

**FINANCIAL STATEMENTS
AS OF DECEMBER, 31 2020**

SRP GROUPE S.A.

showroomprive•com

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1. FINANCIAL STATEMENTS

1.1. Balance Sheet

<i>en K€</i>	31/12/2020	31/12/2019
Financial assets	251 131	233 314
Non current assets	251 131	233 314
Accounts receivables and similar accounts	1 815	789
Other receivables	16 140	6 121
Cash and cash equivalent	10 658	18 209
Current assets	28 613	25 119
Total Assets	279 744	258 433
Share capital	4 702	2 029
Share premium reserves	217 779	211 109
Treasury shares	38	38
Other reserves	- 20 909	- 2 565
Net income	20 511	- 18 343
Total equity	222 122	192 268
Long-term financial debt	53 833	
Long-term financial liabilities		
Total non current liabilities	53 833	-
Short term financial liabilities	955	54 771
Accounts payables	737	886
Income tax liability	2 097	157
Other current payables		10 352
Total current liabilities	3 789	66 166
Total Liabilities	57 622	66 166
Total Equity and Liabilities	279 744	258 433

1.2. Income Statement

<i>en K€</i>	2020	2019
Net revenues	936	717
Gross margin	936	717
Purchases and subcontracting expenses	2 326	1 355
Tax expenses	5	4
Personnel expenses	157	182
Depreciation and amortization charges		-
Other operating expenses	166	136
Current operating profit	2 654	1 677
Profit before tax	- 1 718	- 960
Income from cash and cash equivalents	22 169	411
Cost of financial debt	567	17 748
Net finance costs	21 602	- 17 337
Non-recurring income		2
Non-recurring expenses		36
Net finance costs	-	- 34
Profit before tax	19 884	- 18 331
Income taxes	- 627	13
Net income for the period	20 511	- 18 343

2. APPENDIX TO BALANCE SHEET AND INCOME STATEMENT

The notes and tables below are an integral part of the annual financial statements.

2.1. SUMMARY OF THE YEAR

The year ended 12/31/2020:

- The balance sheet total, presented prior to the allocation of net income, was €279,743,629;
- The income statement, presented as a list, totaled €23,105,135, showing a profit of €20,511,363.

The fiscal year had a duration of 12 months, covering the period from 01/01/2020 to 12/31/2020.

2.2. 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. SRP Group Capital Increase

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

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.

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.

2.2.3. 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. ACCOUNTING POLICIES

▪ Accounting Standards

The annual financial statements were prepared in accordance with French accounting standards, in particular the provisions of Regulation 2014-03 of the French Accounting Standards Authority;

The general accounting principles were applied in good faith in accordance with the principle of prudence, in line with the following basic assumptions:

- Going concern,
- Consistent accounting methods from one financial year to the next,
- Independence of financial years.
- True and fair picture, and
- Regularity and sincerity.

The basic method adopted for the valuation of the items recognized in the accounts is the historical cost method.

▪ Intangible Assets

Intangible fixed assets are valued at their acquisition cost (purchase price and ancillary expenses, excluding capital acquisition costs).

- **Financial Assets**

The gross value of equity investments on the balance sheet consists of their acquisition cost, including the costs directly attributable to the asset. The purchase price of the equity investments takes into account the price paid at the time of the acquisition and any variable earnouts based on the activity and future results of the acquired company.

As of December 31, 2020 financial assets consisted of equity holdings in the following companies:

Name	Book value (Gross)	% capital held	Equity	Equity other than capital	Pretax revenue of the last financial year	Net income of the last fiscal year	Loans and Advances	Other deposits and guarantees provided	Dividends of the last financial year
<i>En k€</i>									
SHOWROOMPRIVE.COM	170 169	100%	145 810	-4 667	628 348	12 737	-	-	-
SRP LOGISTIQUE	4 219	100%	26	551	15 451	399	-	-	-
ABC SOURCING	3 580	100%	20	-18 862	8 435	1 351	-	-	-
SALDI PRIVATI	40 847	100%	303	407	42 355	2	-	-	-
BEAUTÉ PRIVÉE	35 745	100%	100	4 181	65 001	4 017	-	-	8 457
Total brute	254 561								

- **Impairment Test of the Equity Investments**

Impairment is recognized if, at year end, the valuation of the securities held, based on their value in use, is lower than their net book value. The value in use of the investments is determined according to their estimated discounted future cash flow, reduced or increased by the net debt or net cash position.

