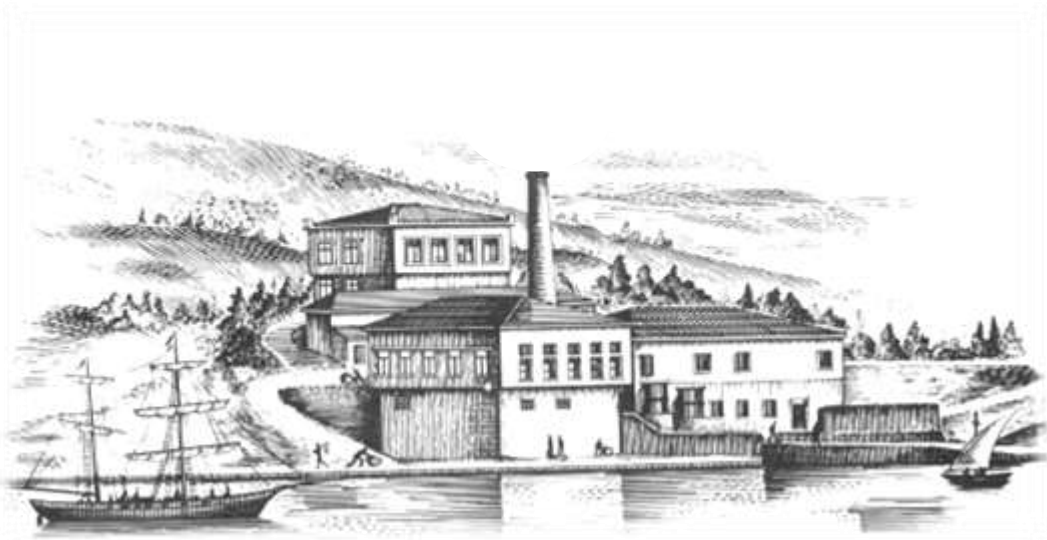




PAPAOUTSANIS S.A.

CONDENSED FINANCIAL INFORMATION

For the period ended on March 31st 2022 (01.01.2022 – 31.03.2022)



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

Statement of Financial Position

ASSETS	31.03.2022	31.12.2021
Non-current assets		
Fixed assets	40.699.517	39.554.676
Investments in real estate property	226.707	226.707
Intangible assets	258.080	249.219
Other non-current assets	38.241	39.646
	41.222.545	40.070.249
Current assets		
Inventories	10.806.507	7.171.973
Trade receivables (open balance)	8.841.940	7.409.763
Trade receivables (covered by checks)	212.591	88.548
Other current assets	3.098.354	2.458.862
Cash and cash equivalents	3.477.161	6.377.744
	26.436.553	23.506.890
Total Assets	67.659.098	63.577.139
EQUITY		
Equity attributable to the shareholders of the parent		
Share Capital	14.582.616	14.582.616
Share Premium	1.854.458	1.854.458
Own shares	(82.583)	(60.406)
Fair value reserves	1.551.930	1.551.930
Other Reserves	534.910	529.291
Retained earnings	7.572.927	6.819.552
Total Equity	26.014.258	25.277.440
LIABILITIES		
Long-term Liabilities		
Long term borrowings	12.996.154	12.664.254
Deferred income tax	3.723.213	3.598.029
Provisions for employee benefits	335.091	323.611
Grants	1.485.741	1.522.769
	18.540.199	18.108.663
Short-term liabilities		
Suppliers and other liabilities	14.036.570	12.358.638
Other short term liabilities	2.299.273	1.985.184
Current income tax	1.408.860	1.198.775
Short term borrowings	5.324.738	4.024.438
other Provisions	35.200	624.000
	23.104.640	20.191.036
Total Liabilities	41.644.839	38.299.699
Total Liabilities and Equity	67.659.098	63.577.139

Income Statement

	01/01- 31/03/2022	01/01- 31/03/2021
Turnover	14.895.895	10.290.475
Cost of Sales	(10.698.683)	(7.333.000)
Gross Profit	4.197.212	2.957.475
Other income	204.824	191.273
Selling and distribution expenses	(1.702.116)	(1.294.348)
Administrative expenses	(775.706)	(709.465)
Research & Development expenses	(219.947)	(189.148)
Other expenses	(471.581)	(91.473)
Financial expenses (net)	(144.042)	(120.851)
Profit before Tax	1.088.644	743.462
Deferred income tax	(125.185)	(34.636)
Current income tax	(210.084)	(169.950)
Net period earnings (A)	753.375	538.875
Other comprehensive income after tax (B)	-	-
Total comprehensive income after tax (A + B)	753.375	538.875
Earnings after taxes per share	0,0278	0,0199
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1.639.890	1.215.947
Earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)	2.023.689	1.215.947

