

Pandora Investments Public Limited

Report and consolidated financial statements 31 December 2019

Contents

	Page
Consolidated statement of comprehensive income	1
Consolidated balance sheet	2 – 3
Consolidated statement of changes in equity	4 – 6
Consolidated statement of cash flows	7 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12

Important note

The attached statements are an extract from the audited financial statements. For fuller understanding we strongly recommend to refer to the full set of financial statements found in the web site of the Company and its announcement to the Cyprus Stock Exchange. The language of the financial statement is Greek. This report is a translation.

Pandora Investments Public Limited

Consolidated statement of comprehensive income for the year ended 31 December 2019

	2019 €	2018 €
Revenue	57.599.015	66.164.380
Cost of sales	(26.922.114)	(30.931.385)
Gross profit	30.676.901	35.232.995
Selling and marketing expenses	(17.201.703)	(20.774.542)
Administrative expenses	(12.676.681)	(11.598.101)
Share of profit/(loss) of associates	33.794	(140.444)
Share of profit of joint venture	1.337.945	1.049.961
Other income	2.289.043	2.162.236
Other gains – net	7.502.685	2.146.006
(Loss)/gain from reversal of impairment losses on financial and contract assets – net	(389.304)	19.465
Operating profit	11.572.680	8.097.576
Gain from financial liabilities carried at fair value through profit or loss	865.068	-
Finance costs – net	(4.635.989)	(4.544.894)
Profit before tax	7.801.759	3.552.682
Income tax credit/(charge)	2.209.948	(9.043)
Profit for the year	10.011.707	3.543.639
Attributable to:		
Equity holders of the Company	9.941.293	2.932.335
Non-controlling interest	70.414	611.304
	10.011.707	3.543.639
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Share of fair value (losses)/gains from associates	(3.325)	11.274
Fair value (losses)/gains of instruments of fair value through other comprehensive income	(240.015)	813.897
Items that will not be reclassified to profit or loss	(243.340)	825.171
Other comprehensive (losses)/gains for the year after tax	(243.340)	825.171
Total comprehensive profit for the year	9.768.367	4.368.810
Attributable to:		
Equity holders of the Company	9.697.953	3.757.506
Non-controlling interest	70.414	611.304
	9.768.367	4.368.810
Profit per share attributable to equity holders of the Company (cents per share):		
- Basic and diluted	2,34	0,69

Pandora Investments Public Limited

Consolidated balance sheet at 31 December 2019

	2019 €	2018 €
Assets		
Non-current assets		
Property, plant and equipment	2.494.611	23.342.748
Right-of-use assets	6.202.331	-
Investment property	373.038.588	369.952.367
Investments in joint operation	-	972.315
Investments in associates	13.604.413	14.592.704
Financial assets at fair value through other comprehensive income	9.829.602	10.069.617
Other assets	11.641.188	11.305.470
Trade and other receivables	3.327.566	2.699.830
Restricted cash	3.698.869	2.958.928
	<u>423.837.168</u>	<u>435.893.979</u>
Current assets		
Inventories	204.063.374	190.730.995
Trade and other receivables	19.064.330	18.102.005
Other assets	11.574.639	6.764.319
Financial assets at fair value through profit or loss	7.578	25.618
Restricted cash	14.563.867	28.479.299
Cash and cash equivalents	33.544.700	22.434.641
	<u>282.818.488</u>	<u>266.536.877</u>
Total assets	<u><u>706.655.656</u></u>	<u><u>702.430.856</u></u>
Equity and liabilities		
Capital and reserves		
Share capital	72.153.985	72.153.985
Share premium	21.149.101	21.149.101
Reserve from the conversion of share capital in Euro	365.074	365.074
Fair value reserve	1.943.704	2.187.044
Reserve of joint control	(7.658.150)	(7.658.150)
Retained earnings	149.577.520	126.072.285
	<u>237.531.234</u>	<u>214.269.339</u>
Non-controlling interest	<u>3.709.296</u>	<u>9.852.584</u>
Total equity	<u><u>241.240.530</u></u>	<u><u>224.121.923</u></u>
Non-current liabilities		
Borrowings	70.401.282	127.961.977
Convertible bonds	114.640.000	115.505.068
Lease liabilities	14.503.854	-
Deferred income tax liabilities	40.443.102	42.926.198
Contract liabilities	64.428.160	62.123.856
Trade and other payables	2.766.101	-
	<u>307.182.499</u>	<u>348.517.099</u>

