
Benefits paid during the current year	(186.775)	(104.986)
Actuarial (gain) loss on the liability	(4.523)	26.587
Present value of liabilities at the end of the fiscal year	427.343	394.702
Changes in balance sheet liabilities		
Net liability to be recorded on the balance sheet at the beginning of the fiscal year	394.702	314.501
Expense to be recorded in the income statement	223.940	158.600
Benefits paid by the employer during the current year	(186.775)	(104.986)
Amount recognized in OCI	(4.523)	26.587
Net liability to be recognized on the balance sheet at the end of the fiscal year	427.343	394.702

9.15. Provisions

In 2025, no new short-term provisions arose, as follows:

	31.12.2025	31.12.2024
Short-term forecasts	-	16.408
	-	16.408

9.16. Asset grants

These grants are recognized as Turnover concurrently with the depreciation of the assets—primarily machinery—that were subsidized.

Government grants recognized in liabilities as deferred Turnover relate to:

(a) Investments made during the period from 1999 to 2006 and subsidized under Law 2601/1998.

(b) A grant for an investment program under Law 3299/2004, relating to investments made during the period from 2008 to 2012.

By Decision No. 77887/12/24/2014 of the Deputy Minister of Development and Competitiveness, the final disbursement of the investment program grant under Law 3299/2004 was approved, concerning investments made during the period from 2008 to 2012. The final disbursement took place on September 3, 2015.

(c) By decision of the Development Management Agency of Central Greece and Thessaly, protocol number 962/31.03.2016, the final disbursement of the grant for the investment program "EXOSTREFIA - BUSINESS COMPETITIVENESS II," which concerns investments made during the period from 2013 to 2014. The grant amounted to €48.970 and was received in fiscal year 2016.

(d) By decision of the Development Management Agency of Central Greece and Thessaly, protocol number 3355/11/22/2016, the final disbursement of the grant for the investment program "SUPPORT FOR SMEs OPERATING IN THE SECTORS OF MANUFACTURING, TOURISM, TRADE, AND SERVICES," which pertains to investments made during the period from 2013 to 2015. The grant amounted to €37.438,80 and was received in fiscal year 2017.

(e) During the first half of 2020, the company's inclusion in the "Digital Leap" grant program, amounting to €100.000, was approved. The Company received an advance payment of €40.000 in 2020 and a supplementary advance payment of €39.735,85 during the first half of 2021. The program was completed in 2024 with a final grant amount of €94.040,74, of which €76.463,74 relates to a subsidy for capital goods and €17.577 relates to a subsidy for operating expenses, with the remaining amount of €14.304,89 collected in fiscal year 2024.

(f) During the first half of 2021, the Company's inclusion in the subsidized investment program "Quality Modernization" in the amount of €99.750 was approved. The program was completed in 2024 with a final grant amount of €99.709,85, of which €85.750 relates to a subsidy for capital goods and €13.959,85 relates to a subsidy for operating expenses. In 2021, the Company received an advance payment of €79.800, while in 2024, the remaining grant amount of €19.909,85 was received.

(g) In 2021, the Company's inclusion in the subsidized investment program "Support for Medium-Sized Enterprises in Central Greece" was approved, which pertains to investments made during the period from 2020 to 2021. The grant amounted to €782.451,31. During the second half of 2021, the Company received an advance payment of €314.930,52, and during the first half of 2023, the remaining €467.520,79 was received.

The movement in the grant account during fiscal years 2025 and 2024, which will be recognized as Turnover in future fiscal years, was as follows:

Balance as of January 1, 2024	1.760.635
Grant adjustment	(40)
Turnover recognized in the fiscal year	(151.745)
Balance as of 31.12.2024	1.608.850
Balance as of January 1, 2025	1.608.850
Grant adjustment	
Turnover recognized in the period	(165.932)
Balance as of December 31, 2025	1.442.918
Long-term grant balance	1.276.985
Short-term grant balance	165.932
Balance	1.442.918

9.17. Suppliers and other liabilities

Suppliers and other liabilities are broken down as follows:

	31.12.2025	31.12.2024
Suppliers (outstanding balances)	8.055.060	8.897.131
Suppliers (outstanding balances via SFA-Reverse Factoring)	5.199.953	3.392.084
Total Suppliers	13.255.013	12.289.216
Miscellaneous creditors	1.285.059	648.732
Short-term grant balance	165.932	151.745
Liabilities from taxes and fees	122.875	434.930
Social Security Funds	322.190	308.477
Customer credit balances	760.348	399.147
Accrued sales promotion expenses	882.764	479.080
Other accrued expenses	603.799	776.485
Total Other Liabilities	4.142.967	3.198.597
Total Trade Payables and Other Liabilities	17.397.980	15.487.812

The range of payment due dates for outstanding supplier balances through supplier financing arrangements (SFA-Reverse Factoring) does not differ from the supplier's credit policy prior to enrollment, while these programs are used to improve the terms of commercial cooperation.

