Picard Bondco S.A.

Condensed Consolidated Financial Statements as at and for the three and twelve months ended March 31, 2021

June 25, 2021

This report will be supplemented with additional information on or prior to July 29, 2021, in accordance with Section 4.03 of the Indentures and clause 23.3 and clause 1.1.(a) of Schedule 14 of the Revolving Credit Facility Agreement (each, as defined herein)

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Introduction

Highlights

The financial results of Picard Bondco S.A. and its consolidated subsidiaries (the "Group", "Picard", "Picard Group", "we", "our" or "us") for the quarter ended March 31, 2021 ("Q4 2021") include the following highlights:

- Q4 2021 sales of goods increased by 10.3% to €431.1 million, from €390.8 million in Q4 2020, mainly due to a 7.1% increase in our French like-for-like sales;
- Q4 2021 gross profit increased by 10.8% to €192.4 million, from €173.6 million in Q4 2020; and
- Q4 2021 EBITDA increased by 15.0% to €76.0 million, from €66.1 million in Q4 2020.

CEO Cathy Collart-Geiger commented: "Our Q4 2021 sales of goods continued to be dynamic, after significant growth in H1 2021 during the first lockdown in France until mid-May due to the COVID-19 pandemic and growth in Q3 2021 sales related to both the second lockdown in France from late October to mid-December and successful Christmas commercial operations. While we experienced very strong growth of 15.6% in Q4 2020 (compared with Q4 2019), our Q4 2021 sales again increased by 10.3% (compared with Q4 2020). All of our sales channels have benefitted from the positive impact of the pandemic, particularly home delivery and store sales, and our like-for-like sales increased by 7.1% in France during Q4 2021. This improvement was due, in part, to an increase in basket size (an increase of 3.8% compared to Q4 2020), both in terms of the number of SKUs per basket and average price unit. In addition, our number of tickets increased by 3.2% during Q4 2021, compared with Q4 2020. Home delivery sales increased by approximately 83% during Q4 2021, compared with Q4 2020.

During the quarter, we opened six directly operated stores in mainland France as part of our expansion strategy, which contributed an additional €3.3 million to our French sales as compared with Q4 2020.

Our Q4 2021 gross profit increased by €18.8 million, or 10.8%, from €173.6 million in Q4 2020 to €192.4 million in Q4 2021. Our gross margin increased to 44.6% in Q4 2021 from 44.4% in Q4 2020 due to an increase in the margin of sales under promotion, as well as a decrease in the proportion of overall sales under promotion (the margin of sales under promotion being lower than margins for sales not under promotion).

Our EBITDA substantially increased by 15.0%, from €66.1 million in Q4 2020 to €76.0 million in Q4 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 (including personnel expenses and logistics costs).

The COVID-19 pandemic and related ongoing restrictions in France, including the closure of restaurants, requirements to work 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 1,250 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 March 31, 2021, we had 1,049 stores in France (including two franchised stores in Corsica, ten 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 & 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 Invest Group Zouari ("IGZ") to sell a 42% stake in the Picard Group. The transaction was completed in January 2020. In January 2021, Aryzta sold its remaining stake in Picard to Lion Capital and IGZ, leaving Lion Capital and IGZ with respective stakes of 51.8% and 45.4%.

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 will be supplemented by the 2021 Annual Report as of and for the year ended March 31, 2021 on or prior to July 29, 2021 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 audited 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 also included herein unaudited condensed financial information for Picard Bondco S.A. as of and for the three months ended March 31, 2021.

We have prepared the audited condensed consolidated financial statements for Picard Bondco S.A. for the period from April 1, 2020 to March 31, 2021, which are presented in this report in accordance with IFRS, including (i) the consolidated balance sheet as of March 31, 2021, (ii) the consolidated income statement and the consolidated statement of comprehensive income for the year ended March 31, 2021 and (iii) the consolidated statement of cash flows for the year ended March 31, 2021.

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.

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 consolidated financial statements" to the Picard Bondco S.A. March 31, 2021 audited 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, but the March 31, 2021 financial statements present comparative information as of and for the year ended March 31, 2020 on a recast (indicated as "restated") basis.

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

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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 and twelve-month periods ended March 31, 2020 and March 31, 2021 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 audited consolidated financial statements for Picard Bondco S.A. for the period from April 1, 2020 to March 31, 2021, included herein, in accordance with IFRS. We have also included herein unaudited condensed financial information for Picard Bondco S.A. as of and for the three-month periods ended March 31, 2020 and March 31, 2021.

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		Twelve months ended	
Currency: in million of €	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**
Sales	**390.8**	**431.1**	**1 507.4**	**1 774.1**
Cost of goods sold	(217.3)	(238.7)	(847.5)	(998.1)
Gross profit	**173.6**	**192.4**	**659.9**	**776.0**
Other operating income	1.3	2.3	5.2	6.8
Other purchase and external expenses	(47.8)	(56.5)	(194.3)	(219.8)
Taxes	(6.7)	(7.5)	(17.4)	(21.5)
Personnel expenses	(52.9)	(53.6)	(191.3)	(210.4)
Other total operating expenses	(1.3)	(1.1)	(3.8)	(3.4)
EBITDA	**66.1**	**76.0**	**258.3**	**327.7**
Depreciation and amortization	(24.0)	(24.1)	(94.3)	(95.2)
Operating profit	**42.1**	**51.9**	**164.0**	**232.5**
Finance costs	(15.7)	(15.5)	(63.5)	(64.4)
Finance income	0.0	0.0	0.1	0.3
Share of result in an associate	0.0	(0.1)	(5.0)	(2.4)
Income before tax	**26.4**	**36.3**	**95.7**	**166.0**
Income tax expense	(6.5)	(12.7)	(45.9)	(66.6)
Net income	**19.9**	**23.6**	**49.8**	**99.4**
KPI (as % of sales)				
Gross profit	**44.4%**	**44.6%**	**43.8%**	**43.7%**
EBITDA	16.9%	17.6%	17.1%	18.5%

The following discussion and analysis summarizes EBITDA for the three-month and twelve-month periods ended March 31, 2020 and March 31, 2021. 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 March 31, 2021, we had 1,051 stores in France (including two franchised stores in Corsica, ten franchised stores in La Réunion, two franchised stores in the French West Indies, two franchised stores in New Caledonia, 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

Years ended March 31, 2020 and March 31, 2021

Our sales of goods increased by €266.7 million, or 17.7%, from €1,507.4 million for the year ended March 31, 2020 to €1,774.1 million for the year ended March 31, 2021.

