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Financial Statements

SRP Groupe's Corporate Financial Statements for the Fiscal Year
Ended December 31, 2021

6.3. SRP Groupe's Corporate Financial Statements for the Fiscal Year Ended December 31, 2021

6.3.1. Financial Statements6.3.1.1. Balance Sheet

<i>en K€</i>	31/12/2021	31/12/2020
Financial assets	251 131	251 131
Non current assets	251 131	251 131
Accounts receivables and similar accounts	3 008	1 815
Other receivables	18 485	16 140
Cash and cash equivalent	5 619	10 658
Current assets	27 112	28 613
Total Assets	278 243	279 744
Share capital	4 742	4 702
Share premium reserves	217 811	217 779
Treasury shares	470	38
Other reserves	- 830	- 20 909
Net income	3 100	20 511
Total equity	225 294	222 122
Long-term financial debt	40 000	53 833
Long-term financial liabilities		
Total non current liabilities	40 000	53 833
Short term financial liabilities	10 023	955
Accounts payables	770	737
Income tax liability	1 094	2 097
Other current payables	1 062	
Total current liabilities	12 948	3 789
Total Liabilities	52 948	57 622
Total Equity and Liabilities	278 243	279 744

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6.3.1.2. Income Statement

<i>en K€</i>	2021	2020
Net revenues	2 951	936
Gross margin	2 951	936
Purchases and subcontracting expenses	1 968	2 326
Tax expenses	18	5
Personnel expenses	1 181	157
Depreciation and amortization charges	3	
Other operating expenses	144	166
Current operating profit	3 314	2 654
Profit before tax	- 363	- 1 718
Income from cash and cash equivalents	4 449	22 169
Cost of financial debt	867	567
Net finance costs	3 582	21 602
Non-recurring income		
Non-recurring expenses	358	
Net finance costs	- 358	-
Profit before tax	2 861	19 884
Income taxes	- 239	- 627
Net income for the period	3 100	20 511

6.3.2. Appendix to balance sheet and income statement

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

6.3.2.1. Summary of the year

The year ended 12/31/2021:

- The balance sheet total, presented prior to the allocation of net income, was €278,242,322;
- The income statement, presented as a list, totaled €7,400,190, showing a profit of €3,100,376.

The fiscal year had a duration of 12 months, covering the period from 01/01/2021 to 12/31/2021.

6.3.2.2. Events of the financial year

6.3.2.2.1. *Renegotiation of bank debt*

On December 17, 2021, SRP signed an agreement with its banking partners for the establishment of a €70 million sustainability-linked syndicated facilities structured financing that aims to refinance the entire bank debt of €63 million resulting from the protocol signed on April 29, 2020 and to bolster the Group's financial resources. It will allow flexibility for the implementation of new value-creating projects.

This sustainability-linked syndicated facilities financing includes an amortized credit facility for €50 million and a revolving credit facility (G&A Facility) for a maximum of €20 million. These bank debts mature in December 2026.

This operation ends the conciliation period.

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6.3.2.2.2. Covid-19

The Covid-19 pandemic was confirmed by the World Health Organization on March 11, 2020, giving rise to an unprecedented global health crisis. The Group did not benefit from any government measures having a significant impact on the financial statements for the year ended December 31, 2021. Furthermore, the Group regularly assesses the current and future consequences of the crisis, although it is difficult to foresee these completely.

6.3.2.3. 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 fiscal year to the next,
- Independence of fiscal 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, 2021, 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%	115 482	46 268	661 491	20 606			
SRP LOGISTIQUE	4 219	100%	26	972	17 409	497			
ABC SOURCING	3 580	100%	20	-17 342	6 202	1 520			
SALDI PRIVATI	40 847	100%	303	2 162	48 962	1 755			
BEAUTÉ PRIVÉE	35 745	100%	100	1 865	56 704	1 854			4 169
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.

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As of December 31, 2021, 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% and the long-term growth rate used was 2.0%.

No impairment was recorded for the fiscal year.

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.

6.3.2.4. NOTES TO THE BALANCE SHEET

Fixed Assets

<i>in K€</i>	31/12/2020	Acquisitions	Disposals	Other changes	31/12/2021
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	254 561				254 561
Loans and other financial assets	150				150
Financial assets	254 711	-	-	-	254 711
Total net value	254 958	-	-	-	254 958

<i>in K€</i>	31/12/2020	Acquisitions	Disposals	Reclassification	31/12/2021
Amort./Dep. of capitalized dev. Expenses	247				247
Amort./dep. Of licenses and software	-				-
Amort./Dep of cohort of members	3 580				3 580
Am./Dep. of intangible assets	3 827	-	-	-	3 827

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**SRP Groupe's Corporate Financial Statements for the Fiscal Year
Ended December 31, 2021**
Receivables by maturity

<i>in K€</i>	31/12/2021	< 1 year	2 years	3 years	4 years	5 years & more
Loans, guarantees and other receivables						
Total Financial fixed assets	-	-	-	-	-	-
Accounts receivable	3 008	3 008				
Accrued income						
Advances and prepayments						
Total receivables and related accounts	3 008	3 008	-	-	-	-
Current income taxes	549	549				
Employee advances and prepaid payroll taxes						
Tax-related receivable - other than income tax	692	692				
Related parties	16 414	16 414				
Other receivables	830	830				
Total other receivables	18 485	18 485	-	-	-	-
Total Receivables	21 493	21 493	-	-	-	-