Cash Flow Statement

	01.01- 31.03.2022	01.01- 31.03.2021
<u>OPERATING ACTIVITIES</u>		
Profits before tax	1.088.644	743.462
Plus / (minus) adjustments for:		
Depreciation and Amortization	445.500	397.793
Grants Depreciation	(38.296)	(46.159)
Finance cost (net)	144.042	120.851
	<u>1.639.890</u>	<u>1.215.947</u>
Plus/Less adjustments for changes of working capital:		
Decrease/(Increase) of trade receivables	(2.194.306)	(1.147.871)
Decrease/(Increase) of inventories	(3.634.534)	(1.224.738)
(Decrease)/Increase of liabilities (excluding loans)	1.388.858	2.601.650
Minus:		
Interest and related expenses paid	(111.313)	-
Total inflows / (outflows) from operating activities(a)	<u>(2.911.405)</u>	<u>1.444.989</u>
<u>Investing Activities</u>		
Purchase of tangible and intangible assets	(1.599.202)	(2.473.749)
Total of inflows / (outflows) from investing activities (b)	<u>(1.599.202)</u>	<u>(2.473.749)</u>
<u>Financing Activities</u>		
	(22.176)	-
Proceeds from issued loans	4.448.179	-
Repayments of borrowings	(2.652.498)	(1.230.479)
Repayment of financial lease liabilities	(163.481)	(121.262)
Total inflows / (outflows) from financing Activities (c)	<u>1.610.023</u>	<u>(1.351.741)</u>
Net increase/(decrease) in cash and cash equivalents of the period (a) + (b) + (C)	<u>(2.900.583)</u>	<u>(2.380.502)</u>
Cash and cash equivalents at the beginning of the period	6.377.744	4.239.236
Cash and cash equivalents at the end of the period	<u>3.477.161</u>	<u>1.858.734</u>

Additional information

Turnover

Papoutsanis' turnover amounted to €14.9 million up from €10.3 million in the same quarter of 2021 (increased by 45%).

This significant increase in turnover is due to the partial recovery of the hotel sales in Greece and abroad, as well as doubling of specialty soap bases exports and a boost in manufacturing for third parties

Papoutsanis' exports amounted to €11.1 million, accounting for 74% of total turnover, marking a very strong growth of 83% compared to the same period last year

Overview by Business Segment

Branded products: Branded sales decreased marginally by 3% compared to a strong Q1 in 2021 coinciding with the Company's beginning to provide direct service to large retail chains. Moreover, in Q1 2022 there was a marked downtrend in the overall retail market relative to the same period last year. In the first two months of 2022, the markets in which Papoutsanis is active recorded an 8% decline, while the outlook for March is also negative. Papoutsanis has significantly grown its market share in these product categories, making up for almost all of the decrease originating from shrinking consumer demand. The company is looking forward to a dynamic 2nd quarter, with the relaunch of an iconic brand, its entry into new categories and innovative eco-friendly products.

Hotel amenities: There was a significant rise in sales by 570%, compared to 2021. At the same period last year, this segment was at very low levels due to the pandemic, while this year, sales have seen a boost both in Greece and in foreign markets.

Third party manufacturing (industrial sales, private label products): Sales were up by 14% from 2021. This increase was due to further strengthening of partnerships with multinationals for the manufacturing of their products, enhanced customer base and ongoing expansion of the product range offered by Papoutsanis.

Industrial sales of soap bases: This segment increased by 106% in 2022, mainly due to exports. This growth is the result of the Company's established position as one of the key suppliers of specialty soap bases on the international market, its expanded customer base and continued efforts to further enhance the product range offered. Moreover, a new soap base production unit was completed and became operational in H2 2021, doubling the Company's production capacity in this line of products. At the same time, the marketing of synthetic soap bases used in more eco-friendly natural products has already begun.

Gross profit

Boosted by a 45% growth in sales and a reduction in production costs as a result of investments by Papoutsanis, gross profit reached €4.2 million, up from €3.0 million for the same period in 2021, improved by 42%. Gross profit margin decreased slightly to 28.2% compared to 28.7% in Q1 2021, mainly affected by the increase of raw material and energy costs.

Earnings before interest, taxes, depreciation, and amortization (EBITDA)

Earnings before interest, taxes, depreciation, and amortization (EBITDA) stood at €1.6 million compared to €1.2 million in Q1 2021. Earnings before taxes, financial, investment, extraordinary non-recurring results and depreciation (adjusted EBITDA) amounted to €2.0 million compared to €1.2 million in Q1 2021, improved by 66%.

Profit for the period

Earnings before taxes stood at €1.1 million, compared to €0.7 million in the same quarter of 2021, while earnings after taxes reached €0.8 million compared to €0.5 million for the same period in 2021, up by 40%.

It is noted that the results of the quarter have been burdened with a non-recurring, extraordinary loss, as this occurred after the issuance of the arbitration award regarding termination of cooperation with Elgeka SA, which until the end of 2020 distributed the company's branded products to large chains. The Company had already made provisions for this in the previous financial years. The amount charged in the current period is €384 thousand, without other charges being expected.

Operating Cash Flow

Operating cash flows for the Company were negative and amounted to €2,9 million compared to €1,4 million positive operating cash flow in the first quarter of 2021. The burden of operating flows comes from the increase of stocks in order to serve the high demand of the next two quarters, the increase of the prices of raw materials and finally, their storage to minimize the risk of insufficiency for customer service.

Net Bank Debt

Net bank debt (bank loans minus cash) of the Company amounted to €14,8 million (compared to €10,3 million on 31.12.2021).

Fixed Assets

The depreciable value of fixed assets for the Company on 31.03.2022 amounts to €40,7 million compared to €39,6 million on 31.12.2021.

Financial structure/ Debt to equity ratio

The total liabilities in relation to equity on 31.03.2022 amounts to 1,60 compared to 1,52 on 31.12.2021.

Working Capital/Liquidity

Working capital (current assets minus current liabilities) remained stable compared to 31.12.2021 and amounted to €3,3 million.

Business Outlook

During the first quarter of 2022, despite the ever-worsening international business environment due to problems concerning the cost and availability of raw and packaging materials, energy and transport costs, the ongoing COVID-19 concerns and the war in Ukraine, the company experienced strong growth and further improved its financial performance.

The company will continue to make concerted efforts to deal with the constantly and unexpectedly changing economic environment and to serve its customers in Greece and abroad in the best possible way, while implementing its overall growth strategy aiming to achieve double-digit growth with healthy profitability for yet another year.