Picard Bondco S.A.

Unaudited Interim Condensed Consolidated Financial Statements as at and for the three and nine months ended December 31, 2020

March 1, 2021

Table of Contents

Introduction

Highlights

The financial results of Picard Bondco S.A. and its consolidated subsidiaries (the “Group”, “Picard”, “Picard Group”, “we”, “our” or “us”) for Q3 2021 (the quarter ended December 31, 2020) include the following highlights:

- Q3 2021 sales of goods increased by 20.7% to €605.9 million, from €501.8 million in Q3 2020, mainly due to a 17.5% increase in our French like-for-like sales;

- Q3 2021 gross profit increased by 19.5% to €256.3 million, from €214.4 million in Q3 2020; and

- Q3 2021 EBITDA increased by 24.1% to €123.0 million, from €99.1 million in Q3 2020.

CEO Cathy Collart-Geiger commented: “Our Q3 2021 sales of goods continued to be dynamic, after a H1 2021 that had already showed significant growth in the context of the first lockdown in France until mid-May due to the COVID-19 pandemic. The increase in Q3 sales is due to both an increase in sales during the second lockdown in France, in place from late October to mid-December, and also successful Christmas commercial operations. All our sales channels have benefitted from these effects, particularly home delivery and store sales, which were complemented by the launch of a Click & Collect program during the quarter. Our like-for-like sales therefore increased by 17.5% in France during Q3 2021. This trend was explained by a strong increase in basket size (an increase of 12.1% compared to the same quarter last year), as our customers continued to buy raw products, particularly meat and seafood, with a positive impact on both the number of SKUs per basket and average price unit. In addition, our number of tickets increased by 4.8% during Q3 2021. Our historical customers only slightly reduced the frequency of their visits despite higher baskets, while the surge in sales during the lockdown enabled us to attract new customers. In addition, home delivery sales increased by approximately 93% during Q3 2021.

Our Q3 2021 gross profit increased by €41.9 million, or 19.5%, from €214.4 million in Q3 2020 to €256.3 million in Q3 2021. Our gross margin decreased to 42.3% in Q3 2021 from 42.7% in Q3 2020, following promotional offers on certain products, notably during Christmas, aimed at supporting our price image to recruit new customers and increase sales.

Our EBITDA therefore strongly increased by 24.1%, from €99.1 million in Q3 2020 to €123.0 million in Q3 2021. This increase was mainly due to the strong increase in like-for-like sales in France as well as our well-controlled operating expenses, driven by personnel expenses and logistics costs.

The COVID-19 pandemic and related ongoing restrictions in France, including the closure of restaurants and working from home and curfew measures, continued to have a positive impact on the Group’s sales and results after the period presented in this report. However, in light of the continuing uncertainties regarding the social, public health and economic situation in France, management remains cautious with respect to future results.”

About Picard

Picard is the leading retailer of frozen food products in France, and the pioneer in the sector. We offer our customers approximately 1,200 different frozen food SKUs, including unprocessed meat, fish and seafood, fruits and vegetables and bakery products, as well as a full-range of ready-made starters, main courses, desserts and ice cream at various prices. We introduced the concept of premium quality, appetizing frozen food to French consumers when we opened our first store in Paris in 1974. Since then, we have continued to develop the market for frozen food products in France by transforming the way the French public perceives and consumes frozen food. As of December 31, 2020, we had 1,042 stores in France (including two franchised stores in Corsica, nine franchised stores in La Réunion, two franchised stores in the French West Indies and 22 franchised stores in mainland France), 14 stores in Belgium, one store in Luxembourg, 10 franchised stores in Scandinavia and 15 franchised stores in Japan. A franchisee also operated six stores in Switzerland until their closure in early January 2020. We also sell Picard-branded products in Italy through a commercial agreement with an Italian retailer, in the UK through two partnerships with Ocado and Marks and Spencer, in the Netherlands through a partnership with

Albert Heijn and in Singapore through a partnership with Redmart. Our Swedish operations were sold to our joint-venture partner as of August 15, 2018 and a new franchise agreement was signed on the same date under which we supply Picard-branded products to the Swedish franchisee and the franchisee continues the development of the business in Sweden through various channels, including franchised stores and a contract with ICA under which the franchisee supplies ICA with Picard-branded products for corners within ICA's supermarkets and hypermarkets.

On October 14, 2010, Picard Groupe S.A.S. was acquired by funds managed or advised by Lion Capital LLP ("Lion Capital"). Lion Capital is a consumer retail-oriented investment firm with a focus on investments in mid-size and large, consumer-oriented brands in Europe and North America.

On August 19, 2015, Aryzta, a world-wide group active in the food industry and leader in the manufacturing and distribution of bakery-related products to industrial companies acquired a 49.5% interest in the Picard Group's indirect parent company, Lux HoldCo, from Lion Capital.

On October 4, 2019, Aryzta announced that it had received a binding offer from the French company Invest Group Zouari ("IGZ") to sell a 42% stake in the Picard Group. The transaction was completed on January 23, 2020. In January 2021, Aryzta reached an agreement with Lion Capital and IGZ to dispose of its remaining 4.5% in Picard, leaving them with respective stakes of 53.3% and 46.7%.

On October 6, 2010, Picard Bondco S.A. issued €300 million aggregate principal amount of 9% Senior Notes due 2018 (the "2010 Senior Notes"), and on October 14, 2010, Lion Polaris S.A.S. (a subsidiary of Picard Bondco S.A., which merged with Picard Groupe S.A. on June 20, 2011 and was renamed Picard Groupe S.A.S.) borrowed €625 million under senior credit facilities. In 2010 and 2011, Picard PIKco S.A. (the direct parent company of Picard Bondco S.A.) also issued 12% PIK Notes due 2019 (the "PIK Notes") in an original aggregate principal amount of €95 million.

On August 1, 2013, Picard Groupe S.A.S. issued €480 million aggregate principal amount of floating rate senior secured notes due 2019 (the "2013 Senior Secured Notes"), the proceeds of which were used, along with cash in hand, to permanently repay the €625 million senior credit facilities entered into in 2010 in their entirety. On the same date, Picard Groupe S.A.S. entered into a €30 million revolving credit facility (the "2013 Revolving Credit Facility").

On September 29, 2014, Picard Bondco S.A. elected to redeem €115 million of its 2010 Senior Notes. The partial redemption occurred on October 29, 2014. On March 9, 2015, Picard Bondco S.A. redeemed the remaining €185 million outstanding of its 2010 Senior Notes.

On February 20, 2015, Picard Groupe S.A.S. issued €342 million aggregate principal amount of additional 2013 Senior Secured Notes, while, at the same time, Picard Bondco S.A. issued €428 million aggregate principal amount of 7.75% Senior Notes due 2020 (the "2015 Senior Notes"). The proceeds of the additional 2013 Senior Secured Notes and the 2015 Senior Notes were used to (i) redeem the 2010 Senior Notes, (ii) pay the unpaid interest and the redemption premium associated with the redemption, (iii) fund distributions to the shareholders of Picard Bondco S.A. and its subsidiaries (the "Picard Group" or the "Group") and (iv) pay all fees and expenses related to the refinancing. In connection with the refinancing, Picard PIKco S.A. issued additional PIK Notes in an aggregate principal amount of €40 million and repurchased and cancelled €20 million of previously issued PIK Notes. On February 20, 2015, the terms of the PIK Notes were also amended to extend the maturity date to 2020, among other things.

On April 1, 2016, Picard Groupe S.A.S. elected to redeem €50 million of its 2013 Senior Secured Notes. The partial redemption occurred on May 3, 2016.

On December 14, 2017, Picard Groupe S.A.S. issued €1,190 million aggregate principal amount of Floating Rate Senior Secured Notes due 2023 (the "Senior Secured Notes") and Picard Bondco S.A. issued €310 million aggregate principal amount of 5.50% Senior Notes due 2024 (the "Senior Notes" and, together with the Senior Secured Notes, the "Notes"). The gross proceeds from the sale of the Notes were used to (i) make a distribution to Picard PIKco S.A. in order to redeem Picard PIKco S.A.'s outstanding 11% PIK Notes due 2020, including accrued and uncapitalized interest and the applicable redemption premium, (ii) redeem Picard Bondco S.A.'s outstanding principal amount of 2015 Senior Notes, including accrued and unpaid interest and applicable redemption premium, (iii) redeem Picard Groupe S.A.S.'s outstanding principal amount of 2013 Senior Secured Notes, including accrued and unpaid interest, (iv) fund distributions to the shareholders of the Picard Group, and (v) pay fees and expenses related to the transactions. On the same date, Picard Groupe S.A.S. and other entities of the Picard Group entered into a €30 million revolving credit facility (the "Revolving Credit Facility").

On May 14, 2018, Picard Groupe S.A.S. issued an additional €60 million aggregate principal amount of Senior Secured Notes. The gross proceeds from the sale of the Senior Secured Notes were used, together with cash on hand, to (i) fund €77 million in distributions to the shareholders of the Picard Group and (ii) pay fees and expenses related to the transactions.

Reporting

This report is the report as of and for the quarter ended December 31, 2020 required pursuant to Section 4.03 of each of the indenture governing the Senior Secured Notes (the "Senior Secured Notes Indenture") and the indenture governing the Senior Notes (the "Senior Notes Indenture" and, together with the Senior Secured Notes Indenture, the "Indentures"), as well as clause 23.3 and clause 1.1.(a) of Schedule 14 of the agreement governing the Revolving Credit Facility (the "Revolving Credit Facility Agreement").

Presentation of Financial Information

Financial statements presented

This report contains the unaudited interim condensed consolidated financial statements of Picard Bondco S.A., the reporting entity for the Picard Group, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS-EU" or "IFRS").

We have prepared the unaudited condensed consolidated financial statements for Picard Bondco S.A. for the period from April 1, 2020 to December 31, 2020, which are presented in this report in accordance with IFRS, including (i) the consolidated balance sheet as of December 31, 2020, (ii) the consolidated income statement and the consolidated statement of comprehensive income for the three- and nine-month periods ended December 31, 2020 and (iii) the consolidated statement of cash flows for the nine-month period ended December 31, 2020.

