

Pandora Investments Public Limited

Report and consolidated financial statements

31 December 2018

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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 2018

	2018 €	2017 €
Revenue	66.164.380	39.667.691
Cost of sales	(30.931.385)	(20.138.156)
Gross profit	35.232.995	19.529.535
Selling and marketing costs	(20.774.542)	(11.541.404)
Administrative expenses	(11.598.101)	(10.895.719)
Share of loss of associates	(140.444)	(270.788)
Share of profit/(loss) of joint venture	1.049.961	(29.968)
Other income	2.162.236	976.752
Other gain/(losses) – net	2.146.006	(76.751)
Gain from reversal of impairment losses on financial and contract assets – net	19.465	-
Operating profit/(loss)	8.097.576	(2.308.343)
Finance costs – net	(4.544.894)	(6.318.329)
Loss from financial liabilities carried at fair value through profit or loss	-	(9.048.784)
Profit/(loss) before tax	3.552.682	(17.675.456)
Income tax (charge)/credit	(9.043)	145.449
Profit/(loss) for the year	3.543.639	(17.530.007)
Attributable to:		
Equity holders of the Company	2.932.335	(17.371.798)
Non-controlling interest	611.304	(158.209)
	3.543.639	(17.530.007)
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Share of fair value gains from associates	11.274	611
Fair value gains of instruments of fair value through other comprehensive income	813.897	-
Fair value gains of available-for-sale financial assets	-	44.140
Items that may be subsequently reclassified to profit or loss	825.171	44.751
Other comprehensive gains for the year after tax	825.171	44.751
Total comprehensive profit/(loss) for the year	4.368.810	(17.485.256)
Attributable to:		
Equity holders of the Company	3.757.506	(17.327.047)
Non-controlling interest	611.304	(158.209)
	4.368.810	(17.485.256)
Profit/(loss) per share attributable to equity holders of the Company (cents per share):		
- Basic and diluted	0,69	(4,09)

Pandora Investments Public Limited

Consolidated balance at 31 December 2018

	2018 €	2017 €
Assets		
Non-current assets		
Property, plant and equipment	23.342.748	23.644.857
Investment property	369.952.367	367.518.427
Investments in joint operation	972.315	-
Investments in associates	14.592.704	15.506.048
Financial assets at fair value through other comprehensive income	10.069.617	-
Available-for-sale financial assets	-	9.255.722
Other assets	11.305.470	-
Trade and other receivables	2.699.830	7.034.629
Restricted cash	2.958.928	3.752.684
	<u>435.893.979</u>	<u>426.712.367</u>
Current assets		
Inventories	190.730.995	183.031.156
Trade and other receivables	18.102.005	28.111.963
Other assets	6.764.319	-
Financial assets at fair value through profit or loss	25.618	35.680
Restricted cash	28.479.299	20.877.414
Cash and cash equivalents	22.434.641	14.591.312
	<u>266.536.877</u>	<u>246.647.525</u>
Total assets	<u><u>702.430.856</u></u>	<u><u>673.359.892</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	2.187.044	1.361.873
Reserve of joint control	(7.658.150)	(7.658.150)
Retained earnings	126.072.285	125.097.487
	<u>214.269.339</u>	<u>212.469.370</u>
Non-controlling interest	<u>9.852.584</u>	<u>9.241.280</u>
Total equity	<u><u>224.121.923</u></u>	<u><u>221.710.650</u></u>
Non-current liabilities		
Borrowings	127.961.977	156.961.620
Convertible bonds	115.505.068	115.505.068
Deferred income tax liabilities	42.926.198	42.948.765
Contract liabilities	62.123.856	-
Advances received	-	25.256.780
	<u>348.517.099</u>	<u>340.672.233</u>

Pandora Investments Public Limited

Consolidated balance sheet at 31 December 2018 (continued)

	2018 €	2017 €
Current liabilities		
Trade and other payables	38.397.039	23.894.477
Contract liabilities	48.482.366	-
Advanced received	-	62.312.321
Current income tax liabilities	39.643	83.190
Borrowings	42.872.786	24.687.021
	<u>129.791.834</u>	<u>110.977.009</u>
Total liabilities	<u>478.308.933</u>	<u>451.649.242</u>
Total equity and liabilities	<u>702.430.856</u>	<u>673.359.892</u>

On 25 April 2019 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 2018

	Attributable to equity holders of the Company								
	Share Capital €	Share premium ⁽²⁾ €	Fair value reserves ⁽²⁾ €	Reserve from the conversion of share capital into Euro ⁽²⁾ €	Reserve of joint control €	Retained earnings ⁽¹⁾ €	Total €	Non-controlling interest €	Total equity €
Balance at 1 January 2017	72.153.985	21.149.101	1.317.122	365.074	(7.658.150)	143.497.856	230.824.988	8.370.918	239.195.906
Comprehensive loss									
Loss for the year	-	-	-	-	-	(17.371.798)	(17.371.798)	(158.209)	(17.530.007)
Other comprehensive income									
Fair value gain on available-for-sale financial assets	-	-	44.140	-	-	-	44.140	-	44.140
Share of fair value gains from associates	-	-	611	-	-	-	611	-	611
	-	-	44.751	-	-	-	44.751	-	44.751
Total other comprehensive loss	-	-	44.751	-	-	(17.371.798)	(17.327.047)	(158.209)	(17.485.256)
Transfer from non-controlling interest	-	-	-	-	-	(1.028.571)	(1.028.571)	1.028.571	-
Balance at 31 December 2017	<u>72.153.985</u>	<u>21.149.101</u>	<u>1.361.873</u>	<u>365.074</u>	<u>(7.658.150)</u>	<u>125.097.487</u>	<u>212.469.370</u>	<u>9.241.280</u>	<u>221.710.650</u>

