

**PRESS RELEASE**

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**FINANCIAL RESULTS OF THE FIRST HALF 2023**  
**Higher levels of activity**

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ELASTRON S.A. – STEEL SERVICE CENTERS reported the financial results for the first half of 2023 according to the International Financial Reporting Standards (IFRS).

The Group's turnover posted a decline during the 1st half of the year and amounted to € 87.6 million from € 98.9 million in the same period of previous year, thus recording a drop of 11%. Gross profit settled at €8.1 million or 9.3% of sales compared to €20.5 million or 20.7% of sales in the first half of 2022. Results before interest and taxes (EBIT) amounted to € 0.8 million compared to € 13.9 million in the same period of the previous year, while the results before taxes, financial and investment results, and before depreciation (EBITDA) amounted to € 2.2 million compared to € 15.2 million in the 1st half of 2022. Finally, the results before taxes amounted to a profit of € 2.2 million compared to € 12.8 million in the corresponding period of the previous year.

Accordingly, the turnover of the parent company amounted to € 87.1 million compared to € 98.2 million in the 1st half of 2022, while gross profit settled at € 7.8 million or 8.9% of sales compared to € 20.1 million or 20.4% of sales in the corresponding period of 2022. The results before interest and taxes (EBIT) amounted to € 0.8 million compared to € 13.8 million in the same period of the previous year, while the results before taxes, financial and investment results, and before depreciation (EBITDA) amounted to € 2.0 million versus € 14.8 million in the 1st half of 2022. Finally, the results before taxes amounted to € 2.2 million versus € 12.4 million in the corresponding period of the year 2022.

The turnover and results of ELASTRON Group declined during the 1st half of 2023, following the corresponding drop in prices of steel raw materials internationally, a consequence that came from the sluggish economic growth and uncertainty in the international economic environment, amid high inflation and rising financing costs. On the contrary, the level of activity of the Group's steel segment experienced a double-digit growth, with the Greek market recording the biggest increase mainly as a result of the ongoing construction activity but also of the projects implemented in energy sector. However, the decrease in sale prices compared to the levels of the corresponding first half of 2022, combined with the time lag in adjusting the cost of raw materials and inventories, as well as with the increase in borrowing costs, resulted into a lower turnover and contraction in operating and net profit margins. Despite the drop in profitability, the Group's borrowings decreased by € 5.8 million compared to the year 2022, while net borrowings amounted to € 30.3 million implying a net debt / equity ratio of 0.34x. The Group's liquidity position settled at € 28.3 million, while the equity was strengthened to € 89.3 million versus € 87.3 million in 2022.

During the 1st half of 2023, an investment of €7.3 million in production facilities was put into full operation, which includes new industrial facilities and a production line which expand the portfolio of manufactured products. At the same time the new investment is expected to contribute significantly towards the turnover increase as well as the improvement of costs due to productivity gains. In addition, the Group proceeded with internal reorganization actions that include the creation of business units aimed at an even greater specialization and targeting of individual sectors of steel products. At the same time, the investment program amounting to €14.7 million of the subsidiary company, i.e. Thrace Greenhouses, continued with unabated pace. This includes the expansion of production facilities by 13 additional hectares with the implementation phase currently standing at 50%. At the same time, with the objective of further reducing energy costs, an investment is being implemented for the construction of a new PV park on the roof of a Group's facility with a capacity of 1 Mwp. The new park will operate under the scheme of energy offsets and will contribute to the further reduction of Group's carbon footprint.

With regard to the performance of the entire year 2023, the Group is not in a position to proceed with accurate estimates given the conditions of intense volatility in the international market due to the ongoing war between Russia and Ukraine, the persistent inflationary pressures, as well as the anticipated low economic growth for the rest of the year. In the Greek market, the absorption of resources coming from the Recovery Fund along with the planned investments in the infrastructure, construction and energy sectors are expected to maintain the pace of demand, with the level of

activity for the Group's steel sector moving upwards in the 3rd quarter of the year as well. However, the lower sale prices observed during the current quarter of the year is estimated to maintain the pressure on profit margins until the gradual adjustment of the cost of raw materials and inventories to current market conditions and prices. In this context, the effective working capital management via a relatively quick inventory turnover and receivables collection, as well as the cost containment actions are a key objective for the Group's management. In any case, ELASTRON Group maintains a high capital adequacy, possesses good knowledge of the market, but also has in place the required production capacity to meet any future demand. At the same time, ELASTRON is proceeding with the implementation of investments aimed at expanding its product portfolio in combination with the necessary adoption of environmentally friendly technologies and practices.

Note: The "Semi-Annual Financial Report according to IFRS" of ELASTRON SA will be posted on Thursday 28 September 2023 at the Company's website [www.elastron.gr](http://www.elastron.gr) as well as at the website of the Athens Exchange [www.helex.gr](http://www.helex.gr).