The accounting policies of Picard Bondco S.A. as set out in the Picard Bondco annual consolidated financial statements as of and for the year ended March 31, 2020 under IFRS have been consistently applied, except for the adoption of new standards and interpretations effective as of April 1, 2020. See note 2.2 of the "Notes to the Consolidated Financial Statements" to the Picard Bondco S.A. annual consolidated financial statements for a discussion of Picard Bondco S.A.'s significant accounting policies and note 2.1.1 of the "Notes to the interim condensed consolidated financial statements" to the Picard Bondco S.A. December 31, 2020 financial statements for a discussion of the new accounting standards and interpretations in effect starting from April 1, 2020.

Following the December 2019 publication of the IFRS Interpretations Committee (IFRS IC) decision clarifying the rules for determining the term of leases within the scope of IFRS 16 – Leases, the Group conducted analyses to measure the corresponding impacts and then implemented them in its financial and accounting systems. Prior periods have been restated to reflect certain resulting changes. These analyses also took into account the position statement published by the French accounting standards authority (Autorité des normes comptables – ANC) on July 3, 2020, which supersedes the previous statement dated February 16, 2018, to determine the IFRS 16 lease terms of "3/6/9"- type French commercial leases, notably those which have entered an automatic renewal period. See notes 2.1.1.1 and 2.1.1.2 of the "Notes to the interim condensed consolidated financial statements" to the Picard Bondco S.A. December 31, 2020 financial statements for more information. Note that the Group did not apply this decision when preparing its March 31, 2020 consolidated financial statements or the June 30 and September 30, 2020 condensed consolidated interim financial statements.

Other Financial Measures

The following measures are the primary non-IFRS financial measures that are presented in this report.

EBITDA is a non-IFRS measure that represents operating profit before depreciation and amortization. This measure is derived from income statement account items calculated in accordance with IFRS and is used by management as an indicator of operating performance. EBITDA differs from the definitions of "Consolidated EBITDA" under the Indentures and the Revolving Credit Facility Agreement.

EBITDA, as presented in this report, is not a measurement of financial performance under IFRS-EU and should not be considered as an alternative to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS-EU.

Since April 1, 2019, the Group has applied IFRS 16 in accordance with the modified retrospective approach. The application of this standard significantly increases the Group's EBITDA.

"French like-for-like sales" refers to like-for-like sales made through directly-operated stores in mainland France, excluding franchises in mainland France, Corsica, the French West Indies and La Réunion, and also excluding Click & Collect sales. For the purpose of like-for-like calculations, a store will be included (i) on the first day of the twelfth month following its opening date if it was opened between the first and the fifteenth day of any given month and (ii) on the first day of the thirteenth month following its opening date in all other cases. Like-for-like sales growth is presented because we believe it is frequently used by investors and other interested parties in evaluating companies in the retail sector. However, other companies may define like-for-like sales growth in a different manner than we do.

For Further Information

Investor Relations: investor_relations@picard.fr

Management's Discussion and Analysis of Financial Condition and Results of Operations for Picard Bondco S.A.

The historical information discussed below for Picard Bondco S.A. is as of and for the three-month and nine-month periods ended December 31, 2019 and December 31, 2020 and is not necessarily representative of Picard Bondco S.A.'s results of operations for any future period or our financial condition at any future date. We have prepared the unaudited interim condensed consolidated financial statements for Picard Bondco S.A. for the period from April 1, 2020 to December 31, 2020, included herein, in accordance with IFRS; such financial information has not been audited or reviewed by any auditor.

The following discussion includes "forward looking statements," within the meaning of the U.S. securities laws, based on our current expectations and projections about future events. All statements other than statements of historical facts included in this discussion, including, without limitation, statements regarding our tax rate on long-term deferred taxes, revenue and operating profits, strategy, capital expenditures, expected investments, projected costs, our plans and objectives for future operations, may be deemed to be forward looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on assumptions that could potentially be inaccurate and that could cause future results to differ materially from those expected or implied by the forward-looking statements. Our future results could differ materially from those anticipated in our forward-looking statements for many reasons, including due to changes in tax laws or their application or interpretation, more generally, or unfavorable changes in the tax rate on long-term deferred taxes, more specifically, economic and other trends affecting the food retail industry, changes in consumer preferences, the competitive environment in which we operate and other factors described in the section entitled "Risk Factors" in our annual report for the year ended March 31, 2020. Given these risks and uncertainties, you should not place undue reliance on forward looking statements as a prediction of actual results.

Percentages may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

In this report, unless otherwise indicated, all amounts are expressed in millions of euro.

Selected Condensed Consolidated Financial Information of Picard Bondco S.A.

	Three months ended		Nine months ended	
million of euros	**Dec. 31, 2019 Restated (a) (b)**	**Dec. 31, 2020 (b)**	**Dec. 31, 2019 Restated (a) (b)**	**Dec. 31, 2020 (b)**
Sales	**501.8**	**605.9**	**1 116.6**	**1 343.0**
Cost of goods sold	(287.4)	(349.7)	(630.2)	(759.4)
Gross profit	**214.4**	**256.3**	**486.4**	**583.5**
Other operating income	1.2	1.7	3.9	4.5
Other purchase and external expenses	(59.6)	(69.1)	(146.5)	(163.3)
Taxes	(4.4)	(5.6)	(10.7)	(14.0)
Personnel expenses	(51.1)	(59.3)	(138.4)	(156.8)
Other operating expenses	(1.5)	(1.1)	(2.4)	(2.3)
EBITDA	**99.1**	**123.0**	**192.2**	**251.7**
Depreciation and amortization	(23.6)	(24.7)	(70.3)	(71.1)
Operating profit	**75.5**	**98.2**	**121.9**	**180.6**
Finance costs	(16.2)	(16.5)	(47.8)	(48.9)
Non recurring finance cost	0.0	0.0	0.0	0.0
Finance income	0.0	0.1	0.1	0.2
Share of profit in an associate	(1.4)	0.3	(5.0)	(2.2)
Income before tax	**57.9**	**82.1**	**69.2**	**129.7**
Income tax expense	(32.4)	(33.5)	(39.3)	(53.9)
Net income	**25.5**	**48.6**	**29.9**	**75.8**
Equity holders of the parent	25.5	48.6	29.9	75.8
Non-controlling interests	0.0	0.0	0.0	0.0

(a) Comparative data for 2019 have been restated (indicated as "restated" above) in the consolidated financial statements as of December 31, 2020 to reflect the decision by the IFRS Interpretation Committee published in December 2019 on leases falling within the scope of IFRS 16: See notes 2.1.1.1 and 2.1.1.2 of the "Notes to the interim condensed consolidated financial statements" to the Picard Bondco S.A. December 31, 2020 financial statements.

(b) Unaudited.

The following discussion and analysis summarizes EBITDA for the three-month and nine-month periods ended December 31, 2019 and December 31, 2020. EBITDA is a non-IFRS measure that represents operating profit before depreciation and amortization. This measure is derived from income statement account items calculated in accordance with IFRS-EU and is used by management as an indicator of operating performance. EBITDA differs from the definitions of "Consolidated EBITDA" under our Indentures and our Revolving Credit Facility Agreement. See "*Presentation of Financial Information*".

Results of Operations

Expansion of store network

As of December 31, 2020, we had 1,042 stores in France (including two franchised stores in Corsica, nine franchised stores in La Réunion, two franchised stores in the French West Indies and 22 franchised stores in mainland France), 14 stores in Belgium and one store in Luxembourg, as well as 10 franchised stores in Scandinavia and 15 franchised stores in Japan.

Sales of goods

Nine months ended December 31, 2019 and December 31, 2020

Our sales of goods increased by €226.4 million, or 20.3%, from €1,116.6 million for the nine months ended December 31, 2019 to €1,343.0 million for the nine months ended December 31, 2020.

In France, sales of goods increased by €218.1 million, or 20.0%, from €1,091.9 million for the nine months ended December 31, 2019 to €1,310.0 million for the nine months ended December 31, 2020. French like-for-like sales increased by 17.2% in the nine months ended December 31, 2020, as compared to the nine months ended December 31, 2019, as a result of a 17.3% increase in the average basket, while the number of tickets slightly increased by 0.1%. Our performance was significantly impacted by the COVID-19 pandemic, with different impacts on our sales indicators. During the first lockdown, our average basket sharply increased, while the number of tickets significantly declined as people tended to purchase more at the same time but shopped less frequently. The number of tickets then started to return to pre-pandemic levels after the end of the first lockdown and normalized in June, while the average basket size remained high. After a dynamic second quarter, the increase in like-for-like sales remained high during the third quarter, reaching 17.5% and still benefitting from a high average basket (increasing by 12.1%), while the number of tickets increased by 4.8%. During the lockdowns, our activity has been supported by several factors, notably the fact that Picard operates convenience stores and smaller stores, which are closer to customers' houses and involve fewer social interactions and the closure of restaurants and out-of-home food services. After the lockdowns, Picard customers continued to purchase a higher number of SKUs per visit, notably seafood and meat. Such categories were less dynamic prior to the COVID-19 pandemic, but customers have rediscovered the attractiveness of Picard's offering during the lockdowns and continued to make purchases thereafter. During the first nine months of the year, Picard promoted its digital platforms to meet the evolving needs of our customers. Consequently, our home delivery channel increased its sales by 88%. During this time, Picard also launched our new Click & Collect program.

Sales in Belgium and Luxembourg increased by €4.1 million, from €11.7 million for the nine months ended December 31, 2019 to €15.8 million for the nine months ended December 31, 2020, in spite of the closure of a loss-making store in Belgium in January 2020.

The activity was also very dynamic for the rest of the Group. Sales in other locations with our partners and franchisees increased from €13.0 million for the nine months ended December 31, 2019 to €17.2 million for the nine months ended December 31, 2020, in spite of the closure of our activity in Switzerland in January 2020. In particular, sales in the United Kingdom increased by €2.6 million following the beginning of a partnership with

Marks and Spencer and sales in Japan increased by €1.2 million following the store openings of our partner Aeon last year.

Three months ended December 31, 2019 and December 31, 2020

Our sales of goods increased by €104.1 million, or 20.7%, from €501.8 million for the three months ended December 31, 2019 to €605.9 million for the three months ended December 31, 2020.

