

PRESS RELEASE

KORRES GROUP / FINANCIAL RESULTS 2017

- CONSOLIDATED SALES GROWTH
- POSITIVE PERFORMANCE OF KORRES BRAND IN GREECE AND INTERNATIONAL MARKETS

In 2017 KORRES Group recorded positive growth rates, increasing its sales in key product categories, as well as in priority markets of strategic significance.

Consolidated sales increased by 2,5%, to 55,9m euro in 2017 compared to 54,6m in 2016, as a result of the positive performance of the brand both in Greece and in priority international markets.

In Greece, sales increased by 2,0%, as a result of the successful launch of new innovative KORRES products in key categories, supported by an integrated marketing and communications plan, enhancing the brand's presence in the pharmacy channel.

Double digit growth +23,8% has been achieved by KORRES Group in priority markets in Europe, such as Germany, Norway and UK. Sales in the US decreased by 7,1% due to the US dollar exchange rate and HSN' (Home Shopping Network) performance, KORRES' key client in the US market. During the second half of 2017, HSN sales returned to positive growth rates, following the successful restructuring strategy. Key KORRES' distribution channels in the US continued to grow. Sales in Canada doubled as a result of new product launches.

Adjusted earnings before interest, tax and depreciation (Adjusted EBITDA) in 2017 were 7,6m euro compared to 8,2m euro in 2016 (excluding extraordinary restructuring cost impact). Earnings before interest, tax and depreciation reached 5,8m euro in 2017 compared to 4,9m euro in 2016, corresponding to 18,1% increase.

Net results after tax and minority rights in 2017 were at the level of 2016, -2,3m euro.

In Greece, KORRES Group further strengthened its presence in the pharmacy channel by presenting new innovative products and running high-performance promotional campaigns.

In particular

- **Skincare;** Antiageing products have been the key category driver, focusing on the leading Black Pine 3D, Castanea Arcadia and Golden Krocus collections. 2017 was the year that marked the first major relaunch for the best-selling Black Pine collection. Featuring the innovative natural skin remodeling complex ElastiLift-3D™, the new Black Pine 3D collection naturally re-sculpts facial architecture; a breakthrough line that was developed based on recent research findings on the skin ageing process. KORRES introduced also the revolutionary Black Pine 3D Super Eye Serum; a one-of-its-kind product boosted with the targeted DEFEYE GRAVITY™ natural active complex that visibly lifts the upper eye lid.
- **Colour;** The award-winning, best-selling firming and anti-ageing Black Pine line by KORRES branches out on make-up; the Black Pine Foundation and Concealer are the latest additions to the KORRES Colour collection. As per the brand's principles this new make-up line brings together naturals, science and innovation with advanced make-up technology
- **Suncare;** Red Grape, the new generation of silicone-free antiageing and antispot suncare, remained the category's key growth factor. KORRES also run for the first time, in 2017, the #stopsunageing awareness campaign, in an effort to remind the sun's daily impact on skin as well as the need to use year-round effective sunscreens, based on potent antioxidants and nourishing ingredients, to fight photo-ageing, as the brand keeps up with its intensive research to discover naturals with superior UV-protection action.

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In the international markets (Europe and US) KORRES Group further enhanced brand awareness through new innovative product launches, strong support of existing POS (points of sales), as well as through the expansion of existing sales networks and targeted promotional activities. In Latin America, within the context of its strategic agreement with AVON, KORRES Group' continued its positive course in 2017. Growth potentials in this geographic region will be significant in the next years, due to AVON's strong presence and in-depth knowledge of the market.

Finally, 2017 was a year of significant developments for the Group. KORRES S.A. announced the Investment Agreement between (i) Nissos Holdings (CY) Ltd.(the company launched the procedure for the Mandatory Takeover Offer to acquire Korres S.A), (ii) της NHPEA Maiden Holding B.V. (which is controlled by Morgan Stanley), (iii) Profex (a company, based in China, which is active in the sectors of Pharmaceuticals, Consumer Health and Medical Aesthetics, and employs over 500 dedicated team members) (iv) Mr. George Korres, (v) Mr. Apostolos Korres and (vi) Ms. Eleni Philippou. This Agreement is expected to further enhance KORRES Group's growth strategy by increasing brand awareness, while expanding to new markets (China and other regions in Asia). It is envisaged that following completion of the Mandatory takeover offer (MTO), a capital increase of up to €10,000,000 will be implemented by the shareholders of Nissos in order to fund the future expansion of the KORRES Group.

For more information:

INVESTOR RELATIONS / Athina Lagou / T: (+30) 213 018 8905, E: athina.lagou@korres.com

PUBLIC RELATIONS

Katerina Traka/ T: 213 018 8837 E: katerina.traka@korres.com

George Anthoulakis / T (+30) 2130 188835 / E george.anthoulakis@korres.com