In France, sales of goods increased by €256.6 million, or 17.4%, from €1,474.1 million for the year ended March 31, 2020 to €1,730.7 million for the year ended March 31, 2021. French like-for-like sales increased by 14.6% over the period, as a result of a 13.7% increase in the average basket and a slight increase of 0.7% in the number of tickets. Our performance was significantly impacted by the COVID-19 pandemic in the year ended March 31, 2021. 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 and third quarter, the increase in like-for-like sales remained high during the fourth quarter reaching 7.1% compared with the three months ended March 31, 2020, with a high average basket size increasing by 3.8% compared with the three months ended March 31, 2020, while the number of tickets increased by 3.2% compared with the three months ended March 31, 2020. 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 year, Picard promoted its digital platforms to meet the evolving needs of our customers. Consequently, our home delivery channel increased its sales by 86.7%. During this time, we also launched our new Click & Collect program.

Sales in Belgium and Luxembourg increased by €4.8 million, from €16.0 million for the year ended March 31, 2020 to €20.8 million for the year ended March 31, 2021, due to the increase in like-for-like sales notably as a result of the positive COVID-19 impact, 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 €17.3 million for the year ended March 31, 2020 to €22.6 million for the year ended March 31, 2021, in spite of the closure of our activity in Switzerland in January 2020. In particular, sales in the United Kingdom increased by €3.7 million following the beginning of a partnership with Marks & Spencer and sales in Japan increased by €1.1 million following the store openings of our partner Aeon last year.

Three months ended March 31, 2020 and March 31, 2021

Our sales of goods increased by €40.3 million, or 10.3%, from €390.8 million for the three months ended March 31, 2020 to €431.1 million for the three months ended March 31, 2021.

In France, sales of goods increased by €38.4 million, or 10.0%, from €382.1 million for the three months ended March 31, 2020 to €420.5 million for the three months ended March 31, 2021. French like-for-like sales increased by 7.1% in the three months ended March 31, 2021, as compared to the three months ended March 31, 2020, as a result of a 3.2% increase in the total number of tickets combined with a 3.8% increase in the average basket size for the reasons described above.

Sales in Belgium and Luxembourg increased by €0.7 million, from €4.3 million for the three months ended March 31, 2020 to €5.0 million for the three months ended March 31, 2021.

Sales in other locations with our partners and franchisees increased from €4.3 million for the three months ended March 31, 2020 to €5.6 million for the three months ended March 31, 2021.

Cost of goods sold

Years ended March 31, 2020 and March 31, 2021

Our cost of goods sold increased by €150.6 million, or 17.8%, from €847.5 million for the year ended March 31, 2020 to €998.1 million for the year ended March 31, 2021, 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 56.2% for the year ended March 31, 2020 to 56.3% for the year ended March 31, 2021.

Three months ended March 31, 2020 and March 31, 2021

Our cost of goods sold increased by €21.4 million, or 9.8%, from €217.3 million for the three months ended March 31, 2020 to €238.7 million for the three months ended March 31, 2021, mainly due to an increase in the volume of goods purchased from our suppliers in January and February 2021 as compared to the prior year. Cost of goods sold as a percentage of sales decreased from 55.6% for the three months ended March 31, 2020 to 55.4% for the three months ended March 31, 2021, notably due to an increase in the margin of sales under promotion, as well as a decrease in the proportion of overall sales under promotion (the margin of sales under promotion being lower than margins for sales not under promotion).

Gross profit

Years ended March 31, 2020 and March 31, 2021

Our gross profit increased by €116.1 million, or 17.6%, from €659.9 million for the year ended March 31, 2020 to €776.0 million for the year ended March 31, 2021, as a result of the increase in sales. Gross profit as a percentage of sales of goods slightly decreased from 43.8% for the year ended March 31, 2020 to 43.7% for the year ended March 31, 2021, notably due to a slight decline in margin excluding promotions mainly due to a negative mix effect from higher sales of meat and seafood products which typically have lower margins, which was partially offset by the decline in the percentage of our goods sold under promotion.

Three months ended March 31, 2020 and March 31, 2021

Our gross profit increased by €18.8 million, or 10.8%, from €173.6 million for the three months ended March 31, 2020 to €192.4 million for the three months ended March 31, 2021, as a result of the increase in sales. Gross profit as a percentage of sales of goods increased from 44.4% for the three months ended March 31, 2020 to 44.6% for the three months ended March 31, 2021, notably due to the decline in the percentage of our goods sold under promotion and an increase in the margin rate on promotional sales.

Other operating income

Years ended March 31, 2020 and March 31, 2021

Other operating income increased by €1.6 million, from €5.2 million for the year ended March 31, 2020 to €6.8 million for the year ended March 31, 2021. The sale of a French store, the increase in capitalized IT projects and the increase in income received from delivery fees in the year ended March 31, 2021 was partly offset by the absence of the indemnity received in connection with a store eviction in the prior period.

Three months ended March 31, 2020 and March 31, 2021

Other operating income increased by €1.0 million, from €1.3 million for the three months ended March 31, 2020 to €2.3 million for the three months ended March 31, 2021, mainly as a result of the increase in capitalized IT projects and the increase in income received from delivery fees due to the increase in our online sales.

Other purchases and external expenses

Years ended March 31, 2020 and March 31, 2021

Our other purchases and external expenses increased by €25.5 million, or 13.1%, from €194.3 million for the year ended March 31, 2020 to €219.8 million for the year ended March 31, 2021. 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, advertising costs linked to the launch of a new brand communication campaign in March 2021 and extra expenses relating to the public health situation and needed to protect our employees (such as masks, gloves, etc.).

Three months ended March 31, 2020 and March 31, 2021

Our other purchases and external expenses increased by €8.7 million, or 18.2%, from €47.8 million for the three months ended March 31, 2020 to €56.5 million for the three months ended March 31, 2021. 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 advertising costs linked to the launch of the brand communication campaign in March 2021.

