

GR. SARANTIS S.A.**Consolidated Financial Results FY 2022****DRIVING GROWTH AND DELIVERING VALUE****THE GROUP'S SUCCESS IS REFLECTED ON INCREASED SALES BY 9.6% AND ITS STRONG NET CASH POSITION**

The Group had a successful year, as evidenced by its strong sales volume growth of 9.6%, amidst a highly complex business environment, characterized by record inflation, supply chain disruptions, energy crisis and challenges caused by the war in Ukraine. The Group generated a net cash position of €15.35 mil. and free cashflow, demonstrating its strong financial position.

Additionally, the Group implemented successfully a product rationalization process, which supported volume growth this year and strategically positions the Group for further future growth by focusing on its HERO portfolio, the Group's high-value core products.

The Group's total turnover during FY 2022 reached € 445.07 million from € 406.26 million in FY 2021, up by 9.55%, a significant performance driven by both value and volume.

The diversification of the Group's product portfolio, its focus behind its HERO portfolio and its ability to exploit opportunities in high-potential spaces, as well as pricing actions, supported sales growth, across the Group's region and behind its strategic product categories, particularly within the categories of skin care, sun care, body wash, deodorants, garbage bags, food packaging products and food supplements, as well as luxury cosmetics, that were positively influenced by higher demand.

Greek sales amounted to €148.24 million in 2022 compared to €142.78 mil. last year, up by 3.82%, presenting significant growth behind strategic personal care categories, such as skin care, suncare, deodorants, fragrances, haircare, as well as behind the home care categories of food packaging and garbage bags. At the same time, Greek sales benefited considerably from growth opportunities within the health care and the exports channels, while strong growth was observed in the luxury cosmetics channel.

The Affiliates exhibited significant sales growth of 12.66% across all strategic product categories, reaching €296.83 million in 2022 from €263.48 million last year. Excluding the fx currency impact, on a currency neutral basis, Affiliates' sales presented a growth of 14.23%.

It is worth to mention that Affiliates' sales include sales from the Group's subsidiary in Ukraine, Ergopack. Following the initial suspension of its operation as a result of Russia's invasion in Ukraine, Ergopack's production facility, which is based in Kaniv, has been in full operation since the end of April of 2022.

Throughout 2022, persisting cost inflation, that was further exacerbated due to the war in Ukraine, put significant pressure on the Group's profitability.

In order to partially mitigate the impact of inflationary pressures and supply chain disruptions the Group responded with initiatives aimed at driving top line growth, including dynamic pricing and enhanced diversification, while at the same safeguarding the Group's competitive positioning and focus behind quality. In addition, the Group placed emphasis on cost saving initiatives, relating to supply chain optimization, product portfolio rationalization, focus on increasing efficiency and productivity, and balanced advertising and promotion expenses.

Further information at: <https://sarantisgroup.com/investor-relations/investor-relations/>

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Therefore:

- EBITDA was down by 4.85% to € 45.53 mil. in FY 2022 from €47.86 mil. in FY 2021, with an EBITDA margin of 10.23% from 11.78% in FY 2021.
- Earnings Before Interest and Tax (EBIT) reached € 32.24 mil. during FY 2022 versus € 34.99 mil. in FY 2021, reduced by 7.86%, and EBIT margin stood at 7.24% from 8.61% in FY 2021.
- Earnings Before Tax (EBT) settled at €31.76 mil. in FY 2022 from €37.72 mil. in FY 2021, reduced by 15.81%, with the EBT margin reaching 7.14% from 9.29% the previous year.
- Net Profit reached €26.27 mil. in FY 2022 from €31.01 mil. in the previous year, down by 15.29%, while Net Profit margin settled at 5.90% from 7.63% in FY 2022.

Consolidated Figures based on Sarantis Group Continuing Activities^{*1}

<i>P&L (€ mil.)</i> ^{*1}	<i>FY '22</i>	<i>%</i>	<i>FY '21</i>
Turnover	445.07	9.55%	406.26
Gross Profit	151.81	5.77%	143.53
Gross Profit Margin	34.11%		35,33%
EBITDA ^{*2}	45.53	-4.85%	47.86
EBITDA Margin	10.23%		11.78%
EBIT	32.24	-7.86%	34.99
EBIT Margin	7.24%		8.61%
EBT	31.76	-15.81%	37.72
EBT Margin	7.14%		9.29%
Tax	5.49	-14.25%	6.40
Profit After Tax	26.27	-16.12%	31.32
Profit After Tax Margin	5.90%		7.71%
Minorities	0.00	-101.30%	0.30
Net Profit	26.27	-15.29%	31.01
Net Profit Margin	5.90%		7.63%

