CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

showroomprive.com

Table of Contents

1. FINANCIAL STATEMENTS

1.1 Statement of Profit Or Loss

in K€	Notes	2020	2019
Net revenues	4.2	697 508	615 562
Cost of goods sold		- 424 497	- 428 018
Gross margin		**273 011**	**187 544**
Gross margin as a percentage of revenue		39,1%	30,5%
Marketing		- 22 840	- 24 706
Logistics & Fulfillment		- 162 603	- 152 373
General & Administrative expenses		- 62 145	- 57 247
Current operating profit		**25 423**	**- 46 782**
Cost of share based payments		- 1 424	- 388
Other operating income and expenses	4.4	- 2 315	- 21 250
Operating profit		**21 685**	**- 68 420**
Income from cash and cash equivalents			
Cost of financial debt		- 905	- 591
Net finance costs		**- 905**	**- 591**
Other financial income and expenses		**31**	**- 122**
Profit before tax		**20 811**	**- 69 133**
Income taxes	4.5	- 6 900	- 1 329
Net income for the period		**13 911**	**- 70 462**
Attributable to owners of the Parent		**13 911**	**- 70 462**
Attributable to third parties			
Earnings per share (in €)			
Basic earnings per share	5.17	0,17	**- 1,39**
Diluted earnings per share	5.17	0,16	**- 1,39**

1.2 Statement of Total Comprehensive Income

in K€	Notes	2020	2019
Net income for the period		**13 911**	**- 70 462**
Income and expense recognized in equity		- 19	14
Total comprehensive net income for the period		**13 892**	**- 70 448**

1.3 Consolidated Balance Sheet

in K€	Notes	31/12/2020	31/12/2019
Goodwill	5.1	123 685	123 685
Other intangible assets	5.2	51 341	54 466
Tangible assets	5.3	38 805	44 849
Financial assets	5.4	1 214	1 347
Deferred tax assets	5.11	55	0
		2	1
Non current assets		**215 102**	**224 348**
Inventories	5.5	60 924	48 373
Accounts receivables and similar accounts	5.6	20 307	20 548
Income tax receivables		1 873	4 657
Other receivables	5.7	51 772	41 443
Cash and cash equivalent	5.8	130 833	49 049
Current assets		**265 708**	**164 070**
Total Assets		**480 811**	**388 418**
Share capital		4 702	2 030
Share premium reserves		217 779	211 109
Treasury shares		- 1 472	- 1 756
Other reserves		- 57 897	11 254
Net income		13 911	- 70 462
Total shareholders' equity		**177 023**	**152 175**
Non-controlling interests		-	-
Total equity	1.5	**177 023**	**152 175**
Long term financial liabilities	5.12	80 289	20 349
Employee benefits	5.9	147	65
Provisions (long-term)	5.10	439	347
Deferred tax liabilities		0	77
Total non current liabilities		**80 876**	**20 838**
Short term financial liabilities	5.12	39 593	58 064
Provisions (short-term)	5.10	4 205	4 778
Accounts payables	5.13	132 205	110 470
Income tax liabitity	5.13	1 513	12
Other current payables	5.13	45 397	42 080
Total current liabilities		**222 913**	**215 405**
Total Liabilities		**303 788**	**236 243**
Total Equity and Liabilities		**480 811**	**388 418**

1.4 Consolidated Cash-Flow Statement

in K€	Notes	2020	2019
Net income for the period		13 911	- 70 462
Depreciation & Amortization	4.1	14 503	18 256
Elim. revaluation gains / losses (fair value)		-	- 534
Gain / Loss on sale of assets		1 383	-
Earn out Saldi		-	2 250
Fair value measurement of stock options	5.15	1 413	388
Cash flows from operations before finance costs and income tax		**31 210**	**- 50 101**
Income taxes for the period	4.5.1	6 900	1 329
Net finance costs		905	591
Change in working capital	5.18	2 706	26 385
Cash flow from operating activities before tax		**41 721**	**- 21 796**
Current income tax paid		- 1 446	- 4 226
Net cash from operating activities		**40 275**	**- 26 022**
Change in consolidation scope		-	- 22 317
Acquisition of intangible and tangible assets	5.2	- 9 671	- 16 720
Acquisition of stakes in associate companies		-	-
Net change in non current financial assets		120	- 48
Proceeds from sale of intangible and tangible assets		716	2 898
Other flows from investing activities			-
Net cash from investing activities		**- 8 835**	**- 36 187**
Increase in share capital and share premium reserves	1.5	9 099	- 44
Net disposal (acquisition) of treasury shares		284	7
New financial liabilities	5.12	85 000	35 827
Repayment of financial liabilities	5.12	- 43 212	- 4 339
Finance costs paid		- 787	- 613
Net cash from financing activities		**50 384**	**30 839**
Impact of exchange rate changes		- 39	14
Total cash flow for the period		**81 785**	**- 31 356**
Cash and cash equivalent at the beginning of the period	**5.8**	**49 049**	**80 406**
Cash and cash equivalent at the end of the period	**5.8**	**130 833**	**49 049**

(1) In 2020, €3.1 million related to the amortization of the right to use real estate assets under IFRS 16.
(2) In 2020, €3.3 million related to the amortization of the right to use leased assets under IFRS 16.

Details of the composition of the closing cash position are provided in Note 5.8.

1.5 Statement of Changes In Consolidated Equity

in K€		Share capital	Additional paid-in capital	Treasury shares	Other reserves Group			Consolidated retained earnings	Total Equity attributable to owners of the Company	Non-controlling interests	Total equity
					Translation reserves	Other reserves	Total				
At December 31, 2018		**2 025**	**211 158**	**- 1 764**	**4**	**9 553**	**9 557**	**2 275**	**223 251**	**-**	**223 251**
Net income for the period				-	-	-	-	- 70 462	- 70 462		- 70 462
Income and expense recognized in equity				-	14	-	**14**		14		14
Comprehensive net income		-	-	-	**14**	-	14	**- 70 462**	**- 70 448**	-	**- 70 448**
Capital increase			- 44				-		- 44		- 44
Proceeds from stock-options		5	- 5	-	-	-	-		-		-
Changes in free shares				8	-	-	-		8		8
Charges related to free shares and share options				-	-	388	388		388		388
Other changes						- 980	- 980		- 980		- 980
At December 31, 2019		**2 030**	**211 109**	**- 1 756**	**18**	**8 961**	**8 979**	**- 68 187**	**152 175**	**-**	**152 175**
Net income for the period							-	13 911	13 911		13 911
Income and expense recognized in equity					- 19		- 19		- 19		- 19
Comprehensive net income		-	-	-	**- 19**	-	- 19	**13 911**	**13 892**	-	**13 892**
Capital increase	2.2.3	2 672	6 670				9 342		9 342		9 342
Proceeds from stock-options							-		-		-
Changes in free shares				284			284		284		284
Charges related to free shares and share options	5.16					1 413	1 413		1 413		1 413
Other changes						- 83	- 83		- 83		- 83
At December 31, 2020		**4 702**	**217 779**	**- 1 472**	**- 1**	**10 291**	**19 916**	**- 54 276**	**177 023**	**-**	**177 023**

As at December 31, 2020, the share capital of SRP Groupe S.A. was made up of 117,560,198 shares with a nominal value of €0.04 per share (50,744,030 shares of the same nominal value as at December 31, 2019).

2. ACCOUNTING STANDARDS, CONSOLIDATION METHODS, VALUATION METHODS & PRINCIPLES

2.1 The Group

SRP Groupe S.A. is the parent company of Showroomprivé Group (subsequently referred to in this report as "the Group"). The shares of SRP Groupe S.A. are traded on the Euronext stock exchange in Paris since 2015.

The Company's consolidated financial statements as at December 31, 2020 include SRP Groupe S.A. and its subsidiaries (see Note 3.1). The year ended December 31, 2020 covers a period of 12 months.

The consolidated financial statements were approved by the Board of Directors of SRP Groupe S.A. at its meeting on March 11, 2021 and will be submitted for approval to the General Meeting of Shareholders on June 28, 2021, called to approve the financial statements for the fiscal year ended December 31, 2020.

The Group's business consists of the private sale of consumer goods and services on the Internet.

2.2 Main Events of The Financial Year

2.2.1 Renewal and extension of existing bank debt

Discussions with bank partners culminated in an agreement to renew and extend the maturity of the Group's existing lines of credit, including overdraft facilities, representing a total financing amount of €62 million. This bank debt now consists of term loans repayable in gradually increasing three-month and six-month installments from 2022 until December 31, 2026.

The Group will also continue to benefit from a €2.8 million bullet loan from BpiFrance repayable at maturity in 2023.

The classification in the balance sheet as current and non-current liabilities will therefore take into account the impact of the conciliation protocol approved on May 28, 2020.

2.2.2 New €35 million line of credit

CAIDF (Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Île-de-France) granted the Group a €35 million guaranteed loan of which 90% is guaranteed by the state, repayable with final maturity at the discretion of the company up to 2026.

As part of the overall plan, bank creditors agreed to waive the application of commitments relating to compliance with financial ratios as of December 31, 2019 for the year 2020.

From December 31, 2021 onwards, the above-mentioned facilities are subject to compliance with a declining R2 leverage ratio (net debt /EBITDA), which will decrease from a maximum value of 6, applicable exceptionally to 2021, to 2.5 for 2025.

The R4 ratio designating the ratio between consolidated net financial debt and consolidated equity must remain strictly below 1.

2.2.3 SRP Group capital increase

The company carried out a capital increase with preemptive subscription rights maintained, that closed on July 31, 2020 (Note 1.5).

The capital increase of a gross amount of €9.9 million, including issue premium, led to the issue of 66,260,485 new shares at a unit subscription price of €0.15. The costs related to this transaction amount to 0.6 million euros, net of tax.

Showroomprivé will use the proceeds from the capital increase to finance the general needs of the Company and its subsidiaries as part of the strengthening of its financial structure in association with the implementation of the protocol signed with the Group’s banking partners on April 29, 2020. This transaction is the final stage of the implementation of refinancing transactions provided for in this protocol.

2.2.4 SRP Prod universal transfer of assets and liabilities

The subsidiary SRP Prod was dissolved and was subject to the universal transfer of assets and liabilities to the Showroomprivé.com entity following a decision dated February 6, 2020 effective as of May 29, 2020.