Taxes other than on income

Years ended March 31, 2020 and March 31, 2021

Taxes other than on income increased by €4.1 million, from €17.4 million for the year ended March 31, 2020 to €21.5 million for the year ended March 31, 2021. 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 1.2% for the year ended March 31, 2020 and the year ended March 31, 2021.

Three months ended March 31, 2020 and March 31, 2021

Taxes other than on income increased by €0.8 million, from €6.7 million for the three months ended March 31, 2020 to €7.5 million for the three months ended March 31, 2021 for the reasons described above. Taxes other than on income as a percentage of sales of goods remained stable at 1.7% for the three months ended March 31, 2020 and for the three months ended March 31, 2021.

Personnel expenses

Years ended March 31, 2020 and March 31, 2021

Personnel expenses increased by €19.1 million, or 10.0%, from €191.3 million for the year ended March 31, 2020 to €210.4 million for the year ended March 31, 2021. As a proportion of sales of goods, personnel expenses decreased from 12.7% for the year ended March 31, 2020 to 11.9% for the year ended March 31, 2021.

Wages and salaries increased by €10.6 million, or 8.3%, from €128.4 million for the year ended March 31, 2020 to €139.0 million for the year ended March 31, 2021, 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 8.5% for the year ended March 31, 2020 to 7.8% for the year ended March 31, 2021.

Employee profit sharing increased by €6.4 million, from €18.3 million for the year ended March 31, 2020 to €24.7 million for the year ended March 31, 2021, 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 €2.1 million, from €44.7 million for the year ended March 31, 2020 to €46.8 million for the year ended March 31, 2021, mainly driven by a €1.2 million increase in social security costs, following the increase in salaries, and partially offset by a reversal of the 2017 URSSAF provision (following the expiration of the three-year claims period with no audit by the relevant authorities in France). As a proportion of sales of goods, social security costs decreased from 2.5% for the year ended March 31, 2020 to 2.2% for the year ended March 31, 2021.

Three months ended March 31, 2020 and March 31, 2021

Personnel expenses increased by €0.7 million, or 1.3%, from €52.9 million for the three months ended March 31, 2020 to €53.6 million for the three months ended March 31, 2021. As a proportion of sales of goods, personnel expenses decreased from 13.5% for the three months ended March 31, 2020 to 12.4% for the three months ended March 31, 2021.

Wages and salaries increased by €1.0 million, or 2.8%, from €36.0 million for the three months ended March 31, 2020 to €37.0 million for the three months ended March 31, 2021, as a result of an increase of staff in stores following the increase in sales, annual salary increases in France and Belgium, the expansion of our store network; partly offset by a lower non-recurring COVID-19 bonus of €3.5 million (compared with the €4.5m in the fourth quarter last year). As a proportion of sales of goods, wages and salaries decreased from 9.2% for the three months ended March 31, 2020 to 8.6% for the three months ended March 31, 2021.

Employee profit sharing increased by €1.0 million, from €5.5 million for the three months ended March 31, 2020 to €6.5 million for the three months ended March 31, 2021, following higher contractual profit sharing ("*intéressement*"), which is computed based on sales performance, and higher legal profit sharing ("*participation*"), which is computed on our French income before tax.

Other personnel expenses decreased by €1.3 million, from €11.4 million for the three months ended March 31, 2020 to €10.1 million for the three months ended March 31, 2021, mainly driven by a reversal of the 2017 URSSAF provision (following the expiration of the three-year claims period with no audit by the relevant authorities in France) partly offset by the increase in social security costs, following the increase in salaries. As a proportion of sales of goods, social security costs slightly decreased from 2.4% for the three months ended March 31, 2020 to 1.8% for the three months ended March 31, 2021.

Total other operating expenses

Years ended March 31, 2020 and March 31, 2021

Our total other operating expenses decreased by €0.4 million, from €3.8 million for the year ended March 31, 2020 to €3.4 million for the year ended March 31, 2021.

Three months ended March 31, 2020 and March 31, 2021

Our total other operating expenses decreased by €0.2 million from €1.3 million for the three months ended March 31, 2020 to €1.1 million for the three months ended March 31, 2021.

EBITDA

Years ended March 31, 2020 and March 31, 2021

EBITDA increased by €69.4 million, or 26.9%, from €258.3 million for the year ended March 31, 2020 to €327.7 million for the year ended March 31, 2021. As a proportion of sales of goods, EBITDA increased from 17.1% for the year ended March 31, 2020 to 18.5% for the year ended March 31, 2021. This increase is primarily due to an increase in sales and our well monitored operating expenses.

Three months ended March 31, 2020 and March 31, 2021

EBITDA increased by €9.9 million, or 15.0%, from €66.1 million for the three months ended March 31, 2020 to €76.0 million for the three months ended March 31, 2021. As a proportion of sales of goods, EBITDA increased from 16.9% for the three months ended March 31, 2020 to 17.6% for the three months ended March 31, 2021.

Depreciation and amortization

Years ended March 31, 2020 and March 31, 2021

Depreciation and amortization increased by €0.9 million, from €94.3 million for the year ended March 31, 2020 to €95.2 million for the year ended March 31, 2021. As a proportion of sales of goods, depreciation and amortization decreased from 6.3% for the year ended March 31, 2020 to 5.4% for the year ended March 31, 2021 as a result of the high increase in sales.

Three months ended March 31, 2020 and March 31, 2021

Depreciation and amortization increased by €0.1 million, from €24.0 million for the three months ended March 31, 2020 to €24.1 million for the three months ended March 31, 2021.

Operating profit

Years ended March 31, 2020 and March 31, 2021

Operating profit increased by €68.5 million, or 41.8%, from €164.0 million for the year ended March 31, 2020 to €232.5 million for the year ended March 31, 2021, as a result of the factors discussed above. As a proportion of sales of goods, operating profit increased from 10.9% for the year ended March 31, 2020 to 13.1% for the year ended March 31, 2021.