^{*1}The financial figures included in the table above present the Continuing activities of the Group excluding ELCA Cosmetics Ltd contribution, since the Group's participation was sold on June 15 2022, and Hoztorg LLC, since the Group decided to permanently withdraw from the Russian market. Analytical information can be found in the Group's 2022 Annual Financial report in paragraph 4.10.2

^{*2}Alternative Performance Measure, as defined within paragraph 2.14 of the Group's 2022 Annual Financial Report.

ELCA Cosmetics Ltd sale

The P&L table above presents the Group's consolidated financial figures excluding the contribution of the company ELCA Cosmetics Ltd, which was previously consolidated as an affiliate company through the equity method.

It is reminded that as on June 15 2022 and following twenty-one years of successful partnership, the Group proceeded to the sale of its 49% participation in the JV with The Estée Lauder Companies, ELCA Cosmetics Ltd.

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This move was in line with The Estée Lauder Companies go-to-market strategy, as well as Sarantis Group strategy of future growth that is based on its core and strategic activities.

The aggregate purchase price amounted to 55.2 mil euros. More specifically, the amount of EUR 14 million was paid on 16.6.2022, and the balance will be paid in two equal installments of EUR 20.6 million, in January 2025 and in January 2028.

The agreed purchase price was deemed particularly satisfactory for Sarantis Group given that it finalized the amount paid thus reducing our Company's risk exposure on future potential negative variations in the business environment.

Sarantis Group plans to exploit the additional funds inflow in order to support its investment plan behind mergers and acquisitions in relation to its strategic activities. Additionally, the Group's release from the Joint Venture gives the opportunity to the Group to search and conclude strategic collaborations within the competitive field of cosmetics and fragrances.

The Group is already in the process of replacing the profitability of the Joint Venture by executing promptly a specific strategy that focuses on the one hand on intensifying the Group's acquisition plan and on the other hand on concluding new distribution agreements.

More specifically, the Company has already announced the acquisition of Stella Pack S.A., a Polish consumer household products company, that is subject to the approval of the antimonopoly authorities in the countries of Stella Pack's activity and is estimated to be finalized by the end of H1 2023.

STELLA PACK is a leading player in the production and distribution of household products, boasting 25 years of successful presence in the categories of Garbage Bags, Food Packaging and Household Cleaning Items, while in 2022 its turnover amounted to c. 73 million euros and its EBITDA reached 8.5 mil. euros.

Due to the Group's homogeneity with the acquired company, synergies will be utilized at all business levels, from sales to administrative services, warehouses and factories. Therefore, this acquisition is expected to add significant value to the Group and it is estimated that the additional synergies will amount to 3.5 mil. euros, hence the total EBITDA, including synergies, will amount to at least 12.5 million euros per year, more than covering the JV's profitability.

It is reminded that the expected future profitability of the JV would have been in any case, reduced compared to the past, given that the participation of Sarantis Group in the joint company would have been gradually reduced to 40% for the years 2022-2024 and to 15% for the years 2025-2027 with the final divestment taking place following the publication of the financial statements of the FY 2027.

Update on Ergopack

On 24 February 2022 we temporarily closed Ergopack's plant that is based in Kaniv and suspended our production for safety reasons. Since end of April, we progressively restarted manufacturing in Ukraine and are currently distributing and selling, under a strict credit control policy, and therefore we manage to cover the majority of our channels in Ukraine as well as Ergopack's export network.

Despite the temporary suspension of Ergopack's activity that lasted for two months, Ergopack's sales during 2022 amounted to € 22.51 million compared to € 27.33 million last year, decreased by 17.6%. Ergopack's EBIT within 2022 settled at € 0.78 mil. up from € 0.27 mil. last year, demonstrating its ability to rationalize costs.

Ergopack's territory remains a significant region for the Group and constitutes an integral part of our strategy.

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Update on the Group's activity in Russia (Hoztorg LLC)

The Company's Board of Directors during its meeting on October 3rd 2022 decided to permanently withdraw from the Russian market in the context of the crisis between Ukraine and Russia, as based on the evolution of the war, there was no possibility of exercising control and management of the subsidiary's operations in Russia.