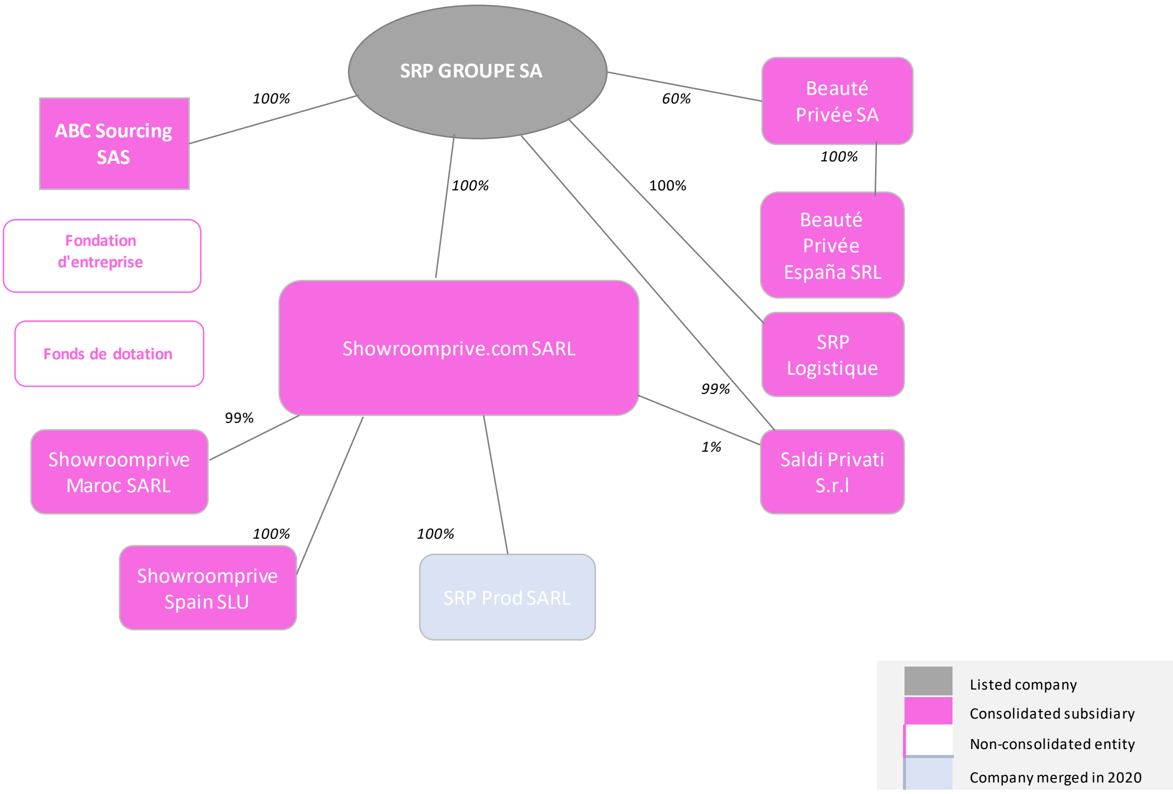
2.2.5 Covid-19

Since the beginning of the public health crisis and the related restrictive measures, Showroomprivé has continued its operations, while taking all the necessary measures to protect the health of its employees and their families. The Group is continuously adapting its operations and workforce to its business, making use where necessary of partial unemployment.
All of its business (including internet and media) was impacted during the two weeks following the introduction of lockdown, due mainly to the disruptions and necessary adjustments to the supply chain. The Group's business remains closely linked to the delivery and supply conditions in the countries in which the Group operates. Return times have also been extended to allow Showroomprivé buyers to continue to benefit from their purchase terms, which will make return management more complex throughout the first half and even the second half if the state of health emergency is extended.

Nevertheless, since April 2020, the Group has seen a marked recovery in sales, which were up significantly compared with April 2019 and exceeded those set out in the business plan. The Group is notably enjoying a favorable context for e-commerce and is also starting to see a return on its efforts to strengthen relationships with brands illustrated by the signing of new partnerships with major groups with an extensive catalog of brands.

2.3 Group Organization

As a result, the Group's organizational structure as at December 31, 2020 is as follows:



2.4 Accounting Standards

Statement of Compliance and IFRS Used

Pursuant to Regulation No. 1606/2002 adopted on July 19, 2002 by the European Parliament and the European Council, the Group's consolidated financial statements published on December 31, 2020 are drawn up in accordance with IFRS (International Financial Reporting Standards) as published by the IASB (International Accounting Standards Board) and adopted by the European Union (publication in the Official Journal of the European Union) on December 31, 2020.

International accounting standards include

- the IFRS (International Financial Reporting Standards),
- the IAS (International Accounting Standards)
- their interpretation by the SIC (Standing Interpretations Committee) and IFRS IC (IFRS Interpretations Committee) interpretations.

All the standards adopted by the European Union are available on the European Commission's website at the following address: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

New standards, amendments and interpretations in force or with mandatory application or that may be adopted early for fiscal years beginning on or after January 1, 2020

The following interpretations and amendments have been applicable since January 1, 2020 and have not had a material effect on the Group's consolidated financial statements. The Group is not affected by other publications of the International Accounting Standards Committee (IASB) and the Interpretation Committee of International Financial Reporting Standards (IFRIC).

- Amendments to IFRS 3 "Business combinations": definition of a business.

In October 2018, the IASB published amendments to IFRS 3 "Business Combinations" that are intended to help entities distinguish between the acquisition of a business and a group of assets. They clarify the criteria required to qualify a business, remove the assessment of the ability of market players to replace missing items, add details to help entities determine if the activity is significant, refine the definition of a business and its purpose and introduces an optional fair value concentration test.

These amendments are applicable prospectively to acquisitions that take place from January 1, 2020, with early application authorized. As the amendments apply prospectively to transactions or other events that occur from the date of first application, the Group will not be affected by these amendments at the date of transition.

- Amendments to IAS 1 "Presentation of financial statements" and to IAS 8 "Accounting policies, changes in complete estimates and errors": modification of the definition of the term "significant".
  This amendment aims to improve the definition of materiality and generally harmonize IFRS standards.
- Amendment to IFRS 16 “Leases” relating to rental concessions - Covid 19.
- Amendments to IFRS 9, IAS 39 and IFRS 7 Reform of reference rates (Phase 1): measures to relax the criteria for applying hedge accounting in order to allow entities to maintain their hedging relationships during the transition period at the new rates.
- Amendments to IFRS standards to update references to the Conceptual Framework.

Main standards, amendments and interpretations approved by the IASB but not yet approved by the European Union

The following standards and interpretations have been issued by the IASB, but are not yet approved by the European Union. Their possible effect on the Group is being analyzed:

- Amendment to IAS 37, which clarifies the costs to be retained when analyzing onerous contracts;
- Amendment to IAS 1, which clarifies the principles for classifying a liability on the balance sheet as current or non-current;
- Amendment to IFRS 3 following the publication of the new Conceptual Framework;
- Annual improvements to IFRS - Cycle 2018/2020 and in particular minor amendments to standards:
    - IFRS 9: Clarification on the costs to be included in the 10% test;
    - IFRS 41: Fair value measurement of biological assets;
    - IFRS 16: Deletion of illustrative example 13 from the standard.

New standards and interpretations of subsequent application approved by the European Union applicable for subsequent periods

- IFRS 17 "Insurance contracts", covering financial years beginning on or after January 1, 2021.
- Amendment to IAS 16: income from the sale of manufactured items (to bring the asset to its place of operation and its rehabilitation to allow its operation in the manner intended by management) may come as a deduction from the fixed asset.

The Group is currently examining the amendments listed above in order to determine the impacts on its financial statements.

Changes in the accounting framework applicable to Showroomprivé

The amendment to IFRS 16 relating to the accounting treatment of lease concessions granted by lessors due to the Covid-19 pandemic issued by the IASB in May 2020 was adopted by the European Union in October 2020 and has been applied by the Group as of January 1, 2020. This amendment facilitates the analysis to be carried out by lessees and allows, under certain conditions, for these concessions to be immediately recognized in the income statement as negative variable rents.

The application of other standards, amendments and interpretations which came into effect on January 1, 2020 had no material impact on the Group's financial statements.

2.5 Consolidation Methods

2.5.1 Subsidiaries

A subsidiary is an entity controlled by the Group. The Group exercises control over another entity where it has power over that entity, exposure to variable returns from the entity and, due to its power over that entity, has the ability to affect the returns that it draws from it.

In assessing control, the Group takes into account the substantive voting rights, i.e. those currently exercisable or exercisable at the time when decisions will be taken in relation to relevant activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control ceases.

2.5.2 Transactions Eliminated from the Financial Statements

Balance sheet amounts, income and expenditure resulting from intra-group transactions are eliminated when preparing the consolidated financial statements.

The accounting methods used by subsidiaries are standardized and aligned on those adopted by the Group.

Companies consolidated by the Group as at December 31, 2020 and 2019 drew up their financial statements in accordance with the accounting principles applied by the Group.

The consolidation scope is detailed in Note 3.

2.6 Valuation Base

The financial statements are prepared on the basis of historical cost, except for some categories of assets and liabilities which are valued at fair value in accordance with IFRS.

The concerned categories are:

- Liabilities resulting from share-based payment transactions;
- Financial assets and liabilities valued at fair value.

2.7 Reporting currency and transactions denominated in foreign currencies

The consolidated financial statements of the SRP Group are drawn up in Euros.

Income, expenditure, receivables or payables resulting from transactions denominated in foreign currencies are converted into Euros at the transaction date.

Receivables or payables denominated in foreign currencies existing at the year-end are converted at the year-end exchange rate. Translation differences resulting from the application of different exchange rates are recognized in the income statement of the period and included in operating income or financial income depending on the nature of the underlying transaction.

2.8 Use of Estimates And Assumptions

The preparation of the financial statements in accordance with the IFRS requires Management to exercise judgments, make estimates and assumptions which may have an impact on the application of accounting methods and on the amounts of assets and liabilities, income and expenditure.

These estimates take into account economic data and assumptions that may over time and contain elements of uncertainty. They mainly concern the valuation methods and assumptions used for the purposes of identification of intangible assets in relation to business combinations, monitoring of the Goodwill value, valuation of intangible assets, stock valuation, estimates of provisions and deferred tax assets.

