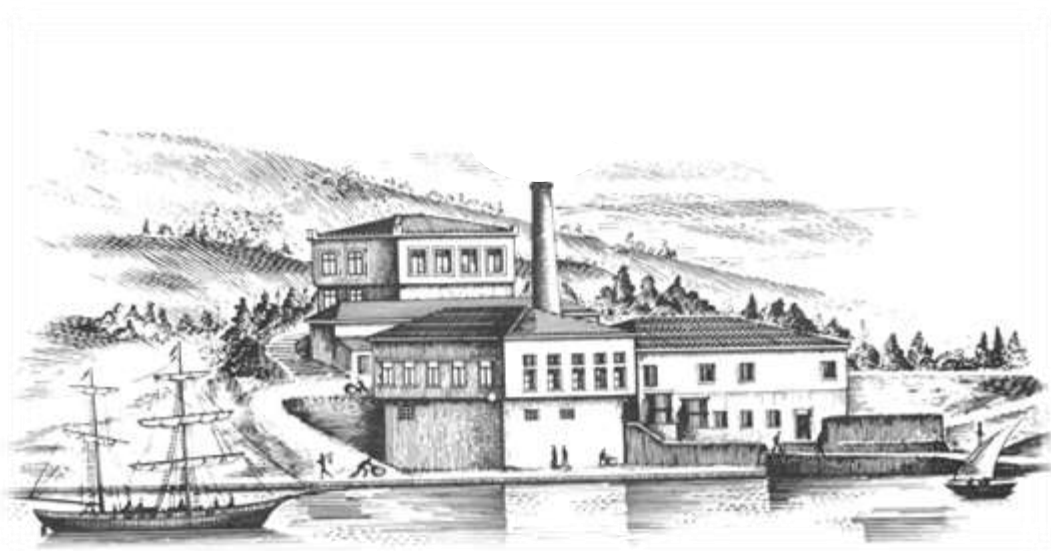




# **PAPOUTSANIS S.A.**

**CONDENSED FINANCIAL INFORMATION**  
**For the period from 01.01.2021 – 30.09.2021**



*INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CONSUMER PRODUCTS*  
*GEGR Nr 121914222000*  
*71th Km ATHENS - LAMIA NATIONAL ROAD, HALKIDA*

Statement of Financial Position

ASSETS	GROUP		COMPANY	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
<b>Non-current assets</b>				
Fixed assets	38.063.624	32.352.099	38.063.624	32.352.099
Investments in real estate property	226.707	226.707	226.707	226.707
Intangible assets	210.334	225.252	210.334	225.252
Investments in subsidiaries	-	-	-	52.166
Other non-current assets	24.718	18.925	24.718	18.925
	<b>38.525.383</b>	<b>32.822.984</b>	<b>38.525.383</b>	<b>32.875.149</b>
<b>Current assets</b>				
Inventories	6.996.270	7.492.943	6.996.270	7.473.607
Trade receivables (open balance)	7.052.751	4.421.961	7.052.751	4.421.961
Trade receivables (covered by checks)	829.542	233.537	829.542	233.537
Other current assets	2.509.928	2.126.219	2.509.928	2.126.143
Cash and cash equivalents	2.456.334	4.256.667	2.456.334	4.239.236
	<b>19.844.825</b>	<b>18.531.326</b>	<b>19.844.825</b>	<b>18.494.484</b>
<b>Total Assets</b>	<b>58.370.208</b>	<b>51.354.310</b>	<b>58.370.208</b>	<b>51.369.633</b>
<b>EQUITY</b>				
<b>Equity attributable to the shareholders of the parent</b>				
Share Capital	14.582.616	14.529.291	14.582.616	14.529.291
Share Premium	1.864.912	1.819.487	1.864.912	1.819.487
Own shares	(58.676)	-	(58.676)	-
Fair value reserves	1.551.930	1.551.930	1.551.930	1.551.930
Exchange rate differences	-	(1.908)	-	-
Other Reserves	271.148	237.435	271.148	237.435
Retained earnings	6.276.661	3.514.811	6.276.661	3.546.809
<b>Total equity attributable to the Shareholders of the parent</b>	<b>24.488.591</b>	<b>21.651.047</b>	<b>24.488.591</b>	<b>21.684.952</b>
<b>Non-controlling interests</b>	-	18.261	-	-
<b>Total Equity</b>	<b>24.488.591</b>	<b>21.669.307</b>	<b>24.488.591</b>	<b>21.684.952</b>
<b>LIABILITIES</b>				
<b>Long-term Liabilities</b>				
Long term borrowings	10.029.484	9.093.029	10.029.484	9.093.029
Deferred income tax	3.557.985	3.535.100	3.557.985	3.535.100
Provisions for employee benefits	966.116	914.507	966.116	914.507
Other provisions	1.202.323	760.643	1.202.323	760.643
Grants	1.275.466	1.241.220	1.275.466	1.241.220
	<b>17.031.373</b>	<b>15.544.498</b>	<b>17.031.373</b>	<b>15.544.498</b>
<b>Short-term liabilities</b>				
Suppliers and other liabilities	10.492.026	7.992.122	10.492.026	7.992.122
Other short term liabilities	1.461.753	1.643.652	1.461.753	1.643.330
Current income tax	1.455.264	1.102.378	1.455.264	1.102.378
Short term borrowings	3.441.202	3.402.352	3.441.202	3.402.352
	<b>16.850.244</b>	<b>14.140.504</b>	<b>16.850.244</b>	<b>14.140.183</b>
<b>Total Liabilities</b>	<b>33.881.617</b>	<b>29.685.002</b>	<b>33.881.617</b>	<b>29.684.681</b>
<b>Total Liabilities and Equity</b>	<b>58.370.208</b>	<b>51.354.310</b>	<b>58.370.208</b>	<b>51.369.633</b>