Three months ended March 31, 2020 and March 31, 2021

Operating profit increased by €9.8 million, or 23.3%, from €42.1 million for the three months ended March 31, 2020 to €51.9 million for the three months ended March 31, 2021, as a result of the factors discussed above. As a proportion of sales of goods, operating profit increased from 10.8% for the three months ended March 31, 2020 to 12.0% for the three months ended March 31, 2021.

Finance costs

Years ended March 31, 2020 and March 31, 2021

Finance costs increased by €0.9 million from €63.5 million for the year ended March 31, 2020 to €64.4 million for the year ended March 31, 2021. This increase in finance costs was mainly due to the interest on the Existing Revolving Credit Facility, which was drawn between March 2020 and September 2020.

Three months ended March 31, 2020 and March 31, 2021

Finance costs decreased by €0.2 million from €15.7 million for the three months ended March 31, 2020 to €15.5 million for the three months ended March 31, 2021.

Share of result in an associate

Years ended March 31, 2020 and March 31, 2021

Share of result in an associate increased by €2.6 million from a loss of €5.0 million for the year ended March 31, 2020 to a loss of €2.4 million for the year ended March 31, 2021. This loss is mainly due to the result of our associate Primex in which we have a 37.21% interest. Primex Norway AS, a subsidiary of Primex, 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 recorded a non-cash impairment of its investment in Primex Norway to reflect these operational losses. The plant is currently operating normally and the valuation of Primex International will continue to be closely monitored by the Group.

Three months ended March 31, 2020 and March 31, 2021

Share of result in an associate decreased by €0.1 million from a profit of €0.0 million for the three months ended March 31, 2020 to a loss of €0.1 million for the three months ended March 31, 2021.

Income before tax

Years ended March 31, 2020 and March 31, 2021

Income before tax increased by €70.3 million, from €95.7 million for the year ended March 31, 2020 to €166.0 million for the year ended March 31, 2021, as a result of the factors described above. As a proportion of sales of goods, income before tax increased from 6.3% for the year ended March 31, 2020 to 9.4% for the year ended March 31, 2021.

Three months ended March 31, 2020 and March 31, 2021

Income before tax increased by €9.9 million, from €26.4 million for the three months ended March 31, 2020 to €36.3 million for the three months ended March 31, 2021, as a result of the factors described above.

Income tax expense

Years ended March 31, 2020 and March 31, 2021

Income tax expense increased by €20.7 million, from €45.9 million for the year ended March 31, 2020 to €66.6 million for the year ended March 31, 2021. Income tax expense represented 47.9% of income before tax for the year ended March 31, 2020 and 40.1% for the year ended March 31, 2021, 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 March 31, 2020 and March 31, 2021

Income tax expense increased by €6.2 million from €6.5 million for the three months ended March 31, 2020 to €12.7 million for the three months ended March 31, 2021, following the higher sales performance discussed above.

Net income

Years ended March 31, 2020 and March 31, 2021

Net income increased by €49.6 million, from €49.8 million for the year ended March 31, 2020 to €99.4 million for the year ended March 31, 2021, as a result of the factors described above.

Three months ended March 31, 2020 and March 31, 2021

Net income increased by €3.7 million, from €19.9 million for the three months ended March 31, 2020 to €23.6 million for the three months ended March 31, 2021, 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 March 31, 2021, 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.

Picard Bondco
Société Anonyme

Consolidated Financial Statements
As at and for the year ended March 31, 2021

4, rue Lou Hemmer, L-1748 Senningerberg, Grand Duchy of Luxembourg
RCS Luxembourg: B 154899
Subscribed capital: EUR 2,641,726

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Consolidated Income Statement

(In thousand of €)	Notes	March 31, 2021	March 31, 2020 Restated (a)
Sales of goods	*6*	1 774 089	1 507 436
Cost of goods sold		(998 120)	(847 507)
Gross profit		**775 969**	**659 929**
Other operating income	*7.1*	6 805	5 203
Other purchases and external expenses	*10.2*	(219 808)	(194 326)
Taxes		(21 463)	(17 447)
Personnel expenses	*7.3*	(210 429)	(191 323)
Depreciation and amortization	*10.3*	(95 219)	(94 292)
Other operating expenses	*7.2*	(3 375)	(3 750)
Operating profit		**232 480**	**163 994**
Finance costs	*7.4*	(64 407)	(63 472)
Finance income	*7.4*	267	146
Share of result in an associate	*8*	(2 352)	(5 013)
Income before tax		**165 988**	**95 655**
Income tax expense	*9*	(66 637)	(45 853)
Net income		**99 351**	**49 802**
Attributable to:			
Equity holders of the parent		99 351	49 802
Non-controlling interests			
Earnings per share:			
Basic earnings per share (*in euros*)	*20*	37,61	18,85
Fully diluted earnings per share (*in euros*)	*20*	37,61	18,85

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

(a) Comparative data for 2020 have been recast (indicated as "restated" above) in the consolidated financial statements as of March 31, 2021 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

(In thousand of €)	Notes	March 31, 2021	March 31, 2020 Restated (a)
Net income		**99 351**	**49 802**
Items not to be reclassified to profit and loss:			
Actuarial gains / (loss) of the period	***22***	(85)	(226)
Income tax		22	59
		(63)	(167)
Other comprehensive income / (loss) for the period, net of tax		*(63)*	*(167)*
Comprehensive income		**99 288**	**49 635**
Attributable to:			
Equity holders of the parent		99 288	49 635
Non-controlling interests		-	-