In France, sales of goods increased by €101.1 million, or 20.6%, from €491.4 million for the three months ended December 31, 2019 to €592.5 million for the three months ended December 31, 2020. French like-for-like sales increased by 17.5% in the three months ended December 31, 2020, as compared to the three months ended December 31, 2019, as a result of a 4.8% increase in the total number of tickets combined with a 12.1% increase in the average basket size for the reasons described above.

Sales in Belgium and Luxembourg increased by €1.7 million, from €5.5 million for the three months ended December 31, 2019 to €7.3 million for the three months ended December 31, 2020.

Sales in other locations with our partners and franchisees increased from €4.8 million for the three months ended December 31, 2019 to €6.2 million for the three months ended December 31, 2020, in spite of the closure of our activity in Switzerland in January 2020. In particular, sales in the United Kingdom increased by €1.1 million following the beginning of a partnership with Marks and Spencer.

Cost of goods sold

Nine months ended December 31, 2019 and December 31, 2020

Our cost of goods sold increased by €129.2 million, or 20.5%, from €630.2 million for the nine months ended December 31, 2019 to €759.4 million for the nine months ended December 31, 2020, mainly due to an increase in the volume of goods purchased from our suppliers. Cost of goods sold as a percentage of sales slightly increased from 56.4% for the nine months ended December 31, 2019 to 56.5% for the nine months ended December 31, 2020.

Three months ended December 31, 2019 and December 31, 2020

Our cost of goods sold increased by €62.3 million, or 21.7%, from €287.4 million for the three months ended December 31, 2019 to €349.7 million for the three months ended December 31, 2020, mainly due to an increase in the volume of goods purchased from our suppliers. Cost of goods sold as a percentage of sales increased from 57.3% for the three months ended December 31, 2019 to 57.7% for the three months ended December 31, 2020, mainly due to promotional offers on certain products, notably during the first part of the Christmas commercial period, aimed at supporting our price image to recruit new customers and increase sales.

Gross profit

Nine months ended December 31, 2019 and December 31, 2020

Our gross profit increased by €97.1 million, or 20.0%, from €486.4 million for the nine months ended December 31, 2019 to €583.5 million for the nine months ended December 31, 2020, as a result of the increase in sales. Gross profit as a percentage of sales of goods decreased from 43.6% for the nine months ended December 31, 2019 to 43.4% for the nine months ended December 31, 2020, notably due to a slight decline in margin excluding promotions, following a negative mix effect from higher sales of meat and seafood products partially offset by the decline in the percentage of our goods sold under promotion.

Three months ended December 31, 2019 and December 31, 2020

Our gross profit increased by €41.9 million, or 19.5%, from €214.4 million for the three months ended December 31, 2019 to €256.3 million for the three months ended December 31, 2020, as a result of the increase in sales. Gross profit as a percentage of sales of goods decreased from 42.7% for the three months ended December 31, 2019 to 42.3% for the three months ended December 31, 2020 notably due to both a slight decline in margin excluding promotions, following a negative mix effect from higher sales of meat and seafood products and a decrease in the promotion margin driven by targeted discounts on certain Christmas products aimed at improving our price image to recruit new customers and increase sales.

Other operating income

Nine months ended December 31, 2019 and December 31, 2020

Other operating income increased by €0.6 million for the nine months ended December 31, 2020. The sale of a French store and the increase in income received from delivery fees in the nine months ended December 31, 2020 was partly offset by the absence of the indemnity received in connection with a store eviction in the prior period.

Three months ended December 31, 2019 and December 31, 2020

Other operating income increased by €0.5 million, from €1.2 million for the three months ended December 31, 2019 to €1.7 million for the three months ended December 31, 2020, mainly as a result of the sale of a store in France and higher delivery fees, in a context of increases in our online sales.

Other purchases and external expenses

Nine months ended December 31, 2019 and December 31, 2020

Our other purchases and external expenses increased by €16.8 million, or 11.5%, from €146.5 million for the nine months ended December 31, 2019 to €163.3 million for the nine months ended December 31, 2020. This increase was primarily due to higher logistics costs, driven by the strong increase in volumes of goods sold, incremental costs relating to our digital channels and extra expenses relating to the public health situation and needed to protect our employees (such as masks, gloves, etc.). Those increases were partially offset by a reduction of our advertising costs, as our advertising campaigns of April and May were cancelled as a consequence of the pandemic.

Three months ended December 31, 2019 and December 31, 2020

Our other purchases and external expenses increased by €9.5 million, or 15.9%, from €59.6 million for the three months ended December 31, 2019 to €69.1 million for the three months ended December 31, 2020. This increase was mainly due to higher logistics costs driven by the strong increase in volumes of goods sold, as well as incremental costs relating to our digital channels and extra expenses relating to the public health situation and needed to protect our employees (e.g. strong reinforcement of the number of security agents for the Christmas period). Other costs remained well controlled.

Taxes other than on income

Nine months ended December 31, 2019 and December 31, 2020

Taxes other than on income increased by €3.3 million, from €10.7 million for the nine months ended December 31, 2019 to €14.0 million for the nine months ended December 31, 2020. This increase was explained by taxes based on sales (mainly "*contribution sociale de solidarité des sociétés*") and taxes based on profit sharing ("*forfait social*"). Taxes other than on income as a percentage of sales of goods remained stable at 1.0% for the nine months ended December 31, 2019 and the nine months ended December 31, 2020.

Three months ended December 31, 2019 and December 31, 2020

Taxes other than on income increased by €1.2 million, from €4.4 million for the three months ended December 31, 2019 to €5.6 million for the three months ended December 31, 2020 for the reasons described above. Taxes other than on income as a percentage of sales of goods remained stable at 0.9% for the three months ended December 31, 2019 and for the three months ended December 31, 2020.

Personnel expenses

Nine months ended December 31, 2019 and December 31, 2020

Personnel expenses increased by €18.4 million, or 13.3%, from €138.4 million for the nine months ended December 31, 2019 to €156.8 million for the nine months ended December 31, 2020. As a proportion of sales of goods, personnel expenses decreased from 12.4% for the nine months ended December 31, 2019 to 11.7% for the nine months ended December 31, 2020.

Wages and salaries increased by €9.5 million, or 10.3%, from €92.4 million for the nine months ended December 31, 2019 to €101.9 million for the nine months ended December 31, 2020, as a result of an increase of staff in stores following the strong increase in sales, annual salary increases in France and Belgium and the expansion of our store network. As a proportion of sales of goods, wages and salaries decreased from 8.3% for the nine months ended December 31, 2019 to 7.6% for the nine months ended December 31, 2020.

Employee profit sharing increased by €5.5 million, from €12.7 million for the nine months ended December 31, 2019 to €18.2 million for the nine months ended December 31, 2020, following higher contractual profit sharing ("*intéressement*"), which is computed based on sales performance, and higher legal profit sharing ("*participation*"), which is computed based on our French income before tax.

Other personnel expenses increased by €3.4 million, from €33.3 million for the nine months ended December 31, 2019 to €36.7 million for the nine months ended December 31, 2020, mainly driven by a €3.0 million increase in social security costs, following the increase in salaries. As a proportion of sales of goods, social security costs decreased from 2.5% for the nine months ended December 31, 2019 to 2.3% for the nine months ended December 31, 2020.

Three months ended December 31, 2019 and December 31, 2020

Personnel expenses increased by 8.2 million, or 16.0%, from €51.1 million for the three months ended December 31, 2019 to €59.3 million for the three months ended December 31, 2020. As a proportion of sales of goods, personnel expenses decreased from 10.2% for the three months ended December 31, 2019 to 9.8% for the three months ended December 31, 2020.

Wages and salaries increased by €4.7 million, or 14.6%, from €32.3 million for the three months ended December 31, 2019 to €37.0 million for the three months ended December 31, 2020, as a result of an increase of staff in stores following the strong increase in sales, annual salary increases in France and Belgium and the expansion of our store network. As a proportion of sales of goods, wages and salaries decreased from 6.4% for the three months ended December 31, 2019 to 6.1% for the three months ended December 31, 2020.

Employee profit sharing increased by €1.9 million, from €7.1 million for the three months ended December 31, 2019 to €9.0 million for the three months ended December 31, 2020, following higher contractual profit sharing ("*intéressement*"), which is computed based on sales performance, and higher legal profit sharing ("*participation*") computed on the French income before tax.

Other personnel expenses increased by €1.6 million, from €11.7 million for the three months ended December 31, 2019 to €13.3 million for the three months ended December 31, 2020, mainly driven by a €1.5 million increase in social security costs, following the increase in salaries. As a proportion of sales of goods, social security costs slightly decreased from 1.9% for the three months ended December 31, 2019 to 1.8% for the three months ended December 31, 2020.

Other operating expenses

Nine months ended December 31, 2019 and December 31, 2020

Our other operating expenses decreased by €0.1 million, from €2.4 million for the nine months ended December 31, 2019 to €2.3 million for the nine months ended December 31, 2020.

Three months ended December 31, 2019 and December 31, 2020

Our other operating expenses decreased by €0.4 million from €1.5 million for the three months ended December 31, 2019 to €1.1 million for the three months ended December 31, 2020.

EBITDA

Nine months ended December 31, 2019 and December 31, 2020

EBITDA increased by €59.5 million, or 31.0%, from €192.2 million for the nine months ended December 31, 2019 to €251.7 million for the nine months ended December 31, 2020. As a proportion of sales of goods, EBITDA increased from 17.2% for the nine months ended December 31, 2019 to 18.7% for the nine months ended December 31, 2020. This increase is primarily due to an increase in sales and our well monitored operating expenses.

Three months ended December 31, 2019 and December 31, 2020

EBITDA increased by €23.9 million, or 24.1%, from €99.1 million for the three months ended December 31, 2019 to €123.0 million for the three months ended December 31, 2020. As a proportion of sales of goods, EBITDA increased from 19.7% for the three months ended December 31, 2019 to 20.3% for the three months ended December 31, 2020.

Depreciation and amortization

Nine months ended December 31, 2019 and December 31, 2020

Depreciation and amortization increased by €0.8 million, from €70.3 million for the nine months ended December 31, 2019 to €71.1 million for the nine months ended December 31, 2020. As a proportion of sales of goods, depreciation and amortization decreased from 6.3% for the nine months ended December 31, 2019 to 5.3% for the nine months ended December 31, 2020.