**Income Statement**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>01/01- 30/09/2021</b>	<b>01/01- 30/09/2020</b>	<b>01/01- 30/09/2021</b>	<b>01/01- 30/09/2020</b>
Turnover	38.240.579	30.841.672	38.240.579	30.798.742
Cost of Sales	(25.209.807)	(20.505.369)	(25.209.807)	(20.492.089)
<b>Gross Profit</b>	<b>13.030.773</b>	<b>10.336.303</b>	<b>13.030.773</b>	<b>10.306.652</b>
Other income	492.857	388.290	492.857	388.244
Selling and distribution expenses	(4.967.093)	(2.746.873)	(4.967.093)	(2.746.873)
Administrative expenses	(2.126.357)	(1.974.960)	(2.126.357)	(1.930.726)
Research & Development expenses	(580.024)	(467.493)	(580.024)	(467.493)
Other expenses	(258.035)	(555.451)	(258.035)	(554.941)
Financial expenses (net)	(446.868)	(411.902)	(446.868)	(411.039)
Loss from sale of participations	(43.027)	-	(44.243)	-
Profit before Tax	<b>5.102.225</b>	<b>4.567.914</b>	<b>5.101.009</b>	<b>4.583.823</b>
Deferred income tax	(58.229)	(158.306)	(58.229)	(158.306)
	(1.048.927)	(946.265)	(1.048.927)	(946.265)
<b>Net operating profit (A)</b>	<b>3.995.069</b>	<b>3.463.343</b>	<b>3.993.853</b>	<b>3.479.252</b>
- owners of the parent	3.995.069	3.471.297	3.993.853	3.479.252
- non-controlling interests	-	(7.955)	-	-
Loss from discontinued activities	(1.216)	-	-	-
	<b>3.993.853</b>	<b>3.463.343</b>	<b>3.993.853</b>	<b>3.479.252</b>
<b>Other comprehensive income after tax (B)</b>	<b>35.344</b>	<b>(2.804)</b>	<b>35.344</b>	<b>-</b>
<b>Total comprehensive income after tax (A + B)</b>	<b>4.029.198</b>	<b>3.460.539</b>	<b>4.029.198</b>	<b>3.479.252</b>
- owners of the parent	4.029.198	3.469.895	4.029.198	3.479.252
- non-controlling interests	-	(9.356)	-	-
Earnings after taxes per share	0,1483	0,1382	0,1482	0,1385