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Consolidated statement of changes in equity for the year ended 31 December 2018 (continued)

	Attributable to equity holders of the Company								Non-controlling interest €	Total equity €
	Share Capital €	Share premium ⁽²⁾ €	Fair value reserves ⁽²⁾ €	Reserve from the conversion of share capital into Euro ⁽²⁾ €	Reserve of joint control €	Retained earnings ⁽¹⁾ €	Total €			
Balance at 31 December 2017	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)	
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										
Financial assets at fair value through other comprehensive income: fair value gains	-	-	813.897	-	-	-	813.897	-	813.897	
Share of fair value profits from associates	-	-	11.274	-	-	-	11.274	-	11.274	
Total other comprehensive income	-	-	825.171	-	-	-	825.171	-	825.171	
Total profit for the year	-	-	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	

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Consolidated statement of changes in equity for the year ended 31 December 2018 (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 2018

	2018 €	2017 €
Cash flows from operating activities		
Profit/(loss) before tax	3.552.682	(17.675.456)
Adjustments for:		
Depreciation of property, plant and equipment	1.047.876	1.028.300
Interest income	(710.875)	359.770
Interest expense	4.549.270	6.506.127
Share of loss of associates	140.444	270.788
Share of (profit)/profit from joint operation	(1.049.961)	29.968
Impairment of inventories	51.940	68.176
Exchange profit/(loss) from financing activities	(4.376)	9.202
Fair value gains on investment properties	(2.268.266)	(2.326.992)
Impairment of investment in associates	112.198	2.380.186
Bad debts provision for trade receivables	-	1.589.659
Gain from debt extinguishment	-	(197.000)
Loss from financial liabilities carried at fair value through profit or loss	-	9.048.784
Equipment write-off	-	228.476
Gain from reversal of impairment losses on financial and contract assets – net	(19.465)	-
	<u>5.401.467</u>	<u>1.319.988</u>
Changes in working capital:		
Inventories	2.879.572	(588.333)
Trade and other receivables	13.089.273	(8.601.035)
Financial assets at fair value through profit or loss	10.062	23.557
Trade and other payables	14.502.850	1.419.932
Advances received	-	40.485.577
Other assets	(18.069.789)	-
Contract liabilities	16.499.184	-
Restricted cash	(7.261.248)	(18.643.610)
	<u>26.901.240</u>	<u>15.416.076</u>
Cash generated from operations	<u>26.901.240</u>	<u>15.416.076</u>
Tax received/(paid)	(75.153)	12.709
	<u>26.826.087</u>	<u>15.428.785</u>
Net cash generated from operating activities	<u>26.826.087</u>	<u>15.428.785</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(745.767)	(399.200)
Dividends received	92.160	600.000
Purchases of investment property	(165.674)	-
Interest received	1.142.333	422.236
	<u>323.052</u>	<u>623.036</u>
Net cash generated from investing activities	<u>323.052</u>	<u>623.036</u>

Pandora Investments Public Limited

Consolidated statement of cash flows for the year ended 31 December 2018 (continued)

	2018 €	2017 €
Cash flows from financing activities		
Proceeds from bank borrowings	1.357.972	-
Repayments of long term bank borrowings	(22.059.893)	(6.060.990)
Interest paid	(4.351.564)	(5.407.525)
Refund of interest	-	163.368
Net cash used in financing activities	<u>(25.053.485)</u>	<u>(11.305.147)</u>
Net increase in cash, cash equivalents and bank overdrafts	2.095.653	4.746.674
Cash, cash equivalents and bank overdrafts at beginning of the year	9.022.810	4.276.136
Cash, cash equivalents and bank overdrafts at end of the year	<u>11.118.463</u>	<u>9.022.810</u>

Pandora Investments Public Limited

Statement of comprehensive income for the year ended 31 December 2018

	2018 €	2017 €
Revenue	25.356.597	21.962.897
Cost of sales	(9.441.082)	(7.547.324)
Gross profit	15.915.515	14.415.573
Selling and marketing costs	(13.462.772)	(9.191.135)
Administrative expenses	(2.793.217)	(5.821.787)
Share of profit/(loss) of associates	77.646	(29.968)
Gain from reversal of impairment losses on financial and contract assets – net	1.182.699	-
Other income – net	5.599.002	4.384.982
Other losses – net	(3.655.081)	(2.750.149)
Operating profit	2.863.792	1.007.516
Finance costs – net	(3.318.244)	(4.795.154)
Loss before tax	(454.452)	(3.787.638)
Income tax charge	-	-
Loss and total comprehensive loss for the year	(454.452)	(3.787.638)