Three months ended December 31, 2019 and December 31, 2020

Depreciation and amortization increased by €1.1 million, from €23.6 million for the three months ended December 31, 2019 to €24.7 million for the three months ended December 31, 2020.

Operating profit

Nine months ended December 31, 2019 and December 31, 2020

Operating profit increased by €58.7 million, or 48.2%, from €121.9 million for the nine months ended December 31, 2019 to €180.6 million for the nine months ended December 31, 2020, as a result of the factors discussed above. As a proportion of sales of goods, operating profit increased from 10.9% for the nine months ended December 31, 2019 to 13.4% for the nine months ended December 31, 2020.

Three months ended December 31, 2019 and December 31, 2020

Operating profit increased by €22.7 million, or 30.1%, from €75.5 million for the three months ended December 31, 2019 to €98.2 million for the three months ended December 31, 2020, as a result of the factors discussed above. As a proportion of sales of goods, operating profit increased from 15.0% for the three months ended December 31, 2019 to 16.2% for the three months ended December 31, 2020.

Finance costs

Nine months ended December 31, 2019 and December 31, 2020

Finance costs increased by €1.1 million from €47.8 million for the nine months ended December 31, 2019 to €48.9 million for the nine months ended December 31, 2020. This increase in finance costs was mainly due to the interest on the Revolving Credit Facility, which was drawn between March 2020 and September 2020.

Three months ended December 31, 2019 and December 31, 2020

Finance costs increased by €0.3 million from €16.2 million for the three months ended December 31, 2019 to €16.5 million for the three months ended December 31, 2020.

Share of profit in an associate

Nine months ended December 31, 2019 and December 31, 2020

Share of profit in an associate increased by €2.8 million from a loss of €5.0 million for the nine months ended December 31, 2019 to a loss of €2.2 million for the nine months ended December 31, 2020. The loss in the nine months ended December 31, 2019 and in the nine months ended December 31,2020 was due to the result of our associate Primex International in which we have a 37.21% interest. Primex Norway, a subsidiary of Primex International S.A., developed a fish plant in Norway in 2018 and has since faced significant start-up costs in connection with the operation of this facility. Primex International S.A. recorded on March 31, 2020 a non-cash impairment of its investment in Primex Norway to reflect these operational losses. Based on the activity of the plant since January 2020, the Group recorded additional depreciation in September 2020. The plant is currently operating normally and the valuation of Primex International will continue to be closely monitored by the Group.

Three months ended December 31, 2019 and December 31, 2020

Share of profit in an associate increased by €1.7 million from a loss of €1.4 million for the three months ended December 31, 2019 to a profit of €0.3 million for the three months ended December 31, 2020.

Income before tax

Nine months ended December 31, 2019 and December 31, 2020

Income before tax increased by €60.5 million, from €69.2 million for the nine months ended December 31, 2019 to €129.7 million for the nine months ended December 31, 2020. As a proportion of sales of goods, income before tax increased from 6.2% for the nine months ended December 31, 2019 to 9.7% for the nine months ended December 31, 2020.

Three months ended December 31, 2019 and December 31, 2020

Income before tax increased by €24.2 million, from €57.9 million for the three months ended December 31, 2019 to €82.1 million for the three months ended December 31, 2020.

Income tax expense

Nine months ended December 31, 2019 and December 31, 2020

Income tax expense increased by €14.9 million, from €39.3 million for the nine months ended December 31, 2019 to €53.9 million for the nine months ended December 31, 2020. Income tax expense represented 56.8% of income before tax for the nine months ended December 31, 2019 and 41.6% for the nine months ended December 31, 2020, which was mainly due to the decrease in the relative weight of the Business Contribution on Value Added ("*CVAE*") which is accounted for as an income tax in line with IAS 12, combined with the reduction of corporate income tax rate in France from 33.33% to 31.0%.

Three months ended December 31, 2019 and December 31, 2020

Income tax expense increased by €1.1 million from €32.4 million for the three months ended December 31, 2019 to €33.5 million for the three months ended December 31, 2020, mainly due to the increase in our income before tax.

Net income

Nine months ended December 31, 2019 and December 31, 2020

Net income increased by €45.9 million, from €29.9 million for the nine months ended December 31, 2019 to €75.8 million for the nine months ended December 31, 2020, as a result of the factors described above.

Three months ended December 31, 2019 and December 31, 2020

Net income increased by €23.1 million, from €25.5 million for the three months ended December 31, 2019 to €48.6 million for the three months ended December 31, 2020, as a result of the factors described above.

Certain material differences in the financial condition and results of operations between Picard Bondco S.A. and Lion Polaris II S.A.S. (the direct parent of Picard Groupe S.A.S.)

Certain material differences in the financial condition and results of operations between Picard Bondco S.A. and Lion Polaris II S.A.S. (the direct parent of Picard Groupe S.A.S.). The consolidated financial information of Picard Bondco S.A. does not reflect intercompany loans between Picard Bondco S.A. and its subsidiaries. As of December 31, 2020, no intercompany loan from Lion/Polaris Lux 4 S.A. to Lion Polaris II S.A.S was outstanding.

In addition, Picard Groupe S.A.S. is the issuer of the Senior Secured Notes. The Senior Secured Notes are guaranteed on a senior basis by Picard Bondco S.A., Lion/Polaris Lux Midco S.à r.l., Lion/Polaris Lux 4 S.A., Lion Polaris II S.A.S. and Picard Surgelés S.A.S. Picard Bondco S.A. is the issuer of the Senior Notes. The Senior Notes are guaranteed on a subordinated basis by Lion/Polaris Lux Midco S.à r.l. and Lion/Polaris Lux 4 S.A.

On May 10, 2019, Lion/Polaris Lux 3 S.A. merged with and into Lion/Polaris Lux Midco S.à r.l. with Lion/Polaris Lux Midco S.à r.l. as the surviving entity (the “Merger”). In connection with the Merger, on May 10, 2019, Picard Bondco S.A., Picard Groupe S.A.S. and Lion/Polaris Lux Midco S.à r.l. entered into supplemental indentures to each Indenture, as applicable, whereby Lion/Polaris Lux Midco S.à r.l. provided confirmation that its respective guarantees under the Indentures continue to be in full force and effect, subject to any limitations set out in the governing documentation. In accordance with the Indentures and the relevant security documents, the liens over certain assets of Lion/Polaris Lux 3 S.A. securing the Notes were released and the assets of Lion/Polaris Lux 3 S.A. that were subject to liens securing the Notes are now owned by the other security providers.

The results of operations of Picard Bondco S.A. and its subsidiaries do not differ materially from those of Lion Polaris II S.A.S. and its subsidiaries. The difference in EBITDA is primarily due to the holding company expenses of Picard Bondco S.A., Lion/Polaris Lux Midco S.à r.l. and Lion/Polaris Lux 4 S.A.

Unaudited Interim Condensed Consolidated Financial Statements of Picard Bondco S.A.

Picard Bondco S.A.

Unaudited interim condensed consolidated financial statements

December 31, 2020

Table of Content

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(In thousand of €)	Notes	For the three-month period ended December 31, 2020	For the three-month period ended December 31, 2019 Restated (a)	For the nine-month period ended December 31, 2020	For the nine-month period ended December 31, 2019 Restated (a)
Sales of goods	*4*	605 945	501 773	1 342 970	1 116 604
Cost of goods sold		(349 678)	(287 369)	(759 432)	(630 231)
Gross profit		**256 266**	**214 404**	**583 538**	**486 373**
Other operating income	*5.1*	1 747	1 150	4 497	3 920
Other purchase and external expenses		(69 126)	(59 552)	(163 282)	(146 532)
Taxes		(5 550)	(4 363)	(13 976)	(10 742)
Personnel expenses	*5.2*	(59 289)	(51 088)	(156 831)	(138 381)
Depreciation & amortization		(24 749)	(23 571)	(71 095)	(70 297)
Other operating expenses	*5.3*	(1 094)	(1 479)	(2 275)	(2 410)
Operating profit		**98 206**	**75 501**	**180 576**	**121 930**
Finance costs	*5.4*	(16 511)	(16 208)	(48 865)	(47 751)
Finance income	*5.4*	113	37	232	103
Share of profit in an associate	*6*	305	(1 442)	(2 223)	(5 049)
Income before tax		**82 113**	**57 888**	**129 719**	**69 234**
Income tax expense	*7*	(33 466)	(32 415)	(53 934)	(39 318)
Net income		**48 647**	**25 473**	**75 785**	**29 916**
Attributable to:					
Equity holders of the parent		48 647	25 473	75 785	29 916
Non-controlling interests			-		-
Earnings per share:					
Basic earnings per share (in euros)		18,41	9,64	28,69	11,32
Fully diluted earnings per share (in euros)		18,41	9,64	28,69	11,32

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

(a) Comparative data for 2019 have been recast (indicated as "restated" above) in the consolidated financial statements as of December 31, 2020 to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in December 2019 on leases falling within the scope of IFRS 16: See note 2.1.1.2 "Restatement of comparative information"

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(In thousand of €)	Notes	For the three-month period ended December 31, 2020	For the three-month period ended December 31, 2019 Restated (a)	For the nine-month period ended December 31, 2020	For the nine-month period ended December 31, 2019 Restated (a)
Net income		**48 647**	**25 473**	**75 785**	**29 916**
Net gain / (loss) on cash flow hedges	*9.4*	-	-		
Income tax		-	-	-	-
		-	-	-	-
Items not to be reclassified to profit and loss:					
Actuarial gains / (loss) of the period		-	-	-	-
Income tax		-	-	-	-
		-	-	-	-
Foreign currency translation		-	66	-	-
Other comprehensive income / (loss) for the period, net of tax		*-*	*66*	*-*	*-*
Comprehensive income		**48 647**	**25 539**	**75 785**	**29 916**
Attributable to:					
Equity holders of the parent		48 647	25 539	75 785	29 916
Non-controlling interests		-	-	-	-

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

CONSOLIDATED BALANCE SHEET (UNAUDITED)