2.9 Accounting Principles and Valuation Methods

The accounting principles and valuation methods applied by the Group are detailed in the sections 4 (notes to the income statement) and 5 (notes to the balance sheet).

3. SCOPE OF CONSOLIDATION

3.1 Scope at The End Of The Financial Year

The following entities are part of the scope of consolidation at the closing date:

			2020		2019	
Legal entities		**Conso. method**	**Share-holding**	**Controlling interest**	**Share-holding**	**Controlling interest**
SRP Groupe	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
Showroomprivé.com S.à r.l.	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
SRP Logistique S.à r.l.	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
Beauté Privée SAS	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
Beauté Privée Espana, S.L.U.	Spain	Full	100,00 %	100,00 %	100,00 %	100,00 %
SRP Spain	Spain	Full	100,00 %	100,00 %	100,00 %	100,00 %
SRP GmbH	Germany	Full	-	-	100,00 %	100,00 %
SRP Prod (*)	France	Full	-	-	100,00 %	100,00 %
Saldi Privati S.r.l.	Italy	Full	100,00 %	100,00 %	100,00 %	100,00 %
ABC Sourcing SAS	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
SRP Maroc	Morocco	Full	99,99 %	100,00 %	99,99 %	100,00 %

**) merged with its parent company during the first semester 2020*

Full = Fully consolidated

NC = Not consolidated

3.2 Change to The Consolidation Scope During The Year

3.2.1 SRP Prod universal transfer of assets and liabilities

The subsidiary SRP Prod was dissolved and was subject to the universal transfer of assets and liabilities to the Showroomprivé.com entity following a decision dated February 6, 2020 effective as of May 29, 2020.

3.2.2 Tax consolidation

As of January 1, 2020, the scope of tax consolidation takes the Beauté Privée France entity into account.

No other acquisition or disposal took place in fiscal year 2020.

4. NOTES TO THE INCOME STATEMENT

Accounting Principles

Income

Sale of Goods And Services

The Group recognizes revenue in accordance with IFRS 15.

Income from ordinary activities is equal to the fair value of the consideration received or to be received in respect of goods and services sold in the Group's normal course of business.

Income from ordinary activities are stated net of value added tax, returned goods, discounts and rebates, and after deduction of intra-group sales.

Income from ordinary activities are recognized as follows:

Revenue from the sale of goods (sales based on fixed or conditional purchases) is recorded as revenue when goods are delivered and therefore the buyer obtains the control over the goods and services purchased. It is stated at the fair value of the consideration received or to be received net of benefits granted to buyers and net of discounts.

The Group records revenue from the sale of travel services on a net basis.

Customer Loyalty Scheme (Referral Coupons or Vouchers)

The Group has implemented a customer loyalty scheme whereby the site gives Internet users, upon the first purchase made by a new member that they have referred to the site, a purchase coupon of a fixed amount that can be used as from that date. This coupon gives them a discount on their purchases of products from the site during the coupon's validity period. These referral vouchers meet the definition of IFRIC 13, and their fair value is deducted from the turnover when the new referred member makes a purchase.

Likewise, the Group may occasionally attribute free vouchers to its customers (members) in order to further stimulate their attachment to its brand.

Returned Goods

Goods returned by clients are recognized as the cancellation of an initial sale. At the year-end, a provision is recognized to take into account goods not yet returned at that date but relating to transactions for the year ended.

Current Operating Expenses

In order to better understand the specificities of its business, the Group presents an income statement by function, which highlights the following operating expenses:

- Cost of Goods Sold
- Marketing
- Logistics and fulfillment (processing of orders), relating to:
  - expenditure directly attributable to goods sold,
  - logistics costs
- General Administrative Costs (Overheads)

Current operating expenses include amortization and depreciation charges on intangible assets (including the amortization charges on assets recognized as part of a business combination) and depreciation charges on tangible assets.

Recurring operating income and operating profit

All current operating expenses are deducted from revenue to obtain the recurring operating income which is one of the main performance indicators of the Group's business.

The operating profit is obtained by deducting the following items from the operating profit:

- Expenses from the issue of free shares and share options allocated to employees,
- other income and expenses or non-recurring operating income

Net Income

Net income is calculated by deducting the following elements from the operating profit:

- the cost of net financial debt, which includes interest on borrowings calculated using the effective interest rate, interest paid under finance leases less cash and cash equivalents,
- other financial income and expenses;
- the current and deferred tax charge.

4.1 EBITDA

Accounting Principles

In addition to the operating result the Group presents its performance also in the shape of an adjusted earnings before interest, tax, depreciation and amortization ("EBITDA").

The EBITDA is another key performance indicator of the Group's activity. It is obtained by eliminating from net income (see Note 4.1):

- amortization of assets recognized in the course of a business combination;
- the amortization charges on intangible assets and the depreciation charges on tangible assets.
- expenses from the issue of free shares and share options allocated to employees,
- other expenses or non-recurring operating income
- the net finance cost and other financial income and expenses,
- the income tax charge of the financial year

in K€		Notes	2020	2019
Net income for the period			**13 911**	**- 70 462**
Amortisation of assets recognized through business combination			1 134	1 134
Deprec. & Am. of tangible and intangible assets			15 457	14 265
o/w amort. in Logistics & Fulfillment			5 101	4 267
o/w amort. in G&A			10 356	9 998
Cost of share-based payments	5.9	5.16	1 424	388
Non recurring items	4.4	4.4	2 315	21 193
Net finance costs			905	591
Other financial income and expenses			- 31	122
Income taxes			6 900	1 329
EBITDA			**42 015**	**- 31 440**
EBITDA in % of revenue			*6,02%*	*-5,11%*

4.2 Segment Reporting by Geographic Area

Accounting Principles

Segment Reporting

An operating segment is a distinct component of the entity, which generates revenue and related costs and is exposed to risks and profitability that are different from other operating segments. An operating segment is monitored and analyzed regularly by the Company's principal decision makers in order to measure the segment's performance and allocate distinct resources.

In accordance with IFRS 8 criteria, Group management considered that Showroomprivé.com consists of a single operating segment: sale of products and services on the Internet.

The Group deploys its offer in France and in 8 other countries from its single platform based in France.

Depending on the geographic location of its clients the Group assembles them in the following two areas to present its revenue and EBITDA:

France	International
Mainland France and Overseas Territories	Belgium, Spain, Italy, Portugal, Netherlands, Morocco

Group revenue and EBITDA present themselves as follows:

in K€	2020			2019		
	Total consolidé	France	Internat.	Total consolidé	France	Internat.
Internet sales	688 124	581 688	106 436	603 113	504 138	98 975
Other	9 384	9 111	274	12 449	10 726	1 723
Total net revenue	**697 508**	**590 798**	**106 710**	**615 562**	**514 864**	**100 698**
Growth	13,3%	14,7%	6,0%	-8,4%	-8,0%	-10,3%
EBITDA in % of net revenue	6,0%	6,8%	1,8%	-5,1%	-4,8%	-6,8%

The breakdown of 2019 revenue was restated to take into account the reclassification of the resale of Internet returns on the wholesale market as "other revenue", and of revenue from advertising inserts in mail-order parcels and the sale of certain coupons as “Internet revenue”. The impact on the France scope of this restatement is 2.7 million euros.

EBITDA by geographic area includes an allocation of overheads in relation to the share in revenue.

4.3 Operating Expenses by Type

Details by nature of expenditure indicated in the profit and loss account are as follows:

In €k	2020	2019
Cost of Goods Sold	-424,497	-428,018
External charges	-175,381	-144,600
Personnel expenses	-58,869	-58,483
Tax expenses	-3,499	-4,426
Depreciation and amortization of tangible and intangible assets	-15,468	-13,970
Other provisions and depreciations	5,271	-9,058
Other operating income and expense	359	-3,788
Current Operating Expenses	**-672,084**	**-662,344**

4.4 Other non-recurring operating income and expenditure and cost of share based payments

Accounting Principles

Other non-recurring operating income and expenditure include items that are judged non-representative by the Group for a proper understanding of its Group's business activity, such as

- gains and losses on disposals of tangible and intangible assets,
- restructuring costs approved by management,
- litigation costs,
- costs related to business combinations,
- goodwill impairment.

In respect of the 2020 fiscal year, the cost of share based payments and other non-recurring operating income and expenditure mainly include the following items:

- the expense resulting from the issue of free shares including the related social contributions of -€1.4 million;
- costs relating to the discontinuation of a logistics project that has become non strategic (-€1.5 million), of which an exceptional amortization of -€1.1 million relating to the disposal of robotic assets and -€0.4 million in other related expenses (dismantlement, restoration of the site);
- donations to the Showroomprivé Foundation, to a charitable foundation and to various charities for -€0.4 million;
- non-recurring consultancy fees for -€1.1 million;
- a provision for contingencies relating to a trade-related and non-current dispute for -€0.6 million;
- tax-related penalties and reversals of provisions for +€1.3 million. This income is offset by an income tax expense relating to previous fiscal years for -€1.7 million.

In respect of the 2019 fiscal year, the cost of share based payments and other operating income and expenditure mainly include the following items:

- expenses resulting from the issue of free shares including the related social contributions of -€0.4 million
- restructuring expenses of -€2.9 million
- consultancy fees and provisions for risks of -€2.7 million
- costs relating to the discontinuation of a project that had become non-strategic of -€3.5 million
- an earnout relating to the acquisition of Saldi Privati of -€2.3 million
- various provisions with no impact on cash of around -€10 million

4.5 Income tax

Accounting Principles

The tax expense for the year results from the impact of income tax due in the various jurisdictions in which the Group is active, as well as the impact of deferred taxes.

Tax Liabilities

The tax liability is the estimated amount of tax payable in respect of taxable profit for the year, determined using the applicable tax rate, and by adjusting the tax liability amount in respect of previous years. The tax liability also induces any tax payable due to dividend declaration.

A tax consolidation agreement has been implemented since January 1, 2012 among all French entities of the Group. By virtue of this agreement, each entity records its tax expense as if it was liable separately, and the parent company records its profit, if any, separately.

Deferred Tax

The Group may recognize deferred tax in the event of:

- temporary differences between the tax values and the book values of assets and liabilities in the consolidated balance sheet,
- tax credits and tax loss carry-forwards.