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

Consolidated Statement of Financial Position

(In thousand of €)	Notes	As at March 31, 2021	As at March 31, 2020 Restated (a)
Assets			
Goodwill	***14***	815 170	815 170
Property, plant and equipment	***12***	227 305	221 511
Right-of-use Assets	***10.1***	427 925	417 253
Other intangible assets	***11***	799 023	795 477
Investment in an associate	***8***	3 982	6 333
Other non-current financial assets	***13.1***	11 266	10 914
Total non-current assets		**2 284 671**	**2 266 659**
Inventories	***15***	102 306	86 049
Trade and other receivables	***16***	56 563	50 250
Income tax receivable		3 216	2 568
Current financial assets	***13.1***	75	35
Cash and cash equivalents	***17***	291 734	220 707
Total current assets		**453 894**	**359 609**
Assets held for sale			
Total assets		**2 738 565**	**2 626 270**
Equity and liabilities			
Issued capital	***18***	2 642	2 642
Share premium	***18***	97	97
Other comprehensive income		(413)	(350)
Retained earnings		149 208	123 916
Net income of the period		99 351	49 802
Equity attributable to equity holders of the parent		**250 885**	**176 107**
Non-controlling interests			-
Total equity		**250 885**	**176 107**
Non-current liabilities			
Interest-bearing loans and borrowings	***13.2***	1 554 142	1 552 311
Other non-current financial liabilities	***13.3***	328 642	316 140
Provisions	***21***	9 461	9 115
Employee benefit liability	***22***	9 881	9 146
Deferred tax liability	***9***	219 752	218 094
Total non-current liabilities		**2 121 877**	**2 104 805**
Current liabilities			
Trade and other payables	***23***	305 106	255 510
Income tax payable		1 327	1 721
Interest-bearing loans and borrowings	***13.2***	4 432	34 255
Other current financial liabilities	***13.3***	54 938	53 872
Total current liabilities		**365 803**	**345 358**
Total liabilities		**2 487 680**	**2 450 163**
Liabilities held for sale			
Total equity and liabilities		**2 738 565**	**2 626 270**

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

Consolidated Statement of Changes in Equity

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	-	-	-	-	-	-		-		52 208	**52 208**	-	**52 208**
Other comprehensive income	-	-	-	-	(167)	-		(167)	-	-	**(167)**	-	**(167)**
Total comprehensive income	**-**	**-**	**-**	**-**	**(167)**	**-**	**-**	**(167)**	**-**	**52 208**	**52 041**	**-**	**52 041**
Dividends paid	-		-	-	-	-	-	-	(13 074)	-	(13 074)		(13 074)
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										99 351	**99 351**		**99 351**
Other comprehensive income					(63)			(63)			**(63)**		**(63)**
Total comprehensive income	**-**	**-**	**-**	**-**	**(63)**	**-**	**-**	**(63)**	**-**	**99 351**	**99 288**	**-**	**99 288**
Dividends paid									(24 510)		(24 510)		(24 510)
As at March 31, 2021	**2 642**	**97**	**-**	**0**	**(413)**	**-**	**-**	**(413)**	**149 209**	**99 351**	**250 885**	**-**	**250 885**

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

Consolidated Statement of Cash Flows

In thousand of €	Notes	March 31, 2021	March 31, 2020 Restated (a)
Operating activities			
Operating profit		232 480	163 994
Depreciation and impairment of property, plant and equipment		88 798	87 018
Amortisation and impairment of intangible assets		6 421	7 274
(Gain) /loss on disposal of property, plant and equipement		194	880
Other non cash operating items		(1 292)	727
Movements in provisions and pensions		543	479
Interest received		133	47
Income tax paid		(64 863)	(34 588)
Operating cash flows before change in working capital requirements		*262 414*	*225 831*
Change in inventories		(16 257)	576
Change in trade and other receivables and prepayments		(6 240)	(3 210)
Change in trade and other payables		49 596	33 616
Net cash flows from operating activities, total		**289 513**	**256 813**
Investing activities			
Proceeds from sale of property, plant and equipment		642	189
Disposal of Italy, net of cash disposed of		63	379
Purchase of property, plant and equipment		(39 206)	(38 214)
Purchase of intangible assets		(9 693)	(7 925)
Purchase of financial instruments		(191)	(325)
Net cash used in investing activities		**(48 385)**	**(45 896)**
Financing activities			
Proceeds from borrowings			30 000
Repayment of borrowings		(30 000)	
Interests paid *		(55 760)	(55 539)
Payments related to leases contracts *		(53 507)	(52 275)
Interests paid related to leases contracts *		(6 356)	(5 762)
Dividends paid to equity holder of the parent		(24 510)	(13 074)
Net cash flows from/(used in) financing activities		**(170 133)**	**(96 650)**
Net increase / (decrease) in cash and cash equivalents		70 995	114 266
Net cash at the beginning of the year		220 699	106 432
Net cash at March 31	**17**	**291 695**	**220 699**
of which classified in held for sale		-	-
of which classified in continued operations		*291 695*	*220 699*

**In accordance with IFRS 16, which the Group adopted as from April 1, 2019 (see Note 2.1.1), payments under leases along with any related interest are shown in financing cash flows.*

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

Notes to the 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 4 rue Lou-Hemmer, L-1748 Senningerberg. 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.

On June 16, 2021, the board of the Company approved the consolidated financial statements as of and for the year ended March 31, 2021, which will be submitted for approval to the Company's shareholders.

2. Accounting principles

2.1 Basis of preparation

The consolidated financial statements cover the financial year started April 1, 2020 and ended March 31, 2021. The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in euro and all values are rounded to the nearest thousand (€000) except where otherwise indicated.

Going concern

The financial statements have been prepared on a going concern basis.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and as adopted by the European Union and effective for financial years beginning on or after April 1, 2020.

IFRS as adopted by the European Union ("IFRS-EU") can be viewed on the European Commission's website (http://ec.europa.eu/commission/index_en).

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 December 16, 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 recognized retrospectively with effect from the IFRS 16 transition date (i.e., April 1, 2019), and the March 31, 2020 consolidated financial statements were recast accordingly. The impact of that application caused the Group to recognize 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 by 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 1, 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.

