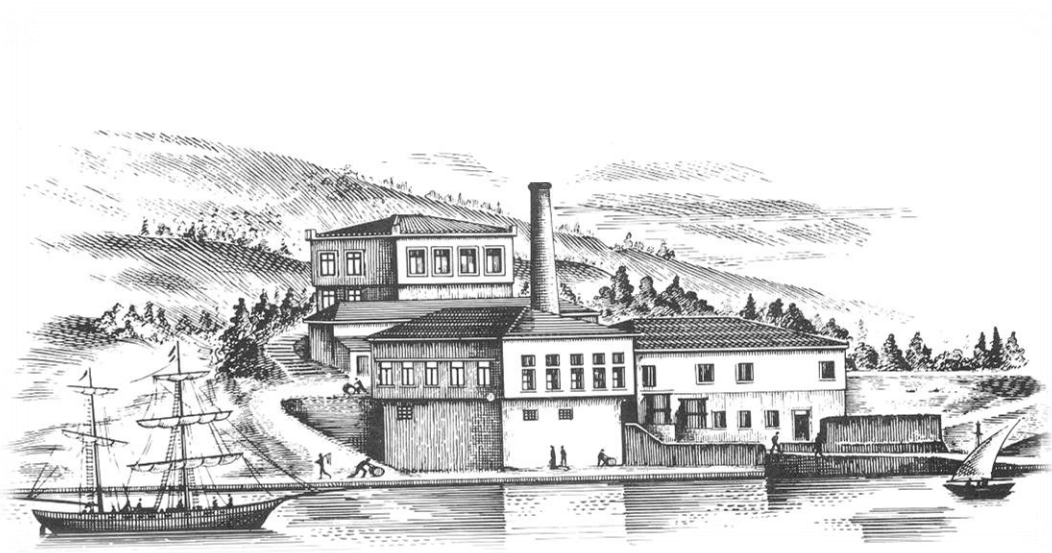




PAPOUTSANIS SA

SEMI-ANNUAL FINANCIAL REPORT

For the period ended on
30th June 2024 (1 January - 30 June 2024)



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

*Anonymous Industrial and Commercial Company of Consumer Goods
No. Register No. G.E.M.I. 121914222000
71st km. Athens-Lamia highway, Vathi Avlidos, Chalkida*

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

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

1. The Semi-Annual Financial Statements for the period 01.01.2024 - 30.06.2024, which have been prepared in accordance with the applicable accounting standards, truthfully represent the assets and liabilities, the net position, the cash flows, and the financial results of PAPOUTSANIS S.A., as stipulated by Law 3556/2007.
2. The Annual Management Report of the Board of Directors of PAPOUTSANIS S.A. presents fairly the information required by Law 3556/2007.

Vathi Avlida, 1 August 2024

THE CHAIRMAN OF THE BOD

THE MANAGING DIRECTOR

THE MEMBER OF THE BOD

GEORGIOS GATZAROS

MENELAOS TASSOPOULOS

MARY ISKALATIAN

B. SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH 6 OF ARTICLE 5 OF LAW 3556/2007 AND THE RELATED EXECUTIVE DECISIONS 1/434/3-7-2008 AND 7/448/11.10.2007 OF THE BOARD OF DIRECTORS OF THE CAPITAL MARKET COMMITTEE

Based on the provisions of Law 3556/2007 and the implementing decisions of the Hellenic Capital Market Commission issued thereon, we hereby submit this semi - annual report of the Board of Directors for the period from 01.01.2024 to 30.06.2024 on the Financial Statements of PAPOUTSANIS S.A., which have been prepared in accordance with the International Financial Reporting Standards, as applicable to interim financial reporting (IAS 34).

A. Important events in the first half of 2024

Turnover amounted to EUR 31.7 million (compared to EUR 32.2 million in the corresponding period of 2023), showing a slight decrease of 1.4%, with the value of exports representing 53% of the total turnover.

For the full year, an increase in turnover is estimated compared to 2023, as new collaborations already being implemented will be in full swing in the second half of 2024.

The completion of the strong investment plan has created the necessary free capacity (approximately 50% on average), setting the right conditions for new partnerships. The Company is currently in negotiations with large multinationals and smaller companies for new projects that will further enhance turnover and profitability.

Regarding the contribution of the four sectors of activity to the overall figures, it is noted that 29% of total revenue comes from sales of branded Papoutsanis products in Greece and abroad, 18% from sales in the hotel market, 36% from production of products for third parties, and 17% from industrial sales of special soap bases.

Overview by Activity Sector

Branded Products: The category shows strong growth of 19% compared to the first half of 2023, which is largely due to the ARKADI brand. With its entry into the new categories of laundry care and dishwashing liquids, ARKADI's sales increased by 73%. Excluding ARKADI, sales of PAPOUTSANIS branded personal care products show a 7% increase in Greece compared to the first half of 2023, consistently gaining market share in value in a growing market (+3% in value for the January-June 2024 half-year compared to the same period last year based on market data for organized retail in the categories where PAPOUTSANIS operates). Finally, exports of Papoutsanis branded products grew dynamically in the first half of the year, recording a growth of 34% compared to the corresponding half of 2023.

The pillar of Papoutsanis branded products is a strategic priority and is expected to be further strengthened in 2024, through the enrichment of the product range, dynamic advertising support and the strengthening of our presence in stores.

Hotel Products: Sales of hotel products declined by 17% in the first half of 2024, a fact attributed to the sales of third-party hotel products abroad, which, although remaining at satisfactory levels, lag behind compared to the corresponding period last year due to extraordinary one-off deliveries in early 2023.

The sales of PAPOUTSANIS branded hotel products moved positively, with sales growth of 4.5%, driven by exports, which have almost doubled in the first half of 2024 (+87%) compared to the same period last year, creating strong foundations for dynamic growth and strengthening the presence of Papoutsanis brands abroad.

Third party products (industrial sales, private label): sales of this category were down 10%, a trend driven by foreign markets and expected to reverse by the end of the year. Sales in this category are expected to strengthen in the second half of the year, due to the full development of a new partnership with a major multinational company.

Industrial sales of soap : Sales of the soap bases category increased by 9% compared to the first half of 2023. The Company's goal remains to continuously expand its customer base and further develop its synthetic soap bases.

Gross profit amounted to EUR 12.1 million compared to EUR 10.3 million in the corresponding period of 2023, an improvement of 18%. The gross margin also showed a significant improvement, which reached 38% in the six months of 2024 compared to 32% in the six months of 2023, as a result of the strengthening of Papoutsani's branded products and the improvement of production costs through the investment plan.