Pandora Investments Public Limited

Consolidated balance sheet at 31 December 2019 (continued)

	2019 €	2018 €
Current liabilities		
Trade and other payables	28.530.015	38.397.039
Contract liabilities	89.671.736	48.482.366
Current income tax liabilities	251.073	39.643
Borrowings	38.388.679	42.872.786
Lease liabilities	1.391.124	-
	<u>158.232.627</u>	<u>129.791.834</u>
Total liabilities	<u>465.415.126</u>	<u>478.308.933</u>
Total equity and liabilities	<u>706.655.656</u>	<u>702.430.856</u>

On 29 June 2020 the Board of Directors of Pandora Investments Public Limited authorized these financial statements for issue.

George M. Leptos, Director

Christos Constantinides, Director

Pandora Investments Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2019

	Attributable to equity holders of the Company								Non-controlling interest €	Total equity €
	Share Capital ⁽²⁾ €	Share premium ⁽²⁾ €	Fair value reserves ⁽²⁾ €	Reserve from the conversion of share capital into Euro ⁽²⁾ €	Reserve of joint control ⁽²⁾ €	Retained earnings ⁽¹⁾ €	Total €			
Balance at 1 January 2018	72.153.985	21.149.101	1.361.873	365.074	(7.658.150)	125.097.487	212.469.370	9.241.280	221.710.650	
Effect of initial application of IFRS 9 as at 1 January 2018	-	-	-	-	-	(1.377.721)	(1.377.721)	-	(1.377.721)	
Effect of initial application of IFRS 9 from associates as at 1 January 2018	-	-	-	-	-	(579.816)	(579.816)	-	(579.816)	
Restated balance at 1 January 2018	72.153.985	21.149.101	1.361.873	365.074	(7.658.150)	123.139.950	210.511.833	9.241.280	219.753.113	
Comprehensive profit										
Profit for the year	-	-	-	-	-	2.932.335	2.932.335	611.304	3.543.639	
Other comprehensive income										
Fair value gains on financial assets at fair value through other comprehensive income	-	-	813.897	-	-	-	813.897	-	813.897	
Share of fair value gains from associates	-	-	11.274	-	-	-	11.274	-	11.274	
	-	-	825.171	-	-	-	825.171	-	825.171	
Total other comprehensive profit	-	-	825.171	-	-	2.932.335	3.757.506	611.304	4.368.810	
Balance at 31 December 2018	72.153.985	21.149.101	2.187.044	365.074	(7.658.150)	126.072.285	214.269.339	9.852.584	224.121.923	

Pandora Investments Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2019 (continued)