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, between 1.2% and 2%, 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 year ended March 31, 2020 is presented below:

(In thousand of €)	Notes	March 31, 2020 As published	IFRS IC interpretation impacts	March 31, 2020 Restated
Sales of goods	*4*	1 507 436	-	1 507 436
Cost of goods sold		(847 507)	-	(847 507)
Gross profit		**659 929**	**-**	**659 929**
Other operating income	*5.1*	5 196	8	5 203
Other purchase and external expenses		(193 695)	(632)	(194 326)
Taxes		(17 447)	-	(17 447)
Personnel expenses	*5.2*	(191 323)	-	(191 323)
Depreciation & amortization		(93 580)	(712)	(94 292)
Other operating expenses	*5.3*	(3 750)	-	(3 750)
Operating profit		**165 330**	**(1 336)**	**163 994**
Finance costs	*5.4*	(61 446)	(2 026)	(63 472)
Finance income	*5.4*	144	2	146
Share of profit in an associate	*6*	(5 013)	-	(5 013)
Income before tax		**99 015**	**(3 360)**	**95 655**
Income tax expense	*7*	(46 807)	954	(45 853)
Net income		**52 208**	**(2 406)**	**49 802**
Attributable to:				
Equity holders of the parent		52 208	(2 406)	49 802
Non-controlling interests		-	-	-
Earnings per share:				
Basic earnings per share (in euros)		19,76		18,85
Fully diluted earnings per share (in euros)		19,76		18,85

The impact on the comprehensive net income for the for the year ended March 31, 2020 is presented below:

(In thousand of €)	Notes	March 31, 2020 As published	IFRS IC interpretation impacts	March 31, 2020 Restated
Net income		**52 208**	**(2 406)**	**49 802**
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		(226)	-	(226)
Income tax		59	-	59
		(167)	-	(167)
Foreign currency translation		-		
Other comprehensive income / (loss) for the period, net of		*(167)*		*(167)*
Comprehensive income		**52 041**	**(2 406)**	**49 635**
Attributable to:				
Equity holders of the parent		52 041	(2 406)	49 635
Non-controlling interests		-		-

The impact on the consolidated cash-flow statement for the year ended March 31, 2020 is presented below:

In thousand of €	Notes	March 31, 2020 As published	IFRS IC interpretation impacts	March 31, 2020 Restated
Operating activities				
Operating profit		165 330	(1 336)	163 994
Depreciation and impairment of property, plant and equipment		87 018		87 018
Amortisation and impairment of intangible assets		6 562	712	7 274
Gain on disposal of property, plant and equipement		880		880
Other non cash operating items		727		727
Movements in provisions and pensions		479		479
Interest received		47		47
Income tax paid		(34 588)		(34 588)
Operating cash flows before change in working capital requirements		*226 455*	*(624)*	*225 831*
Change in Inventories		576		576
Change in trade and other receivables and prepayments		(3 210)		(3 210)
Change in trade and other payables		33 616		33 616
Net cash flows from operating activities		**257 437**	**(624)**	**256 813**
Investing activities				
Proceeds from sale of property, plant and equipment		189		189
Disposal of Italy, net of cash disposed of		379		379
Purchase of property, plant and equipment		(38 214)		(38 214)
Purchase of intangible assets		(7 925)		(7 925)
Purchase of financial instruments		(325)		(325)
Net cash used in investing activities		**(45 896)**	**-**	**(45 896)**
Financing activities				
Proceeds from borrowings		30 000		30 000
Interests paid excluded IFRS 16 impacts		(55 539)		(55 539)
Interests paid IFRS 16		(4 727)	(1 035)	(5 762)
Payment related to leases contracts *		(53 934)	1 659	(52 275)
Dividends paid to equity holder of the parent		(13 074)		(13 074)
Net cash flows from/(used in) financing activities		**(97 274)**	**624**	**(96 650)**
Net increase / (decrease) in cash and cash equivalents		114 266	-	114 266
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**	**220 698**	**-**	**220 698**

*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.

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 IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (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 IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable according to the IASB in accounting periods beginning on or after January 1, 2023);
- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (applicable according to the IASB in accounting periods beginning on or after January 1, 2023);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (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 Summary of significant accounting policies

a. Foreign currency translation

The consolidated financial statements are presented in euro (€), which is the Company's functional and the Group's presentation currency.

b. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

For each business combination, the non-controlling interest in the acquired business is measured either at fair value or at the proportionate share of the acquired business's identifiable net assets. Acquisition costs incurred are expensed and included in "Other operating expenses".

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquired business is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, is recognized in accordance with IFRS 9 in profit or loss. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of (i) the consideration transferred and (ii) the fair value of non-controlling interest and the identifiable assets acquired net of liabilities assumed. If the consideration is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units or group of cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Under the definition of IAS 36, the Group identified cash-generating units, and group of cash-generating units, which are defined in Note 2.2. Summary of significant accounting policies.

c. Investment in associate

The Group's investment in its associates is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the Group's share of the results of operations of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

The share of result of the associate is shown on the face of the income statement on the line "Share of result in an associate". This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the Company and using the same accounting policies. Where necessary, adjustments are made to bring the accounting policies of the associate in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If such is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement.

d. Revenue recognition

In accordance with IFRS 15, revenue is recognized under sales when the control of goods or services is transferred to the customer. The amount recognized corresponds to the consideration the entity expects to receive in exchange for the goods or services.

Sale of goods
The Group operates a chain of retail outlets for selling their products. Sales of goods are recognized when an entity sells a product to the customer. Retail sales are usually in cash or by credit card.

Dividends
Revenue is recognized when the Group's right to receive the payment is established.

e. Operating expenses & Other purchases and external expenses

The Group benefits from certain tax credits generated by its activity. Such tax credits are deemed to be equivalent to grants related to income and are thus deducted from related expenses.

f. Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

For the years ended March 31, 2020 and March 31, 2021, the French tax Business Contribution on Added Value (CVAE) is shown and accounted for under the "Income tax expense" line.

Deferred income tax

Deferred taxes are determined using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except for specific conditions (initial recognition of an asset or liability in a transaction that is not a business combination that affects neither the accounting profit nor taxable profit or loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realized or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes relating to items recognized outside profit or loss are recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g. Pensions and other post-employment benefits

The Group operates one defined benefit pension scheme, as detailed in Note 22. Employee benefits. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses are recognized in other comprehensive income in the period in which they occur.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds, as explained in Note 22. Employee benefits).

The defined benefit expense is recognized through "Personnel expenses" (under pension costs) for the service cost component of the expense and through "Finance costs" (under interest costs of employee benefits) for the interest cost component.

h. Financial liabilities – initial recognition and subsequent measurement

Initial recognition and measurement

The Group determines the classification of its financial liabilities at initial recognition. The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss. Financial liabilities within the scope of IFRS 9 – Financial instruments are classified as loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft, loans and borrowings, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are measured at amortized cost using the effective interest rate method (EIR). Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the EIR method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in "Finance costs" in the income statement.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement through "Finance costs".