Operating expenses (distribution, administration, research and development) amounted to EUR 8.5 million in the first half of 2024 compared to EUR 7.2 million in the same period last year, mainly due to an increase in promotion and sales support expenses for the branded products category, which are showing significant growth.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to a profit of EUR 5.1 million compared to a profit of EUR 4.3 million in the first half of 2023.

Profit before taxes amounted to EUR 2.8 million, compared to a profit of EUR 2.3 million in H1 2023, an improvement of 20%.

Profit after tax amounted to EUR 2.3 million compared to EUR 1.7 million in the first half of 2023, an improvement of 32%. Income tax for the current financial year appears lower as a consequence of the completion of investments under Law 4399-2016, whose aids are implemented using tax exemptions.

B. Main Risks and Uncertainties for the Second Half of the Fiscal Year

Price Fluctuation Risk

The main raw materials used in production are vegetable oils, animal fat, as well as raw materials for the production of plastics such as PET, polyethylene (HDPE) and polypropylene (PP). The price of oils fluctuates according to supply and demand on the world market, as they are traded commodities. Similarly, the prices of the raw materials for the production of plastics depend on energy costs combined with the relative transport costs between different parts of the world. Due to increased competition in the industry, any increases in international and domestic raw material prices are not in all cases passed on to the final price

of the products, which carries the risk of a negative impact on the company's results. To this end, the Company, annually, seeks and ultimately uses those suppliers that provide it with the best price, minimizing the risk of dependence. To hedge this risk, derivatives are not used and medium-term contracts are entered into when it is deemed advantageous.

Credit Risk

Trade accounts receivable mainly include receivables from large groups of companies (domestic supermarket chains, multinationals) and companies operating in the hotel sector. In order to reduce credit risk, the Company constantly monitors the financial situation of its debtors and maintains a credit insurance policy.

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

	30.06.2024	31.12.2023
Balance within the credit period	6.965.064	4.244.350
Balance beyond the credit period	35.835	26.461
Total	7.000.879	4.270.811

Liquidity risk - cash flow risk

The Company is reporting earnings in the first half of 2024, positive working capital, and significant cash reserves. The Company has also secured funding from its partner banks sufficient to meet any needs that may arise from the growth of its operations.

In line with the above, the liquidity and cash flow risk is not considered significant.

The maturity of the financial liabilities based on the estimated undiscounted contractual outflows as at 30.06.2024 and 31.12.2023 respectively is as follows:

	31.12.2023		
	Short-term up to 1 year	Long-term 1 to 5 years	Long-term more than 5 years
Borrowing	4.664.328	21.314.622	0
Finance lease liabilities	285.999	337.384	0
Trade and other payables	14.296.578	0	0
Non-discounted liabilities	19.246.905	21.652.006	0

	30.06.2024		
	Short-term	Long-term	
	up to 1 year	1 to 5 years	more than 5 years
Borrowing	5.706.785	24.118.530	
Finance lease liabilities	245.238	376.896	
Trade and other payables	14.621.273		
Non-discounted liabilities	20.573.695	24.495.426	0

Interest rate and currency risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Already from 2022 onwards, central banks have proceeded with interest rate increases, resulting in additional borrowing costs being charged to the Company's results. In June 2024, the European Central Bank reduced interest rates by 0.25 points.

The Company had entered into a partial hedge against the risk of Euribor increase. During the first half of 2024, it liquidated the derivative financial asset it held and no longer uses related instruments to hedge cash flows.

The financial cost of all the company's bank borrowings is variable based on euribor. Bank borrowings are exclusively in euros.

Risk sensitivity analysis

The sensitivity analysis illustrates the sensitivity of profit after tax and equity to reasonably possible changes in interest rates through their effect on borrowings and deposits. Such changes are considered reasonably likely based on the observation of current market conditions.

The calculations are based on a change in the average market interest rate for each reporting period and the company's borrowings at each reporting date, with all other variables held constant.

The sensitivity analysis has not taken into account any hedging of the risk of Euribor increase.

It should be noted that the methods and assumptions used have not changed compared to the previous period.

The following changes are considered reasonably likely based on the observation of current market conditions.

<p>Impact on Earnings Before Tax and Equity</p>
--

	30.06.2024	30.06.2023
Increase of 100 basis points	-162.030	-137.750
Decrease of 100 basis points	162.030	137.750
Increase of 50 basis points	-81.015	-68.875
Decrease of 50 basis points	81.015	68.875

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

C. Significant transactions with Related Parties (Decision 1/434/3.7.2007, Article 3)

Transactions with related parties, within the meaning of IAS 24, relate to :

a) Intercompany transactions

They do not exist.

b) Transactions of the Company with Members of the Board of Directors, Executive Management, and Other Related Parties

They were received in the first half of the year as follows:

	1.1-30.06.2024	1.1-30.06.2023
Remuneration of executive board members and senior management (based on special employment contracts)	275.125	254.831
Remuneration of non-executive board members	29.351	29.351
	304.475	284.182

c) Receivables and payables with senior management and members of the Board

	30.06.2024	30.06.2023
Payables to senior management and board members from expense accounts	-	144
Receivables from senior management and board members from expense accounts	60	323
Payables to senior management and board members (from remuneration)	27.309	725

d) Transactions with major shareholders

They do not exist in the period.

D. Additional information and data

Operating flows

Operating cash flows were positive of EUR 1.4 million compared to negative operating cash flows of EUR 2.5 million in the corresponding period of 2023.

Net Borrowing

The Company's net debt (loans less cash) amounted to EUR 20.9 million (compared to EUR 18.3 million as at 31.12.2023), which corresponds to 26% of total assets (compared to 24% as at 31.12.2023).

Fixed equipment

The depreciated value of the Company's fixed assets (property, plant and equipment) amounts to EUR 50.2 million as of 30.06.2024 compared to EUR 49.2 million as of 31.12.2023.

Financial structure

The total liabilities to equity ratio is 1.7 at 30.06.2024, compared to 1.5 at 31.12.2023.

Working capital-Liquidity

The Company's working capital (current assets less current liabilities) as of 30.06.2024 amounted to EUR 6 million compared to EUR 3.8 million as of 31.12.2023.