Deferred tax is calculated using the liability method, using the last tax rate applicable for each company.

Deferred tax assets are taken into account only:

- if their recovery does not depend on future earnings, or
- if their recovery is likely due to the existence of a taxable profit expected during their settlement period.

4.5.1 Income Tax

Tax income for the 2020 fiscal year can be broken down as follows:

in K€	2020	2019
Deferred taxes	67	1 893
Current income taxes	- 6 967	- 3 222
Income tax expense	**- 6 900**	**- 1 329**

In respect of the 2020 fiscal year current effective tax expenses include:

- tax on income from SRP Maroc and SRP Spain of -€0.5 million;
- charges related to the "Corporate Value Added Tax" ("Contribution sur la Valeur Ajoutée des Entreprises"/CVAE, a tax on value added by companies) in France of -€1.3 million;
- the tax charge on companies within the scope of tax consolidation amounts to 3.3 million euros (the income from tax consolidation is +0.9 million euros);
- a tax expense relating to tax audits of -€1.7 million (see 5.10 Provisions).

The deferred tax in 2020 expense is minimal for the period.

In respect of the 2019 fiscal year current effective tax expenses include:

- Tax on income mainly from Beauté Privée and SRP Maroc of -€1.2 million
- charges related to the "Corporate Value Added Tax" ("Contribution sur la Valeur Ajoutée des Entreprises"/CVAE, a tax on value added by companies) in France of

  €-0.5 million
- tax credits of €1.4 million;

The deferred tax in 2019 expense is mainly due to the following factors:

- the recognition of a tax asset for part of the loss in the French tax group to the amount of €5 million
- €1.5 million euros in miscellaneous deferred tax charges;
- €3.2 million relating to the depreciation of the deferred tax capitalized at Saldi Privati.

4.5.2 Tax proof

The difference between the effective tax rate and the theoretical tax rate is broken down as follows:

	2020	2019
Total comprehensive net income for the period	**13 911**	**-70 462**
Income tax expense	-6 900	-1 339
Profit before tax	**20 811**	**-69 133**
Standard tax rate in France	32,02%	32,02%
Theoritical tax expense	6 664	-22 136
Impact of:		
Non recognition of deferred tax losses incurred over the period in Italy	38	15 958
Permanent differences	1 817	3 530
CVAE reclassification as income tax	927	365
Free shares impact	452	124
Tax rate impact	-508	1 176
Corporate sponsorship	-931	-322
Depreciated deferred tax related to previous periods		3 190
Impact of previous deficits used over the period	-2 337	
Other	778	-556
Actual tax expense	**6 900**	**1 339**
Effective tax rate	*33%*	*-2%*

The permanent differences mainly consist of the tax charge related to the 2015-2016 tax adjustment for € 1.7 million.

5. NOTES TO THE BALANCE SHEET

5.1 Goodwill

Accounting principles

Business combinations are recognized using the acquisition method at the acquisition date (in accordance with the IFRS 3 revised), which is the date on which control is transferred to the Group (see note 2.5). The difference between the consideration paid or to be paid for the acquisition and the net assets acquired is recognized as goodwill.

The Group values goodwill at the acquisition date as:

- the fair value of the consideration transferred plus, if applicable, the value of shareholdings held by minority shareholders; plus
- if the business combination is carried out in phases, the fair value of any previous investment in the acquired company; less
- the fair value of identifiable assets acquired, and liabilities taken over.

Within 12 months following the acquisition, the acquisition price must be allocated to the identifiable assets acquired. This allocation may give rise to the recognition of intangible assets such as brand, members file, technology, etc.

When the difference between the net assets and the total consideration is negative, the gain from a bargain purchase is immediately recognized in profit.

The consideration transferred excludes the amounts relating to the settlement of pre-existing relationships. These amounts are generally recognized in profit or loss.

The costs relating to the acquisition, other than those relating to an issue of debt or equity securities, that the Group bears due to a business combination are recognized as expenditure when they are incurred.

The consideration transferred (which includes the price paid) to acquire the target is valued at fair value. It is equal to the total of fair values of assets given to sellers, the buyer's debts to sellers, and equity instruments issued by the buyer.

The goodwill is subject to an annual impairment test at the annual closing date or more frequently, if any sign of loss in value are detected (see Note 5.1).

During the fiscal year, the goodwill did not change:

in K€	31/12/2019	Scope entries	Scope exists	Depreciation	Other changes	31/12/2020
Goodwill	123 685	-	-	-	-	123 685
Goodwill depreciation	-	-	-	-	-	-
Net book value	**123 685**	**-**	**-**	**-**	**-**	**123 685**

Impairment Test

Accounting Principles

The recoverable value of intangible and tangible assets is tested if an indication of a loss of value is apparent and at least once per year for goodwill and trademarks which are not subject to amortization.

Within the framework of the control of the value of goodwill, as well as all other tangible and intangible assets as detailed in notes 5.2 and 5.3, an impairment test is performed at 31 December of each year. This test compares the recoverable value of the cash-generating units with its recoverable amount, which is the higher of fair value less costs to sell and value in use. The value in use is determined following the method of the discounted future cash flow method.

Value in use is estimated using cash flow projections based on existing operating forecasts, including growth and profitability rates deemed reasonable. Discount rates (based on the weighted average cost of capital) were assessed based on analyzes of the sector in which the Group operates. Existing forecasts are based on past experience as well as market prospects.

Cash-Generating Units

Recoverable value is tested at the level of a cash-generating unit (CGU). Considering its online sale business and its organization structure, the Group has identified only one cash generating unit.

Valuation Method

The impairment test consists in assessing the value in use of each unit generating its own cash flow (cash generating units).

Using the discounted cash-flow method in particular, the assessment of the recoverable value of the cash generating unit is based on factors taken from the budgetary process and the five-year strategic plan, which includes growth rates and rates of return deemed to be reasonable. Discount rates (based on the weighted-average cost of capital) and long-term growth rates over the period beyond three years, based on analyses of the industry in which the Group operates, are applied when valuing the cash generating unit.

Impairment Losses

Where the recoverable value of a cash generating unit is less than its net book value, the corresponding impairment loss is allocated primarily to goodwill and recognized in operating profit as “Other Operating Income and Expenditure”.

➢ Main Assumptions

As at December 31, 2020, the main assumptions used to determine the value of this cash generating unit were as follows:

- Valuation method of the cash generating unit: value in use
- Number of years over which the cash flow is estimated then projected to infinity: 5 years (the fifth year is projected to infinity),
- Long-term growth rate: 2.0% (2019: 2.0%),
- Discount rate: 9.39% (2019: 8.98%).

As part of the underlying forecasts, the Group assumed a logical continuation of its growth path converging gradually towards the perpetual growth rate of the terminal value period. In this context, the underlying profitability (on EBITDA basis) trend assumes an improvement above the average rate realized in previous years.

➢ Result of The Impairment Test

The result of the impairment did not give rise to any recognition of a loss in value as at December 31, 2020.

Furthermore, an analysis of the sensitivity of the calculation to the variation of key parameters, as conducted for each financial year, did not show any likely scenario where the recoverable value of the cash generating unit would become lower than its book value of the assets that it employs:

- An increase of 500 basis points in the discount rate
- A fall of 100 basis points in the long-term growth rate
- A 100 basis point decrease in the operating margin (EBITDA) over all periods included in the impairment test;
- A fall in the revenue growth rate of 500 points (excluding the perpetual growth rate).

5.2 Other Intangible Assets

Accounting Principles

Intangible assets are initially valued at their acquisition or production cost.

Intangible assets may be amortized, where applicable, over periods corresponding to their legal protection or their expected useful life.

Amortization is calculated on a straight-line basis based on the estimated useful life of the different categories of assets.

Research and Development Costs

Research costs are recognized as expenditure when they are incurred.

In accordance with IAS 38 development costs, i.e. costs arising from the application of the results of research in view of the production of computer developments and projects (applications, application software, etc.) and new or substantially improved processes, are recognized as assets where the Group can demonstrate:

- Its technical feasibility, its intention to complete the intangible asset and its ability to use or sell it;
- The availability of adequate technical, financial and other resources to complete the development and use or sell the intangible asset;
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development;
- The intangible asset will generate probable future economic benefits (existence of a market or its usefulness to the Group).

The costs thus recognized in assets include direct labor costs. Development costs are recognized in assets at their cost less accumulated depreciation and accumulated impairment losses.

Useful Life and Amortization Period

The main amortization periods used are as follows:

- Software: 1 to 3 years
- Members file: 7 years
- Technology: 7 years
- Brand: not amortized
- Development expenditure: 4 years

The impairment principles are detailed in Note 5.1 (“Goodwill”).

Acquisitions over the year concern mainly the capitalization of part of the development costs incurred over the period. These costs concern mainly the improvement of the mobile version of the website, the development of the website itself and customer order processing systems, including the streamlining of logistics and the implementation of a new ERP system.

in K€	31/12/2019	Acquisitions	Disposals	Amortization	Reclassification	31/12/2020
Development expenses capitalized	29 314	5 867				35 181
Licenses and software	11 643	230	- 37		97	11 933
Brand	32 419					32 419
Cohort of members	13 258					13 258
Other intangible assets	260	30			- 213	77
Intangible assets	**86 894**	**6 127**	**- 37**	**-**	**- 116**	**92 868**
Amort./Dep. of capitalized dev. Expenses	- 15 190			- 6 606		- 21 796
Amort./dep. Of licenses and software	- 8 246		8	- 1 604	105	- 9 737
Amort./Dep of cohort of members	- 8 992			- 1 172	170	- 9 994
Am./Dep. of intangible assets	**- 32 428**	**-**	**8**	**- 9 382**	**275**	**- 41 527**
Total net value	**54 466**	**6 127**	**- 29**	**- 9 382**	**159**	**51 341**

	31/12/2018	Acquisitions	Cessions	Dotations de l'exercice	Reclassements et mises au rebut	31/12/2019
Development expenses capitalized	21 983	7 331	-	-	-	29 314
Licenses and software	11 113	1 892	-	-	- 1 362	11 643
Brand	32 419	-	-	-	-	32 419
Cohort of members	13 258	-	-	-	-	13 258
Other intangible assets	244	16	-	-	-	260
Intangible assets	**79 017**	**9 239**	**-**	**-**	**- 1 362**	**86 894**
Amort./Dep. of capitalized dev. Expenses	- 9 479	-	-	- 5 711	-	- 15 190
Amort./dep. Of licenses and software	- 8 509	-	-	- 1 148	1 411	- 8 246
Amort./Dep of cohort of members	- 7 758	-		- 1 221	- 13	- 8 992
Am./Dep. of intangible assets	**- 25 746**	**-**	**-**	**- 8 080**	**1 398**	**- 32 428**
Total net value	**53 271**	**9 239**	**-**	**- 8 080**	**36**	**54 466**

5.3 Tangible Assets

Accounting Principles

Tangible Assets

Valuation at Entry Into Scope Of Consolidation

Tangible assets are initially stated in the balance sheet at their acquisition or production cost.

