

18 November 2016

## SECOND INTERIM MANAGEMENT REPORT

The Board of Directors of Rolandos Enterprises Public Ltd (the “Company”) presents the Group’s Interim Management Statement for the period from 1 July to 17 November 2016, which has been prepared pursuant to the provisions of Article 11 of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Law of 2007 (Law No. 190(I)/2007) and has not been audited by the Group’s external auditors.

The Interim Management Statement was approved at a meeting of the Board of Directors held on 17 November 2016 at the Company’s registered office.

The Group’s main activities consist in the development, manufacturing and marketing of skincare products on both the domestic and the international markets, outdoor advertising as well as digital printing and specialised commercial structures for advertising purposes on the domestic market.

### Material events and transactions

The Rolandos Enterprises Group has recently established a new company, named R Scientific Group Limited, a wholly owned subsidiary of Rolandos Enterprises Public Limited, responsible for the new scientific laboratories and the skincare manufacturing unit as well as the construction and operation of new microbiological and chemical laboratories.

It is very important to note that, once established, the laboratories will be able to offer third parties the possibility to manufacture skincare products under a private label (“phantom brands”). This offers potential for turnover expansion in this new sector.

We would also like to inform you of the registration of the new Community Trade Mark under the name **R Group™**. *R Group™* will refer to the entire Group of companies of Rolandos and belongs exclusively to Rolandos Enterprises Public Limited. *R Group™* has been certified throughout the European Community as well as in the USA.

In addition, we wish to announce our intention for complete restructuring of the skincare range, the image and manufacturing of Neoderma products. To this end, a large group of individuals and strategic associates has been working on this project since 2013. Also, we will very soon be able to reveal to the public the new, modern and dynamic trade name of **Neoderma™**, which will reflect our renewed and restructured product range.

The Board of Directors estimates that the Group will be in a position to complete the above plans by the end of 2018. Total investments are expected to reach approximately €3 million.

## **General overview of the Group's financial situation and performance**

Although turnover is expected to decrease compared to the previous year, gross profits are expected to increase, mainly due to the decrease in production costs.

In addition to all that is stated under "Material Events", we have made significant investments and laid solid foundations in both technology and new strategic co-operations (research and development, sales promotion) which now make up the new structure. Moreover, we have plans to develop our turnover aiming at the global market. The benefits of these actions for the Group will gradually start to show from the second semester of 2017.

## **Objectives and prospects**

Considering the Group's course to date, the prospects and the current situation, the Board of Directors estimates that the Group's financial results for the year ended 31 December 2016 will be similar to those of 2015.

The main objective is to expand turnover as much as possible with a focus on the international market.

On behalf of the Board of Directors

Andreas Loizou

CEO & Executive Member of the Board of Directors

**Rolandos Enterprises Public Ltd**