Outlook for the Development of Activities in the Second Half of the Fiscal Year

The exogenous factors affecting the environment in which Papoutsanis operates remain volatile. In this context, the Company has developed strategies and tactics to further improve both profitability and turnover, such as:

- **Increased competitiveness and flexibility of our Ritsona plant**, as a result of the completion of our three-year investment plan, which ensures:
 - significant overcapacity (50% on average), allowing for new partnerships and limited investment for the next 2-3 years,
 - reduction of production costs thanks to technologically modern equipment that allows competitive prices to our customers and improved profitability,
 - a firm focus on sustainability-driven growth with the installation of photovoltaic panels, which in addition to the positive environmental footprint will contribute to further improving production costs and are expected to become operational in the second half of the year.
- **Expansion of the participation of Papoutsanis branded products - consumer and hotel products - in the Company's total turnover** with:

- entering major new markets (home care) to increase the penetration and market share of our branded consumer products,
- focus on innovation and sustainability with new proposals and solutions that give a competitive advantage to our branded ranges in Greece and abroad.
- **Inclusion of new major customers in the third party production category while expanding our customer base** and reducing our dependence on a few customers.
- **Strengthening and empowering the Company's people**
 - Continuous training and development of human resources skills.
 - A flat and efficient organisational structure, allowing for speed and flexibility.
 - Attracting and retaining talent in strategic positions of the Company.
- **Ensuring economic vitality and sustainable growth on strong foundations and creating value for all stakeholders:**
 - restructuring and rationalisation of expenditure,
 - limiting borrowing by optimising the parameters affecting it (inventories, trade receivables, liabilities and investment control).

For the second half of the year:

- The pillar of Papoutsanis branded products is a strategic priority and is expected to continue its dynamic double-digit growth and market share increase, through the enrichment of the product range, significant advertising support and the strengthening of its presence in stores, as well as by entering new categories with ARKADI as the main vehicle. At the same time, exports of branded products are growing at a double-digit rate.
- The branded hotel products sector is expected to continue its growth path in the second half of 2024, mainly driven by the significant growth of exports. At the same time, production of hotel products for third parties will move to significantly higher levels than in the second half of 2023, leading the overall hotel products pillar to grow significantly in the second half of 2024 compared to the same period last year.
- The third-party production category is expected to strengthen in the second half of the year compared to the first half, thanks to the gradual integration of the cooperation with a large multinational company.
- Sales of the soap bases category are estimated to follow the same upward trend in the second half of 2024. The Company's objective remains the continuous expansion of the customer base and further development of the product range.

Alternative Performance Measurement Indicators (APAs)

The Company uses Alternative Performance Measurement Indicators ("AIMIs") in making decisions regarding its financial, operational and strategic planning, as well as for the evaluation and publication of its performance. These KPIs serve to provide a better understanding of the Company's financial and operating results, its financial position and its cash flow statement. The alternative measures (ASIs) should always be considered in conjunction with the financial results prepared in accordance with IFRS and in no

way replace them. The ratios in the half-yearly financial statements are derived by extrapolating the effective accounts on an annual basis.

General Liquidity	30.06.2024	31.12.2023
(Current assets / Current liabilities) X100	128%	120%
The indicator shows the percentage of coverage of short-term liabilities from total current assets		
Capital charge	30.06.2024	31.12.2023
(Debt / Equity) x 100	168%	153%
The indicator reflects the amount of Liabilities (current and non-current). Long-term) as a percentage of equity		
Gross profit margin	30.06.2024	30.06.2023
(Gross Profit / Sales) x 100	38%	32%
The indicator shows the gross margin as a percentage of the Sales		
Profit margin	30.06.2024	30.06.2023
(Profit before tax / Sales) x 100	9%	7%
The indicator shows the profit margin before tax, as a percentage of of sales.		
Earnings before interest, taxes, financial results, investment results and total depreciation and amortisation (EBITDA)		
(Profit before tax + Depreciation and amortisation, +Grant depreciation + Financial Cost (net))	5.051.362	4.301.925
The indicator reflects the net profit before deduction of financial and investment expenses, taxes and depreciation and amortisation		
Earnings before interest, taxes, financing, non-recurring items, investment income and total depreciation and amortisation (Adjusted EBITDA)		
(Profit before tax + Depreciation and amortisation, +Grant amortisation + Financial Cost (net) - non-recurring expenses)	5.051.362	4.301.925
The ratio reflects the net profit before deduction of financial and investment expenses, taxes, depreciation and amortisation and non-recurring expenses		

Vathi Avlida, 1 August 2024

The Managing Director

Menelaos Tassopoulos

Independent Auditor's Review Report

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

Review Report on Interim Financial Information

Introduction

We have reviewed the accompanying interim condensed statement of financial position of the Company PAPOUTSANIS INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS as of 30 June 2024 and the related income statements and statements of other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that constitute the interim condensed financial information, which is an integral part of the six-month financial report according to Law 3556/2007.

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

Scope of Review

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

Conclusion

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

Report on Other Legal and Regulatory Requirements

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



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

Athens, 1 August, 2024

The Certified Public Accountant

Nikos Garbis

SOEL Reg. No.: 25011



D. SEMI - ANNUAL CONDENSED FINANCIAL STATEMENTS
1. Statement of Financial Position

ASSETS	Note.	30.06.2024	31.12.2023
Non-current assets			
Property plant & equipment	6.1	50.154.466	49.200.085
Investment Properties		226.707	226.707
Intangible assets	6.1	1.513.213	1.513.744
Goodwill		1.274.398	1.274.398
Financial assets measured at fair value through other comprehensive income		100.000	100.000
Derivative financial assets		0	300.112
Long-term receivables		54.521	54.521
		53.323.306	52.669.568
Current assets			
Inventories	6.2	11.092.316	9.484.003
Trade receivables	6.3	7.000.879	4.270.811
Other receivables	6.3	2.096.000	3.198.491
Cash and cash equivalents		6.754.163	5.703.004
		26.943.358	22.656.309
Total assets		80.266.664	75.325.876
EQUITY			
Equity attributable to equity holders of the Parent Company			
Share capital	6.4	14.633.241	14.633.241
Share premium	6.4	1.975.977	1.975.977
Own shares	6.4	(490.452)	(411.390)
Fair value reserves		1.551.930	1.551.930
Other reserves	6.4	1.742.865	1.765.623
Retained earnings		10.517.532	10.286.309
Total equity		29.931.093	29.801.690
Liabilities			
Long-term liabilities			
Long-term loans	6.5	22.811.023	20.181.006
Deferred Tax	6.6	4.661.778	4.533.493
Provisions for employee benefits		344.121	314.501
Asset Grants	6.7	1.532.903	1.608.799
		29.349.826	26.637.799
Current liabilities			
Suppliers	6.8	11.985.050	11.211.452
Other liabilities	6.8	3.036.622	3.085.126
Current income tax		1.042.050	702.453
Short-term loans	6.5	4.886.822	3.852.157
Provisions		35.200	35.200
		20.985.745	18.886.388
Total liabilities		50.335.571	45.524.186
Total Equity and Liabilities		80.266.664	75.325.876

The notes set out on pages 19 to 36 form an integral part of the financial statements.

