

Avlonas Attika, 26/04/2024

**ELTON SA - ANNUAL RESULTS 2023**

Following the excellent financial results of the year 2022, which was characterized by the explosion of demand for raw materials for the production of goods as well as the strong inflationary price pressures, for the fiscal year 2023 the Management of ELTON expresses its absolute satisfaction given that both the Company and the Group maintained their market shares and served the needs of large industries of all sectors as well as small and medium-sized companies, which constitute a clientele of long-term and excellent cooperation.

Regarding the quantities/volumes of products traded, which are a critical commercial factor, the fiscal year 2023 compared to the fiscal year 2022 shows a marginal drop of 3.3% at the Company level & an increase of 3.4% at the Group level.

The Company's sales amounted to 103 million euros (a decrease of 11,5%) and the Group's sales to 176 million euros (a decrease of 9,3%), with the main reason being the price changes between 2023 and 2022.

The comparison of the results with major suppliers and companies in the sector, which have already published their results, confirm the finding that 2023 was a completely satisfactory year for ELTON.

After the sharp price fluctuations that characterized the previous year, the gross profit margin in 2023 decreased by 2.9 percentage points at the Company level and 3.7 at the Group level, showing normalization and converging towards the historical average of the gross profit of the latter years and specifically at a rate of 14,9% for the Company and 14,6% for the Group.

The ELTON Group maintains the operational costs of management and distribution at stable levels despite its continuous growth, with the aim of rationalizing costs and cost synergies where possible.

The results before taxes (EBT) of the Company amounted to 3.3 million euros, reduced in relation to the year 2022 mainly due to the increase in interest for loans received by the Company in the year 2022 to support the purchases of goods required to satisfy the high demand of its customers.

The results before taxes (EBT) of the Group amounted to 2.1 million euros, reduced in relation to the year 2022, mainly due to the increase in the borrowing interest of the parent company and additionally due to the deflation loss of the non-monetary elements of the subsidiary company in Turkey, taking into account the provisions of the International Accounting Standard (IAS29).

In April 2023, the Company entered into a new Bond loan of 5 million euros for the investment of the purchase of land in the area of Oinophyta in Viotia with a total value of 6.5 million euros (1.5 million euros own participation). Despite this fact, through extraordinary loan repayments within 2023, the Company reduced its loan obligations on 31/12/2023 to 16.9 million euros compared to the amount of 17.2 million euros on 31/12/22.

The ratio of foreign funds to the total funds of the Company is shown to be reduced from 20,7% in 2022 to 18,4% in 2023, while the Company's cash reserves amounted to 4 million euros (an increase of 101%) and the Group's to 8 million euros ( an increase of 94%), figures that prove ELTON's financial self-sufficiency.

Regarding the Financial Position Statement (Balance Sheet) on 31/12/23 both the Company and the Group show a significant reduction in inventories, a result of timely and correct stocking during 2023, with the ultimate goal of satisfying customer requirements and the speed of disposal at prices responding to the current market of raw materials.

Trade receivables decreased and working capital appears particularly strengthened both at the Company level with a percentage of 249% and the Group with a percentage of 245%, an indication of ELTON's ability to cover its short-term obligations with elements of current assets.

At the strategic level, the investment related to the purchase of an area of 149.000 square meters in Oinophyta Viotias, aims to move the privately owned facilities of the parent Company from the area of Avlona to larger and ultra-modern facilities in accordance with the Company's vision for significant business development. The facilities will be built with respect for the environment and with the aim of reducing the Company's energy footprint.

The Company has already received the permit for the construction of the future facilities and its medium-term plans include the assignment of the project to a construction company with experience in similar projects.

In addition, the Company aims to accelerate growth through acquisitions of companies of related business activity. On this basis, ELTON is constantly looking for acquisition targets and hopes to soon be able to make a relevant announcement.

An important investment of ELTON at the level of its operational transformation, is the complete installation of a modern ERP system that will contribute to the modernization of processes and synergies at Group level. As of 1<sup>st</sup> January 2024, the new ERP has been installed in a secure Cloud environment at the parent Company and its implementation is expected to be completed in all subsidiary companies by the end of 2025.

Regarding the Group's subsidiaries, it is worth mentioning that the subsidiary in Ukraine, despite the country's war situation, showed a 51% increase in sales in 2023 compared to 2022, bringing the Group profitable results and an increase in cash reserves.

For 2024, ELTON, monitoring the wider environment in which it operates as well as international developments, relying on the same values and modernizing the Management model, aims for the continuation of its dynamic development and another successful and profitable year.