(In thousand of €)	Notes	December 31, 2020	March 31, 2020 Restated (a)
Assets			
Goodwill		815 170	815 170
Property, plant and equipment		222 509	221 511
Right-of-use Assets	*8.1*	398 917	417 253
Other intangible assets		797 569	795 477
Investment in an associate		4 111	6 333
Other non-current financial assets	*9.1*	11 187	10 914
Total non-current assets		**2 249 463**	**2 266 659**
Inventory		97 921	86 049
Trade and other receivables		59 758	50 250
Income tax receivable		-	2 568
Current financial assets	*9.1*	78	35
Cash and cash equivalents	*10*	385 277	220 707
Total current assets		**543 033**	**359 609**
Assets held for sale			
Total assets		**2 792 497**	**2 626 271**
Equity and liabilities			
Issued capital		2 642	2 642
Share premium		97	97
Other comprehensive income		(350)	(350)
Retained earnings		149 198	123 916
Net income of the period		75 785	49 802
Equity attributable to equity holders of the parent		**227 372**	**176 107**
Non-controlling interests		-	-
Total equity		**227 372**	**176 107**
Non-current liabilities			
Interest-bearing loans and borrowings	*9.2*	1 553 819	1 552 311
Other non current financial liabilities	*9.3*	299 013	316 140
Provisions		10 974	9 115
Employee benefit liability		9 634	9 146
Deferred tax liability		224 282	218 094
Total non-current liabilities		**2 097 723**	**2 104 806**
Current liabilities			
Trade and other payables		394 428	255 510
Income tax payable		17 729	1 721
Interest-bearing loans and borrowings	*9.2*	147	34 255
Other current financial liabilities	*9.3*	55 098	53 872
Total current liabilities		**467 402**	**345 358**
Total liabilities		**2 565 125**	**2 450 164**
Liabilities held for sale			
Total equity and liabilities		**2 792 497**	**2 626 271**

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

In thousand of €	**Issued capital**	**Share premium**	**MRPS**	Cash flow hedge reserve	Actuarial gain / (losses)	Share Based payment	Foreign currency translation	**Total other comprehensive income**	**Retained earnings**	**Net income**	**Equity attributable to equity holders of the parent**	**Non-controlling interest**	**Total Equity**
As at March 31, 2019	**2 642**	**97**	-	0	(183)	-	117	**(66)**	**72 955**	**63 918**	**139 545**	-	**139 545**
IFRS 16 first application adjustments											-		-
IFRS IC interpretation adjustments									-	-			-
As at April 1, 2019	**2 642**	**97**	-	0	(183)	-	117	**(66)**	**72 955**	**63 918**	**139 545**	-	**139 545**
Net income attribution	-	-	-	-	-	-	-	-	63 918	(63 918)	-	-	-
Net income for the period	-	-	-	-	-	-		-		31 709	**31 709**	-	**31 709**
IFRS IC interpretation adjustments										(1 793)	**(1 793)**		**(1 793)**
Other comprehensive income	-	-	-	-	-	-		-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	**29 916**	**29 916**	-	**29 916**
Dividend paid	-		-	-	-	-	-	-	(13 074)	-	**(13 074)**		**(13 074)**
Issued capital attributable to NCI	-	-	-	-	-	-	(117)	(117)	117		-	-	-
As at December 31, 2019	**2 642**	**97**	-	**0**	**(183)**	-	-	**(184)**	**123 916**	**29 916**	**156 387**	-	**156 387**
As at March 31, 2020	**2 642**	**97**	-	0	(350)	-	-	**(350)**	**123 916**	**52 208**	**178 513**	-	**178 513**
IFRS 16 first application adjustments								-			-		-
IFRS IC interpretation adjustments								-		(2 406)	**(2 406)**		**(2 406)**
As at March 31, 2020 Restated	**2 642**	**97**	-	0	(350)	-	-	**(350)**	**123 916**	**49 802**	**176 107**	-	**176 107**
Net income attribution	-	-	-	-	-	-	-	-	49 802	(49 802)	-	-	-
Net income for the period	-	-	-	-	-	-		-		75 785	**75 785**	-	**75 785**
Other comprehensive income	-	-	-	-	-	-		-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	**75 785**	**75 785**	-	**75 785**
Dividend paid	-		-	-	-	-	-	-	(24 510)	-	**(24 510)**		**(24 510)**
Other	-	-	-	-	-	-	-	-	(10)		**(10)**	-	**(10)**
As at December 31, 2020	2 642	97	-	0	(350)	-	-	**(350)**	**149 199**	**75 785**	**227 372**	-	**227 372**

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

In thousand of €	Notes	For the nine-month period ended December 31, 2020	For the nine-month period ended December 31, 2019 Restated (a)
Operating activities			
Operating profit		180 576	121 930
Depreciation and impairment of property, plant and equipment		66 444	64 946
Amortisation and impairment of intangible assets		4 651	5 351
Gain on disposal of property, plant and equipement		340	592
Other non cash operating items		1 142	1 157
Movements in provisions and pensions		233	343
Interest received		109	37
Income tax paid		(29 167)	(26 826)
Operating cash flows before change in working capital requirements		*224 327*	*167 530*
Change in Inventories		(11 872)	(12 153)
Change in trade and other receivables and prepayments		(9 307)	(3 621)
Change in trade and other payables		138 919	116 024
Net cash flows from operating activities		**342 068**	**267 780**
Investing activities			
Proceeds from sale of property, plant and equipment		600	125
Disposal of Italy, net of cash disposed of		64	288
Purchase of property, plant and equipment		(25 867)	(27 468)
Purchase of intangible assets		(6 473)	(5 822)
Purchase of financial instruments		(129)	(245)
Net cash used in investing activities		**(31 805)**	**(33 122)**
Financing activities			
Repayment of borrowings		(30 465)	
Interest paid *		(49 638)	(40 904)
Payment related to leases contracts *		(41 219)	(39 859)
Dividends paid to equity holder of the parent		(24 510)	(13 074)
Net cash flows from/(used in) financing activities		**(145 832)**	**(93 836)**
Net increase / (decrease) in cash and cash equivalents		164 431	140 821
Cash and cash equivalents at the beginning of the period	10	220 699	106 432
Cash and cash equivalents at the end of the period	**10**	**385 130**	**247 253**

**In accordance with IFRS 16, which the Group adopted as from April 1, 2019, payments under leases along with any related interest are shown in financing cash flows.*

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Picard Bondco S.A. (previously named Lion Polaris Lux 2 S.A.) is a limited liability company, incorporated on August 9, 2010 and having its registered office in Luxembourg. The registered office of Picard Bondco S.A. is at 7 rue Lou-Hemmer, L-1748 Luxembourg-Findel. Picard Bondco S.A. is an affiliate (fully controlled) of Lion/Polaris Lux Topco S.à.r.l.

Picard Bondco S.A. was incorporated for the purpose of acquiring Picard Groupe S.A.S., the leader in the frozen food production and distribution business in France. The acquisition was completed on October 14, 2010.

Picard Bondco S.A. (the "Company") and its subsidiaries (together the "Group") operate in the frozen food production and distribution business, mainly in France. The Group's financial year ends on March 31.

The present unaudited interim condensed consolidated financial statements cover the period from April 1, 2020 to December 31, 2020.

2. Basis of preparation and accounting principles

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements as at and for the nine-month period ended December 31, 2020 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the Group's audited consolidated annual financial statements as at and for the year ended March 31, 2020.

The unaudited interim condensed consolidated financial statements are presented in thousands of euros, the Group's functional and presentation currency. The figures in the tables have been individually rounded to the nearest thousand euros. Consequently, the totals and sub-totals may not correspond exactly to the sum of the reported amounts.

2.1.1 New accounting standards and interpretations in effect starting from April 1, 2020

Since April 1, 2020, the Group has applied the following new amendments, standards, and interpretations previously endorsed by the European Union:

- Amendments to References to the Conceptual Framework in IFRS Standards (applicable according to the IASB in accounting periods beginning on or after January 1, 2020);
- Amendments to IFRS 3: Definition of a Business (applicable according to the IASB in accounting periods beginning on or after January 1, 2020);
- Amendments to IAS 1 and IAS 8: Definition of Material (applicable according to the IASB in accounting periods beginning on or after January 1, 2020);
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (applicable according to the IASB in accounting periods beginning on or after January 1, 2020);
- Amendments to IFRS 16: Covid-19-Related Rent Concessions (applicable according to the IASB in accounting periods beginning on or after June 1, 2020); and
- IFRS IC interpretation relating to IFRS 16 published on 16 December 2019.

The adoption of these policies had no significant impact on the Group's consolidated financial statements except for IFRS IC interpretation relating to IFRS 16 as presented below.

2.1.1.1 IFRS IC interpretation relating to the assessment of non-cancellable periods of leases and the amortization period of leasehold improvements

Following the December 2019 publication of the IFRS IC decision clarifying the rules for determining the term of leases within the scope of IFRS 16 – Leases, the Group conducted analyses to measure the corresponding impacts and then implemented them in its financial and accounting systems. These analyses also took into account the position statement published by the French accounting standards setter (Autorité des normes comptables – ANC) on July 3, 2020, which supersedes the previous statement dated February 16, 2018, to determine the IFRS 16 lease terms of "3/6/9"- type French commercial leases, notably those which have entered an automatic renewal period.

On December 16, 2019, the IFRS IC published its decision in response to a request for clarification on the following matters:

- determination of the enforceable period of an automatically renewable lease, or of an indefinite-term lease, that may be terminated by one of the parties subject to a specified notice period. The issue to be clarified concerned the notion of penalties on which the definition of the enforceable period is based; and
- the relationship between the useful life of non-removable leasehold improvements and the lease term under IFRS 16.

The IFRS IC:

- concluded that the economics of a lease (rather than just the legal form) should be taken into account to determine the enforceable period of a lease; and
- provided clarification on the relationship between the lease term under IFRS 16 and the useful life of non-removable leasehold improvements.

Note that the Group did not apply this decision when preparing its March 31, 2020 consolidated financial statements or the June 30 and September 30, 2020 condensed consolidated interim financial statements.