2. Income Statement

		01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
Sales	6.9	31.714.927	32.159.964
Cost of sales	6.10	(19.635.879)	(21.891.808)
Gross profit		12.079.048	10.268.155
Other receivables	6.11	470.419	393.451
Distribution expenses		(6.209.662)	(5.027.597)
Administrative expenses		(1.814.562)	(1.788.979)
Research & development costs		(506.643)	(417.882)
Other expenses	6.12	(195.633)	(296.276)
Financial costs (net)	6.13	(1.052.250)	(824.072)
Profit before tax		2.770.717	2.306.800
Deferred income tax		(128.285)	(123.234)
Current income tax	6.14	(339.597)	(443.864)
Net profit for the year (A)		2.302.834	1.739.702
Other comprehensive income			
Other comprehensive income after tax (B)		-	-
Aggregated total income after tax (A+B)		2.302.834	1.739.702
Profit/(loss) after tax per share	6.15	0,0850	0,0642
Earnings before tax, depreciation and amortization (EBITDA)		5.051.362	4.301.925

The notes set out on pages 19 to 36 form an integral part of the financial statements.

3. Statement of Changes in Equity

	Equity capital	Own Shares	Share Premium	Fair value Reserves	Other Reserves	Retained Earnings	Total
Balances 1.1.2023	14.633.241	(270.057)	1.975.977	1.551.930	650.868	8.403.430	26.945.390
Aggregate total income after tax						1.739.702	1.739.702
Purchase of own shares		(13.371)					(13.371)
Dividend/Interim Dividend Distribution						(1.081.594)	(1.081.594)
Reserve for payments based on equity securities					4.168		4.168
Taxed reserve Law 4399/2016					902.520	(902.520)	-
Changes in items in the period	-	(13.371)	-	-	906.688	(244.412)	648.905
Balances 30.06.2023	14.633.241	(283.428)	1.975.977	1.551.930	1.557.556	8.159.018	27.594.294
Balances 1.1.2024	14.633.241	(411.391)	1.975.977	1.551.930	1.765.622	10.286.309	29.801.688
Aggregate total income after tax						2.302.834	2.302.834
Purchase of own shares		(79.061)					(79.061)
Dividend/Interim Dividend Distribution						(2.094.370)	(2.094.370)
Reserve for payments based on equity securities					(22.758)	22.758	-
Changes in items in the period	-	(79.061)	-	-	(22.758)	231.222	129.404
Balances 30.06.2024	14.633.241	(490.452)	1.975.977	1.551.930	1.742.865	10.517.531	29.931.093

The notes set out on pages 19 to 36 form an integral part of the financial statements.

4. Cash Flow Statement (Indirect Method)

	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023*
<u>Operating activities</u>		
Profit before tax	2.770.717	2.306.800
Plus / (minus) adjustments for:		-
Depreciation	1.304.306	1.246.262
Provisions	29.621	21.526
Amortisation of grants	(75.910)	(75.208)
Investment income/expenditure	300.112	44.899
Financial costs - (net)	1.052.250	824.072
	5.381.096	4.368.351
Plus/ minus adjustments for changes in working capital accounts or related to operating activities:		
movements related to operating activities:		
Decrease / (increase) in receivables	(2.454.831)	(140.226)
Decrease / (increase) in inventories	(1.608.313)	(868.357)
(Decrease) / increase in liabilities (excluding banks)	877.518	(5.127.183)
Minus:		-
Interest and similar charges paid	(791.709)	(707.225)
Total inflows / (outflows) from operating activities (a)	1.403.760	(2.474.640)
<u>Investment activities</u>		
Purchase of tangible and intangible fixed assets	(1.858.157)	(2.930.169)
Proceeds from the sale of tangible and intangible fixed assets	-	1.315
Total inflows / (outflows) from investing activities (b)	(1.858.157)	(2.928.854)
<u>Financial activities</u>		
Purchase of own shares	(79.062)	(13.371)
Reserve for share-based payments	-	-
Receipts from issued / assumed loans	11.000.000	2.000.000
Receipt of government grant	14.305	467.521
Loan repayments	(7.333.738)	(4.570.245)
Repayments / (Drawdowns) of liabilities from finance leases (principal repayments)	(1.579)	(64.777)
Dividends/Interim Dividends Paid	(2.094.370)	(1.081.595)
Total inflows/(outflows) from financing activities(c)	1.505.556	(3.262.467)
Net increase / (decrease) in cash and cash equivalents for the period (a)+(b)+(c)	1.051.159	(8.665.961)
Cash and cash equivalents at the beginning of the period	5.703.004	11.727.234
Cash and cash equivalents at the end of the period	6.754.163	3.061.272

The notes set out on pages 19 to 36 form an integral part of the financial statements.

*The comparable figures have been reclassified for comparability with the 30.06.2024 figures, for more details see note 6.15

5. Notes to the Financial Statements

5.1. General information

PAPOUTSANIS S.A. (hereinafter referred to as "the Company") was established in 1960 and operates in the production, import, export, promotion (marketing), and generally the trade of consumer goods. These include soap products, detergents and cleaning products for household and industrial use, cosmetic products and other personal care items, biocides and disinfectants for human use or for use in spaces or on objects, as well as the raw materials for their production, among others. The Company is characterized as a fully integrated manufacturer of soaps and personal care products for consumers, hotels, etc.

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

The Company is organized as a public limited company (S.A.) and its shares are listed on the Athens Stock Exchange. The headquarters of the Company is in the municipality of Chalkida, in the Regional Unit of Evia, Central Greece.

The financial statements were approved by the Board of Directors on 1st August 2024 and are available online, along with the auditor's report and the annual report of the Board of Directors, at the website www.papoutsanis.gr.

5.2. Summary of significant accounting policies

The basic accounting principles applied in the preparation of the financial statements are described below. These principles have been applied consistently for all periods presented.

5.2.1. Framework for the preparation of 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 Interpretations issued by the Interpretations Committee of the International Financial Reporting Standards Board, as adopted by the European Union, and present the Company's financial position, financial performance and cash flows on a going concern basis, taking into account macroeconomic and microeconomic factors and their effect on operations.

5.2.2. Significant accounting policies and estimates

The accounting policies on which the financial statements have been prepared are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023, and have been consistently applied throughout the periods presented.

The judgments, estimates and assumptions applied in the interim financial statements were the same as those applied in the Company's latest annual financial statements for the year ended 31 December 2023.