Pandora Investments Public Limited

Balance sheet at 31 December 2018

	2018 €	2017 €
Assets		
Non-current assets		
Investments in subsidiaries	100.965.368	100.960.467
Investments in associates	2.746.333	2.746.333
Trade and other receivables	42.928.474	6.664.970
Other assets	11.305.470	-
Restricted cash	470.668	3.752.684
	<u>158.416.313</u>	<u>114.124.454</u>
Current assets		
Inventories	71.993.610	65.586.326
Trade and other receivables	45.036.718	86.910.065
Other assets	5.864.319	-
Restricted cash	15.950.168	18.192.398
Cash and cash equivalents	5.140.557	10.304.998
	<u>143.985.372</u>	<u>180.993.787</u>
Total assets	<u><u>302.401.685</u></u>	<u><u>295.118.241</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
Reserve joint control	53.538.125	53.538.125
Accumulated losses	(32.418.999)	(30.726.836)
Total equity	<u>114.787.286</u>	<u>116.479.449</u>
Non-current liabilities		
Borrowings	51.680.303	58.175.251
Advances received	-	20.652.703
Contract liabilities	43.309.895	-
Deferred revenue	-	17.995.640
	<u>94.990.198</u>	<u>96.823.594</u>
Current liabilities		
Trade and other payables	34.462.808	27.350.554
Deferred revenue	17.995.640	-
Advances received	-	32.030.271
Contract liabilities	25.275.867	-
Borrowings	14.889.886	22.434.373
	<u>92.624.201</u>	<u>81.815.198</u>
Total liabilities	<u>187.614.399</u>	<u>178.638.792</u>
Total equity and liabilities	<u><u>302.401.685</u></u>	<u><u>295.118.241</u></u>

On 25 April 2019 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 2018

	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 1 January 2017	72.153.985	21.149.101	365.074	53.538.125	(26.939.198)	120.267.087
Comprehensive loss						
Loss for the year	-	-	-	-	(3.787.638)	(3.787.638)
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	72.153.985	21.149.101	365.074	53.538.125	(31.964.547)	115.241.738
Comprehensive loss						
Loss for the year	-	-	-	-	(454.452)	(454.452)
Balance at 31 December 2018	72.153.985	21.149.101	365.074	53.538.125	(32.418.999)	114.787.286

⁽³⁾ 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.

⁽⁴⁾ 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 2018

	2018 €	2017 €
Cash flows from operating activities		
Loss before tax	(454.452)	(3.787.638)
Adjustments for:		
Dividend income	(1.628.498)	(2.220.000)
Interest income	(3.558.359)	(2.014.775)
Interest expense	3.322.621	4.784.068
Net foreign exchange (gain)/loss on financing activities	(4.376)	11.086
Impairment of investment in subsidiaries	3.655.081	174.312
Provision for receivables from subsidiaries	-	5.472.657
Share of profit/(loss) from joint operation	(77.646)	29.968
Profit from sale of land to subsidiary	-	(2.896.820)
Gain from reversal of impairment losses on financial and contract assets – net	(1.182.699)	-
	<u>71.672</u>	<u>(447.142)</u>
Changes in working capital:		
Inventories	(2.607.684)	545.240
Trade and other receivables	(8.789.036)	(13.077.779)
Trade and other payables	6.404.136	8.236.279
Other assets	(6.804.147)	-
Contract liabilities	12.103.187	-
Advanced received	-	37.632.210
Restricted cash relating to advances received	5.336.827	(18.276.006)
	<u>5.714.955</u>	<u>14.612.802</u>
Cash generated from operations	<u>5.714.955</u>	<u>14.612.802</u>
Income tax paid	-	-
	<u>5.714.955</u>	<u>14.612.802</u>
Net cash generated from operating activities	<u>5.714.955</u>	<u>14.612.802</u>
Cash flows from investing activities		
Interest received	3.916.993	2.750.078
Dividend received	1.628.498	2.220.000
	<u>5.545.491</u>	<u>4.970.078</u>
Net cash flow from investing activities	<u>5.545.491</u>	<u>4.970.078</u>
Cash flows from financing activities		
Repayments of bank borrowings	(20.119.376)	(5.102.934)
Interest paid	(3.116.540)	(4.561.653)
Proceeds from bank borrowings	1.357.972	-
	<u>(21.877.944)</u>	<u>(9.664.587)</u>
Net cash flows used in financing activities	<u>(21.877.944)</u>	<u>(9.664.587)</u>
Net increase in cash, cash equivalents and bank overdrafts	<u>(10.617.498)</u>	<u>9.918.293</u>
Cash, cash equivalents and bank overdrafts at beginning of year	<u>6.770.410</u>	<u>(3.147.883)</u>
Cash and cash equivalents and bank overdrafts at end of year	<u>(3.847.088)</u>	<u>6.770.410</u>