

ERMES DEPARTMENT STORES PLC

CONSOLIDATED PRIMARY STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	€	Restated €
Continuing operations		
Revenue	101.737.002	92.583.437
Cost of sales	<u>(59.081.233)</u>	<u>(57.933.945)</u>
Gross profit	42.655.769	34.649.492
Selling and distribution expenses	(22.532.600)	(22.480.277)
Administrative expenses	(6.445.021)	(7.572.982)
Other operating income	<u>2.169.798</u>	<u>2.311.406</u>
Profit before depreciation and impairment charge	15.847.946	6.907.639
Depreciation	(2.845.441)	(2.769.298)
Depreciation of right-of-use assets	(7.373.262)	(7.011.020)
Other (losses)/income	(1.816.723)	6.795.682
Net gain from reversal of impairment of financial assets	<u>2.066.604</u>	<u>881.006</u>
Profit after depreciation and impairment charge	5.879.124	4.804.009
Finance income	311.616	983.341
Finance costs	(1.678.976)	(1.335.316)
Finance cost of lease liabilities	<u>(3.180.381)</u>	<u>(2.646.701)</u>
Profit before tax	1.331.383	1.805.333
Tax expense	<u>(1.440.920)</u>	<u>(879.971)</u>
(Loss)/profit for the year from continuing operations	(109.537)	925.362
Discontinued operations		
Loss for the year from discontinued operations	(1.159.846)	(1.234.608)
Loss for the year	(1.269.383)	(309.246)
Attributable to:		
Company's shareholders	(3.513.395)	(2.507.900)
Non-controlling interest	<u>2.244.012</u>	<u>2.198.654</u>
	(1.269.383)	(309.246)
Losses per share attributable to the equity holders of the Company (cents per share):		
Basic and diluted		
Continuing operations	(1,35)	(0,73)
Discontinued operations	(0,66)	(0,71)
Total	(2,01)	(1,44)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 €	2020 €
Loss for the year	<u>(1.269.383)</u>	<u>(309.246)</u>
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Deferred tax adjustment - fair value of land and buildings	49.136	(11.765)
Items that will not be reclassified to profit or loss	<u>49.136</u>	<u>(11.765)</u>
Other comprehensive income for the year, net of tax	<u>49.136</u>	<u>(11.765)</u>
Total comprehensive income for the year	<u><u>(1.220.247)</u></u>	<u><u>(321.011)</u></u>
Attributable to:		
Company's shareholders	(3.488.336)	(2.513.900)
Non-controlling interest	2.268.089	2.192.889
	<u><u>(1.220.247)</u></u>	<u><u>(321.011)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	2021	2020
	€	€
Assets		
Non-current assets		
Property, plant and equipment	30.263.580	28.745.039
Intangible assets	17.131.432	17.163.532
Deferred tax assets	-	637.768
Financial assets at fair value through other comprehensive income	3.989	3.989
Financial assets at amortised cost	16.002.648	16.666.295
Right-of-use assets	93.770.581	72.427.168
	<u>157.172.230</u>	<u>135.643.791</u>
Current assets		
Inventory	28.645.676	24.416.578
Financial assets at amortised cost	1.919.891	1.452.353
Trade and other receivables	2.496.990	1.780.193
Tax refundable	14.136	25.036
Cash and cash equivalents	1.519.541	2.141.486
	<u>34.596.234</u>	<u>29.815.646</u>
Total assets	<u>191.768.464</u>	<u>165.459.437</u>
Equity and liabilities		
Capital and reserves attributable to the Company's shareholders		
Share capital	59.500.000	59.500.000
Difference from conversion of share capital into Euro	301.050	301.050
Treasury shares	(154.583)	(154.583)
Fair value reserve	1.798.755	1.773.696
Accumulated losses	(59.273.674)	(55.760.279)
	<u>2.171.548</u>	<u>5.659.884</u>
Non-controlling interest	7.616.750	7.798.661
Total equity	<u>9.788.298</u>	<u>13.458.545</u>
Non-current liabilities		
Borrowings	7.867.650	5.281.788
Deferred tax liabilities	990.136	927.461
Lease liabilities	92.497.749	70.389.764
	<u>101.355.535</u>	<u>76.599.013</u>
Current liabilities		
Trade and other payables	37.325.385	38.941.972
Accruals	7.000.000	6.000.000
Contractual liabilities	3.556.328	3.151.936
Current income tax liabilities	743.075	965.614
Borrowings	25.768.104	20.985.418
Lease liabilities	6.231.739	5.356.939
	<u>80.624.631</u>	<u>75.401.879</u>
Total liabilities	<u>181.980.166</u>	<u>152.000.892</u>
Total equity and liabilities	<u>191.768.464</u>	<u>165.459.437</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital €	Difference from conversion of share capital into Euro €	Treasury shares €	Accumulated losses €	Fair value reserve €	Capital and reserves attributable to the Company's shareholders €	Non- controlling interest €	Total €
Balance at 1 January 2020	59.500.000	301.050	(154.583)	(53.252.379)	1.779.696	8.173.784	7.565.772	15.739.556
Comprehensive loss								
(Loss)/profit for the year	-	-	-	(2.507.900)	-	(2.507.900)	2.198.654	(309.246)
Other comprehensive income								
Land and buildings:								
Deferred tax adjustment	-	-	-	-	(6.000)	(6.000)	(5.765)	(11.765)
Total other comprehensive income	-	-	-	-	(6.000)	(6.000)	(5.765)	(11.765)
Total comprehensive income for the year 2020	-	-	-	(2.507.900)	(6.000)	(2.513.900)	2.192.889	(321.011)
Transactions with owners								
Dividend paid	-	-	-	-	-	-	(1.960.000)	(1.960.000)
Total transactions with owners	-	-	-	-	-	-	(1.960.000)	(1.960.000)
Balance at 31 December 2020/ 1 January 2021	59.500.000	301.050	(154.583)	(55.760.279)	1.773.696	5.659.884	7.798.661	13.458.545
Comprehensive loss								
(Loss)/profit for the year	-	-	-	(3.513.395)	-	(3.513.395)	2.244.012	(1.269.383)
Other comprehensive income								
Land and buildings:								
Deferred tax adjustment	-	-	-	-	25.059	25.059	24.077	49.136
Total other comprehensive income	-	-	-	-	25.059	25.059	24.077	49.136
Total comprehensive income for the year 2021	-	-	-	(3.513.395)	25.059	(3.488.336)	2.268.089	(1.220.247)
Transactions with owners								
Dividend paid	-	-	-	-	-	-	(2.450.000)	(2.450.000)
Total transactions with owners	-	-	-	-	-	-	(2.450.000)	(2.450.000)
Balance at 31 December 2021	59.500.000	301.050	(154.583)	(59.273.674)	1.798.755	2.171.548	7.616.750	9.788.298