The company was active in the Russian market through its 100% indirect subsidiary HOZTORG LLC., a commercial business. The loss from the termination of its activity in Russia amounts to 959,717 euros.

On the balance sheet front, the Group exhibits a healthy financial position supported by the profitability of the business, balanced capital expenditure as well as the efficient working capital management.

Thus, as of the end of 2022 the Group successfully maintained a net cash position of € 15.35 mil. Despite the challenges posed by supply chain disruptions, the Group has managed to maintain its working capital requirements over sales close to last year's levels, which underscores its strong ability to manage inventory efficiently. Additionally, the Group's close control of trade receivables demonstrates its commitment to maintaining a healthy cash flow position.

Overall, the Group is navigating a difficult market environment, but remains committed to its strategic agenda investing in initiatives to accelerate growth, either organically or through acquisitions, and to return value to its shareholders.

As part of its strategy to further grow sales and profits organically, emphasis is given in optimizing and enhancing the Group's product portfolio, leveraging the strong brand equity within its strategic product categories across its geographical region. Targeted investments and innovation plans are allocated behind strategic product development initiatives in order to drive further growth across our territory.

Within the years 2021 & 2022 a significant project took place related to focusing on the Group's HERO portfolio, high-value core brands within our strategic categories that can drive profitability and sustainable growth for our business. We implemented successfully a portfolio rationalization process, that resulted in the destruction of low value adding non-core stock, and benefited from the focus we placed behind our HERO portfolio through increased sales and targeted A&P expenses. We expect that our strategic focus on our HERO portfolio will have a significant positive impact on our future growth prospects.

Within 2022, the Group paid a dividend for FY 2021 of approximately €10 mil. (0.143108 euros per share). and the Board of Directors will propose to the AGM a dividend payment of € 10 mil. (0.143108 euros per share) highlighting its commitment behind returning value to its shareholders, while following its strategic objectives.

At the same time the Group remains active behind its agenda for acquisitive growth. The acquisition of STELLA PACK, a Polish consumer household products company, boasting 25 years of successful presence in the categories of Garbage Bags, Food Packaging and Cleaning items for the Household, is expected to be finalized by the end of H1 2023, following the approval of the antimonopoly authorities, and is estimated to bring significant additional value creation to the Group, as well as contribute to the Group's efforts behind circular economy practices.

Moreover, the Group is also working to improve its operational efficiencies and effectiveness focusing on streamlining processes in the supply chain, investing in automations, infrastructure and systems. The construction of Polipak's new production facility is a significant investment to this end. The new, 24,000 square-meter, technologically advanced production plant is equipped with modernized machinery, upgraded R&D and implements automated production processes towards the production of more

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environmentally friendly products and increased energy efficiency. The new halls have been fully automated, equipped with robotic systems and autonomous forklifts, a most advanced central feeder and a cascading regrainulation line, while the final product is improved in terms of ecological profile, durability, and functionality.

ESG Highlights - Consistent progress behind the Group's Sustainability Strategy

Our robust financial position enables us to consistently support our social and environmental ambitions, in line with our aim to maintain the optimum balance between our economic performance and our responsible environmental and social practices.

Within 2022 we have made significant progress behind our ambitions and our initiatives centered around the Group's sustainable development pillars:

Sustainable production and consumption is at the heart of the Group's sustainability strategy and significantly affect its production facilities and its product approach. Thus, special emphasis is placed on actions aimed at minimizing packaging and adopting circular economy waste practices, safeguarding sustainable and circular sourcing of raw and packaging materials, improving energy efficiency, using renewable energy sources and reducing GHG emissions, while ensuring innovation, product quality and consumer safety.

We focus on replacing our traditional Quality Management System with an Integrated Management System that focuses on Safety & Health, Environment, and Quality (SHEQ). Within 2022 we have invested in Environmental Management and Occupational Health & Safety Management systems and obtained ISO 45001:2018 and ISO 14001:2015 certifications at our facilities.

We also made further progress in mitigating our footprint on climate change through the installation of photovoltaic systems at our facility in Oinofyta, that cover almost half of the plant's energy needs, and aim to increase the use of renewable energy sources in the future. We have also implemented additional energy-efficient initiatives across our production facilities such as upgrading our lightning system and air compressors.