	Attributable to equity holders of the Company								
	Share Capital ⁽²⁾ €	Share premium ⁽²⁾ €	Fair value reserves ⁽²⁾ €	Reserve from the conversion of share capital into Euro ⁽²⁾ €	Reserve of joint control ⁽²⁾ €	Retained earnings ⁽¹⁾ €	Total €	Non-controlling interest €	Total equity €
Balance at 31 December 2018/ 1 January 2019	72.153.985	21.149.101	2.187.044	365.074	(7.658.150)	126.072.285	214.269.339	9.852.584	224.121.923
Comprehensive profit									
Profit for the year	-	-	-	-	-	9.941.293	9.941.293	70.414	10.011.707
Other comprehensive loss									
Share of fair value loss from associates	-	-	(3.325)	-	-	-	(3.325)	-	(3.325)
Fair value losses on financial assets at fair value through other comprehensive income	-	-	(240.015)	-	-	-	(240.015)	-	(240.015)
Total other comprehensive loss	-	-	(243.340)	-	-	-	(243.340)	-	(243.340)
Total (loss)/profit for the year	-	-	(243.340)	-	-	9.941.293	9.697.953	70.414	9.768.367
Transactions with owners									
Buyout of non-controlling interest	-	-	-	-	-	13.563.942	13.563.942	(6.185.486)	7.378.456
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	(28.216)	(28.216)
Total transactions with owners	-	-	-	-	-	13.563.942	13.563.942	(6.213.702)	7.350.240
Balance at 31 December 2019	<u>72.153.985</u>	<u>21.149.101</u>	<u>1.943.704</u>	<u>365.074</u>	<u>(7.658.150)</u>	<u>149.577.520</u>	<u>237.531.234</u>	<u>3.709.296</u>	<u>241.240.530</u>

Pandora Investments Public Limited

Consolidated statement of changes in equity for the year ended 31 December 2019 (continued)

- (1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. Special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010, 2011 and is reduced back to 17% in respect of profits of years of assessment 2012 onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.
- (2) The share premium reserve and the reserve from the conversion of share capital in Euro are not available for distribution in the form of dividends.

Pandora Investments Public Limited

Consolidated statement of cash flows for the year ended 31 December 2019

	2019 €	2018 €
Cash flows from operating activities		
Profit before tax	7.801.759	3.552.682
Adjustments for:		
Depreciation of property, plant and equipment	558.910	1.047.876
Depreciation of right-of-use assets	465.032	-
Interest income	(892.657)	(710.875)
Interest expense	4.564.061	4.549.270
Share of (profit)/loss of associates	(33.794)	140.444
Share of profit from joint operation	(1.337.945)	(1.049.961)
Impairment of inventories	192.130	51.940
Exchange loss/(gain) from financing activities	66.048	(4.376)
Gains from loss of control of subsidiaries	(4.793.876)	-
Fair value gains on investment properties	(2.726.848)	(2.268.266)
Impairment of investment in associates	-	112.198
Gain from financial liabilities carried at fair value through profit or loss - net	(865.068)	-
(Loss)/Gain from reversal of impairment losses on financial and contract assets – net	389.304	(19.465)
	<u>3.387.056</u>	<u>5.401.467</u>
Changes in working capital:		
Inventories	(7.466.218)	2.879.572
Trade and other receivables	(2.077.890)	13.089.273
Financial assets at fair value through profit or loss	18.040	10.062
Trade and other payables	(10.167.892)	14.352.718
Other assets	(5.146.038)	(18.069.789)
Contract liabilities	38.615.988	16.499.184
Restricted cash	13.175.491	(7.261.248)
Cash generated from operations	<u>30.338.537</u>	<u>26.901.239</u>
Tax paid	-	(75.153)
Net cash generated from operating activities	<u>30.338.537</u>	<u>26.826.086</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(597.716)	(745.767)
Dividends received	1.018.759	92.160
Purchases of investment property	(114.247)	(165.674)
Proceeds from loss of control of subsidiaries	34.500.000	-
Additional consideration on sale and leaseback of buildings	1.000.000	-
Interest received	991.782	1.142.333
Withdrawals from investments in joint operation	2.310.260	-
Net cash generated from investing activities	<u>39.108.838</u>	<u>323.052</u>

Pandora Investments Public Limited

Consolidated statement of cash flows for the year ended 31 December 2019 (continued)