CONSOLIDATED CASH FLOW STATEMENT AS AT 31 DECEMBER 2021

	2021	2020
	€	Restated €
Cash flow from operations		
Profit before tax from:		
Continuing operations	1.331.383	1.805.333
Discontinued operations	(1.159.846)	(1.234.608)
Profit before tax after discontinued operations	<u>171.537</u>	<u>570.725</u>
Adjustments for:		
Depreciation of property, plant and equipment	2.705.800	2.907.018
Depreciation of property, plant and equipment - discontinued operations	141.713	-
Write off of property, plant and equipment from discontinued operations	210.284	407.778
Profit from disposal of property, plant and equipment	(120.075)	(14.543)
Write offs resulting from discontinued operations	-	479.100
Amortisation of intangible assets	139.641	125.194
Write off of intangible assets	172.275	100.000
Depreciation of right-of-use assets	7.423.743	7.097.559
Interest expense	4.344.514	4.014.199
Interest income	(311.616)	(910.684)
Discounts received on rent due to COVID-19	(592.998)	(1.016.200)
Profit from lease terminations	(73.967)	(271.772)
Profit from lease terminations - discontinued operations	(31.938)	-
Reversal of impairment of financial assets	(2.066.604)	(881.006)
Compensation income resulting from the closure of department store	-	(7.000.000)
Loss on disposal of supermarket equipment	481.435	-
Provision for possible losses	1.000.000	-
	<u>13.593.744</u>	<u>5.607.368</u>
Working capital changes:		
Inventory	(4.229.098)	2.612.751
Trade and other receivables	(716.797)	684.436
Financial assets at amortised cost	3.687.529	1.117.242
Payables and contractual liabilities	(1.212.195)	(4.633.419)
Cash flow from operating activities	<u>11.123.183</u>	<u>5.388.378</u>
Tax paid	(902.980)	(649.759)
Net cash from operating activities	<u>10.220.203</u>	<u>4.738.619</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(6.213.157)	(1.280.800)
Proceeds from disposal of property, plant and equipment	138.400	75.228
Purchase of intangible assets	(290.320)	(211.539)
Loans granted to related parties	(5.463.960)	(2.821.752)
Repayment of loans to related parties	4.350.760	12.193.475
Proceeds from the disposal of supermarket equipment	1.150.000	-
Interest received	-	20.344
Net cash (used in)/from investing activities	<u>(6.328.277)</u>	<u>7.974.956</u>
Cash flow from financing activities		
Interest paid	(1.147.492)	(1.267.070)
Proceeds from new bank loans	7.700.000	-
Repayments of bank loans	(5.686.737)	(42.283)
Proceeds from new loans from other related parties	1.000.000	-
Dividend paid from subsidiary company to non-controlling interest	(2.450.000)	(1.960.000)
Payment of lease liabilities	(8.281.208)	(6.916.959)
Net cash used in financing activities	<u>(8.865.437)</u>	<u>(10.186.312)</u>
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	<u>(4.973.511)</u>	<u>2.527.263</u>
Reduction in bank overdrafts arising from loans write offs	-	11.448.108
Cash and cash equivalents and bank overdrafts at the beginning of the year	<u>(16.045.446)</u>	<u>(30.020.817)</u>
Cash and cash equivalents and bank overdrafts at the end of the year	<u>(21.018.957)</u>	<u>(16.045.446)</u>