5.2.3. Risk of non-sustainability

Events, circumstances and relevant business risks that could cast serious doubt on the Company's ability to continue as a going concern in the next financial year were evaluated. There is no going concern risk.

5.3. New standards, amendments to standards and interpretations

New Standards, Interpretations, Revisions and Amendments to existing Standards that have entered into force 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 their application is mandatory from 01/01/2024 or later.

Amendments to IFRS 16 Leases: Lease Obligation on a Sale and Leaseback" (effective for annual periods beginning on or after 01/01/2024)

In September 2022, the IASB issued limited-purpose amendments to IFRS 16 Leases that add requirements on how an entity accounts for a sale and leaseback after the transaction date. A sale and leaseback is a transaction in which an entity sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements on the accounting treatment of a sale and leaseback at the date of the transaction. However, the Standard had not specified how to measure the transaction after that date. The amendments issued add to the requirements in IFRS 16 on sale and leaseback, thereby supporting consistent application of the accounting standard. These amendments will not change the accounting treatment for leases other than those arising from a sale and leaseback transaction. The amendments have no impact on the corporate financial statements. The above has been adopted by the European Union with an effective date of 01/01/2024.

Amendments to IAS 1 "Classification of Liabilities as Current or Long-Term" (effective for annual periods beginning on or after 01/01/2024)

The amendments provide guidance on the requirements in IAS 1 for classifying liabilities as current or non-current. The amendments clarify the concept that a right to defer settlement of a liability should exist at the reporting date. Management's intention and the counterparty's right to settle the obligation by transferring equity securities do not affect the short-term or long-term classification. In addition, it is clarified that only the commitments with which an entity must comply on or before the reporting date affect the classification of a liability. The amendments to the standard require disclosure of information about those commitments in the notes to the financial statements. The amendments are effective for annual accounting periods beginning on or after 1 January 2024, with early adoption permitted. The amendments have no impact on the Company's financial statements. The above have been adopted by the European Union with an effective date of 01/01/2024.

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier Financing Arrangements (effective for annual periods beginning on or after 01/01/2024)

In May 2023, the International Accounting Standards Board (IASB) issued amendments ("Supplier Finance Arrangements"), which amended IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures". The new amendments require an entity to provide additional disclosures about supplier financing arrangements. Those disclosures are intended to help users of financial statements (a) assess how supplier financing arrangements affect an entity's liabilities and cash flows, and (b) understand the effect of supplier financing arrangements on liquidity risks and how the entity might be affected if those financial instruments are no longer available. The amendments to IAS 7 and IFRS 7 are effective for the accounting period beginning on or after 1 January 2024. The amendments have no effect on the entity's financial statements. The above have been adopted by the European Union with an effective date of 01/01/2024.

New Standards, Interpretations, Revisions and Amendments to existing Standards that have not yet entered into force or 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 are either not yet effective or have not yet been adopted by the European Union.

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": lack of exchangeability (effective for annual periods beginning on or after 01/01/2025)

In August 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" that 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 the exchangeability of a currency and the process by which an entity should assess that exchangeability. In addition, the amendments provide guidance on how an entity should calculate a spot rate in situations where the currency is not exchangeable and require additional disclosures in situations where an entity has calculated a spot rate because of a lack of exchangeability. The amendments to IAS 21 are effective for accounting periods beginning on or after 1 January 2025. The Company will consider the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

IFRS 18 "Presentation and Disclosures in Financial Statements" (effective for annual periods beginning on or after 01/01/2027)

In April 2024, the International Accounting Standards Board (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 disclosures on the financial statements. Specifically, the Standard will improve the quality of financial reporting due to: a) the requirement of defined sub-items in the income statement, b) the requirement to disclose in a separate note to the financial statements the performance measures defined by the entity's management (Management-defined Performance Measures), c) the new principles for aggregation/disaggregation of information. The Company will consider 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 Liability: Disclosures" (effective for annual periods beginning on or after 01/01/2027)

In May 2024, the International Accounting Standards Board (IASB) issued a new standard, IFRS 19 "Subsidiaries without Public Liability: Disclosures". The new standard allows qualifying entities to elect 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 will be required to apply the measurement, recognition and presentation requirements set out in other IFRSs and the reduced disclosure requirements described in IFRS 19. This simplifies the preparation of financial statements for subsidiaries that meet the requirements of this Standard while maintaining their usefulness to users. The amendments are effective for accounting periods beginning on or after 1 January 2027. The Company will consider the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

IFRS 9 - Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 01/01/2026)

In May 2024, the International Accounting Standards Board (IASB) issued amendments to the classification and measurement requirements of IFRS 9 "Financial Instruments" and corresponding disclosures of IFRS 7 "Financial Instruments: Disclosures". In particular, the new amendments clarify when a financial liability should be derecognised when it is settled by electronic payment. It also provides additional guidance on the assessment of contractual cash flow characteristics for financial assets linked to ESG (environmental,

social and corporate governance) criteria. In addition, the disclosure requirements for investments in equity securities designated at fair value through other comprehensive income were amended and disclosure requirements were added for financial instruments with contingent features not directly related to key risks and borrowing costs. The amendments are effective for accounting periods beginning on or after 1 January 2026. The Company will consider the impact of all of the above on its Financial Statements. The above have not been adopted by the European Union.

5.3.1. Significant accounting estimates and assumptions

The preparation of the individual financial statements requires management to make estimates and judgements and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosures of contingent assets and liabilities included in the financial statements. Management on an ongoing basis evaluates these estimates, judgments and assumptions, which primarily relate to the allowance for doubtful accounts - expected credit losses, provision for termination benefits, provision for inventory impairment, the impairment of tangible and intangible assets and their estimated useful lives, the recognition of income and expenses, pending legal cases, the provision for income taxes and the recoverability of deferred tax assets.

These estimates, judgements and assumptions are based on empirical data but also on other factors such as expectations of future events that are reasonably foreseeable.

The significant accounting estimates, judgments and assumptions concerning future and other key sources of uncertainty at the date of preparation of the interim condensed financial statements for the period ended 30 June 2024 that have a material risk of causing a material change in the amounts of assets and liabilities within the next financial year have remained the same as those applied and in effect at the date of preparation of the annual financial statements as at 31 December 2023.

5.4. Basic Accounting Policies

The Interim Condensed Financial Statements for the six-month period ended 30.06.2024 contain limited information compared to the Annual Financial Statements. The accounting policies on which the Financial Statements have been prepared are consistent with those used in the preparation of the annual Financial Statements for the year ended 31 December 2023, except for changes in Standards and Interpretations effective from 1 January 2024. Accordingly, the accompanying interim half-yearly financial statements have been prepared on the basis of the latest published annual financial statements as at 31 December 2023, which include a full analysis of the accounting policies and valuation methods used.