The impacts of this change in accounting policy were recognised retrospectively with effect from the IFRS 16 transition date (i.e., April 1, 2019), and the March 31, 2020 consolidated financial statements and the December 31, 2020 interim consolidated financial statements were restated accordingly. The impact of that application caused the Group to recognise an additional €104 million of right-of-use assets, with a balancing addition in an equivalent amount to lease liabilities.

The application of this IFRS IC interpretation has led to:

- an extension of the lease terms considered under IFRS 16 for almost 80% of the lease agreements. Indeed, most of the lease agreements of the group have a 9-year term (with possible early termination for the Group every 3 years) and beyond 9 years the lessee and the lessor each has the right to terminate the lease without permission from the other party. Therefore, during the first time application of IFRS16, it was initially considered that the lease terms could not exceed 9 years, in accordance with the position statement published by the French accounting standards setter (Autorité des normes comptables – ANC) dated February 16, 2018, to determine the IFRS 16 lease terms of "3/6/9"- type French commercial leases. However, based on the IFRS IC interpretation, to determine the enforceable period of the lease, an entity should consider the broader economics of the contract, and not only contractual termination payments. For example, if either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is enforceable beyond the date on which the contract can be terminated. Therefore, the Group has reviewed the lease terms of its lease agreements to reflect the historical renewal of its lease agreements. These circumstances make reasonable to consider the renewal by 3-year period of the lease agreements over a period corresponding at least to the business plan horizon.
- a reduction in the depreciation periods of non-removable leasehold improvements for all the underlying assets concerned. The depreciation periods have been reduced to be consistent with the duration of the leases reflected at the first-time adoption date (e.g. April 1st, 2019), so that such improvements have either a value that is nil or immaterial at the end of the lease term, or a residual value that is covered by the benefits the Group would be entitled to receive in case of eviction or sale of the leasehold. Consequently, building improvements are now depreciated using a duration of 12 to 20 years.

The application of this IFRS IC interpretation is a change in accounting method requiring a retrospective calculation of the impacts as of April 1, 2019 (applying the same incremental borrowing rates table as the one initially used by the Group at the first time application date, to the new lease terms).

The table below summarizes the impact of applying IFRS 16 and the IFRS IC interpretation relating to IFRS 16 on the first-time application as at April 1, 2019:

(In thousand of €)	As at March 31, 2019	IFRS 16 first application impacts	IFRS IC interpretation impacts	As at April 1, 2019
Assets				
Goodwill	815 170			815 170
Property, plant and equipment	217 059			217 059
Right-of-use Assets	-	312 985	103 925	416 911
Other intangible assets	841 908	(47 143)		794 765
Investment in an associate	11 346			11 346
Other non-current financial assets	10 293	132	91	10 516
Total non-current assets	**1 895 776**	**265 975**	**104 016**	**2 265 767**
Inventory	86 626			86 626
Trade and other receivables	50 122	(2 993)	69	47 199
Income tax receivable	9 598			9 598
Current financial assets	379	39	1	419
Cash and cash equivalents	106 434			106 434
Total current assets	**253 160**	**(2 954)**	**71**	**250 277**
Assets held for sale	-	-	-	-
Total assets	**2 148 935**	**263 021**	**104 087**	**2 516 043**
Equity and liabilities				
Issued capital	2 642			2 642
Share premium	97			97
Other comprehensive income	(66)			(66)
Retained earnings	72 955			72 955
Net income of the period	63 918			63 918
Equity attributable to equity holders of the parent	**139 545**	**-**	**-**	**139 545**
Non-controlling interests	-	-		-
Total equity	**139 545**	**-**	**-**	**139 545**
Non-current liabilities				
Interest-bearing loans and borrowings	1 550 828			1 550 828
Other non-current financial liabilities	87	211 014	104 147	315 249
Provisions	7 028			7 028
Employee benefit liability	8 326			8 326
Deferred tax liability	214 859			214 859
Total non-current liabilities	**1 781 127**	**211 014**	**104 147**	**2 096 289**
Current liabilities				
Trade and other payables	221 896	(53)		221 843
Income tax payable	1 975			1 975
Interest-bearing loans and borrowings	4 392			4 392
Other current financial liabilities		52 059	(60)	51 999
Total current liabilities	**228 263**	**52 006**	**(60)**	**280 209**
Total liabilities	**2 009 390**	**263 021**	**104 087**	**2 376 497**
Liabilities held for sale	-	-		-
Total equity and liabilities	**2 148 935**	**263 021**	**104 087**	**2 516 043**

2.1.1.2 Restatement of comparative information

As indicated in § 2.1.1.1, the Group applied the IFRS IC interpretation relating to the assessment of leases with retroactive effect from April 1, 2019.

The impact on the closing consolidated balance sheet at March 31, 2020 is presented below:

(In thousand of €)	Notes	March 31, 2020 As published	IFRS IC interpretation impacts	March 31, 2020 Restated
Assets				
Goodwill		815 170	-	815 170
Property, plant and equipment		223 866	(2 354)	221 511
Right-of-use Assets	*8.1*	304 814	112 438	417 253
Other intangible assets		795 477	-	795 477
Investment in an associate		6 333	-	6 333
Other non-current financial assets	*9.1*	10 784	131	10 914
Total non-current assets		**2 156 444**	**110 215**	**2 266 659**
Inventory		86 049	-	86 049
Trade and other receivables		50 160	90	50 250
Income tax receivable		2 568	-	2 568
Current financial assets	*9.1*	41	(6)	35
Cash and cash equivalents	*10*	220 707	-	220 707
Total current assets		**359 525**	**84**	**359 609**
Assets held for sale				
Total assets		**2 515 971**	**110 299**	**2 626 271**
Equity and liabilities				
Issued capital		2 642	-	2 642
Share premium		97	-	97
Other comprehensive income		(350)	-	(350)
Retained earnings		123 916	-	123 916
Net income of the period		52 208	(2 406)	49 802
Equity attributable to equity holders of the parent		**178 513**	**(2 406)**	**176 107**
Non-controlling interests		-		
Total equity		**178 513**	**(2 406)**	**176 107**
Non-current liabilities				
Interest-bearing loans and borrowings	*9.2*	1 552 311	-	1 552 311
Other non current financial liabilities	*9.3*	203 383	112 757	316 140
Provisions		9 115	-	9 115
Employee benefit liability		9 146	-	9 146
Deferred tax liability		219 048	(954)	218 094
Total non-current liabilities		**1 993 002**	**111 803**	**2 104 806**
Current liabilities				
Trade and other payables		255 511	(2)	255 510
Income tax payable		1 721	-	1 721
Interest-bearing loans and borrowings	*9.2*	34 255	-	34 255
Other current financial liabilities	*9.3*	52 969	903	53 872
Total current liabilities		**344 456**	**902**	**345 358**
Total liabilities		**2 337 459**	**112 705**	**2 450 164**
Liabilities held for sale				
Total equity and liabilities		**2 515 971**	**110 299**	**2 626 271**

The impact on the closing consolidated income statement for the three-month and nine-month periods ended December 31, 2019 is presented below:

(In thousand of €)	Notes	For the three-month period ended December 31, 2019 As published	IFRS IC interpretation impacts	For the three-month period ended December 31, 2019 Restated	For the nine-month period ended December 31, 2019 As published	IFRS IC interpretation impacts	For the nine-month period ended December 31, 2019 Restated
Sales of goods	*4*	501 773	-	501 773	1 116 604	-	1 116 604
Cost of goods sold		(287 369)	-	(287 369)	(630 231)	-	(630 231)
Gross profit		**214 404**	**-**	**214 404**	**486 373**	**-**	**486 373**
Other operating income	*5.1*	1 151	(1)	1 150	3 928	(7)	3 920
Other purchase and external expenses		(59 400)	(151)	(59 552)	(145 979)	(554)	(146 532)
Taxes		(4 363)	-	(4 363)	(10 742)	-	(10 742)
Personnel expenses	*5.2*	(51 088)	-	(51 088)	(138 381)	-	(138 381)
Depreciation & amortization		(23 370)	(202)	(23 571)	(69 804)	(493)	(70 297)
Other operating expenses	*5.3*	(1 479)	-	(1 479)	(2 410)	-	(2 410)
Operating profit		**75 855**	**(354)**	**75 501**	**122 985**	**(1 055)**	**121 930**
Finance costs	*5.4*	(15 735)	(474)	(16 208)	(46 300)	(1 450)	(47 751)
Finance income	*5.4*	37	0	37	102	1	103
Share of profit in an associate	*6*	(1 442)	-	(1 442)	(5 049)	-	(5 049)
Income before tax		**58 715**	**(827)**	**57 888**	**71 737**	**(2 503)**	**69 234**
Income tax expense	*7*	(32 649)	234	(32 415)	(40 028)	710	(39 318)
Net income		**26 066**	**(593)**	**25 473**	**31 709**	**(1 793)**	**29 916**
Attributable to:							
Equity holders of the parent		26 066	(593)	25 473	31 709	(1 793)	29 916
Non-controlling interests		-	-	-	-	-	-
Earnings per share:							
Basic earnings per share (in euros)		9,87		9,64	12,00		11,32
Fully diluted earnings per share (in euros)		9,87		9,64	12,00		11,32

The impact on the comprehensive net income for the three-month and nine-month periods ended December 31, 2019 is presented below:

(In thousand of €)	Notes	For the three-month period ended December 31, 2019 As published	IFRS IC interpretation impacts	For the three-month period ended December 31, 2019 Restated	For the nine-month period ended December 31, 2019 As published	IFRS IC interpretation impacts	For the nine-month period ended December 31, 2019 Restated
Net income		**26 066**	**(593)**	**25 473**	**31 709**	**(1 793)**	**29 916**
Net gain / (loss) on cash flow hedges	*9.4*	-	-	-	-	-	-
Income tax		-	-	-	-	-	-
		-	-	-	-	-	-
Items not to be reclassified to profit and loss:							
Actuarial gains / (loss) of the period		-	-	-	-	-	-
Income tax		-	-	-	-	-	-
		-	-	-	-	-	-
Foreign currency translation		66		66	-		
Other comprehensive income / (loss) for the period, net of tax		66	-	66	-		-
Comprehensive income		**26 132**	**(593)**	**25 539**	**31 709**	**(1 793)**	**29 916**
Attributable to:							
Equity holders of the parent		26 132	(593)	25 539	31 709	(1 793)	29 916
Non-controlling interests		-	-	-	-	-	-

