

Management report

FINANCIAL ACCOUNTS
Period from 01/01/2022 to 30/06/2022

SASU JØTUL FRANCE
3 chemin du Jubin - 69 570 Dardilly - France
311 472 351 RCS Lyon

Financial accounts June 2022

REPORT DELIVERED BY THE MANAGEMENT

The management presents the financial accounts for SASU JOTUL FRANCE for the period 01/01/2022 to 30/06/2022, using the same methods and principles as a year-end legal closing.

The financial accounts are detailed to this report; they notably show the following data:

	Total amounts in euros
Balance sheet	14,781,660
Total turnover	14,537,586
Net book result (Profits)	1,141,971

Done at Dardilly,
The 18th of October, 2022



Karine DANQUIGNY
Financial manager

Balance Sheet

	Gross	Amortization Depreciation	Net as at 30/06/2022	Net as at 30/06/2021
ASSETS				
CAPITAL SUBSCRIBED NOT CALLED UP				
Intangible fixed assets				
Formation expenses				
Expenses for research and development	713 177	612 896	100 281	73 831
Concessions, patents and similar	294 340	294 340		4 987
Commercial capital	697 715		697 715	697 715
Other intangible assets	7 256		7 256	28 286
Tangible fixed assets				
Lands				
Buildings				
Technical installations, material and tools	523 423	513 398	10 025	9 651
Other tangible fixed assets	599 525	502 130	97 395	97 196
Current fixed assets/Advance payments & deposits				
Financial assets				
Holdings and receivables	1 025 000		1 025 000	350 000
Other financial investments				
Loans				
Other financial assets	41 086		41 086	40 349
TOTAL FIXED ASSETS	3 901 521	1 922 764	1 978 758	1 302 015
Stocks				
Raw materials and other supplies	144 087		144 087	96 425
Goods in production				
Services in production				
Intermediate products and finished products	326 823		326 823	321 137
Goods for resale	2 888 179	158 327	2 729 851	1 996 311
Debtors				
Customer accounts and related accounts	3 518 811	26 966	3 491 845	2 598 585
Accounts receivable				
Staff	1 756		1 756	3 949
State, Corporation tax				
State, turnover tax	90 080		90 080	79 898
Other debtors	524 413		524 413	724 528
Miscellaneous				
Advance payments and deposits on orders	18 414		18 414	629
Stocks and shares				
Cash	5 405 936		5 405 936	4 140 751
Prepayments	69 697		69 697	118 964
TOTAL CURRENT ASSETS	12 988 196	185 293	12 802 903	10 081 177
Costs to be broken down over several financial years				
Bond repayment premiums				
Goodwill - Assets				
ADJUSTMENT ACCOUNTS				
TOTAL ASSET VALUE	16 889 718	2 108 057	14 781 660	11 383 192

Balance Sheet

	Net as at 30/06/22	Net as at 30/06/21
LIABILITIES		
Company capital or individual capital Issue, merger, contribution premiums	728 400	728 400
Re-evaluation surplus		
Legal reserves	72 840	72 840
Statutory reserves		
Regulated reserves		
Other reserves	80 662	80 662
Profit or loss brought forward	2 519 675	1 812 878
Net result of the FY	1 141 971	392 946
Governments grants		
Statutory provisions		
TOTAL SHAREHOLDER'S EQUITY	4 543 547	3 087 726
Income from the issue of shares		
Conditional state advances		
TOTAL OF OTHER EQUITY		
Provisions for risks	60 000	60 000
Provisions for charges	34 235	33 932
PROVISIONS FOR RISKS AND CHARGES	94 235	93 932
Convertible debenture loans		
Other debenture loans		
Loans	2 750 000	2 750 000
Overdraft facility and bank loans		
Loans and debts with credit establishments	2 750 000	2 750 000
Borrowings and miscellaneous financial debts		
Miscellaneous loans and debits - Shareholders		
Advances and deposits paid for orders in progress		
Trade creditors and related accounts	3 575 149	2 758 351
Staff	191 267	197 251
Social security bodies	174 152	172 083
State, Corporation tax	292 444	55 156
State, turnover tax	501 601	373 024
State, secured bonds		
Other tax and social security liabilities	44 926	38 661
Tax and social security creditors	1 204 389	836 175
Amounts owed for fixed assets and related accounts		
Other liabilities	2 614 340	1 857 009
Deferred income		
TOTAL DEBTS	10 143 878	8 201 534
Goodwill - Liabilities		
TOTAL LIABILITIES	14 781 660	11 383 192


Profit & Loss Account

	from 01/01/22 to 30/06/22 6 months	from 01/06/21 to 30/06/21 6 months	Relative variation (total)	Rel. var (%)
INCOME				
Sales of goods	13 168 887	10 303 011		
Production sold	1 368 700	1 291 122		
Manufactured products inventory variance	57 635	-124 369		
Other income	155 996	183 968		
Total	14 751 217	11 653 732	3 097 485	26,58
CONSUMPTION OF MERCHANDISE & MATERIALS				
Purchases of goods	9 461 337	6 591 045		
Stock variation (merchandise)	-1 076 910	388 798		
Purchase of raw materials & misc. supplies	314 495	205 543		
Stock variation (raw materials)		35 031		
Other purchases & external costs	2 968 827	2 453 663		
Total	11 667 750	9 674 080	1 993 670	20,61
PROFIT MARGIN	3 083 468	1 979 652	1 103 816	55,76
COSTS				
Taxes, duties and similar payments	54 581	63 595		
Wages	803 473	779 607		
Social security charges	423 183	382 274		
Amortization and provisions	206 997	199 191		
Other expenses	44	13		
Total	1 488 279	1 424 681	63 598	4,46
OPERATING PROFITS	1 595 189	554 971	1 040 218	187,44
Net financial income	210	154		
Financial expenses	49 679	27 593		
Financial income	-49 469	-27 438	-22 031	80,29
ROLLING PROFITS	1 545 720	527 532	1 018 188	193,01
Extraordinary income	4 750	1 414		
Extraordinary expenses	-2 500			
Net extraordinary income	7 250	1 414	5 836	412,77
Corporate income tax	411 000	136 000	275 000	202,21
PROFITS FOR THE FINANCIAL YEAR	1 141 971	392 946	749 025	190,62

