KORDELOS BROS S.A.

IR RELEASE FY 2024

During fiscal year 2024, demand for steel products in the Greek market experienced no significant fluctuations, but the continued decline in international steel prices resulted in a decrease in the Company's turnover.

In particular, the value of sales amounted to € 44,28 million, reduced by 19% compared to sales of € 54,67 million recorded in 2023. In addition to the downward trend in prices, there has also been a decrease in volume, which has been limited to non-profitable sales items. The Company has chosen to allocate its liquidity to the most efficient items in order to limit the impact of the downward price cycle on its profitability, resulting in an improvement in gross margin. Gross profit amounted to € 4,23 million with a gross margin of 9,6%, compared to a gross profit of € 4,48 million and a margin of 8,2% in the previous fiscal year.

The Company's operating expenses, Distribution and Administration expenses, increased by 3,4% compared to the previous year (€ 3,64 million in 2024 compared to € 3,52 million in 2023), resulting in EBITDA at the level of € 1.04 million compared to €1.69 million of the previous year. The Company's financial costs remained high despite the decrease in borrowing, due to the high interest rates (€ 1,92 million compared to € 1,86 million in 2023) and the pre-tax results amounted to a loss of € 1,17 million compared to a loss of 0,55 million in 2023. The Company's total borrowing as of 31.12.2024 amounted to EUR 21.0 million reduced by 2.8 million compared to 31.12.2023.

Fluctuations in international steel prices play a decisive role in shaping the Company's results, a factor common to all companies operating in the sector. The upward cycle that started at the end of 2020 and lasted until the beginning of 2023, resulted in the high profitability achieved in the three-year period 2020 – 2022. The de-escalation of prices which began in the second half of 2023 continued in 2024, resulting in the reduction of turnover and low gross margin.

The downward price cycle was caused by the reduced demand for steel products in the international market, due to the geopolitical instability and the high interest rates, factors that restrain investments. At the beginning of 2025, while interest rates are falling but geopolitical instability persists, a new factor of economic uncertainty has emerged. The imposition of tariffs by the U.S. on its trading partners, including EU, is expected to create disarray in international trade, and the risk of a global recession is evident. Although it is premature to predict the effects in the Greek Economy, export-oriented companies will certainly be affected, especially exporters to the United States, while it is difficult to predict the losses, direct and indirect, both in trade and tourism.

As part of the measures launched by EU to protect European steel companies from US tariff policy, the quotas for steel products imported into EU from third countries have been revised. The direct impact of these measures was the significant increase in sales prices of certain product categories in the Greek market. The reduction of supply from third countries is expected to increase the price level within EU, which will positively affect the Company's results. At the same time, the demand in the Greek market at the beginning of 2025 is satisfactory, as several public and private projects are in progress or underway, which are expected to boost demand both in the short and long term.

The most important positive fact is that the de-escalation of interest rates has begun. Euribor 3M on 01.01.2024 was 3,909% and on 31.12.2024 decreased to 2,714%. The reduction in interest rates did not affect the Company's results in the financial year 2024, but a significant reduction in financial expenses is expected in the financial year 2025. The reduction of interest rates and the concurrent repayment of the Company's long-term borrowing, reduces financial costs and contributes to the improvement of Net Worth. Also, the reduction in interest rates is expected to improve the investment climate by giving a serious incentive to the implementation of investments that are now pending.