5.4.1. Determination of fair values

The Company uses the following hierarchy for the determination and disclosures of fair values of financial assets, based on the valuation method used: 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 parameters that have a significant effect 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 parameters that have a significant effect on the reported fair value are not supported by observable market data. The following table presents the level classification of the Company's non-financial assets measured at fair value on a recurring basis as of June 30, 2024 and December 31, 2023:

Valuation at fair value as of the end of the reporting period December 31, 2023

	Level 1	Level 2	Level 3	Total
Property plant & equipment				
- Right-of-use assets (leasing)	-	589.080	-	589.080
- Owner-occupied property	-	-	12.565.039	12.565.039
Investment Properties				
- Properties in Greece	-	-	226.707	226.707
Derivative Financial Instruments	-	300.112	-	300.112
Total	-	889.192	12.791.746	13.680.938

Valuation at fair value as of the end of the reporting period June 30, 2024

	Level 1	Level 2	Level 3	Total
Property plant & equipment				
- Right-of-use assets (leasing)	-	585.425	-	585.425
- Owner-occupied property	-	-	13.585.557	13.585.557
Investment Properties				
- Properties in Greece	-	-	226.707	226.707
Derivative Financial Instruments				
		-	-	-
Total	-	585.425	12.519.460	13.427.084

5.5. Information by sector

The Company has one business sector of activity, that of production (in Greece) and distribution of products to domestic and foreign markets, which is divided into 4 strategic pillars: Branded Products, Hotel Products, Third Party Products (industrial sales, private label) and Industrial Sales of Soap bases.

In order to evaluate each pillar and to make appropriate business decisions, the Company monitors separately the earnings before taxes, financing, non-recurring items and depreciation and amortization (Adjusted EBITDA) of each pillar. The four different segments are broken down as follows:

	1.1.2024 -30.06.2024				
Adj.EBITDA per pillar	Branded Products	Hotel Products	Third-Party Products	Industrial Soap Sales	Totals 2024
Sales	9.266	5.612	11.385	5.451	31.714
Earnings Before Interest, Taxes, Non-Recurring Items, and Depreciation & Amortization (Adjusted EBITDA)	832	1.217	1.752	1.250	5.051
% Adjusted EBITDA of sales	9,0%	21,7%	15,4%	22,9%	15,9%

	1.1.2023 -30.06.2023				
Adj.EBITDA per pillar	Branded Products	Hotel Products	Third-Party Products	Industrial Soap Sales	Totals 2023
Sales	7.764	6.755	12.651	4.990	32.160
Earnings Before Interest, Taxes, Non-Recurring Items, and Depreciation & Amortization (Adjusted EBITDA)	562	1.378	1.638	724	4.301
% Adjusted EBITDA of sales	7,2%	20,4%	12,9%	14,5%	13,4%

	Variances between the two periods				
Adj.EBITDA per pillar	Branded Products	Hotel Products	Third-Party Products	Industrial Soap Sales	Totals of Variances
Sales	1.502	(1.143)	(1.266)	461	(446)
Earnings Before Interest, Taxes, Non-Recurring Items, and Depreciation & Amortization (Adjusted EBITDA)	270	(161)	114	527	750
% Adjusted EBITDA of sales	1,7%	1,3%	2,4%	8,4%	2,6%
	19%	-17%	-10%	9%	-1%

The Branded Products pillar shows an improvement of 1.7 percentage points despite increased investment in promotional activities and advertising, which led to a strengthening of shares and improvement of the products' position at the points of sale and ultimately to an increase in profitability both in absolute terms and margins.

The Industrial Soap Bases Sales pillar also shows significant improvement. The gradual normalisation of material prices, which is being passed on to customers, albeit with a time lag, has benefited the profitability rates of the category in conjunction with the reduction in production costs and in particular the reduction in energy prices. By contrast, in the first half of '23 the relevant margins were still in the process of recovery, mainly due to the depressed prices of materials in '22.

Finally, profitability in both pillars of Hotel Products and Third Party Producers is satisfactory and improved.

6. Explanatory notes to the items in the Financial Statements

6.1. Property, Plant, and Equipment and Intangible Assets

Summary of changes in Property, Plant, and Equipment and Intangible Assets

1.1-30.6.2023	Leased	Owned	Groups
Additions	135.575	2.195.179	2.330.754
Reductions	-	(1.901)	(1.901)
Transfers	(109.000)	109.000	-
Depreciation	(96.319)	(1.149.943)	(1.246.262)
Variance	(69.744)	1.152.335	1.082.592

1.1.2024-30.06.2024	Leased	Owned	Groups
Additions	157.104	2.101.053	2.258.157
Reductions	-	-	-
Transport	-	-	-
Depreciation	(160.760)	(1.143.546)	(1.304.306)
Change	(3.656)	957.506	953.851

6.2. Inventories

Inventories as at 30.06.2024 and 31.12.2023 are broken down as follows:

	30.06.2024	31.12.2023
Raw materials and auxiliary materials	4.587.598	3.898.330
Goods	595.817	662.721
Finished goods	5.941.899	4.955.952
Impairment provisions	(33.000)	(33.000)
	11.092.315	9.484.003

Inventories as at 30.06.2024 appear increased compared to 31.12.2023 in order to meet demand in the following months due to the seasonality that occurs during the summer months.

6.3. Trade and other receivables

Trade receivables are analyzed as follows:

	30.06.2024	31.12.2023
Receivables	6.927.516	4.447.063
Receivable cheques	291.336	41.720
Minus: Provisions for doubtful accounts	(217.973)	(217.973)
Total receivables from customers	7.000.879	4.270.810

Trade receivables as at 30.06.2024 are higher than those as at 31.12.2023 mainly due to the seasonality of sales during the summer months.

	30.06.2024	31.12.2023
Other withholdings (Greek Public Sector)	13.993	21.105
VAT receivable	579.660	1.382.324
Advances	696.069	256.468
Debtors	193.223	995.050
Other receivables	617.734	548.224
Minus: Provisions for doubtful other receivables	(4.679)	(4.679)
Total other receivables	2.096.000	3.198.492
Total receivables from customers and other receivables	9.096.879	7.469.302

The decrease in Total other receivables is due to the payment of an advance in the previous financial year.

6.4. Share capital and other reserves

Here is the analysis for the equity and super capital .