As of December 31, 2020, the value in use of all equity investments of the Showroomprive Group was estimated based on their net future cash flow discounted over a five-year period, then projected to infinity. This method is also described in detail in Note 5.1 in the annex to the Group's consolidated financial statements. The discount rate used for this impairment test was 9.39% and the long-term growth rate used was 2.0%.

The impairment test led to an impairment reversal of the Saldi Privati securities (€13,317K).

- **Provisions for Risks and Charges**

The company applies the CRC 2000-06 regulation on liabilities. In this context, provisions for risks and charges are put in place to account for possible resource outflows to the benefit of third parties, without expectation of revenue for the company. These provisions are estimated taking into account the most probable assumptions as of the balance sheet date.

- **Receivables**

Receivables are measured at their nominal value. A provision for impairment is recognized if the inventory value is less than the book value.

2.4. NOTES TO THE BALANCE SHEET

▪ Fixed Assets

<i>en K€</i>	31/12/2019	Acquisitions	Cessions	Autres variations	31/12/2020
Development expenses capitalized	247				247
Licenses and software					-
Brand					-
Cohort of members					-
Other intangible assets					-
Intangible assets	247	-	-	-	247
Land					-
Buildings and refurbishment					-
Facilities, plant & equipment					-
Tangible assets in progress					-
Advances payments for fixed assets					-
Other tangible assets					-
Tangible assets	-				-
Financial investments in shares	250 061	4 500			254 561
Loans and other financial assets	150				150
Financial assets	250 211	4 500	-	-	254 711
Total net value	250 458	4 500	-	-	254 958

<i>in K€</i>	31/12/2019	Acquisitions	Disposals	Reclassification	31/12/2020
Amort./Dep. of capitalized dev. Expenses	247				247
Amort./dep. Of licenses and software	-				-
Amort./Dep of cohort of members	16 897		- 13 317		3 580
Am./Dep. of intangible assets	17 144	-	- 13 317	-	3 827

The change in the gross value of equity investments relates to the subscription in the capital reserves of the subsidiary Saldi Privati with a view to restoring its net equity.

▪ Receivables by Maturity

<i>in K€</i>	31/12/2020	< 1 year	2 years	3 years	4 years	5 years & more
Loans, guarantees and other receivables	-			-	-	-
Total Financial fixed assets	-	-	-	-	-	-
Accounts receivable	1 815	1 815	-	-	-	-
Accrued income	-	-	-	-	-	-
Advances and prepayments	-	-	-	-	-	-
Total receivables and related accounts	1 815	1 815	-	-	-	-
Current income taxes	1 873	1 638			6	229
Employee advances and prepaid payroll taxes	-	-	-	-	-	-
Tax-related receivable - other than income tax	609	609	-	-	-	-
Related parties	13 511	13 511	-	-	-	-
Other receivables	148	148	-	-	-	-
Total other receivables	16 140	15 905	-	-	6	229
Total Receivables	17 955	17 720	-	-	6	229

▪ Debt by Maturity

<i>in K€</i>	31/12/2020	Less than 1 year	2 years	3 years	4 years	5 years or more
Other financial liabilities > 1 year	53 833		6 117	8 716	10 400	28 600
Total Payable and related accounts	53 833		6 117	8 716	10 400	28 600
Accounts payable	177	177				
Accrued invoices	560	560				
Related parties						
Advances from customers and billed in advance						
Total Payable and related accounts	737	737				
Other financial liabilities < 1 year	955	955				
Employee-related liabilities	212	212				
Accrued taxes other than income tax	1 885	1 885				
Other liabilities		-				
Deferred revenues						
Total other liabilities	3 052	3 052				
TOTAL	57 622	3 789	6 117	8 716	10 400	28 600

As part of its banking contracts, the company is committed to respecting certain financial ratios. These ratios were met as at December 31, 2020.

▪ Accrued Liabilities

As at December 31, 2020, the balance sheet comprised €643K accrued liabilities, of which €559K consists of invoices not yet received and €84K of tax and social expenses.

▪ Deferred Expenses

As at December 31, 2020 the balance sheet comprised €70K in deferred expenses, of which €41K are linked to insurance, €9K are linked to loan fees and €20K other miscellaneous fees.

▪ Cash and Cash Equivalents

As at December 31, 2020, this balance sheet item comprised 53,582 own shares related to a liquidity contract with a third-party service provider for a total amount valued at €109K.