Debt by Maturity

<i>in K€</i>	31/12/2021	Less than 1 year	2 years	3 years	4 years	5 years or more
Other financial liabilities > 1 year	40 000		10 000	10 000	10 000	10 000
Other financial liabilities < 1 year		-				
Total Payable and related accounts	40 000		10 000	10 000	10 000	10 000
Accounts payable	215	215				
Accrued invoices	555	555				
Related parties						
Advances from customers and billed in advance						
Total Payable and related accounts	770	770				
Other financial liabilities < 1 year	10 023	10 023				
Employee-related liabilities	556	556				
Accrued taxes other than income tax	538	538				
	1 062	1 062				
Other liabilities						
Deferred revenues						
Total other liabilities	12 179	12 179				
TOTAL	52 949	12 949	10 000	10 000	10 000	10 000

As part of its banking contracts, the company is committed to respecting certain financial ratios. These ratios were met as at December 31, 2021.

Accrued liabilities

As at December 31, 2021 the balance sheet comprised €1,143,000 in accrued liabilities ("charges à payer"), of which €555,000 related to invoices not yet received and €589,000 to tax and social contributions.

Deferred expenses

As at December 31, 2021 the balance sheet comprised €243,000 in deferred expenses, of which €232,000 related to insurance costs and €11,000 to other miscellaneous costs.

**SRP Groupe's Corporate Financial Statements for the Fiscal
Year Ended December 31, 2021****Cash and Cash Equivalents**

As at December 31, 2021, this balance sheet item comprised 162,891 own shares related to a liquidity contract with a third-party service provider for a total amount valued at €348,000.

6.3.2.5. 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

The Company's operating expenses over the 12 months of fiscal year 2021 amounted to €3,314,000 and consisted mainly of staff costs of €1,181,000, fees of €868,000 and insurance costs of €711,000.

Financial income

Financial expenses for the year of €866,000 mainly included €635,000 in loan interest and the loss on the disposal of VMP for €224,000.

Financial income for the 2021 fiscal year was €4,449,000, including €4,169,000 in dividends paid by the Beauté Privée subsidiary, €212,000 in capital gains on the disposal of VMP, and €64,000 in current account interest.

Remuneration

During the year, executive compensation came to €456,000. The remuneration paid to members of the Board of Directors amounted to €143,000.

6.3.2.6. Other 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 in the scope of tax consolidation as of the fiscal 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. As a result, this company was removed from the scope of tax consolidation.

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.

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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	322 175	38 750	400 830	50 000	214 519	57 708	89 127
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 2020	-	-	55 362	-	113 612	-	91 576	15 010	37 245
Total number of options attributed over the current year	-	-	(36 864)	-	-	-	-	-	-
			(18 498)						
Total number of remaining options at 30 June 2021	-	-	-	-	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	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	1,95	4,60	2,53	5,20	2,53	2,73	3,50
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:

SRP Groupe's Corporate Financial Statements for the Fiscal Year Ended December 31, 2021

	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 31 december, 2021	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	14 013	14 013	-	- 14 013	-	-	2,0	6,44	4,08
Plan n°14	26/06/17	14/06/18	18 214	18 214	-	- 14 013	- 4 201	-	2,0	6,44	4,45
Plan n°15	26/06/18	15/02/19	307 102	307 102	-	- 128 326	- 136 235	42 541	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	1 821 416	1 821 416	-	- 919 411	- 320 589	581 416	2,0	2,60	1,82
Plan n°19	12/03/20	12/03/20	656 375	656 375	-	- 328 187	-	328 188	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 n°21	16/12/21	16/12/21	1 070 020		1 070 020	-	-	1 070 020	2,0	2,14	2,14

Composition of the Share Capital

On December 31, 2021, the share capital consisted of 118,552,030 shares with a par value of €0.04 each.

<i>in €</i>	Number	Nominal value	Value in €
No. of shares issued at the beginning of the financial year	117 560 198	0,04	4 702 408
No. of shares issued during the year	991 832	0,04	39 673
No. of shares purchased back during the year	-	0,04	-
No. of shares issued at the close of the financial year	118 552 030	0,04	4 742 081

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>	31/12/2020	Capital increase	Other changes	Allocation of previous year's result	31/12/2021
Share capital	4 702	40			4 742
Share premium reserve	217 779	32			217 811
Legal reserve	38			432	470
Profit & loss carried forward	- 20 908			20 079	- 829
Net result of the year	20 511		3 100	- 20 511	3 100
Total net equity	222 122	72	3 100	-	225 294

The increase in the item "Share premiums" in 2021 is due to the exercise of bonus share plans and stock options.

Off-balance sheet commitments

The Company has no off-balance sheet commitments as of December 31, 2021.

Identity of the parent company consolidating the company's accounts

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SRP Groupe S.A. 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, 2021, 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

Crisis in Ukraine

Since the start of the crisis in Ukraine and the sanctions imposed on Russia, the Group has been continuing its activities. At this stage, and given the uncertainty around the potential developments of this crisis, the Group is unable to identify with any certainty the potential impacts of the Ukrainian crisis on its business, its profitability or its financial position.

Employees

Average staff for the year 2021 was 2 employees.

Audit Fees

For the fiscal year ended December 31, 2021, the total amount of audit fees for SRP Groupe amounted to €268,000 and can be broken down as follows:

<i>In K€</i>	KPMG SA	Alain Pater	Autres prestataires	31/12/2021
Legal audit	177	91		268
Other services				-
Total	177	91		268