The impact on the consolidated cash-flow statement for the nine-month period ended December 31, 2019 is presented below:

In thousand of €	Notes	For the nine-month period ended December 31, 2019 As published	IFRS IC interpretation relating to IFRS 16	For the nine-month period ended December 31, 2019 Restated (a)
Operating activities				
Operating profit		122 985	(1 055)	121 930
Depreciation and impairment of property, plant and equipment		64 946		64 946
Amortisation and impairment of intangible assets		4 858	493	5 351
Gain on disposal of property, plant and equipement		592		592
Other non cash operating items		1 157		1 157
Movements in provisions and pensions		343		343
Interest received		37		37
Income tax paid		(26 826)		(26 826)
Operating cash flows before change in working capital requirements		*168 092*	*(562)*	*167 530*
Change in Inventories		(12 153)		(12 153)
Change in trade and other receivables and prepayments		(3 621)		(3 621)
Change in trade and other payables		116 024		116 024
Net cash flows from operating activities		**268 341**	**(562)**	**267 780**
Investing activities				
Proceeds from sale of property, plant and equipment		125		125
Disposal of Italy, net of cash disposed of		288		288
Purchase of property, plant and equipment		(27 468)		(27 468)
Purchase of intangible assets		(5 822)		(5 822)
Purchase of financial instruments		(245)		(245)
Net cash used in investing activities		**(33 122)**	**-**	**(33 122)**
Financing activities				
Payment of finance lease liabilities				
Proceeds from borrowings		-		-
Refinancing costs		-		-
Interest paid		(39 852)	(1 052)	(40 904)
Payment related to leases contracts		(41 473)	1 614	(39 859)
Dividends paid to equity holder of the parent		(13 074)		(13 074)
Other cash items related to financing activities		-		-
Net cash flows from/(used in) financing activities		**(94 398)**	**562**	**(93 836)**
Net increase / (decrease) in cash and cash equivalents		140 821	0	140 821
Cash and cash equivalents at the beginning of the period	**10**	106 432		106 432
Cash and cash equivalents at the end of the period	**10**	**247 253**	**0**	**247 253**

2.1.2 New accounting standards and interpretations with effect in future periods

No new or amended standards or interpretations were adopted for use in the European Union and available for early adoption.

The new or amended standards and interpretations not yet adopted by the European Union are as follows:

- IFRS 17 Insurance contracts (applicable according to the IASB in accounting periods beginning on or after January 1, 2021);
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (applicable according to the IASB in accounting periods beginning on or after January 1, 2023);
- Amendments to IFRS 3 Business Combinations (applicable according to the IASB in accounting periods beginning on or after January 1, 2022);
- Amendments to IAS 16 Property, Plant and Equipment (applicable according to the IASB in accounting periods beginning on or after January 1, 2022);
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (applicable according to the IASB in accounting periods beginning on or after January 1, 2022);
- Amendments to Annual Improvements 2018-2020 (applicable according to the IASB in accounting periods beginning on or after January 1, 2022);
- Amendments to IFRS 17 Insurance contracts (applicable according to the IASB in accounting periods beginning on or after January 1, 2023);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (applicable according to the IASB in accounting periods beginning on or after January 1, 2021), and
- Amendments to IFRS 4 Deferral of IFRS 9 (applicable according to the IASB in accounting periods beginning on or after January 1, 2021).

The impact of these standards on the Group's results and financial situation is currently being evaluated and is not expected to be material.

2.2 Significant accounting judgments, estimates and assumptions

The preparation of the Group's unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that can affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Group management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and current economic conditions. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting periods are disclosed in the audited consolidated financial statements of the Group as at and for the year ended March 31, 2020.

As at December 31, 2020, the following estimates should be noted:

Valuation of tangible and intangible assets

There was no indication of impairment of tangible and intangible assets as at December 31, 2020. As a result, no impairment test was performed at this date.

Valuation of financial assets

The Group measured its investment in associates on the basis of available estimates and interim financial statements as of December 31, 2020. This measurement is based on the losses and impairments recorded in the financial statements of the associate, which reflect the best estimate of the associate's management.

The estimate of financial assets might be reassessed by the Group, if the existing assumptions are revised prior to the year ending March 31, 2021.

Employee benefits liabilities

The cost of defined benefit pension plans and the present value of pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future withdrawal rates of employees. As of December 31, 2020, all assumptions remain the same as at March 31, 2020.

3. Significant events and seasonality of operations

- The COVID-19 pandemic has strongly positively impacted the sales and operating results of Picard Surgelés from April 1, 2020. Both store sales and online sales in France were very dynamic and strongly benefitted from the COVID-19 pandemic and the associated lockdown periods in France, which were in place from mid-March to mid-May, 2020 and from the end of October to mid-December 2020. A similar positive impact has been observed in other countries, particularly in Belgium. The Group did not experience any significant store closures, sourcing issues or disruption in its supply chain during the period. This positive impact is notably explained by:
    - the attractiveness of frozen food in such period;
    - the closure of restaurants and out-of-home food services; and
    - the formats of Picard stores (convenience, proximity and, small size).

- Cathy Collart-Geiger was appointed CEO of the Picard Group on June 15, 2020.

- A tax audit of Picard Surgelés and Lion Polaris II was initiated by the French tax authorities during the fiscal year ended March 31, 2020 on the interest rate applicable in respect of certain intercompany loans for the years 2016, 2017 and 2018. In order to avoid the statute of limitations for the year 2016, the tax administration had sent an assessment notice concerning Lion Polaris II in December 2019. The French tax authorities issued its final conclusions in October 2020 and decided to abandon the charges. As a reminder, the Group had not booked any provision for such risk.

3.1 Seasonality of operations

Seasonal fluctuations in the business are limited. Higher revenues and operating profits are usually expected in the third quarter of the year. Higher sales during December are mainly attributable to the Christmas and the New Year's holidays.

4. Operating segment information

For management purposes, the Group is organized into business units based on distribution networks. Following the development of the activity of the Group outside France, the Group has two reportable operating segments as follows:

- France; and
- Other.

The "Other" operating segment includes distribution activities in Belgium, Luxembourg and, prior to the sale of our Swedish operations, Sweden, franchised and corner operations and partnerships in Italy, Netherlands, Switzerland prior to the closure of our activity in Switzerland in January 2020, Scandinavia, Japan, Singapore and the UK, as well as our holding company operations (other than Group financing and income taxes) in Luxembourg.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

In thousand of €	For the three-month period ended December 31, 2020			For the nine-month period ended December 31, 2020		
	France	Other	Total	France	Other	Total
Sales	592 458	13 487	605 945	1 310 035	32 935	1 342 970
Operating profit	96 910	1 296	98 206	177 145	3 431	180 576

In thousand of €	For the three-month period ended December 31, 2019 Restated			For the nine-month period ended December 31, 2019 Restated		
	France	Other	Total	France	Other	Total
Sales	491 431	10 342	501 773	1 091 931	24 673	1 116 604
Operating profit	75 997	(496)	75 501	121 924	6	121 930

5. Other operating income/expenses

5.1 Other operating income

In thousand of €	For the three-month period ended December 31, 2020	For the three-month period ended December 31, 2019 Restated	For the nine-month period ended December 31, 2020	For the nine-month period ended December 31, 2019 Restated
Capitalized expenses	502	270	1 281	893
Other operating income	1 244	881	3 216	3 027
Total other operating income	**1 746**	**1 151**	**4 497**	**3 920**

5.2 Personnel expenses

In thousand of €	For the three-month period ended December 31, 2020	For the three-month period ended December 31, 2019 Restated	For the nine-month period ended December 31, 2020	For the nine-month period ended December 31, 2019 Restated
Wages and salaries	(36 987)	(32 309)	(101 936)	(92 394)
Social security costs	(11 232)	(9 667)	(30 887)	(27 856)
Pension costs	(89)	(125)	(233)	(343)
Employee profit sharing	(8 967)	(7 105)	(18 190)	(12 731)
Other employee benefits expenses	(2 015)	(1 882)	(5 585)	(5 057)
Total personnel expenses	**(59 289)**	**(51 088)**	**(156 831)**	**(138 381)**

Total personnel expenses increased by M€ 18.5, from M€ 138.4 for the nine-month period ended December 31, 2019 to M€ 156.8 for the nine-month period ended December 31, 2020. This increase is mainly due to the Group's performance linked to the COVID-19 pandemic, which has had a positive impact on employee profit sharing, as well as an increase in the number of employees.

5.3 Other operating expenses

In thousand of €	For the three-month period ended December 31, 2020	For the three-month period ended December 31, 2019 Restated	For the nine-month period ended December 31, 2020	For the nine-month period ended December 31, 2019 Restated
Royalties	(148)	(129)	(409)	(349)
Losses on bad debt	(554)	(1 113)	(929)	(1 647)
Other operating expenses	(392)	(237)	(937)	(414)
Total other operating expenses	**(1 094)**	**(1 479)**	**(2 275)**	**(2 410)**

5.4 Finance income and costs

In thousand of €	For the three-month period ended December 31, 2020	For the three-month period ended December 31, 2019 Restated	For the nine-month period ended December 31, 2020	For the nine-month period ended December 31, 2019 Restated
Interest expenses	(14 637)	(14 614)	(43 544)	(42 910)
Net interests related to leases commitment	(1 509)	(1 465)	(4 635)	(4 469)
Interest costs of employee benefits	(74)	(38)	(256)	(146)
Foreign exchange (losses) / gains	(1)	(1)	(1)	(1)
Other financial expense	(289)	(90)	(429)	(225)
Finance costs	**(16 510)**	**(16 208)**	**(48 865)**	**(47 751)**
Income on loans and receivables	6	6	19	18
Income on short term investment	64	4	109	37
Foreign exchange gains	-	-	2	5
Other financial income	44	27	102	42
Finance income	**114**	**37**	**232**	**102**

The K€ 4,635 net interest relating to leases commitment represents the financial interests calculated on lease liabilities recognized in accordance with IFRS 16.

6. Investment in an associate

The Group has a 37.21% interest in Primex International S.A., which is involved in importation and wholesale of frozen meat and seafood.