2.5. NOTES TO THE INCOME STATEMENT

▪ Revenue

SRP Group S.A. is the lead holding company of all entities of the Showroomprive.com Group. Revenue stems from the invoicing for administrative and financial services provided by the SRP Group SA on behalf of its subsidiaries.

▪ Operational Expenses

Company operating expenses over the 12 months of the 2020 financial year amounted to €2,654K, consisting mainly of fees of €1,759K and staff costs of €157K.

▪ Financial Income

Financial expenses for the financial year of €567K relate primarily to loan interests for €407K, as well as losses on the disposal of marketable securities for €137K.

Financial income for the 2020 financial year was €22,169K, including €13,317K from the impairment reversal of the Saldi Privati securities, €8,457K in dividends paid by its subsidiary Beauté Privée, €334K corresponding to disposals of marketable securities and €30K from current account interest earned.

▪ Remuneration

During the financial year, executive compensation came to €80K. The remuneration paid to members of the Board of Directors amounted to €165K.

2.6. ADDITIONAL INFORMATION

▪ Tax Consolidation

A tax consolidation agreement was implemented starting on January 1, 2012 between the SRP Group SA, the parent company of the group and all of its French subsidiaries including the following entities in 2020:

- SHOWROOMPRIVE.COM
- SHOWROOMPRIVE LOGISTIQUE
- ABC Sourcing
- BEAUTE PRIVEE
- SHOWROOMPRIVE Prod (held by its subsidiaries SHOWROOMPRIVE.COM)

Beauté Privée was included within the tax consolidation group as of the financial year beginning January 1, 2020. The company SRP Prod was the subject of a universal transmission of assets (*Transmission universelle de patrimoine* — TUP) in the financial statements of its parent company, Showroomprive.com, during the 2020 financial year. The company was therefore removed from the tax consolidation group.

Under this convention, only SRP Group S.A. is liable to pay the tax due on the overall results and accounts of tax payable by the Group's overall debt.

▪ Stock Options

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 summarized 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
Exercise 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.

▪ Bonus Share Plans

On September 25, 2015, May 30, 2016, June 26, 2017 and June 26, 2018, 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.

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

▪ Composition of the Share Capital

On 12/31/2020, the share capital consists of 117,560,198 shares at a par of €0.04.

<i>in €</i>	Number	Nominal value	Value in €
No. of shares issued at the beginning of the financial year	50 744 030	0,04	2 029 761
No. of shares issued during the year	66 816 168	0,04	2 672 647
No. of shares purchased back during the year	-	0,04	-
No. of shares issued at the close of the financial year	117 560 198	0,04	4 702 408

The variation of share capital results from the exercise of new shares related to the bonus share allocation.

▪ Variation of Shareholders' Equity

<i>in K€</i>	31/12/2019	Capital increase	Other changes	Allocation of previous year's result	31/12/2020
Share capital	2 029	2 673			4 702
Share premium reserve	211 109	6 670			217 779
Legal reserve	38				38
Profit & loss carried forward	- 2 565			- 18 343	- 20 908
Net result of the year	- 18 343		20 511	18 343	20 511
Total net equity	192 268	9 343	20 511	-	222 122

The increase in the item "Share premiums" in 2020 is related to the share capital increase carried out in July 2020 net of expenses (€0.6 million) less the issue premium.

▪ Off-Balance Sheet Commitments

In the framework of the conciliation protocol, SRP Group has undertaken to sell its Beauté Privée equity interests to its subsidiary SRP.COM, no later than May 22, 2022, subject to a non-group sale in the meantime.

▪ Identity of the Parent Company Consolidating the Company's Accounts

SRP Group SA is head of the consolidation group applying the full consolidation method for subsidiaries listed under the title "financial assets" and other companies held by its subsidiaries.

▪ Related Parties

As of December 31, 2020, the SRP Group did not grant any loans to Company officers.

In the normal course of its business activity, the SRP Group carries out transactions with its subsidiaries under arm's length market conditions.

▪ Post-Balance Sheet Events

None.

▪ Personnel

Average staff for the year 2020 was 2 employees.

▪ Audit Fees

For the financial year ended December, 31 2020, the total amount of audit fees for SRP Groupe amounts to €325K and can be broken down as follows:

<i>In K€</i>	KPMG SA	Jérôme Benâïnous	Other service providers	31/12/2019
Legal audit	240	53		293
Other services	32			32
Total	272	53		325