Useful Life and Amortization Period

Tangible assets are depreciated as from the time that they are installed and ready for use, or for assets produced internally, as from the time when the asset is completed and ready for use.

Amortization is calculated on a straight-line basis based on the estimated useful life of the different categories of assets.

The impairment principles are detailed in Note 5.1 (“Goodwill”). The main useful lives used are as follows:

- Fixtures and fittings: 5 to 10 years
- Industrial plant and equipment: 3 to 10 years
- Office equipment: 3 years
- Computer and photographic equipment: 3 years
- Furniture: 3 to 7 years
- Motor vehicles: 5 years

Lease Contracts

In accordance with the new IFRS 16 regulatory standard, the Group’s lease contracts include real estate contracts (offices and storages) in all countries in which the Group operates.

From January 1, 2019, the Group will apply IFRS 16 “Leases”:

Under IFRS 16, all lease contracts (with the exception of the contracts described below) are recognized in the Group’s balance sheet by the inclusion of a fixed asset corresponding to the right to use the property which will be amortized over the lease period selected and a debt for future rent.

On the transition date, the Group chose to apply the simplified retrospective transition method, which consists of recognizing a right-of-use asset as being equal to the amount of the lease obligations, adjusted if necessary for prepaid rent or incentive benefits to be received from the lessor. In addition, comparative information during the first year of application is not restated. The discount rates applied to real estate contracts are based on the Group’s incremental borrowing rate, to which a spread is added to take into account the country-specific economic environments.

The lease periods used include the firm periods of the contract and any planned renewal periods that the Group is reasonably certain to exercise, as well as the renewal options that the Group is reasonably certain not to exercise. In France, a period of 9 years has most often been used for real estate leases.

The Group has chosen to apply the following simplification measure: rents from real estate and equipment contracts corresponding to an asset of low unit value or to a short-term lease (less than 12 months) are recognized directly as expenses.

The following major contracts have not been included in the Group’s balance sheet:

- Contracts affected by the above exemptions;
- Contracts considered as service contracts for which the rental expense is recognized directly in the Group’s income statement as operating income;
- Contracts considered to be substitutable assets when the lessor has the possibility to change the location of the lessee without payment of a significant financial consideration. Several contracts within airports are affected.

The main changes in property, plant and equipment over the 2020 fiscal year can be explained by the following main factors: the disposal of certain robotics-related assets (€2.9 million) and the acquisition of the means necessary to implement home working due to public health conditions (€0.6 million), as presented below.

➢ Assets owned by the Group

in K€	31/12/2019	1st Application IFRS16	Acquisitions	Disposals / Scrapping	Depreciation	Reclassification	31/12/2020
Right of use under IFRS16	26 504					- 756	25 748
Land	-						-
Buildings and refurbishment	-						-
Facilities, plant & equipment	18 170		2 074	- 2 991			17 253
Tangible assets in progress	609		268			- 160	717
Advances payments for fixed assets	-						-
Other tangible assets	22 359		1 202	- 120		1	23 442
Tangible assets	**67 642**		**3 544**	**- 3 111**	**-**	**- 915**	**67 160**
	- 3 334				- 3 259	447	- 6 146
Amort/ Dep. of buildings and refurbishment	-						-
Amort./Dep. of tech facilities, plant & equipment	- 7 243			1 102	- 1 644		- 7 785
Amort./Dep. of other tangible assets	- 12 216			109	- 2 317		- 14 424
Amort./Dep. of tangible assets	**- 22 793**		**-**	**1 211**	**- 7 220**	**447**	**- 28 355**
Total net value	**44 849**		**3 544**	**- 1 900**	**- 7 220**	**- 468**	**38 805**

in K€	31/12/2018	1st Application IFRS16	Acquisitions	Disposals / Scrapping	Depreciation	Reclassification	31/12/2019
Right of use under IFRS16		20 557	5 947				26 504
Land	1 223			- 1 223		-	-
Buildings and refurbishment	1 612		506	- 2 118			-
Facilities, plant & equipment	8 755		4 243			5 172	18 170
Tangible assets in progress	5 462		528	- 83		- 5 298	609
Advances payments for fixed assets	-						-
Other tangible assets	20 887		2 204	- 703		- 29	22 359
Tangible assets	**37 939**	**20 557**	**13 428**	**- 4 127**	**-**	**- 155**	**67 642**
					- 3 334		- 3 334
Amort/ Dep. of buildings and refurbishment	- 826			850	- 24		-
Amort./Dep. of tech facilities, plant & equipment	- 5 827		-		- 1 416		- 7 243
Amort./Dep. of other tangible assets	- 10 526			558	- 2 248		- 12 216
Amort./Dep. of tangible assets	**- 17 179**	**-**	**-**	**1 408**	**- 7 022**	**-**	**- 22 793**
Total net value	**20 760**	**20 557**	**13 428**	**- 2 719**	**- 7 022**	**- 155**	**44 849**

Acquisitions and activations for fiscal year 2019 mainly include ongoing expenses to improve the productivity of the services and to optimize deliveries and processing of customer orders in the amount of €9 million. During the first half of 2019, the Group disposed of a real estate asset financed through a finance lease, the net value of which at the disposal date was €1.9 million.

➢ Right to use under IFRS 16

The rights to use break down as follows:

in K€	31/12/2019	Acquisitions	Cessions	Fin de contrat	Dotations	31/12/2020
Right of use	26 504			- 756		25 748
Tangible assets	**26 504**			**- 756**		**25 748**
Amort./Dep. of righ of use	- 3 334			447	- 3 259	- 6 146
Amort./Dep. of tangible assets	**- 3 334**			**447**	**- 3 259**	**- 6 146**
Total net value	**23 170**			**- 309**	**- 3 259**	**19 602**

During the 2020 fiscal year, no new contract within the meaning of IFRS 16 was signed, however, certain contracts were suspended or expired without renewal during this period.

in K€	31/12/2018	1er Application IFRS 16	Acquisitions	Cessions	Dotations	31/12/2019
Right of use		20 557	5 947			26 504
Tangible assets	-	**20 557**	**5 947**			**26 504**
Amort./Dep. of righ of use					- 3 334	- 3 334
Amort./Dep. of tangible assets	-				**- 3 334**	**- 3 334**
Total net value	-	**20 557**	**5 947**		**- 3 334**	**23 170**

5.4 Financial assets

In K€	31/12/2019	Acquisitions	Cessions	Reclass.	31/12/2020
Loans, guarantees and other receivables	1 347	6	- 126	- 13	1 214
Financial assets	**1 347**	**6**	**- 126**	**- 13**	**1 214**
Dep. of loans, guarantees and other receivables	-	-	-	-	-
Financial assets depreciation	-	-	-	-	-
Total net value	**1 347**	**6**	**- 126**	**- 13**	**1 214**

In K€	31/12/2018	Acquisitions	Cessions	Reclass.	31/12/2019
Loans, guarantees and other receivables	3 599	309	- 2 561		1 347
Financial assets	**3 599**	**309**	**- 2 561**	**-**	**1 347**
Dep. of loans, guarantees and other receivables	-	-	-	-	-
Financial assets depreciation	**-**	**-**	**-**	**-**	**-**
Total net value	**3 599**	**309**	**- 2 561**	**-**	**1 347**

5.5 Inventory

Accounting Principles

Inventories are stated at the lower of cost and the estimated realizable value.

Inventories include acquisition costs and costs incurred in bringing them to their present location and condition. This value is net of discounts and rebates obtained from suppliers.

Depreciation is recognized based on an analysis of the age and rotation of inventories to take into account the associated impairment, if the estimated realizable value is lower than the book value.

The realizable value is the estimated selling price in the ordinary course of business and by taking into account the sales channels available to the Group, such as sales via Internet and B2B sales via its subsidiary ABC Sourcing.

in K€	31/12/2020			31/12/2019		
	Gross book value	Allowance	Net book value	Gross book value	Allowance	Net book value
Packaging and supplies inventory	893		893	669		669
Goods inventory	70 603	- 10 572	60 031	66 819	- 19 115	47 704
Total Inventories	**71 496**	**- 10 572**	**60 924**	**67 488**	**- 19 115**	**48 373**

Inventories have experienced a significant refresh in 2020 due to the following factors:
- a very good flow on the existing stock in a context of strong demand and an increased appetite of the consumer for e-commerce;
- access to fresh stocks at good economic conditions linked to the health situation in Europe leading to the closure of shops and stores;
- the opening of an outlet universe in the second half of the year to promote the sale of older stocks on the internet;
- intensification of measures to reduce return stock (optimization of supplier referrals / reintegration into firm stock / B2B as a last resort);
- the pursuit of B2B sales.

Together, all these elements induce a reduction in the old stock that may be depreciated and an increase in the fresh stock, more particularly at the end of the year, in order to support the growth ambitions of the company over 2021.

5.6 Trade Receivables and Similar Accounts

Accounting Principles

Trade and other receivables are valued at fair value at the initial recognition, then at the amortized cost less impairment losses.

