

# AGRIPOLYANE S.A.S.

## ANNUAL MANAGEMENT REPORT

Management presents the annual report and audited financial statements of the Company for the year ended 31 December 2024.

### **Basis of preparation of the annual Financial Statements of the Company**

The balance sheet and the income statement as well as the annual report of our Company for 2024 have been drawn up and submitted in line with the principles determined by the French Accounting Standards.

Pursuant to the regulations, our annual report shall present the work and transaction flows of our Company pertaining to the respective financial year as well as the financial status thereof in all aspects by protecting the rights and the interests of our Company; enable our shareholders to have access on any information regarding the financial status of our Company completely and properly; evaluate the general properties of our Company's financial performance and financial status as well as the basic risks encountered by it and propound, through accounting and financial reporting data, that the activities and the services of our Company are performed in most efficient, reliable and uninterrupted manner.

### **Principal activities and nature of operations of the Company**

The principal activities of the Company, which are unchanged from last year, are the production of agricultural greenhouse and bio-degradable mulching films and multifunctional films for other applications, wholesale trade and international trade.

### **Continuity of activity**

These financial statements have been prepared based on the business continuity principle, which assumes that the Company will normally continue its activity in the foreseeable future without entering into a state of liquidation or significant reduction of the activity.

To assess the applicability of this presumption, management analyzes forecasts of future cash inflows. Based on these analyses, the management believes that the Company will be able to continue its activity in the foreseeable future and therefore the application of the principle of continuity of activity in the preparation of the financial statements is justified.

### **Review of current position, future developments, and performance of the Company's business**

The market in 2024 strengthened relative to the year before and this led to an increase in our turnover from 33,91 to 38,43 million Euro (+13%). Prices of raw materials stayed relatively stable and good gross margins were achieved. The year ended with a profit before tax of Euro 595,1 thousand Euros from a loss of 1003,5 thousand Euros the year before.

In 2024 the company continued to serve significant loans at relatively high interest rates which, along with the significantly increased depreciation-amortization costs due to the investments we implemented in 2022 and 2023, have affected final profitability notably.

Finally, the electricity costs were significantly increased in 2024 relative to 2023 as our previous contract expired and the new one was at much higher prices.



**Main investments during the year**

Except building up-keep and repairs that amounted to about 300 thousand Euros, we did not have major investments in 2024. In 2025 & 2026 the company is planning investments in upgrading its manufacturing facility.

**Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company are disclosed here below:

**Liquidity risk**

Liquidity risk is for the moment very low.

**Interest rate risk**

The interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk in relation to its current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

**Energy risk**

For 2025 Agripolyane opted not to have a fixed contract on electricity, predicting that prices will fall in the course of the year.

**Market risk**

Production and sales in 2025 are expected to be stronger than in 2024. The company has switched 80% of its production line capacity to continuous operation in order to keep up with the demand. The stocks of raw materials are correctly priced, and even though at a high level at this point are expected to move much quicker than the previous year.

**Organization and development of internal control within the Company**

The purpose of internal control is to ensure the coherence of objectives, to identify the key success factors and to communicate to the Company's management, in real time, the information regarding the performances and perspectives.

The control activities are an integral part of the management process through which the Company aims to achieve the proposed objectives.

The control aims at applying the norms and procedures of internal control, at all hierarchical and functional levels: the decisional authority regarding the definition on hierarchical levels of the approvals, the evaluation of the operational performances, the security of the assets, the separation of the functions.

**Board of Directors**

According to its Statutes, the Company does not have a Board of Directors.

Mr. Michail Lempidakis is the Chairman and Mr. Sotirios Droulias the General Director of the Company.



## Events after the balance sheet

There are no significant events after the balance sheet date.

The Chairman of the Company

Mr. Michail Lempidakis

April 4<sup>th</sup>, 2025