	Share Capital	Own Shares	Share Premium	Number of Shares
Balance 01.01.2023	14.633.241	(270.057)	1.975.977	27.098.594
Own Shares	-	(141.334)	-	-

Balance 31.12.2023	14.633.241	(411.391)	1.975.977	27.098.594
Balance 01.01.2024	14.633.241	(411.391)	1.975.977	27.098.594
Own Shares	-	(79.062)	-	-
Balance 30.06.2024	14.633.241	(490.453)	1.975.977	27.098.594

The share capital of the Company amounts to €14,633,240.76 divided into 27,098,594 common nominal shares with voting rights of nominal value of €0.54 each.

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

Change in other reserves

The analysis of the movement of Other reserves is set out below:

	Other reserves
Balance 01.01.2023	650.868
Establishment of a reserve for payments based on equity securities	4.168
Formation of taxed reserves based on Law 4399/2016	902.520
Balance 30.06.2023	1.557.556
Balance 01.01.2024	1.765.622
Transfer of reserve for equity-based payments to profit or loss in new	(22.758)
Balance 30.06.2024	1.742.864

During the period 01.01.2024 - 30.06.2024, a reserve amount of € 22,758 was transferred to the results, which related to stock option plans for the Company's executives, which have been completed.

It is noted that the current share offering plan was approved on 18.02.2022 by the Board of Directors of the Company. The beneficiaries were granted stock options with an exercise price of €2.25 per share.

The vesting period of the rights (95,000 in number) granted to the Company's executives concerned two time periods, i.e. the exercise of 50% of the granted rights in June 2023 and the remaining 50% of the rights in June 2024.

As at 31/12/2023 the fair value of the stock options amounts to € 12,337.

The fair value of the options was determined based on the number of options granted at the grant date which was 18/02/2022. The option value had been measured using the Black Scholes model. The plan was completed without any rights being exercised.

6.5. Loans

The Company's loans are analysed as follows:

	<u>30/6/2024</u>	<u>31/12/2023</u>
Long term		
Bank loans	22.454.684	19.864.826
Liabilities from finance leases	356.340	316.180
Total	<u>22.811.023</u>	<u>20.181.006</u>
Short term		
Bank loans	261.992	153.210
Short-term portion of long-term bank loans	4.395.600	3.427.978
Liabilities from finance leases	229.230	270.969
Total	<u>4.886.822</u>	<u>3.852.157</u>
Total loans	<u>27.697.846</u>	<u>24.033.163</u>

On April 2024, the Company entered into a €10 million bond loan agreement with the National Bank of Greece, with a 5-year term and a variable interest rate based on Euribor. The loan includes an indicator of compliance with certain ratios, which are being met. In addition, a loan of € 7.3 million was repaid during the period under review.

The average cost of bank borrowings (interest and expenses on bank loans and leases/average monthly bank borrowings) was 5.9% in the first half of 2024 and 4.89% in the first half of 2023.

6.6. Deferred tax

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

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

	<u>01.01.2024- 30.06.2024</u>	<u>01.01.2023- 31.12.2023</u>
Opening balance at the beginning of the period	(4.533.493)	(4.269.918)
Debit/(credit) to profit and loss statement	(128.285)	(266.468)
Debit/(credit) directly to other comprehensive income		2.893
Balance at the end of the period	(4.661.778)	(4.533.493)

6.7. Grants of Assets

Due to its inclusion in various development/investment laws, the Company receives, among other things, government grants which are recognised as income along with the depreciation of the assets - mainly

machinery - that were subsidised.

An analysis of the government grants received by the Company is presented in the Annual Report for the year 2023 (Explanatory Notes to the financial statements, note 6.17).

The movement within the first half of fiscal year 2024 and fiscal year 2023 of this appropriation account is as follows:

Balance as of 1 January 2023	1.929.498
Receipt of grant	(17.745)
Revenue recognised in the period	(151.119)
Balance 31.12.2023	1.760.635
Long-term balance of grants	1.608.799
Short-term balance of grants	151.836
Balance	1.760.635
Balance as of 1 January 2024	1.760.635
Revenue recognised in the period	(75.910)
Balance 30.06.2024	1.684.724
Long-term balance of grants	1.532.903
Short-term balance of grants	151.821
Balance	1.684.724

The part of the short-term grants is included under 'Other liabilities'.

6.8. Suppliers and other liabilities

Suppliers and other liabilities are analysed as follows:

	30.06.2024	31.12.2023
Suppliers (open balances)	11.985.050	11.211.452
Total Suppliers	11.985.050	11.211.452
Various creditors	576.169	1.104.259
Tax-tax liabilities	145.145	494.384
Insurance funds	140.465	274.408
Customer credit balances	1.052.176	619.135
Transitional liability accounts	1.122.667	592.940
Total Other liabilities	3.036.622	3.085.126
Total suppliers and other liabilities	15.021.673	14.296.578

6.9. Sales

The turnover (sales) is analysed as follows:

	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
Sales of goods	2.136.465	1.586.191
Product sales	29.483.060	30.467.846
Sales of other Inventories	95.402	105.927
Total	31.714.927	32.159.964

6.10. Cost of sales

The cost of sales is analyzed as follows:

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Cost of goods	1.118.248	963.664
Cost of products	18.517.631	20.928.144
Total	19.635.879	21.891.808

6.11. Other Operating Income

The other income for the periods 01.01.2024 - 30.06.2024 and 01.01.2023 - 30.06.2023, are analysed as follows:

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Costs to be recovered	325.185	253.537
Exchange rate differences - income	10.988	-
Gains on sale of assets	-	1.315
Revenue from the amortisation of subsidies	75.910	75.208
Other	58.335	63.390
	470.419	393.451

6.12. Other Operating Expenses

Other Operating expenses for the periods 01.01.2024 - 30.06.2024 and 01.01.2023 - 30.06.2023 are analysed as follows:

	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
Exchange rate differences Expenses	-	41.464
Expenses of previous years	21.232	8.455
Provision for doubtful debts	-	-

Losses from destruction of inventories	173.562	147.909
Other expenses	838	98.449
	195.633	296.276

6.13. Financial costs - net

The net financial costs for the periods 01.01.2024 - 30.06.2024 and 01.01.2023 - 30.06.2023 are analysed as follows:

	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
Interest - Bank Loan Expenses	712.966	647.419
Receivables Assignment *	222.343	149.273
Payables Assignment**	87.811	0
Interest on financial leasing	9.993	10.133
Other bank charges	19.137	17.247
	1.052.250	824.072

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

(**) Refers to the costs of assigning liabilities (without risk transfer) to reverse factoring companies.