Furthermore, we remain committed to developing brands with a higher ecological profile, using sustainable ingredients, recycled and recyclable materials and cyclical economy practices. For example, within 2022 we launched an eco-sun care line supported by our Carroten, Astrid, Kolastyna, and Elmiplant brands, and recently within March of 2023, a refillable clean beauty brand, clinea, that uses a unique clean formula concept and sustainable packaging of recycled and recyclable materials and refillable jars.

Empowered employees and consistent investment for the development, safety, and wellbeing of our employees within a positive and supportive working environment that promotes equality, transparency and mutual respect are part of our philosophy.

In 2022, we completed investments in Occupational Health & Safety Management Systems (ISO 45001:2018) for all of our production facilities, ensuring that our employees work in safe and secure environments. We also established a Group-wide hybrid working model to create a dynamic and modern workplace, and hosted wellness days across the company to support our employees' physical and mental health.

To gauge employee satisfaction and loyalty, we launched an Employee Engagement Survey in 2022 that had a 90% participation rate. We are using this feedback to invest in specific areas for improvement. We are also committed to upskilling and learning opportunities, with a 208% increase in learning activity across the Group.

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Finally, our commitment to inclusion is reflected in the high participation of female employees, which stands at 54% across the company. We will continue to prioritize a positive and supportive work environment for all employees.

Our contribution towards **thriving communities** was significant this year too, as we have channeled multi-dimensional donations in 9 countries (Greece, Poland, Romania, Bulgaria, Czech Republic, Bosnia and Herzegovina, Serbia, Portugal and Philippines). As part of our commitment to social responsibility, the Group allocated more than 2.5 mil. € to support those in need.

Our donations focused on several key areas: Providing relief against natural disaster & humanitarian crisis, Supporting & raising awareness towards environmental protection, Supporting vulnerable population groups and encouraging Diversity & Inclusion and Supporting & raising awareness on Health & Safety.

Prospects

In 2022, we navigated the challenging high-cost inflation environment by strategically balancing price growth, volume, and competitiveness. Additionally, we implemented successfully a portfolio rationalization process and benefited from the focus we placed behind our HERO portfolio.

We implemented proactive measures such as cost-saving initiatives, optimizations and increased efficiencies in order to partially mitigate the effects of inflation and supply chain disruptions. These efforts enabled us to maintain our financial stability and competitiveness in an ever-evolving and challenging business environment.

As we move within 2023, we expect further challenges in a volatile operating environment. However, we remain focused on sustaining our growth momentum and competitiveness while protecting our profitability margins. We will continuously review our action plan to activate further mitigating actions and deliver improved margins. At the same time, we expect that our strategic focus on our high value HERO portfolio will have a significant positive impact on our future growth prospects.

Our long-term strategy is centered around our strategic priorities of organic and acquisitive growth, market development and penetration, cost efficiencies, economies of scale, benefits from synergies, and operating leverage. Despite the challenges, we remain optimistic about the Group's future outlook and confident about further expansion. Our strong financial position, commitment to innovation, and operational excellence position us well to capitalize on growth opportunities.

We are committed to delivering high-quality products that consumers trust in their everyday lives. Our focus on organic growth, targeted acquisitions, and increased geographical penetration will drive sustainable growth and value for all stakeholders in the years to come.

We are excited about the future prospects for our company and believe that our unwavering commitment to excellence will enable us to achieve our long-term strategic goals.

Sarantis Group management will hold a conference call to comment on the results of FY 2022 on Wednesday March 29th 2023.

Additionally on Tuesday April 11th 2023 the management will present at the Hellenic Fund and Asset Management Association its Guidance for FY 2023.

Please [click to access details for the conference call](#).

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Sarantis Group

Headquartered in Athens and boasting a history of over 50 years, Sarantis Group is a multinational consumer products company having leading presence in Eastern Europe and an expanding geographical footprint through own subsidiaries and strong export activity worldwide. Our mission is to uplift the mood of consumers, with beautiful simplicity that makes everyday life better, by being always nearby, working closely with our stakeholders to create value sustainably. From Personal Care, Home Care and Health Care Products as well as Luxury Cosmetics, we offer well recognized brands that have a positive impact on people's everyday lives. With strong activity in 13 countries, and in particular in Greece, Poland, Romania, Bulgaria, Serbia, Czech Republic, Slovakia, Hungary, Northern Macedonia, Bosnia-Herzegovina, Portugal, Slovenia and Ukraine, we maintain a dynamic international presence and a powerful distribution network of more than 50 countries around the world.

Information

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