	31/12/2020			31/12/2019		
in K€	Gross book value	Provisions for doubtful accounts	Net book value	Gross book value	Provisions for doubtful accounts	Net book value
Accrued income			-		-	-
Accounts receivable	8 355	- 1 145	7 210	13 562	- 505	13 057
Advances and prepayments	15 196	- 2 099	13 097	9 293	- 1 803	7 490
Total receivables and related accounts	**23 551**	**- 3 244**	**20 307**	**22 855**	**- 2 308**	**20 547**

5.7 Age Analysis of Financial Instruments

in K€	31/12/2020	< 1 year	2 years	3 years	4 years	5 years & more
Loans, guarantees and other receivables	1 214		150			1 064
Total Financial fixed assets	**1 214**	**-**	**150**	**-**		**1 064**
Accounts receivable	7 210	7 210				
Advances and prepayments	13 097	13 097				
Total receivables and related accounts	**20 307**	**20 307**				
Current income taxes	1 873	1 873				
Total Current income taxes	**1 873**	**1 873**	**-**	**-**	**-**	**-**
Employee advances and prepaid payroll taxes	30	30				
Tax-related receivable - other than income tax	31 205	31 205				
Other receivables	223	223				
Prepaid expenses	20 314	20 314				
Total other receivables	**51 772**	**51 772**				
Total Receivables	**75 166**	**73 951**	**150**	**-**	**-**	**1 064**

in K€	31/12/2019	< 1 year	2 years	3 years	4 years	5 years & more
Loans, guarantees and other receivables	1 347			150		1 197
Total Financial fixed assets	**1 347**	**-**	**-**	**150**		**1 197**
Accounts receivable	13 057	13 057				
Advances and prepayments	7 490	7 490				
Total receivables and related accounts	**20 548**	**20 548**				
Current income taxes	4 657	1 161	28	1 465	1 169	834
Total Current income taxes	**4 657**	**1 161**	**28**	**1 465**	**1 169**	**834**
Employee advances and prepaid payroll taxes	29	29				
Tax-related receivable - other than income tax	22 800	22 800				
Other receivables	646	646				
Prepaid expenses	17 969	17 969				
Total other receivables	**41 444**	**41 444**				
Total Receivables	**67 996**	**63 153**	**28**	**1 615**	**1 169**	**2 031**

5.8 Cash and Cash Equivalents

Accounting Principles

Cash and cash equivalents are made up of cash on hand and call deposits. They also include UCITS that meet the definition of cash equivalents as per IAS 7. UCITS that do not meet the definition of cash and cash equivalents are classified as other current assets.

Bank overdrafts repayable on demand and which form an integral part of the Group’s cash management are also considered as cash and cash equivalents for the purposes of the cash flow statement.

in K€	31/12/2020	31/12/2019
Short-term investments	1 768	
Cash at bank	129 065	49 049
Net cash	**130 833**	**49 049**

For fiscal year 2020, the net change in cash of +€81.8 million is mainly explained by the following factors:

- The credit line draw down of €41.7 million net of reimbursement
- The activation of research and development costs, as well as the acquisition of fixed assets in the amount of €9.7 million
- The capital increase at the beginning of the second half for €9.1 million.

5.9 Employee Benefits

Accounting Principles

Defined Contribution Plans

The Group is primarily concerned by defined contribution pension plans.

Defined contribution pension plans are subject to payments by employees and by companies of the Group to institutions authorized to manage such pension funds. The Group's obligations are limited to the payment of these contributions which are therefore recorded in the income statement as they are incurred.

Defined Benefit Plans

The Group is also concerned by defined benefit pension plans, in particular for retirement indemnities paid to employees.

The obligation amount is determined using the projected unit credit method. The discount rate is the rate, at the balance sheet date, on first-class bonds that have maturity dates close to those of the group's obligations. This rate was -0.21% on December 31, 2020, compared with -0.02% on December 31, 2019.

in K€	31/12/2019	Additions	Reversals of provisions (used)	Reversals of provisions (unused)	Other changes	Change in conslidation scope	31/12/2020
Provisions for pensions and post-employment benefits	65			86		- 4	147
Total	**65**	**-**	**-**	**86**	**-**	**- 4**	**147**

in K€	31/12/2018	Additions	Reversals of provisions (used)	Reversals of provisions (unused)	Other changes	Change in conslidation scope	31/12/2019
Provisions for pensions and post-employment benefits	101			- 36			65
Total	**101**	**-**	**-**	**- 36**	**-**	**-**	**65**

5.10 Provisions

Accounting Principles

A provision is recognized in the consolidated financial statements at the year-end if, and only if, there is a current obligation (legal or constructive) resulting from a past event, it is likely that an outflow of funds will be necessary to settle the obligation and if the obligation amount can be reliably estimated.

Provisions are discounted where the effect of the time value of money is material.

in K€	Dec 31, 2019	Provisions	Reversals of provisions (used)	Reversals of provisions (unused)	Other changes	Dec 31, 2020
Provision linked to Saldi Privati	-					-
Provision for litigation (< 1 year)					4	4
Total Provision for risks	**-**	**-**	**-**	**-**	**4**	**4**
Provision for litigation (< 1 year)	4 778	3 860	- 4 286		- 151	4 201
Total Provision for risks	**4 778**	**3 860**	**- 4 286**	**-**	**- 151**	**4 201**
Miscelleaneous	347	92				439
Total Provisions for charges	**347**	**92**	**-**	**-**		**439**

The allocations to provisions, net of reversals, mainly relate to restructuring costs (€0.4 million), trade-related disputes (€1,5 million) and industrial tribunal disputes (€0.6 million). The provision recognized at December 31, 2019 to cover the risk relating to the early termination of the lease in future state of completion for an amount of €1 million was reversed in 2020 following its payment during the first half of the year.

Moreover, at the end of the 2019 fiscal year, Showroomprivé.com was subject to two tax audits relating to the 2013 and 2014 fiscal years and the 2015 and 2016 fiscal years. As the company received the collection notices during the 2020 fiscal year, the provision recognized at December 31, 2019 for an amount of €2 million was reversed.

Miscellaneous provisions chiefly relate to the social contribution charges linked to the issue of free share.

5.11 Deferred Tax

in k€	31/12/2019	Incidence résultat	Variations des cours de change	Variations de périmètre	Autres	31/12/2020
Deferred tax liabilities	-	- 5			59	55
Net balance for deferred taxes	77	- 77				-
	- 77	**72**	**-**	**-**	**59**	**55**
Breakdown of deferred tax						
Def. tax on temporary differences	529	- 862			19	- 314
Def. tax on other restatements	32	583			40	655
Def. tax on elimination of intercompany transactions	-					-
Recognition of tax loss carry-forwards	13 566	- 1 034				12 532
Def. tax on depreciation of assets recognized through business combination	- 10 437	1 113				- 9 324
Def. tax on elimination of start-up expenses	- 2	2				-
Def. tax on provisions for pensions and other post-employment benefits	-					-
Def. tax impact on finance lease restatement	- 8	- 10				- 18
Def. tax on capitalisation of research and development costs	- 3 758	280				- 3 478
Net balance for deferred taxes by nature	**- 77**	**72**	**-**	**-**	**59**	**55**

At December 31, 2020, changes in deferred taxes by results are not meaningful, and are mainly due to the write-back of the liabilities balance recognized for the previous fiscal year.

In view of the Group's situation, fiscal year 2020 was the first year of turnaround in which the group has recorded a profit for many years. It was decided not to activate deferred taxes relating to tax loss carryforwards beyond deferred tax liabilities. This decision will be reviewed for the fiscal year ending December 31, 2021, in the light of future results. The amount of non-activated tax loss carryforwards amounted to 103.4 million euros as of December 31, 2020.

in k€	31/12/2018	Deferred tax expense recognized in the Income Statement	Variations des cours de change	Scope changes	Def. tax expense recognized in Equity	31/12/2019
Deferred tax liabilities	3 214	- 3 212	-	- 2		-
Net balance for deferred taxes	5 182	- 5 105	-	-		77
	- 1 968	**1 893**	**-**	**- 2**	**-**	**- 77**
Breakdown of deferred tax						
Def. tax on temporary differences	390	139				529
Def. tax on other restatements	223	- 189		- 2		32
Def. tax on elimination of intercompany transactions	-					-
Recognition of tax loss carry-forwards	11 107	2 459				13 566
Def. tax on depreciation of assets recognized through business combination	- 9 881	- 556				- 10 437
Def. tax on elimination of start-up expenses	- 2					- 2
Def. tax on provisions for pensions and other post-employment benefits	-					-
Def. tax impact on finance lease restatement	- 450	442				- 8
Def. tax on capitalisation of research and development costs	- 3 356	- 402				- 3 758
Net balance for deferred taxes by nature	**- 1 968**	**1 893**	**-**	**- 2**	**-**	**- 77**

As of December 31, 2019, changes in deferred taxes are mainly from:

- The amortization of intangible assets recognized as part of business combinations including those that led to the creation of the Group as well as Saldi Privati, ABC Sourcing et Beauté Privée which engender a release of deferred tax provisions over time,
- The recognition of development expenses as intangible assets and the subsequent amortization of these assets

- The recognition of tax assets from tax losses carried forward generated as part of the tax group in France (€5.6 million)
- The depreciation of the deferred tax asset at Saldi Privati of €3.2 million which had previously been recorded and related to loss carry-forwards.

5.12 Borrowings and Financial Liabilities

Accounting Principles

All debts are initially recognized at fair value. After their initial recognition, the Group values at amortized cost all financial liabilities other than those held for trading.

in K€	**31/12/2019**	Loans raised	Loans repaid	Other	**31/12/2020**
Bank borrowings	-	9 000		53 832	62 832
Non-current lease liabilities	20 349		- 472	- 2 420	17 457
Mid- and long-term financial liabilities	**20 349**	**9 000**	**- 472**	**51 412**	**80 289**
Bank borrowings due in less than 1 year	55 066	75 996	- 40 210	- 53 832	37 020
Current lease liabilities	2 966		- 2 966	2 420	2 420
Other borrowings due in less than 1 year	-				-
Bank overdrafts	-				-
	32	152	- 32		152
Short-term financial liabilities	**58 064**	**76 148**	**- 43 208**	**- 51 412**	**39 592**
o/w finance lease	*163*		*- 111*		*52*
Total Loans and financial debts	**78 413**	**85 148**	**- 43 680**	**0**	**119 882**

At December 31, 2020, the change in financial debts excluding leasing debts is mainly due to the obtaining of a €35 million state-guaranteed loan and a credit facility of €10 million with CADIF.

The presentation of short-term/long-term debt was reviewed at December 31, 2020 and takes into account the impact of the conciliation protocol approved on May 28, 2020.