**Cash Flow Statement**

	GROUP		COMPANY	
	01.01- 30.09.2021	01.01- 30.09.2020	01.01- 30.09.2021	01.01- 30.09.2020
<b><u>OPERATING ACTIVITIES</u></b>				
Profits before tax	5.102.225	4.567.914	5.101.009	4.583.823
Loss before taxes from discontinued operation	(1.216)	-	-	-
<b>Plus / (minus) adjustments for:</b>				
Depreciation and Amortization	1.268.065	1.502.848	1.268.065	1.502.848
Provisions	707.188	970.142	707.188	970.142
Exchange rate differences	-	747	-	-
Grants Depreciation	(109.193)	(160.869)	(109.193)	(160.869)
Investment income / expenses	44.243	-	44.243	-
Finance cost (net)	446.868	411.039	446.868	411.039
	<b>7.458.181</b>	<b>7.291.821</b>	<b>7.458.181</b>	<b>7.306.983</b>
<b>Plus/Less adjustments for changes of working capital:</b>				
Decrease/(Increase) of trade receivables	(3.616.373)	(4.234.352)	(3.616.373)	(4.269.197)
Decrease/(Increase) of inventories	477.337	(3.599.653)	477.337	(3.611.532)
(Decrease)/Increase of liabilities (excluding loans)	1.390.788	2.758.473	1.390.788	2.833.732
<b>Minus:</b>				
Interest and related expenses paid	(405.624)	(312.571)	(405.624)	(312.571)
<b>Total inflows / (outflows) from operating activities(a)</b>	<b>5.304.309</b>	<b>1.903.719</b>	<b>5.304.309</b>	<b>1.947.416</b>
<b><u>Investing Activities</u></b>				
Participations	-	-	-	(11.958)
Proceed from sale of Holdings	7.922	-	7.922	-
Purchase of tangible and intangible assets	(6.964.672)	(4.240.679)	(6.964.672)	(4.240.679)
<b>Total of inflows / (outflows) from investing activities (b)</b>	<b>(6.956.749)</b>	<b>(4.240.679)</b>	<b>(6.956.749)</b>	<b>(4.252.637)</b>
<b><u>Financing Activities</u></b>				
Decrease of share capital	-	(1.254.703)	-	(1.254.703)
Purchase of own shares	(58.676)	36.434	(58.676)	-
Reserve for payments Based on equity securities	79.672	-	79.672	-
Proceeds from share capital increase	98.750	-	98.750	-
Proceeds from issued loans	5.286.900	9.956.225	5.286.900	9.956.225
Proceeds from government grant	119.536	-	119.536	-
Repayments of borrowings	(4.036.620)	(5.873.031)	(4.036.620)	(5.873.031)
Repayment of financial lease liabilities	(274.974)	(302.765)	(274.974)	(302.765)
<b>Total inflows / (outflows) from financing Activities (c)</b>	<b>(1.345.049)</b>	<b>-</b>	<b>(1.345.049)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents of the period (a) + (b) + (c)</b>	<b>(130.461)</b>	<b>2.562.160</b>	<b>(130.461)</b>	<b>2.525.725</b>
Cash and cash equivalents at the beginning of the period	4.239.236	2.650.667	4.239.236	2.639.812
Exchange differences in cash and cash equivalents	-	(485)	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>2.456.334</b>	<b>2.875.381</b>	<b>2.456.334</b>	<b>2.860.316</b>

## **Additional information**

### **Turnover**

Group and Company turnover amounted to €38,2m compared to €30,8m in the first nine months of 2020 (increased by 24%).

Since the beginning of 2021, the Company directly serves the large retail chains. Due to this change, there is an impact on the way of invoicing, resulting in an increase of 1,6 million euro on the published turnover and an equal increase on distribution costs. If this change had not occurred, the Company's turnover would have amounted to € 36,6 million and distribution costs would have reached the amount of € 3,4 million.

The main reasons which contributed to the turnover increase were the high performance of the Company in the categories of branded products, except for antiseptics, products for third parties and soap noodles sales. The partial recovery of the hotel market, both in Greece and abroad, also contributed to this result.

Papoutsanis' exports amounted to 22,5 million euro in the first nine months of 2021, equal to 59% of the total turnover, which is an increase of 55% compared to the same period of the previous year.

In September 2021 the Company decided to sell its share in the subsidiary PAPOUTSANIS S.p.z.o.o. based in Poland. The result from the sale was a loss of 44 thousand euro, and no other impact is expected on the Company's results by this transaction.