The amounts for accrued sales promotion expenses and other accrued expenses relate to expenses incurred during the fiscal year for which the relevant supporting documents were issued in the following fiscal year.

9.18. Sales

Turnover (sales) is broken down as follows:

	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Sales of merchandise	3.583.585	4.142.027
Sales of products	76.068.447	61.852.129
Sales of other inventory	203.163	205.352
Total	79.855.194	66.199.508

9.19. Cost of Sales

Cost of sales is broken down as follows:

	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Cost of Goods Sold	1.839.864	2.137.080
Cost of products	48.663.381	39.372.035
Total	50.503.245	41.509.115

9.20. Other Operating Income

Other Turnover for fiscal years 2025 and 2024 is broken down as follows:

	01.01.2025– 31.12.2025	01.01.2024– 31.12.2024
Expenses Collected	1.048.222	920.975
Foreign exchange differences– income	-	53.513
Turnover from amortization of grants	165.932	149.895
Turnover from revaluation of investment property	1.472	67.595
Income from reduction in provision for doubtful accounts (IFRS 9)	17.413	-
Other	142.426	87.285
	1.375.466	1.279.263

9.21. Other Operating Expenses

Other operating expenses for the fiscal years 2025 and 2024 are broken down as follows:

	01.01.2025– 31.12.2025	01.01.2024– 31.12.2024
Foreign exchange differences expenses	115.195	-
Expenses from prior years	70.237	112.859
Provision for doubtful accounts (IFRS 9)	-	41.862
Losses from destruction of inventory	324.083	378.455
Losses from sale of fixed assets	28.855	-
Other expenses	33.689	10.077
	572.058	543.252

9.22. Expenses by category

Expenses for the fiscal years 2025 and 2024, which are allocated in the statement of comprehensive income to cost of sales, distribution expenses, administrative expenses, and research and development expenses, are broken down by type as follows:

	2025	2024
Purchases and changes in inventories	39.949.423	31.764.901
Personnel compensation and expenses	8.910.802	8.328.056
Third-party fees & expenses	3.506.279	2.959.175
Third-party benefits	3.602.899	3.224.234
Taxes and fees	583.755	506.372
Miscellaneous expenses	12.334.541	9.270.115
Depreciation	2.852.252	2.634.535
Operating provisions	211.613	145.361
	71.951.565	58.832.748

In addition, for the fiscal year ended December 31, 2025, the Company's expenses detailed above include fees paid to the Certified Public Accountants Firm, in addition to the regular and tax audits, amounting to approximately €1.5 thousand for other non-audit services.

The increase in the "Miscellaneous Expenses" line item is mainly due to variable costs influenced by sales of branded products, which recorded significant double-digit growth of 31%.

9.23. Financial expenses – net

Net financial expenses for the fiscal years 2025 and 2024 include:

	01.01.2025– 31.12.2025	01.01.2024– 31.12.2024
Interest – bank loan expenses	882.152	1.340.965
Assignment of receivables *	494.600	443.973
Assignment of liabilities **	215.458	188.426
Finance lease interest	33.672	24.074
Interest expense from actuarial study	12.327	13.238
Other banking expenses	38.281	39.714
	1.676.489	2.050.390

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

(**) Refers to expenses for the assignment of liabilities (without risk transfer) to factoring companies (Reverse Factoring).

The average cost of bank borrowing (interest and expenses on bank loans and finance leases / average monthly bank loan balance) was 3.67% in fiscal year 2025 and 5.15% in fiscal year 2024. The decrease in the average cost of borrowing is due to the decline in the Euribor.

9.24. Income Tax

The Company's tax returns have either been reviewed by the tax authorities or audited, in accordance with Article 82(5) of Law 2238/1994, as amended and in force by Article 65a of Law 4174/2013, and the Company has received Tax Compliance Reports from an Independent Certified Public Accountant with an "unqualified" opinion.

It is also noted that for the fiscal year 2024, the Company's tax audit by independent certified public accountants is currently underway.

Under the investment programs of Law 4399/2016, the Company receives support in the form of tax exemptions. Based on the guidelines and restrictions of the applicable legislation, the Company has established a provision for their use.

Management believes that there is no need to recognize a provision in its financial statements to cover any differences arising from tax audits.

