PRESS RELEASE

FINANCIAL RESULTS OF FISCAL YEAR 2022
Turnover Growth and Achievement of High Profitability

Important highlights for the Year 2022

- Turnover growth by 11% to **€181.0 million** from **€163.3 million** in 2021
- EBITDA of **€19.3 million**
- Strong liquidity of **€39.5 million** compared to **€26.6 million** in the previous year
- Equity of **€87.3 million** compared to **€80.8 million** in 2021
- Net debt of **€25.0 million** compared to **€23.1 million** in the previous year
- Proposed dividend of €0.2020 per share

The purpose of this Press Release is to capture and explain the financial results of the Group and the Company, as well as to highlight their determinant factors.

Group Results (€ thous.)	01.01-31.12.2022	01.01-31.12.2021
Turnover	180,984	163,288
Gross Profit	27,433	31,948
EBITDA	19,279	22,606
EBT	14,178	18,663
EAT	11,623	15,286
Earnings per Share	0,6311	0,8300
Debt	64,462	49,627
Cash & Cash Equivalents	39,459	26,574
Net Debt	25,003	23,053
Net Debt / EBITDA	1.3	1.02
Equity	87,268	80,805
Net Debt / Equity	0.29	0.29

The Group's turnover posted growth of 10.8% reaching €181.0 million from €163.3 million in the previous year. Gross profit settled at €27.4m or 15.2% of sales compared to €31.9m or 19.6% of sales in 2021. Earnings before interest and taxes (EBIT) amounted to € 16.6 million compared to € 20.0 million in 2021, while the results before interest, taxes, depreciation and amortization (EBITDA) amounted to € 19.3 million compared to € 22.6 million in 2021. Finally, the results before taxes amounted to € 14.2 million compared to € 18.7 million in the previous year.

The results of the Group's steel sector in 2022 presented a mixed performance, despite the significant increase in turnover and the achievement of high profitability for a second successive year. In particular, the outbreak of war that followed Russia's invasion of Ukraine during the first half of the year, led, among other things, to a significant increase in the cost of energy and by extension in the cost of steel production. The above resulted into a further increase of selling prices. In this context, the Group's turnover and results posted an improvement compared to the corresponding first half of the previous year. However, the continued increase in costs in key sectors of absorption of steel products such as those of construction and industrial production slowed down the demand and consumption of the products, resulting into the gradual decline in the prices of raw materials, the reduction of selling prices and the drop in operating profit margins compared to the first half of 2022. In any case, the course of the Group's business activities and financial results for the entire year 2022 was in line with the management's estimates, with the main determinant factors being the following:

- **Sustaining the level of activity** amid increased costs of goods and of raw materials following the hostilities that took place between Russia and Ukraine.
- **Increase in turnover** by 11% or by €17.7 million as a result of the increased average selling price and of the generated sales mix.
- **Correction of the prices of raw materials** from the 2nd quarter of 2022 with consequent reduction of selling prices and operating profit margins.
- **Significant increase in transportation costs** as result of high energy costs.
- **Containment of the increase** in energy and production costs as result of investments in solar PV power plants via the scheme of energy compensation.
- **Sale** of non-operational industrial property and rooftop PV operating installation for €6.9 million, at significantly higher level than their book value.
- **Increase in finance costs** as a result of the higher Euribor rate following ECB's tighter monetary policy during the 3rd quarter of the year and the increased working capital needs due to the rise in the prices of raw materials and operating costs.

It is emphasized that in the midst of an unstable economic environment characterized by intense volatility and continuous inflationary pressures, the Group achieved to further strengthen its equity position which increased by 32% or by € 21.1 million during the period 2020-2022 and amounted to € 87.3 million versus € 66.2 million in the previous period. At the same time, the Group's net debt remained at relatively low levels settling at € 25.0 million with the "Net debt / ebitda" ratio standing at 1.3x. It is also noted that in the period under consideration the Group's cash and cash equivalents increased by 48% reaching € 39.5 million compared to € 26.6 million in the previous year. This reflects a healthy and diversified customer base as well as the Group's ability to effectively manage its trade receivables.

During the year 2022, the Group's investment plan continued smoothly with the construction of new privately-owned warehouses and industrial facilities to house existing and new production lines that enrich the spectrum of steel products and increase capacity by improving both production time and distribution. At the same time, the sale of a non-operating industrial property in Skaramangas, Attica, as well as of a PV operating installation on the roof of the property, was completed for €6.9 million. The above sale proceeds further improved the liquidity of the Group, facilitating at the same time the financing of new investments. It is noted that in the 5-year period 2018 - 2022, various investments were implemented in storage and industrial facilities, as well as in mechanical production equipment, totaling €22.3 million. Those investments were approved and implemented taking into account the need for modernization and diversification of activities as well as the sector's dynamics, as the sector showed particular resilience both during the period of pandemic and during the current period of geopolitical instability.

For the year 2023, it is rather difficult for the Group's Management to make any safe forecasts about the course of financial results in view of the prevailing conditions of intense uncertainty in the international economic environment. The effects of the ongoing hostilities between Russia and Ukraine on the steel sector are considered to have been absorbed to a significant extent. The impact mainly refers to the absence of steel products from the European and international markets originating from factories located in both regions. The significant decline in raw material prices from the 2nd quarter of 2022 continued until the end of the same year with the market balancing and also recovering by the start of 2023 when raw material prices showed an upward trend. The demand for the Group's steel products in the 1st quarter of 2023 is increasing, driven by both the domestic and the international markets, with exports accounting for approximately 35% of turnover, further improving the financial cycle of the Group. In contrast, profit margins are down compared to the same quarter of 2022 **reflecting the time lag in adjusting inventory costs to current market prices.** For the remainder of the year, the Management's view for the market demand remains modestly optimistic considering the ongoing inflationary pressures, the increased cost of money, the potential government instability as a result of the upcoming election in Greece, as well as in view of the various international geopolitical factors of destabilization. On the contrary, the acceleration in absorption of funds coming from the Resilience and Recovery Fund (RRF) and the National Strategic Reference Framework (NSRF) during the present period and the coming years by sectors such as infrastructure (highways, railway infrastructure and ports), logistics, energy and tourism are expected to emerge as the most important pillars of demand for steel products. In this context, ELASTRON Group has the required capital adequacy, know-how and production capacity to cover any potential future demand in the market.

Note: The "Annual Financial Report according to IFRS" of ELASTRON SA will be posted on Monday 24 April 2023 at the Company's website www.elastron.gr as well as at the website of the Athens Exchange www.helex.gr.