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined at each reporting date by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 13. Financial assets and financial liabilities.

i. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives are recognized in the income statement, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income.

For the purpose of hedge accounting, those derivatives that meet the criteria of hedge effectiveness are classified as cash flow hedges.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging derivative is recognized in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognized in the income statement.

For fair value hedges relating to items carried at amortized cost, the adjustment to carrying value is amortized through the income statement over the remaining term to maturity. Amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedge item is derecognized, the unamortized fair value is recognized immediately in the income statement. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the income statement.

As at March 31, 2021, the Group did not have any fair value hedging derivatives.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while any ineffective portion is recognized immediately in the income statement.

Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in equity remain in equity until the forecast transaction or firm commitment occurs.

j. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Land is not depreciated. Historical cost includes expenditures directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Buildings and building improvements 12 to 20 years
- Operating equipment 5 to 10 years
- Transportation equipment 4 years
- Computers and hardware 3 to 5 years
- Furniture 10 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the line item “Other operating expenses”.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

k. Intangible assets

Trademarks

Trademarks acquired through business combination are not amortized when their useful lives are deemed to be indefinite.

Trademarks which are not amortized are tested for impairment annually and upon each indication that they may be impaired.

The useful lives of trademarks have been defined according to their strategic market position (for instance, a strong international trademark will be deemed to have an indefinite useful life).

As at March 31, 2021, the trademark recognized corresponds to the Picard brand.

Software

Software acquired by the Group is booked as an intangible asset at its original cost. It is depreciated following the straight-line method over a maximum period of 3 to 10 years.

Software developed by the Group for its internal use is recorded as an intangible asset at its development cost and is depreciated following the straight-line method over a maximum period of 3 years.

l. Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined under the weighted average cost method, which does not generate a significant difference from the FIFO method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

An inventory impairment is recorded in the following cases:

- 50%: on frozen (and not frozen) products permanently deleted from the catalog but which are disposed of in the stores;
- 75%: on products whose inventory quantities are higher than the sales forecasts in the expected time-to-market (Group decision);
- 75%: on products likely to be impaired due to the regulations of sales period; and
- 100%: on unmarketable products definitively deleted from the catalog.

m. Impairment of non-financial assets

Cash-generating units (CGU)

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The cash-generating unit is defined by management as the store level, with two main groups of cash-generating units, based on geographical implantation in:

- 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, Switzerland (prior to the closure of our activity in Switzerland in January 2020), UK, Netherlands, Scandinavia, Singapore and Japan as well as our holding company operations (other than Group financing and income taxes) in Luxembourg.

Impairment analysis

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the groups of cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill and other indefinite useful life intangible assets (trademark), an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount.

Goodwill

Goodwill is tested for impairment annually at year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit or group of cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Other intangible assets

Other intangible assets with indefinite useful lives (including mainly brand and leasehold rights) are tested for impairment annually either individually or at the cash generating unit or group of cash-generating units level, as appropriate and when circumstances indicate that the carrying value may be impaired.

n. Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at banks and on hand, short-term deposits and highly liquid securities with an original maturity of three months or less.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash, short-term deposits and highly liquid securities as defined above, net of outstanding bank overdrafts.

o. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

p. Assets and liabilities held for sale

IFRS 5 - *Non-Current Assets Held for Sale and Discontinued Operations*, sets out the accounting treatment applicable to assets held for sale as well as presentation and disclosure requirements. The standard notably requires the separate presentation of assets held for sale in the Consolidated Statement of Financial Position at the lower of net carrying amount and fair value less costs to sell, where the criteria set-out in the standard are satisfied. Should an unrealized loss be recorded, it is not deductible for tax purposes.

When the Group is committed to a sales process leading to the loss of control of a subsidiary, all assets and liabilities of that subsidiary are reclassified as held for sale where the standard classification criteria are met, irrespective of whether the Group retains a residual interest in the entity after sale.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's 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 condition. 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 estimating 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 year are discussed below.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget. The recoverable amount is mostly sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Further details about assumptions and sensitivity of valuations are disclosed in Note 14. Impairment test of goodwill and other intangible assets with indefinite useful lives.

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. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds with high quality ratings, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on a publicly available mortality table. Future salary increases and expected turnover rates of employees are based on the expectation of management and on past practices over recent years.

Further details about the assumptions used are given in Note 23. Trade and other payables.

Deferred income tax

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits.

The assessment of the Group's ability to utilize tax losses carried forward is to a large extent judgment-based. If the future taxable results of the Group are significantly different from those expected, the Group will be obliged to increase or decrease the carrying amount of deferred tax assets, with a potentially material impact on the Consolidated Statement of Financial Position and Consolidated Income Statement of the Group.

4. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to raise finances for the Group's operations. The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that result directly from its operations.

The Group is exposed to market risk, interest rate risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The board of directors of the Company reviews and agrees policies for managing each of these risks which are summarized below.

It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings (including listed bonds), deposits, and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. Below is presented the sensitivity to interest rate variation:

In thousands of €

Year ended March 31, 2021	**Sensitivity to +20bps change**		**Sensitivity to -20bps change**	
	P&L Impact	**OCI Impact**	**P&L Impact**	**OCI Impact**
Floating rate debt	(2 500)		2 500	-
	(2 500)	**-**	**2 500**	**-**

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss for the Group.

Considering its activity, the Group is only exposed to limited credit risk from operating activities. Furthermore, the Group is not exposed to material credit risk from its financing activities (deposits with banks and financial institutions and other financial instruments) as investments of surplus funds are made only with approved counterparties.

The Group's policy to manage this risk is to place funds only with banks that have strong credit ratings.

Liquidity risk

The Group monitors its exposure to a risk of shortage of funds using a recurring liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, and finance leases. 0.3% of the Group's interest bearing loans and borrowings mature less than one year after March 31, 2021, based on the carrying value of borrowings reflected in the financial statements.

Maturity profile of the Group's financial liabilities

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments at the maturity date.