These ratios were met as at December 31, 2020.

in K€	**31/12/2018**	Effect of changes in the standard (*)	Loans raised	Loans repaid	Other	**31/12/2019**
Bank borrowings	19 505		35 550		- 55 055	-
Non-current lease liabilities	-	17 368	5 947		- 2 966	20 349
Mid- and long-term financial liabilities	**19 505**	**17 368**	**41 497**	**-**	**- 58 021**	**20 349**
Bank borrowings due in less than 1 year	1 334		250	- 1 573	55 055	55 066
Current lease liabilities		3 189		- 3 189	2 966	2 966
Other borrowings due in less than 1 year	21 364			- 21 364		-
Bank overdrafts	25			- 25		-
			32			32
Short-term financial liabilities	**22 723**	**3 189**	**282**	**- 26 151**	**58 021**	**58 064**
o/w finance lease	*1 385*			*- 1 222*		*163*
Total Loans and financial debts	**42 228**	**20 557**	**41 779**	**- 26 151**	**-**	**78 413**

5.13 Age Analysis of Debt

in K€	**31/12/2020**	**Less than 1 year**	**2 years**	**3 years**	**4 years**	**5 years or more**
Long term financial liabilities (finance lease)	-					
Short term financial liabilities (finance lease)	52	52				
Other long-term financial liabilities (1)	19 878	2 420	2 521	2 657	2 430	9 850
Other short-term financial liabilities (1)	99 952	37 120	8 117	10 716	12 400	31 599
Total Payable and related accounts	**119 882**	**39 592**	**10 638**	**13 373**	**14 830**	**41 449**
Accounts payable	43 306	43 306				
Accrued invoices	77 404	77 404				
Advances from customers and billed in advance	11 495	11 495				
Total Payable and related accounts	**132 205**	**132 205**	**-**	**-**	**-**	**-**
Income tax liabilities	1 513	1 513				
Total Income Tax Liabilities	**1 513**	**1 513**	**-**	**-**	**-**	**-**
Amounts due to social security agencies	10 490	10 490				
Employee-related liabilities	-	-				
Accrued taxes other than income tax	11 306	11 306				
Other liabilities	5	5				
Deferred revenues	23 596	23 596	-	-	-	-
Total other liabilities	**45 397**	**45 397**				
TOTAL	**298 996**	**218 707**	**10 638**	**13 373**	**14 830**	**41 449**

(1) In 2020, 19.9 millions of euros are link with IFRS16 application

	31/12/2019	< 1 an	2 ans	3 ans	4 ans	5 ans ou plus
Short term financial liabilities (finance lease)	163	163				
Other long-term financial liabilities (1)	23 314	2 966	2 562	2 095	2 657	13 035
Other short-term financial liabilities (1)	54 935	54 935				
Total Payable and related accounts	**78 412**	**58 064**	**2 562**	**2 095**	**2 657**	**13 035**
Accounts payable	32 859	32 859				
Accrued invoices	70 507	70 507				
Advances from customers and billed in advance	7 104	7 104				
Total Payable and related accounts	**110 470**	**110 470**	**-**	**-**	**-**	**-**
Income tax liabilities	12	12				
Total Income Tax Liabilities	**12**	**12**	**-**	**-**	**-**	**-**
Amounts due to social security agencies	10 363	10 363				
Employee-related liabilities	-	-				
Accrued taxes other than income tax	9 323	9 323				
Other liabilities	1 195	1 195				
Deferred revenues	21 200	21 200	-	-	-	-
Total other liabilities	**42 080**	**42 080**				
TOTAL	**230 975**	**210 626**	**2 562**	**2 095**	**2 657**	**13 035**

(1) In 2019, 23.3 millions of euros are link with IFRS16 application

5.14 Definition of classes of financial assets and liabilities by accounting category

in K€			31/12/2020		
Categories of financial assets and liabilities	**Financial assets/ Liabilities measured at fair value through profit or loss**	**Financial assets/ Liabilities measured at amortized cost**	**Financial assets/ Liabilities measured at fair value through equity**	**Total carrying amount**	**Fair value of the category**
Financial assets		1 214		1 214	1 214
Operating receivables and other current receivables		72 078		72 078	72 078
Derivative instruments				0	0
Receivables related to intermediation activity				0	0
Other non current assets				0	0
Funds related to intermediation activity				0	0
Cash and Cash equivalents	130 833			130 833	130 833
TOTAL ASSETS	**130 833**	**73 293**	**0**	**204 126**	**204 126**
Long term financial liabilities		80 289		80 289	80 289
Other non-current liabilities			147	147	147
Short term financial liabilities		39 593		39 593	39 593
Operating liabilities and other current liabilities		177 602		177 602	177 602
Payables related to intermediation activity				0	0
Derivative instruments				0	0
TOTAL LIABILITIES	**0**	**297 484**	**147**	**297 631**	**297 631**

in K€			31/12/2019		
Categories of financial assets and liabilities	**Financial assets/ Liabilities measured at fair value through profit or loss**	**Financial assets/ Liabilities measured at amortized cost**	**Financial assets/ Liabilities measured at fair value**	**Total carrying amount**	**Fair value of the category**
Financial assets		1 347		1 347	1 347
Operating receivables and other current receivables		61 991		61 991	61 991
Derivative instruments				0	0
Other non current assets				0	0
Cash and Cash equivalents	49 049			49 049	49 049
TOTAL ASSETS	**49 049**	**63 338**	**0**	**112 387**	**112 387**
Long term financial liabilities		20 349		20 349	20 349
Other non-current liabilities			65	65	65
Short term financial liabilities		58 064		58 064	58 064
Operating liabilities and other current liabilities		152 551		152 551	152 551
Derivative instruments				0	0
TOTAL LIABILITIES	**0**	**230 964**	**65**	**231 029**	**231 029**

5.15 Share Option Schemes

Accounting principles

Share option and share purchase schemes have been granted to a given number of employees and senior executives of the Group. They give the right to subscribe for SRP Groupe S.A. shares over a period of 10 years, subject to fulfilment of specific conditions, at a fixed exercise price determined at their allocation.

The options are valued at an amount equivalent to the fair value of the benefit granted to the employee or the senior executive at the date of allocation. The expenditure relating to these options is recognized as other operating income and expenditure, over the period of acquisition of the option rights, with a corresponding entry to equity.

The fair value of the option is determined by applying the "Black and Scholes" model, where the factors include in particular the exercise price of the options, their life, the reference share price at the allocation date, the implicit volatility of the share price, and the risk-free interest rate. The expenditure recognized also takes into account assumptions about the turnover rate among employees who have benefited from the share allocation.

On August 5, 2010, the General Meeting of Shareholders authorized the Board of Directors to grant stock options to a certain number of Group employees, on one or more occasions, for a period of 38 months.

On October 27, 2014, the General Meeting of Shareholders authorized the Board of Directors to grant stock options to a certain number of Group employees, on one or more occasions, for a period of 38 months.

The main features of these schemes and their calculation basis are summarised in the table below:

	Plan n°1	Plan n°2	Plan n°3	Plan n°4	Plan n°5	Plan n°6	Plan n°7	Plan n°8	Plan n°9
Date of the General Meeting	05/08/10	05/08/10	05/08/10	05/08/10	05/08/10	05/08/10	05/08/10	05/08/10	27/10/14
Date of the executive board	05/08/10	05/08/10	31/01/11	30/11/11	15/10/12	15/01/13	15/04/13	04/10/13	27/10/14
Total number of options authorized	544 320	1 260 000							84 500
Total number of options attributed over the previous periods	544 320	315 000	295 087	38 750	345 242	50 000	169 712	50 363	70 902
Total number of options exercised over the previous periods	- 544 320	- 315 000	- 166 813	-	- 160 812	- 43 570	- 74 506	- 40 355	- 36 258
Total number of options exercised over the current year	-	-	-	-	-	-	-	-	-
Total number of options cancelled	-	-	- 100 000	- 38 750	- 126 406	- 6 430	- 48 438	- 2 343	- 15 624
Total number of remaining options at 31st December 2019	-	-	28 274	-	58 024	-	46 769	7 665	19 020
Total number of options attributed over the current year	-	-	27 088	-	55 588	-	44 807	7 345	18 225
Total number of remaining options at 31st December 2020	-	-	55 362	-	113 612	-	91 576	15 010	37 245
Weighted average vesting period (in year)	-	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0
Share price at the granting date / considering as equal to the exercise price	4,00	4,00	4,00	4,60	5,20	5,20	5,20	5,60	7,20
Exercice price (€)	4,00	4,00	4,00	4,60	5,20	5,20	5,20	5,60	7,20
Expected volatility	32%	32%	32%	32%	35%	35%	35%	35%	35%
Weighted average fair value at grant date	-	0,29	0,32	0,37	0,42	0,38	0,37	0,77	1,24

It is specified that plans 1 and 2 are intended for corporate officers. As for plan 1, the vesting of rights was immediate as of the date of incorporation of the SRP Group and completion of the contributions.

Depending on the parameters used in determining the fair value based on the Black & Scholes model, and on the basis of an updated assumption of the turnover rate of beneficiary employees, no expense was recognized in "Other operating expenditure" as of December 31, 2020, as was the case during the previous fiscal year.

5.16 Free Share Schemes

Accounting Principles

Free issue of shares was granted to a given number of employees and senior executives of the Group. In accordance with IFRS 2 free issue shares are subject to a valuation based on the benefit granted to beneficiaries at the grant date. The expense related to these free issue shares and related social contributions, are recognized in “Cost of share-based payments” over the period of acquisition.

In order to estimate the fair value of free shares the calculation takes into account hypotheses as to the turnover rate of the beneficiaries of the free share allocation.

On September 25, 2015, May 30, 2016, and June 26, 2017, the General Meeting of Shareholders authorized the Board of Directors to grant bonus shares to a given number of employees of the Group, on one or more occasions, and over a period of 38 months. These schemes were put in place as part of the IPO on the Euronext regulated market.