### **Overview by Business Segment**

#### **Branded products**

The sales of branded products, excluding antiseptics, increased by 44% in the first nine months of 2021 (or 10% if the invoicing change had not taken place as mentioned above) compared to the corresponding period of 2020 and by 2% including antiseptic. It is worth noted that in 2020 this category benefited significantly from increased sales of antiseptics, due to COVID-19 pandemic.

#### **Hotel Amenities**

The category increased by 48% during the first nine months of 2021 compared to the corresponding period of 2020. A further improvement in the growth rate is expected for the last quarter of 2021, as the signs from the hotel market, mainly abroad, are particularly positive.

#### **Third Party Manufacturing, Private Label**

This category increased by 27% compared to the first nine months of 2020. The growth comes mainly from the expansion of significant partnerships with multinational companies for the manufacturing of their products.

#### **Soap Noodles**

This category recorded an increase of 38%, mainly due to exports. Growth is attributed to the establishment of the Company as one of the main suppliers of special soap noodles in the international market, the continuous expansion of the customer portfolio and the offered range of

products. The launch of synthetic soap noodles, special products with very positive ecological footprint and high added value, is estimated to further strengthen the category. Furthermore, it is worth noting that the current situation of historically high shipping costs and the delivery delays from Asia leads to further development of soap noodles sales, which are commodities traditionally served by Indonesia and Malaysia.

### **Gross profit**

Gross profit was affected positively from sales growth and the reduction of operating costs, due to the investments implemented and amounted to €13m compared to €10,3m in the corresponding period of 2020, improved by 26%. Gross profit margin was improved and amounted to 34,1% compared to 33,5% in the first nine months of 2020.

### **Profit for the period**

Consolidated profits before taxes amounted to €5,1m compared to €4,6m in the first nine months of 2020, while profits after tax amounted to €4m compared to €3,5m in the corresponding period of 2020.

### **Operating cash flow**

Operating cash flows were significantly improved and amounted to €5,3m compared to €1,9m in the corresponding period of 2020.

### **Net Bank Debt**

Consolidated net bank debt (bank loans minus cash) amounted to €11m (compared to €8,2m at 31.12.2020).

### **Fixed Assets**

The depreciated value of fixed assets, both for the Group and the Company, amounted to €38,1m compared to €32,4m at 31.12.2020.

### **Debt to Equity ratio**

Total liabilities with respect to equity remained stable on 30.09.2021 compared to 31.12.2020 and amounted to 1,4.

### **Working Capital**

Working capital (current assets minus current liabilities) amounted to €3m compared to €4,4m at 31.12.2020.

### **Outlook for business activities during the last quarter of the year**

For the last quarter of the year, we estimate that we will achieve further significant growth compared to the corresponding quarter of 2020. Therefore, we anticipate a higher growth rate for the whole year compared to that of the current nine months, thanks to the new – in progress - collaborations and the higher rates of the hotel market in Greece and abroad. At the same time, the completion and operational starting of the investment plan that started two years ago for the production and warehouse capacity increase and modernization is expected to contribute in the significant reduction of production and transportation costs.

### **Business Perspective**

Management's estimations for the next year's growth rate and profitability are also positive, and are based on:

- the strengthening of branded products placement in the market channels as part of the Company's strategic priority for further improvement of its market share.
- the further improvement of the hotel amenities market in Greece and abroad
- the expansion of the existing long-term partnerships with multinational companies and the customer portfolio, with new innovative and sustainable third-party products.
- Further development of soap noodles category with the launching of synthetic soap (Syndet) and the expansion of our customers base.

The Company's management closely monitors the market conditions of raw materials and energy and estimates that it will mitigate their impact through:

- production costs reduction, as a consequence of the past two years investment plan completion
- operating costs reduction, mainly logistics and distribution costs that were higher this year due to the deposition of products in third party facilities, as an interim solution until the expansion of the size and capacity of our own warehouse to volumes suitable to support the growth rate of the Company.
- The sales price adjustment for mitigating the increased prices of raw materials and packaging materials. At this point, the Company, despite the obvious pressure from the above increases, is in a relatively more advantageous position since more than 65% of its sales come from contracts where the price adjustment is provided contractually (open book costing).