	<u>31.12.2025</u>	<u>31.12.2024</u>
Profit before taxes	7.030.093	6.052.380
Tax rate	22%	22%
Income tax (based on the applicable tax rate)	1.546.620	1.331.524
Deferred tax effect	261.817	181.431
Tax on expenses not recognized for deduction	(147.816)	
Provision for tax benefits under Law 4399/2016	(842.046)	(629.318)
Other taxes	(3.854)	6.716
Tax reported in the Income Statement	814.722	778.858

9.25. Earnings per share

Earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares outstanding during the period.

The weighted average number of common shares outstanding during the fiscal year ended December 31, 2025, as well as for the comparative period, is shown in the following table:

	31.12.2025	31.12.2024
Earnings	6.215.371	5.273.523
Weighted average number of shares	26.837.493	26.885.591
Basic earnings per share	0,232	0,196

9.26. Dividends/Interim Dividends

During the fiscal years 2025 and 2024, in accordance with the resolutions of the Annual General Meeting dated April 24, 2025, and April 18, 2024, and the resolution of the Board of Directors dated August 1, 2025, the Company paid dividends and interim dividends as follows:

	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Dividend to shareholders	817.338	1.076.007
Profit distribution to employees	-	205.413
Dividends paid during the fiscal year	817.338	1.281.420
Interim dividends paid during the fiscal year	1.083.944	806.070
Total	1.901.282	2.087.490

Dividends are recognized in the financial statements in the period in which they are approved by the General Meeting of Shareholders.

The interim dividend paid in fiscal year 2025, in accordance with applicable guidelines (see 8.2.6.12 Distribution of Interim Dividends), was recognized as a reduction in equity for fiscal year 2025.

9.27. Employee Compensation and Expenses

The number of employees and their costs charged to the income statement for the fiscal years 2025 and 2024 were:

	01.01.2025– 31.12.2025	01.01.2024– 31.12.2024
Average number of employees	209	202
People at the end of the period	210	206
Regular Salaries	8.420.171	7.872.372
Employee benefits & expenses	490.632	455.684
Total cost	8.910.802	8.328.056

9.28. Depreciation and amortization

Depreciation of tangible and intangible assets for the fiscal years 2025 and 2024, as detailed in notes 9.1 and 9.3, as well as the amortization of grants detailed in note 9.16, are summarized as follows:

	01.01.2025–31.12.2025	01.01.2024–31/12/2024
Depreciation of fixed assets	2.686.320	2.484.640
Amortization of grants	165.932	149.895
Total	2.852.252	2.634.535

9.29. Contingent liabilities, receivables, and commitments

A) Pending legal cases:

The Company is involved in legal disputes against third parties and legal disputes against the Company, the outcome of which is not expected to have a material effect on the Company. Any gain or loss arising therefrom will be recognized in the Company's financial results upon realization.

B) Unaudited Tax Years

For the fiscal years 2020 through 2024, the Company has received a Tax Compliance Report, in accordance with paragraph 5 of Article 82 of Law 2238/1994 and Article 65A(1) of Law 4174/2013, with no material differences arising. According to Circular POL. 1006/2016, companies that have been subject to the aforementioned special tax audit are not exempt from regular audits by the competent tax authorities.

For the fiscal year 2025, the tax audit by Certified Public Accountants to obtain a Tax Compliance Report is currently underway, and the relevant tax certificate is expected to be issued following the publication of the Financial Statements for fiscal year 2025. Upon completion of the tax audit, Management does not expect any significant tax liabilities to arise beyond those recorded and reflected in the financial statements.

9.30. Transactions with Related Parties

a) Intercompany transactions

None.

b) Intercompany balances

None.

c) Transactions with key management personnel and members of the Board of Directors

	01.01.2025 – 31.12.2025	01.01.2024– 31.12.2024
Remuneration of executive members of the Board of Directors and senior executives (based on a special employment contract)	620.557	756.758
Remuneration of non-executive members of the Board of Directors	73.800	65.868
	694.357	822.626

d) Receivables and liabilities with executives and members of management

	31.12.2025	31.12.2024
Receivables from executives and members of management from performance-based accounts	508	504
Liabilities to executives and members of management arising from performance-based accounts	-	111
Liabilities to executives and members of management (from compensation)	9.324	189.655

e) Balance with shareholders

None.

9.31. Events after the balance sheet date

At the end of February, geopolitical developments occurred in the Middle East, which have already begun to affect energy, raw material, and transportation prices. The extent of the impact will depend largely on the duration and intensity of these developments. Management is closely monitoring the situation and taking the necessary measures and initiatives to mitigate potential impacts.

Vathi, March 16, 2026

The President of the Board

The Managing Director

Georgios Gatzaros

Menelaos Tassopoulos

The Financial Director & Board Member

Accountant First Class

Mary Iskalatian

Evangelia Megalou