	2019 €	2018 €
Cash flows from financing activities		
Repayments of bank borrowings	(36.716.463)	(22.059.893)
Buyout of non-controlling interest	(14.000.000)	-
Proceeds from bank borrowings	112.103	1.357.972
Interest paid	(3.151.597)	(4.351.564)
Dividends paid to non-controlling interest	(28.216)	-
Repayments of lease liabilities	(1.273.940)	-
Net cash used in financing activities	<u>(55.058.113)</u>	<u>(25.053.485)</u>
Net increase in cash, cash equivalents and bank overdrafts	<u>14.389.262</u>	<u>2.095.653</u>
Cash, cash equivalents and bank overdrafts at beginning of the year	<u>11.118.463</u>	<u>9.022.810</u>
Cash, cash equivalents and bank overdrafts at end of the year	<u><u>25.507.725</u></u>	<u><u>11.118.463</u></u>

Pandora Investments Public Limited

Statement of comprehensive income for the year ended 31 December 2019

	2019 €	2018 €
Revenue	35.411.374	25.356.597
Cost of sales	(13.192.578)	(9.441.082)
Gross profit	22.218.796	15.915.515
Selling and marketing expenses	(13.451.890)	(13.462.772)
Administrative expenses	(6.363.393)	(2.793.217)
Share of profit from joint operation	-	77.646
Gain from reversal of impairment losses on financial and contract assets – net	476.108	1.182.699
Other income – net	9.695.158	5.599.002
Other losses – net	-	(3.655.081)
Operating profit	12.574.779	2.863.792
Finance costs – net	(3.289.053)	(3.318.244)
Profit/(loss) before tax	9.285.726	(454.452)
Income tax charge	-	-
Profit/(loss) and total comprehensive profit/(loss) for the year	9.285.726	(454.452)

Pandora Investments Public Limited

Balance sheet at 31 December 2019

	2019 €	2018 €
Assets		
Non-current assets		
Investments in subsidiaries	106.471.728	100.965.368
Investments in associates	2.746.333	2.746.333
Trade and other receivables	59.821.525	42.928.474
Other assets	11.641.188	11.305.470
Restricted cash	747.423	470.668
	<u>181.428.197</u>	<u>158.416.313</u>
Current assets		
Inventories	78.040.415	71.993.610
Trade and other receivables	10.450.152	45.036.718
Other assets	9.853.959	5.864.319
Restricted cash	6.286.267	15.950.168
Cash and cash equivalents	8.537.545	5.140.557
	<u>113.168.338</u>	<u>143.985.372</u>
Total assets	<u>294.596.535</u>	<u>302.401.685</u>
Equity and liabilities		
Capital and reserves		
Share capital	72.153.985	72.153.985
Share premium	21.149.101	21.149.101
Reserve from the conversion of share capital in Euro	365.074	365.074
Reserve of joint control	53.538.125	53.538.125
Accumulated losses	(23.133.273)	(32.418.999)
Total equity	<u>124.073.012</u>	<u>114.787.286</u>
Non-current liabilities		
Borrowings	40.930.860	51.680.303
Contract liabilities	26.645.565	43.309.895
	<u>67.576.425</u>	<u>94.990.198</u>
Current liabilities		
Trade and other payables	38.411.698	34.462.808
Deferred revenue	-	17.995.640
Contract liabilities	52.560.605	25.275.867
Borrowings	11.974.795	14.889.886
	<u>102.947.098</u>	<u>92.624.201</u>
Total liabilities	<u>170.523.523</u>	<u>187.614.399</u>
Total equity and liabilities	<u>294.596.535</u>	<u>302.401.685</u>

On 29 June 2020 the Board of Directors of Pandora Investments Public Limited authorized these financial statements for issue.