The main features of these schemes and their calculation basis are summarized in the table below:

	Date of the General Meeting	Date of the executive board	Total number of free shares authorized	Total number of free shares attributed over the previous periods	Total number of free shares attributed over the current year	Total number of free shares exercised	Total number of free shares cancelled	Total number of remaining free shares at 31st December 2020	Weighted average vesting period (in year)	Share price at the granting date	Weighted average fair value at grant date
Plan n°1	25/09/15	25/09/15	625 000	625 000	-	- 625 000	-	-	1,0	17,62	16,94
Plan n°2	25/09/15	29/10/15	100 000	100 000	-	- 73 546	- 26 454	-	2,0	17,62	16,94
Plan n°3	25/09/15	29/10/15	400 000	400 000	-	- 188 975	- 211 025	-	2,0	17,62	15,24
Plan n°4	30/05/16	30/05/16	52 500	52 500	-	-	- 52 500	-	2,0	19,19	13,83
Plan n°5	30/05/16	30/05/16	24 003	24 003	-	- 15 950	- 8 053	-	2,0	19,19	13,83
Plan n°6	30/05/16	14/02/17	60 956	59 836		- 37 738	- 22 098	-	2,0	22,69	17,02
Plan n°7	30/05/16	14/02/17	48 969	47 004			- 47 004	-	2,0	22,69	17,02
Plan n°8	30/05/16	26/06/17	18 133	18 133		- 6 988	- 11 145	-	2,0	23,50	17,63
Plan n°9	30/05/16	26/06/17	100 199	98 857		- 9 310	- 89 547	-	2,0	23,50	17,63
Plan n°10	26/06/17	04/12/17	340 975	340 309		- 116 155	- 224 154	-	2,0	10,00	7,40
Plan n°11	26/06/17	04/12/17	251 952	250 314		- 112 791	- 137 523	-	2,0	10,00	7,40
Plan n°12	26/06/17	04/12/17	6 302	6 302		- 6 302	-	-	2,0	10,00	7,50
Plan n°13	26/06/17	14/06/18	10 497	10 497		- 6 928	3 516	7 085	2,0	6,44	4,08
Plan n°14	26/06/17	14/06/18	14 698	14 698		- 6 928	- 685	7 085	2,0	6,44	4,45
Plan n°15	26/06/18	15/02/19	307 102	307 102		- 106 307	- 134 746	66 049	2,0	2,60	1,82
Plan n°16	26/06/18	15/02/19	15 200	15 200		- 15 200	-	-	2,0	2,60	1,82
Plan n°17	26/06/18	15/02/19	300 000	300 000		-	- 300 000	-	2,0	2,60	1,82
Plan n°18	26/06/18	26/06/19	1 177 704	1 177 704		- 328 819	401 726	1 250 611	2,0	2,60	1,82
Plan n°19	12/03/20	12/03/20	656 375	-	656 375	-	-	656 375	2,0	0,68	0,68
Plan n°20	16/12/20	16/12/20	918 824	-	918 824	-	-	918 824	2,0	1,75	1,75

Plan terminé

Depending on the parameters used in determining the fair value, and on the basis of an updated assumption of the turnover rate of beneficiary employees, the expense recognized as “Other operating expenditure” amounted to €1,4 million for 2020 (excluding flat-rate social security charges).

The total amount to be amortized between 2021 and 2023 in respect of these schemes is €1.9 million.

5.17 Earnings Per Share

Accounting Principles

The information stated is calculated on the basis of the following principles:

Basic Earnings Per Share

This is calculated by dividing the net income attributable to the Group by the weighted average number of ordinary shares outstanding during the year after deducting treasury shares held over the period. The average number of ordinary shares outstanding is an adjusted weighted annual average of the number of ordinary shares redeemed or issues over the period and calculated on the basis of the date of issue of the shares during the year.

Diluted Earnings Per Share

The net income attributable to the Group and the weighted average number of shares outstanding, taken into account for calculating the basic earnings per share, are adjusted for the effects of all potentially dilutive ordinary shares: share options and free shares issued (Notes 5.15 “Share Option Schemes” and 5.16 “Bonus Share Plans”).

5.17.1 Basic Earnings Per Share

	2020	2019
Net income for the period - part attributable to Group	13 911	- 70 462
Average number of ordinary shares	81 710 510	50 661 936
Basic earnings per share (in €)	0,170	- 1,391

5.17.2 Diluted Earnings Per Share

in K€	2020
Net income for the period - part attributable to Group	13 911
Average number of diluted ordinary shares	84 355 693
Diluted earnings per share (in €)	0,165

Given the negative net result of the Group in 2019, diluted earnings per share are capped by the basic earnings per share.

5.18 Analysis of changes in operating working capital items

in K€	31/12/2019 Gross book value	Variations with an impact on cash	Changes in the consolidation scope & others	31/12/2020 Gross book value
Inventory	48 373	12 551		60 924
Accounts receivable	20 548	- 157	- 84	20 307
Prepaid expenses	17 969	2 345		20 314
Other current assets	23 474	7 729	255	31 458
Subtotals Assets (1)	110 364	**22 467**	**171**	133 003
Accounts payable	110 470	21 741	- 7	132 204
Deferred revenues	21 200	2 396		23 596
Other current liabilities	20 880	1 036	- 115	21 801
Subtotals Liabilities (2)	152 550	**25 173**	**- 122**	177 602
Working capital requirement (1)-(2)	- 42 186	**- 2 706**	**293**	- 44 599
Change in Working Capital	- 2 413			

in K€	31/12/2018 Gross book value	Variations with an impact on cash	Changes in the consolidation scope & others	31/12/2019 Gross book value
Inventory	99 061	- 50 688		48 373
Accounts receivable	32 005	- 11 457		20 548
Prepaid expenses	18 190	- 221		17 969
Other current assets	19 135	4 339		23 474
Subtotals Assets (1)	168 391	**- 58 027**	-	110 364
	-	-		
Accounts payable	140 316	- 29 846		110 470
Deferred revenues	23 576	- 2 376		21 200
Other current liabilities	20 380	500		20 880
Subtotals Liabilities (2)	184 272	**- 31 722**	-	152 550
	-	-		
Working capital requirement (1)-(2)	- 15 881	**- 26 305**	-	- 42 186
Change in Working Capital	- 26 305			

6. THE GROUP'S EXPOSURE TO FINANCIAL RISKS

6.1 Market Risk

6.1.1 Foreign Exchange Risk

The Group is not exposed to a significant extent to foreign-exchange risk in its operations. The bulk of transactions undertaken by its customers (via Internet) are invoiced or paid in Euros. Most purchases from suppliers are invoiced or paid in Euros.

If the Euro appreciates (or depreciates) against another currency, the value in Euro of items of assets and liabilities, revenues and expenses initially recognized in this other currency will decrease (or increase). Hence, fluctuations in the value of the Euro can have an impact on the value in Euro of items of assets and liabilities, revenues and expenses not denominated in Euros, even if the value of these items have not changed in the original currency.

A 10% variation in the exchange rate parity of currencies other than the functional currencies of the subsidiaries would not have a significant impact on the Group's net income for the 2020 fiscal year, as was the case in previous years.

6.1.2 Interest Rate Risk

➢ **Investments**

The Group is exposed to an interest rate risk in respect of its short-term investments.

In 2020 as in 2019, the Group makes very few investments in the short term. The impact of a 1-point interest rate decrease applied to short-term rates would therefore have had a non-significant impact on the Group's net income.

➢ **Bank Debt**

The Group is exposed to an interest rate risk in respect of its medium and long-term external financing drawn on the closing date. This is the following financing:

- ➢ As part of the agreement with its banks in April 2020, the Group renewed its lines of credit in the amount of €62 million. These lines of credit are subject to a variable interest rate.
- ➢ In June 2020, the Group obtained a variable rate state-guaranteed loan of €35 million from CAIDF (Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile-de-France).

The impact of a 1-point increase in interest rates applied to short-term rates would have resulted in an annualized impact of €66 K on the Group's pre-tax earnings.

6.2 Liquidity Risk

To manage the liquidity risk that may arise from the eligibility of financial liabilities, either at their contractual maturity or in advance, the Group applies a prudent financing policy based in particular on the investment of its available excess cash in risk-free financial investments.

The Group contracted a bank guarantee to cover the signing of a lease in future state of completion (see Note 8.2).

6.3 Credit Risk

The financial assets which may, by their nature, expose the Group to a credit or counterparty risk concern mainly:

- Trade receivables: this risk is monitored on a daily basis through the collection and recovery processes. Furthermore, the high number of individual customers minimize credit concentration risk in respect of trade receivables;
- Financial investments: the Group's policy is to spread its investments over monetary instruments of short-term maturity, in general for a period of less than 1 month, in compliance with the rules on counterparty diversification and quality.

The book value of financial assets recognized in the financial statements, which is stated after deduction of impairment losses, represents the Group's maximum exposure to credit risk.

The Group does not hold significant financial assets past due date and not amortized.

Trade receivables as at December 31, 2020 by maturity are as follows:

in K€	< 3 months	> 3 months and < 6 months	> 6 months and < 1 year	> 1 year	Total
Accounts receivable at 31st December 2020	6 768	551	517	519	8 355

7. RELATED PARTIES

7.1 Related Parties Having Control Over the Group

As at December 31, 2020 the SRP Group had not granted any loans or borrowing to members of the Group's management, and no significant transactions had been carried out with shareholders or members of the management bodies.

The compensation of senior executives is detailed in the table below:

in K€	2020	2019
Fixed salaries	576	528
Variable salaries		225
Total	**576**	**753**

Subsidiaries in the Group's consolidation scope carry out transactions among them, which are eliminated for the purposes of the consolidated financial statements.

7.2 Other Related Parties

As part of its ordinary business, the Group carries out transactions with entities partly owned by some executives of the Group. These transactions, conducted at market prices, relate mainly to the rental of the following real properties:

- The Sables d'Olonne site,
- Saint-Denis headquarters,
- Spain headquarters.

in K€	2020	2019
Accounts receivable / payable		
Purchase of goods and services	888	682

8. OTHER INFORMATION

8.1 Commitments Received

There are no commitments received at the last three annual closing dates.

8.2 Commitments Given

There are no commitments given at the last three annual closing dates.

8.3 Headcount at year-end

No. of employees	31/12/2020	31/12/2019
Officials	576	538
Employees	471	510
Total Staff	**1 047**	**1 048**

8.4 Post-Balance Sheet Events

None

8.5 Audit Fees

For the financial year ended December 31, 2020, the total amount of audit fees for the Group amounted to €0.5 million and can be broken down as follows:

In K€	KPMG AUDIT IS	Autre membre du réseau KPMG	Jérôme Benaïnous	Total
Legal audit	331	36	145	512
Other services	21			21
Total	**352**	**36**	**145**	**533**