The average cost of bank borrowings (interest and expenses on bank loans and leases/average monthly bank borrowings) was 5.9% in the first half of 2024 and 4.89% in the first half of 2023.

6.14. Income tax

The company's tax returns have either been examined by the tax authorities, or have been audited in accordance with Article 82 par. 5 of Law 2238/1994 as amended and in force with article 65a of Law 4174/2013 and the company has received tax compliance reports from an Independent Certified Public Accountant with an "unqualified" conclusion.

It is also noted that for the financial year 2023 the tax audit of the Company by independent certified public accountants is in progress.

It is also noted that in 2023 the Company received a partial tax audit order for the tax period 1/1/2018 - 31/12/2019 from the competent tax authorities, which is currently in progress.

Within 2023, the completion requests under the investment projects "Mechanical equipment aids of Law 4399/2016 (3rd cycle)" and "Mechanical equipment aids of Law 4399/2016 (4th cycle)" were completed. The aid will take the form of tax exemptions totalling € 714,999.05 and € 313,562.86 respectively. The aid to which the Company is entitled under these investment projects will not exceed, per year, 1/3 of the total approved amount of the tax exemption per investment project. For these investment projects, the Company has formed a provision for tax exemptions for the first half of 2024 in the amount of €171,427.

6.15. Earnings per share

Earnings per share are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The weighted average number of ordinary shares outstanding during the period ended 30.06.2024 and the comparative period are shown in the following table.

	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
Earnings	2.302.834	1.739.702
Weighted average number of shares	27.098.594	27.098.594
Basic earnings per share	0,0850	0,0642

6.16. Dividends/interim dividends

During the first half of the financial year 2024 and the year 2023 according to the resolutions of the Annual General Meeting of 18.04.2024 and 18.05.2023, the Company paid dividends as follows:

	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
Dividend to shareholders	1.076.007	539.624
Distribution of Profits to Employees	205.413	
Dividends Paid During the Period	1.281.420	539.624
Interim Dividends paid in previous periods	812.949	541.971
Total	2.094.370	1.081.595

6.17. Remuneration and expenses to employees

The number of employees and their employment costs that impacted the results, in the first half of 2024 and 2023, were:

	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023
Average number of people	196	204
Employees at the End of the Period	194	197
Regular Remuneration	3.658.862	3.829.656
Additional Benefits & Personnel Expenses	192.313	177.536
Total cost	3.851.176	4.007.192

6.18. Contingent liabilities , assets and commitments

A) Pending court cases:

- The Company has brought an appeal against the decision of the Head of the Greek National Organisation for Animal Health (EOF) No. 56960/2009, by which the amount of EUR 204,928.97 was imposed on the Company as outstanding contributions and differences in contributions of 1% (on sales of cosmetic products pursuant to article 11 par. 1(g) of Law 1316/1983), EUR 408,833.99 as interest on arrears (pursuant to Article 11(5) of Law 1316/1983) and EUR 81,971.57 as fines (pursuant to Article 11(3a) of Law 1316/1983), i.e. a total of EUR 695,734.53 in the action brought on 27.10.2009 under the general number 41240/2009 before the Athens Administrative Court of First Instance. The appeal with case no. 41240/2009 before the Athens Administrative Court of First Instance was heard on 29.09.2016 (adjourned from 09.06.2016), and the decision of the 19th Chamber, no. 5492/2017, was issued, by which the case was referred to the Athens Administrative Court of Appeal. On the appeal the decision no. A439/31-1-2020 decision, which postponed the case again for the hearing of 4 June 2020 and finally the decision No. 504/2021, which partially accepted the Company's appeal, annulled the 56960/30.07.2009 decision of the Chairman of the Board of Directors of the National Organization of Medicines (E.O.F.) in so far as it imposed contributions, late payment fines and default interest for the years 1988, 1989, 1990, 1991 and 1998, reformed the same decision in so far as it relates to the years 1993, 1994, 1995, 1996 and 1997 and limited the differences in contributions due, in total to € 122.616,62, plus a penalty for late payment, amounting to 40% of the amount of the contributions due and default interest on the arrears, in so far as the relevant claims of the E.O.F. for interest were not subject to the five-year limitation period laid down in Article 250 of the Code of Civil Procedure. The Company filed an appeal against this decision before the Council of State, which was filed under file number E2013/17.09.2021, and the hearing of the appeal was initially set for 24/01/2024, postponed to 22/05/2024 and postponed again to 11/12/2024.
- The Company has litigation against third parties, the outcome of which is not expected to have a significant impact on the Company. Any benefit arising will be recognised in the Company's results when realised.

There are no other disputes in dispute or under arbitration.

B) Tax-exempt uses

For fiscal years 2018 to 2022, the Company has received a Tax Compliance Report, in accordance with para. 5 of article 82 of Law 2238/1994 and article 65A paragraph 1 of Law 4174/2013, without any material differences. According to the circular POL. 1006/2016, companies that have been subject to the aforementioned special tax audit are not exempt from the regular audit by the competent tax authorities. For the fiscal year 2023, the tax audit of the Certified Public Accountants for the issuance of a Tax Compliance Report is in progress and the relevant tax certificate is expected to be issued after the publication of the Financial Statements for the first half of 2024. Upon completion of the tax audit, management does not expect to incur any significant tax liabilities beyond those recorded and reflected in the financial statements.

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

6.19. Transactions with related parties

α) Inter-company transactions

There are no

β) Intercompany balances

There are no

γ) Transactions of the Company with members of the Board of Directors, executive management and other related parties

	<u>1.1-30.06.2024</u>	<u>1.1-30.06.2023</u>
Remuneration of executive members of the Board of Directors and managers (based on specific employment contracts)	275.125	254.831
Remuneration of non-executive members of the Board of Directors	29.351	29.351
	<u>304.475</u>	<u>284.182</u>

δ) CReceivables and Payables with Executive Management and Board Members

	<u>30.06.2024</u>	<u>30.06.2023</u>
Liabilities to directors and senior management arising from assigned accounts	-	144
Receivables from directors and officers on current accounts	60	323
Liabilities to directors and members of the management (from remuneration)	27.309	725

ε) Balance with shareholders

They do not exist.

Related party transactions are entered into on terms equivalent to those prevailing in purely commercial transactions.

6.20. Significant events after the balance sheet date

They do not exist.

Vathi Avlida, 1 August 2024

The Chairman of the BoD

Georgios Gatzaros

The Managing Director

Menelaos Tassopoulos

The Chief Financial Officer & Member of the BoD

Mary Iskalatian

The First Class Accountant

Megalou Evangelia