Cash Flow Statement

	Jan 2022 to June 2022	Jan 2021 to June 2021
Net Result	1 141 971	392 946
Amortiz. & prov. (excl. inventory prov.)	36 863	45 369
.Changes in inventories	-1 089 733	570 770
.Changes in trade receivables	-861 710	-861 293
.Changes in other debtors	312 757	103 475
.Changes in trade payables	103 218	-102 244
.Changes in other liabilities	-18 473	148 814
Working capital evolution	-1 553 941	-140 478
Operational cash flow	-375 107	297 837
Capital expenditures	-40 089	-40 246
Fixed assets disposal	0	0
Other investing activities (*)	-825 000	90 000
Investing cash flow	-865 089	49 754
Dividends paid	0	-450 000
Net borrowings	0	0
Other financing activities	0	0
Financial cash flow	0	-450 000
Cash flow evolution	-1 240 196	-102 409
Cash closing balance - 30th of June	5 405 936	4 140 751
Cash opening balance - 1st of January	6 646 132	4 243 160
Cash variation	-1 240 196	-102 409

(*) In 2022, purchase of the shares of JØTUL Hispania from JØTUL AS. In 2021, variation of the internal loan between JØTUL France and his daughter AICO France.

Accounting methods and rules

General rules

The annual accounts for the financial period from 01/01/2022 to 30/06/2022 were drawn up in accordance with the regulations of the Authority for Accounting Standards no. 2020-09 of 4th December 2020 amending ANC regulation no. 2014-03 concerning minor adjustments.

Accounting conventions were applied with sincerity in respect of the principle of caution, pursuant to basic hypotheses:

- Business continuity,
- Continuation of accounting methods from one year to the next,
- Independence of financial years.

And pursuant to general rules and regulations for the drafting and presentation of annual accounts. The basic method used to evaluate elements entered onto accounts is the historical cost method. Only significant information is provided. Amounts are given in euros.

Tangible and intangible fixed assets

Tangible and intangible fixed assets are evaluated at their cost of acquisition for assets purchased at a price. The cost of a fixed asset includes its purchase price, including customs and non-recoverable taxes, minus any rebates, commercial discounts and other deductions for payment of all directly related costs incurred for the intended use and operation of the asset. Transfer fees, costs and commission fees as well as costs incurred for drafting deeds of sale are not included in the acquisition cost. All costs which are not included as the acquisition cost for the fixed asset and which cannot be directly attached to necessary costs for the intended use and operation of the asset are entered as ancillary costs.

Amortizations for depreciation are calculated in a linear method as per the scheduled term of use.

- Concessions, software and patents: 3 years
- Technical installations: 5 to 10 years
- Material and industrial tools: 3 to 5 years
- General infrastructure, layout and miscellaneous developments: 3 to 10 years
- Transportation material: 3 years
- Office equipment: 3 years
- IT: 3 years
- Furnishings: 3 to 10 years

The amortization period used for simplification is the term of use for assets which are not broken down at the outset. The company has considered, as at the date of closing accounts, and in light of all internal and external information at its disposal, the existence of information indicating whether assets lost significant value.

Commercial capital

In the framework of application of ANC regulation no. 2015-06, the Company considers the use of share equity not to be limited over time. A depreciation test is undertaken by comparing the net book value of the share equity to its market value or usable value. The market value is calculated on the basis of economic profitability data combined with customs in the profession. A provision for depreciation is entered onto accounts as appropriate.

Shares

Share holdings are evaluated at their acquisition cost excluding ancillary costs.

The book value of shares corresponds to the useful value for the Company. This is calculated in line with the net asset value of the subsidiary, its profitability and future outlook. Where the book value is lower than the acquisition cost, depreciation is entered as the difference in value.

Stocks

The acquisition cost of stocks includes the purchase price, customs fees and other taxes, excluding any taxes which are recoverable at a later date by the entity with tax authorities, as well as shipping, handling and other directly related costs to the cost of raw materials, merchandise, production costs and finished products. Commercial rebates, discounts and other payment deductions and similar amounts are deducted to calculate the acquisition cost.

Stocks are evaluated using the weighted average cost. For practicality, and notwithstanding any significant discrepancy, the last known purchase price has been used.

Depreciation of stocks equal to the difference between the gross value calculated in line with the terms and conditions indicated above and the rate of the day or the settlement value minus proportional sales costs, is considered when this gross value is higher than the other term indicated.

Debtors

Receivables are valued at their nominal value. Depreciation is undertaken when the inventory value is lower than the book value.

Provisions

Any current obligation resulting from a past company event with regard to a third party, likely to be estimated with sufficient reliability, and covering risks identified, is entered onto accounts as a provision.

Exceptional income and costs

Exceptional income and costs include elements which are not related to normal company business.

Pension commitments

The collective bargaining agreement in force in the company does not make any provision for end-of-career allowances. No special agreement has been signed. The corresponding commitments are indicated in the annex of the 31/12/2021 accounts, and was not revaluated at the 30/06/2022.