George M. Leptos
Director

Christos Constantinides
Director

Pandora Investments Public Limited

Statement of changes in equity for the year ended 31 December 2019

	Share capital €	Share premium ⁽²⁾ €	Reserve from the conversion of share capital in Euro ⁽²⁾ €	Reserve Joint control ⁽²⁾ €	Accumulated losses ⁽¹⁾ €	Total €
Balance at 31 December 2017	72.153.985	21.149.101	365.074	53.538.125	(30.726.836)	116.479.449
Effect of initial application of IFRS 9 as at 1 January 2018	-	-	-	-	(1.237.711)	(1.237.711)
Restated balance at 1 January 2018	<u>72.153.985</u>	<u>21.149.101</u>	<u>365.074</u>	<u>53.538.125</u>	<u>(31.964.547)</u>	<u>115.241.738</u>
Comprehensive loss						
Loss for the year	-	-	-	-	(454.452)	(454.452)
Balance at 31 December 2018/1 January 2019	<u>72.153.985</u>	<u>21.149.101</u>	<u>365.074</u>	<u>53.538.125</u>	<u>(32.418.999)</u>	<u>114.787.286</u>
Comprehensive profit						
Profit for the year	-	-	-	-	9.285.726	9.285.726
Balance at 31 December 2019	<u><u>72.153.985</u></u>	<u><u>21.149.101</u></u>	<u><u>365.074</u></u>	<u><u>53.538.125</u></u>	<u><u>(23.133.273)</u></u>	<u><u>124.073.012</u></u>

⁽¹⁾ Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. Special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010, 2011 and is reduced back to 17% in respect of profits of years of assessment 2012 onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

⁽²⁾ The share premium reserve and the reserve from the conversion of share capital in Euro are not available for distribution in the form of dividends.

Pandora Investments Public Limited

Statement of cash flows for the year ended 31 December 2019

	2019 €	2018 €
Cash flows from operating activities		
Profit/(loss) before tax	9.285.726	(454.452)
Adjustments for:		
Dividend income	(5.926.112)	(1.628.498)
Interest income	(3.135.574)	(3.558.359)
Interest expense	3.223.005	3.322.621
Share of profit from joint operation	-	(77.646)
Net foreign exchange loss/(gain) on financing activities	66.048	(4.377)
Impairment of investment in subsidiaries	-	3.655.081
Gain from reversal of impairment losses on financial and contract assets – net	(476.108)	(746.407)
Impairment provision for restricted cash	-	(436.292)
Other income	(633.472)	-
	<u>2.403.513</u>	<u>71.671</u>
Changes in working capital:		
Inventories	(3.926.045)	(2.607.684)
Trade and other receivables	7.692.622	(8.789.036)
Trade and other payables	4.518.677	6.404.137
Other assets	(4.325.358)	(6.804.147)
Contract liabilities	8.691.778	12.103.187
Restricted cash relating to advances received	9.387.146	5.336.827
	<u>24.442.333</u>	<u>5.714.955</u>
Cash generated from operations	<u>24.442.333</u>	<u>5.714.955</u>
Income tax paid	-	-
Net cash generated from operating activities	<u>24.442.333</u>	<u>5.714.955</u>
Cash flows from investing activities		
Interest received	3.135.574	3.916.993
Dividend received	5.926.112	1.628.498
Capital contributions for investments in subsidiaries	(14.002.000)	-
	<u>(4.940.314)</u>	<u>5.545.491</u>
Net cash flows (used in)/from investing activities	<u>(4.940.314)</u>	<u>5.545.491</u>
Cash flows from financing activities		
Repayments of bank borrowings	(10.856.584)	(20.119.376)
Interest paid	(2.218.265)	(3.116.540)
Proceeds from bank borrowings	112.102	1.357.972
	<u>(12.962.747)</u>	<u>(21.877.944)</u>
Net cash flows used in financing activities	<u>(12.962.747)</u>	<u>(21.877.944)</u>
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	<u>6.539.272</u>	<u>(10.617.498)</u>
Cash, cash equivalents and bank overdrafts at beginning of year	<u>(3.847.088)</u>	<u>6.770.410</u>
Cash, cash equivalents and bank overdrafts at end of year	<u>2.692.184</u>	<u>(3.847.088)</u>