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92066 Paris la Défense Cedex
France

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80 rue de Prony
75017 Paris
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SRP Groupe S.A.
***Statutory auditors' report on the consolidated
financial statements***



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*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

SRP Groupe S.A.

Registered office: ZAC Montjoie - 1 rue des Blés - 93212 La Plaine Saint-Denis Cedex

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2020

To the General Meeting of the Shareholders of SRP Groupe S.A.

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of SRP Groupe S.A. for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1, 2020 to the date of our report

and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Key audit matter	Answers given during our audit
<p><i>Valuation of goodwill</i></p> <p>As part of its development, the Group has had to make external growth transactions and to recognize several goodwill items.</p> <p>These goodwill items, with a book value of €123.7 million at December 31, 2020, correspond to the variance between the fair value of the transferred consideration and the fair value of the purchased assets and liabilities, and were allocated to the only cash generating unit (CGU).</p> <p>However, any unfavorable change in the returns expected from the business of SRP Groupe may have a significant impact on recoverable value and require the recognition of an impairment. Such a change implies reassessment of the relevance of all assumptions used to determine this value and the reasonable and consistent nature of the inputs used for the calculation.</p>	<p>Our audit entailed:</p> <ul style="list-style-type: none"> - obtaining an understanding of the procedures used to implement the impairment test carried out by management; - reviewing the compliance of the methodology applied by the company with the applicable accounting standards; - analyzing the reasonable nature of the cash flow projections over a period of five years established by management, with regard to our knowledge of the economic environment in which the company operates; - assessing whether the long-term growth rate and the discount rate applied are

<p>Consequently, management ensures, at each annual reporting date, or more frequently if there is any sign of impairment, that the book value of these goodwill items is not higher than their recoverable value and does not present an impairment risk.</p> <p>The procedures for the impairment test implemented and the details of the assumptions used are presented in Note 5.1 to the consolidated financial statements.</p> <p>The determination of the recoverable value of goodwill items is largely based on management's opinion, concerning in particular, the growth and profitability rates used for cash flow projections and the discount rate applied to them. We therefore considered the evaluation of goodwill as a key audit matter.</p>	<p>consistent with market analyses, with the support of our appraisal specialists;</p> <ul style="list-style-type: none"> - testing the sensitivity of the value in use determined by management to a change in the main assumptions adopted; - assessing the appropriate nature of the financial information provided in Note 5.1 to the consolidated financial statements.
<p>Valuation of inventories</p> <p>Inventories of goods are reported on the consolidated balance sheet at December 31, 2020 for a net amount of €61 million and constitute one of the most significant items on the consolidated balance sheet. As indicated in Note 5.5, inventories are stated at the lower of cost and the estimated realizable value. Inventory costs include acquisition costs, delivery costs, but also discounts and rebates obtained from suppliers.</p> <p>Impairment is recognized based on an analysis of the age, nature and rotation of inventories to take into account the associated impairment, if the estimated realizable value is lower than the book value.</p> <p>The realizable value corresponds to the estimated selling price in the normal course of business and taking into account the Group's different distribution channels.</p> <p>With respect to the weighting of inventories on the consolidated balance sheet, there is a risk</p>	<p>Concerning inventory costs, our audit entailed:</p> <ul style="list-style-type: none"> - obtaining information about the procedures for determining the inventory costs of goods; - cross-checking, based on a sample, the inventory costs of goods with the purchase invoices; - cross-checking the coherence of the delivery costs incorporated into the value of inventories with the methodology for determining these costs and comparing them with their accounting calculation bases; <p>Concerning the depreciation of inventories, our audit entailed:</p> <ul style="list-style-type: none"> - assessing the relevance of the inventory depreciation rules applied with respect to the Group's activity;

<p>that the net realizable value of certain items will be less than their book value, and therefore a risk of over-evaluation of the inventories, which we considered to be a key audit matter.</p>	<ul style="list-style-type: none"> - obtaining an understanding of the methods used to identify old, slow-rotation items, and for determining their net realizable value; - assessing the estimate of the net realizable value of old, slow-rotation articles on the basis of a retrospective analysis of the profitability of sales of comparable inventories and by taking into account the different distribution channels specific to the SRP Groupe.
<p>Revenue recognition (cut-off)</p> <p>At SRP Groupe, revenue is booked in the management software called Extranet on a “pay-per-click” basis and is registered as such in the accounting software.</p> <p>However, as indicated in Note 4 to the consolidated financial statements, revenue from the sale of goods (sales made on a firm basis or on a conditional basis) must be recorded when goods are delivered, and when the customer obtains control of goods and services purchased.</p> <p>Consequently, SRP Groupe carries out a restatement aimed at taking into account the time between the purchase on the Extranet and the control of goods and services purchased by customers.</p> <p>Considering the impact of this restatement, there is a risk of error which we considered to be a key audit matter.</p>	<p>Our audit entailed:</p> <ul style="list-style-type: none"> - obtaining information about the procedures for determining the separation of accounting periods; - reviewing the conformity of the methodology applied by the company with the applicable accounting standards; - assessing the relevance of the methodology adopted by the company; - cross-checking the relevance of the data used in the calculations by comparing them with the data pulled out from the management software.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce), is included in the Group's management report, it being specified that, in accordance with the provisions of Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation N° 2019/815 of 17 December 2018 to years beginning on or after January 1, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed as statutory auditors of SRP Groupe S.A. by the General Shareholders' Meeting of August 5, 2010 for the firm KPMG Audit IS and in the articles of incorporation and bylaws dated July 29, 2010 for Mr. Jérôme Benaïnous.

At December 31, 2020, KPMG Audit IS and Mr. Jérôme Benaïnous were in the tenth year of their uninterrupted mission, i.e., their sixth year since the company's shares were admitted for trading on a regulated market

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on the 31 mars 2021

Paris, on the 31 March 2021

The statutory auditors

French original signed by

Jean-Pierre Valensi
Partner

Jérôme Benainous
Partner