Primex International S.A. is a private entity incorporated in France that is not listed on any public exchange. The following table illustrates summarized financial information of the Group's investment in Primex International S.A.:

In thousand of €	**December 31, 2020**	**March 31, 2020 Restated**
Share of the associate's statement of financial position:		
Non-current assets	3 981	6 715
Current assets	8 946	9 627
Current liabilities	6 299	7 360
Non-current liabilities	2 497	2 629
Equity	**4 130**	**6 354**
Share of the associate's revenue and profit:		
Revenue	22 199	28 341
Profits / Losses	(2 223)	(5 013)
Carrying amount of the investment	**4 111**	**6 333**

In thousand of €	**December 31, 2020**	**March 31, 2020 Restated**
Carrying value at opening	**6 333**	**11 346**
Share of profit in an associate	(2 223)	(5 013)
Distribution of dividends	-	-
Carrying value at closing	**4 111**	**6 333**

Primex Norway, a subsidiary of Primex International S.A., developed a fish plant in Norway in 2018 and has since faced significant start-up costs in connection with the operation of this facility. Primex International S.A. recorded on March 31, 2020 a non-cash impairment of its investment in Primex Norway to reflect these operational losses. Based on the activity of the plant since January 2020, the Group recorded additional depreciation in September, 2020. However, the valuation of Primex International will continue to be closely monitored by the Group.

7. Income tax expense

The Group calculates income tax expense using an estimated tax rate that would be applicable to the expected total annual earnings (projected pre-tax income at year-end). The estimated average annual tax rate used is 42%, including Business Contribution on Value Added ("CVAE") which is accounted for as an income tax in line with IAS 12. The projected annual tax rate amounted to 50% in previous periods.

8. Leases

8.1 Breakdown of Right of Use Assets recognized under IFRS 16

In thousand of €	Leasehold rights	Land & Buildings	Vehicles	Right of Use Asset
Cost:				
As at 1st April 2020 restated	**48 434**	**420 429**	**3 743**	**472 606**
Additions		23 557	3 348	**26 906**
Disposals	(267)	(4 269)	(453)	**(4 989)**
Others		173		**173**
As at 31 December 2020	**48 167**	**439 890**	**6 638**	**494 695**
Depreciation and impairment:				
As at 1st April 2020 restated	(728)	(53 223)	(1 401)	**(55 352)**
Additions		(40 750)	(1 316)	**(42 066)**
Disposals		1 375	439	**1 814**
Others		(173)		**(173)**
As at 31 December 2020	**(728)**	**(92 771)**	**(2 279)**	**(95 777)**
Net book value:				
As at 1st April 2020 restated	**47 706**	**367 206**	**2 342**	**417 253**
As at 31 December 2020	**47 439**	**347 119**	**4 359**	**398 918**

8.2 Breakdown of Other purchase and external expenses

(In thousand of €)	**For the nine-month period ended December 31, 2020**	**For the nine-month period ended December 31, 2019 Restated**
Rent expenses	(3 227)	(1 740)
Other purchase and external expenses (excluding Rent expenses)	(160 055)	(144 792)
Total Other purchase and external expenses	**(163 282)**	**(146 532)**

Rent expenses represent leases (following the adoption of IFRS 16) that have a term shorter than 12 months and leases valued at less than K$ 5.

8.3 Breakdown of Depreciation & amortization

(In thousand of €)	For the nine-month period ended December 31, 2020	For the nine-month period ended December 31, 2019 Restated
Depreciation & amortization of tangible Right of Use	(42 066)	(40 883)
Depreciation & amortization of other fixed assets	(29 030)	(29 414)
Total Depreciation & amortization	**(71 095)**	**(70 297)**

Depreciation and amortization of right-of-use assets relate to the depreciation of the right-of-use assets recognized in accordance with IFRS 16.

9. Financial assets and financial liabilities

9.1 Other current and non-current financial assets

In thousand of €	December 31, 2020	March 31, 2020 Restated
Deposits and guarantees	10 615	10 304
Related party Loans	339	320
Other	311	326
Other financial assets	**11 265**	**10 950**
of which non-current	*11 187*	*10 915*
of which current	*78*	*35*

Other financial assets of K€ 311 represent the amount of financial receivables recognized in respect of sub-letting arrangements granted over the residual period of the leases concerned in accordance with IFRS16 (K€ 78 of which was recorded as current as at December 31, 2020).

9.2 Interest-bearing loans and borrowings

In thousand of €	Coupon interest rate	Maturity	As at December 31, 2020	As at March 31, 2020 Restated
Current				
Obligations under finance leases				-
Current portion of interest payable on loans and borrowings			-	34 255
Bank overdrafts		On demand	147	8
Total current interest bearing loans and borrowings			**147**	**34 255**
Non current				
Obligations under finance leases				
Senior secured notes (1250M€)	Euribor 3M + margin 3%	2023	1 245 108	1 243 819
Senior notes 2024 (310M€)	5,50%	2024	308 711	308 492
Total non-current interest bearing loans and borrowings			**1 553 819**	**1 552 311**
Total interest bearing loans and borrowings			**1 553 966**	**1 586 566**

The Notes issued have the following characteristics:

- Picard Groupe S.A.S., a subsidiary of the Company, issued M€ 1,190 of floating rate senior secured notes due 2023 in December 2017 and an additional M€ 60 of floating rate senior secured notes due 2023 in May 2018. These floating rate senior secured notes (the "Senior Secured Notes") are payable after 6 years on November 30, 2023. Interest is paid quarterly based on a variable interest rate fixed in reference to a market rate (3-month Euribor, subject to a 0% floor) increased by a margin of 3% per annum. The Senior Secured Notes are refundable "in fine".
- The Company issued M€310 of fixed rate senior notes due 2024 in December 2017. These senior notes (the "Senior Notes" and, together with the Senior Secured Notes, the "Notes") are payable after 7 years on November 30, 2024, and interest is paid twice a year based on a fixed interest rate of 5.50%. The Senior Notes are refundable "in fine".
- The gross proceeds from the sale of the Notes issued in December 2017, together with cash on hand, were used to (i) make a distribution to Picard PIKco S.A. in order to redeem Picard PIKco S.A.'s outstanding 11% PIK notes due 2020, including accrued and uncapitalized interest and the applicable redemption premium, (ii) redeem Picard Bondco S.A.'s outstanding principal amount of 7.75% senior notes due 2020, including accrued and unpaid interest and applicable redemption premium, (iii) redeem Picard Groupe S.A.S.'s outstanding principal amount of floating rate notes due 2019, including accrued and unpaid interest, (iv) fund distributions to the shareholders of the Group, and (v) pay fees and expenses related to the transactions. The gross proceeds from the sale of the additional Senior Secured Notes issued in May 2018 were used to (i) fund distributions to the shareholders of Picard Group and (ii) pay fees and expenses related to the transactions.

9.3 Other financial liabilities

In thousand of €	As at December 31, 2020	As at March 31, 2020 Restated
Current		
Lease Debt	55 098	53 872
Total Other current financial liabilities	**55 098**	**53 872**
Non current		
Lease Debt	298 928	316 056
Others	85	84
Total Other non-current financial liabilities	**299 013**	**316 140**
Total Other financial liabilities	**354 111**	**370 012**

In accordance with IFRS 16, the Group has recognized, as of April 1, 2019, the lease liabilities relating to the accounting of the right of use asset. This debt amounts to M€ 354.1 as of December 31, 2020.

9.4 Hedging activities and derivatives

Cash Flow Hedges

As at December 31, 2020, the Group has not entered into any hedging arrangements.

9.5 Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements.

In thousands euros	Carrying amount	Fair value	Carrying amount	Fair value
Coupn interest rate	**As at December 31, 2020**	**As at December 31, 2020**	**As at March 31, 2020 Restated**	**As at March 31, 2020 Restated**
Financial assets				
Trade and other receivables	59 758	59 758	50 250	50 250
Income tax receivable	0	0	2 568	2 568
Other financial assets	11 264	11 264	10 949	10 949
Cash and cash equivalents	385 277	385 277	220 707	220 707
Total	**456 299**	**456 299**	**284 474**	**284 474**
Financial liabilities				
Fixed rate borrowings	(308 711)	(316 990)	(308 492)	(275 513)
Floating rate borrowings	(1 245 108)	(1 246 400)	(1 243 819)	(1 165 372)
Lease commitments	(354 026)	(354 026)	(369 928)	(369 928)
Trade and other payables	(394 428)	(394 428)	(255 510)	(255 511)
Income tax payable	(17 729)	(17 729)	(1 721)	(1 721)
Bank overdraft	(147)	(147)	(8)	(8)
Total	**(2 320 150)**	**(2 329 721)**	**(2 179 478)**	**(2 068 053)**

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer/counterparty and the risk characteristics of the financed project. Based on this evaluation, provision allowances are taken into account for the expected losses relating to these receivables. As at December 31, 2020, the carrying amounts of such receivables, net of provision allowances, approximated their fair values.

- Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial indebtedness, lease liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities. Because of the lack of similar transactions due to the current economic context, credit spreads of fixed rate borrowings have been considered to be equal to the credit spread applied at the inception of the debt.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of all interest rate derivatives is determined through level 2 valuation techniques, although the Group currently has no interest rate swap agreement outstanding. The fair value of long-term debt is determined using price quotations, when available, at the reporting date (level 1).

10. Cash and cash equivalents

In thousand of €	As at December 31, 2020	As at March 31, 2020	As at December 31, 2019 Restated	As at March 31, 2019 Restated
Cash at banks and on hand	382 418	217 848	244 780	103 575
Securities	2 859	2 859	2 885	2 859
Cash and cash equivalents	**385 277**	**220 707**	**247 665**	**106 434**

For the purpose of the cash flow statement, cash and cash equivalents are net of bank overdrafts:

In thousand of €	As at December 31, 2020	As at March 31, 2020	As at December 31, 2019 Restated	As at March 31, 2019 Restated
Cash and cash equivalents	385 277	220 707	247 665	106 434
Bank overdrafts	(147)	(8)	(412)	(2)
Cash and cash equivalents position	**385 130**	**220 699**	**247 253**	**106 432**

11. Events after the reporting period

There has been no significant event since December 31, 2020.