In thousands of €

Year ended 31 March 2021	Less than one year	1 to 3 years	3 to 5 years	over 5 years	Total
Fixed rate borrowings	(17 287)	(360 392)			(377 679)
Obligations under finance lease	(116)	(139)			(255)
Floating rate borrowings	(38 021)	(1 313 333)			(1 351 354)
Other financial liabilities	(54 938)	(108 237)	(110 091)	(110 314)	(383 580)
Trade and other payables	(305 106)				(305 106)
Income tax payable	(1 327)				(1 327)
	(416 794)	**(1 782 101)**	**(110 091)**	**(110 314)**	**(2 419 301)**

5. Significant events of the financial year ended March 31, 2021

The financial statements for the year ended March 31, 2021 are impacted by the following significant events:

- 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.

6. 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.

	March 31, 2021		
In thousand of €	**France**	**Other**	**Total**
Sales	1 730 743	43 346	1 774 089
Other operating income	6 269	536	6 805
Other operating expenses	(2 659)	(716)	(3 375)
Operating profit before amortization	**322 018**	**5 681**	**327 700**
Amortization of the year	(93 633)	(1 586)	(95 219)
Operating profit	**228 385**	**4 095**	**232 480**

	March 31, 2020 Restated		
In thousand of €	**France**	**Other**	**Total**
Sales	1 474 079	33 357	1 507 436
Other operating income	4 511	692	5 203
Other operating expenses	(2 145)	(1 605)	(3 750)
Operating profit before amortization	**256 643**	**1 644**	**258 286**
Amortization of the year	(92 476)	(1 816)	(94 292)
Operating profit	**164 167**	**(173)**	**163 994**

This increase of the operating profit from “France” and “Other” is mainly explained by the strong activity of the Group since the COVID-19 pandemic began in mid-March 2020

7. Other operating income/expenses

7.1. Other operating income

In thousand of €	March 31, 2021	March 31, 2020 Restated
Capitalized expenses	1 800	1 136
Other operating income	5 006	4 067
Total other operating income	**6 805**	**5 203**

Other operating income increased by M€ 0.9, from M€ 4.1 for the year ended March 31, 2020 to M€ 5.0 for the year ended March 31, 2021, mainly due to the increase in home delivery fees invoiced to customers as a result of the increase in that activity.

7.2. Other operating expenses

In thousand of €	March 31, 2021	March 31, 2020 Restated
Royalties	(535)	(499)
Losses on bad debt	(1 118)	(1 076)
Other operating expenses	(1 721)	(2 176)
Total other operating expenses	**(3 374)**	**(3 750)**

The other operating expenses decreased by M€ 0.5, from M€ 2.2 for the year ended March 31, 2020 to M€ 1.7 for the year ended March 31, 2021.

7.3. Personnel expenses

In thousand of €	March 31, 2021	March 31, 2020 Restated
Wages and salaries	(138 985)	(128 387)
Social security costs	(38 648)	(37 364)
Pension costs	(543)	(479)
Employee profit sharing	(24 671)	(18 252)
Other employee benefits expenses	(7 582)	(6 841)
Total personnel expenses	**(210 429)**	**(191 323)**

As at March 31, 2021, the Group recorded a M€ 3.5 non-recurring bonus to be paid to all the employees and relating to exceptional results for the year.

Total personnel expenses increased by M€ 19.1, from M€ 191.3 for the year ended March 31, 2020 to M€ 210.4 for the year ended March 31, 2021. 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.

7.4. Finance income and costs

In thousand of €	March 31, 2021	March 31, 2020 Restated
Interest expenses	(57 421)	(56 914)
Net interests related to leases commitment	(6 298)	(6 047)
Interest costs of employee benefits	(107)	(115)
Foreign exchange losses	(1)	(1)
Other financial expenses	(580)	(394)
Finance costs	**(64 407)**	**(63 472)**
Income on loans and receivables	1	4
Income on short term investment	132	47
Other financial income	134	95
Finance income	**267**	**146**

7.5.

The K€ 6,298 net interest related to leases commitment represents the financial interest calculated on lease liabilities recognized in accordance with IFRS 16.

8. 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 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 €	March 31, 2021	March 31, 2020
Share of the associate's statement of financial position:		
Non-current assets	6 307	6 715
Current assets	9 716	9 627
Current liabilities	9 590	7 360
Non-current liabilities	2 387	2 629
Equity	**4 046**	**6 354**
Share of the associate's revenue and result:		
Revenue	30 042	28 341
Result	(2 352)	(5 013)
Carrying amount of the investment	**3 981**	**6 333**

Variations during the period were the following:

In thousand of €	March 31, 2021	March 31, 2020
Carrying value at opening	**6 333**	**11 346**
Share of result in an associate	(2 352)	(5 013)
Carrying value as of March 31	**3 981**	**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. The activity of this plant has now improved but the valuation of Primex International will continue to be closely monitored by the Group.

9. Income tax expense

In thousand of €	For the twelve month period ended March 31, 2021	For the twelve month period ended March 31, 2020 Restated
Current tax	(64 953)	(42 558)
Deferred tax	(1 684)	(3 294)
Total income tax expense	**(66 637)**	**(45 853)**
Income tax recognized in other comprehensive income	22	59
Total income tax	**(66 615)**	**(45 794)**

Income tax expense increased from an expense of K€ 45,853 for the financial year ended March 31, 2020 restated to an expense of K€ 66,637 for the financial year ended March 31, 2021.

The income tax expense for the financial year ended March 31, 2020 (restated) includes deferred tax income of K€ 4,364 relating to the recognition of deferred tax assets on non-deductible interest from previous periods. As at March 31, 2020, deferred tax income relating to this non-deductible interest amounted to K€ 5,381.

A reconciliation between tax expense and accounting profit (based on France's domestic tax rate for the year ended March 31, 2021, France being the country where most of the taxable income is generated) is as follows:

In thousand of €	For the twelve month period ended March 31, 2021	For the twelve month period ended March 31, 2020 Restated
Income before tax	165 988	95 655
Tax rate	32,02%	34,43%
At French statutory income tax rate	(53 149)	(32 934)
Effect of non deductible expenses/taxable income:	(3 521)	(1 909)
- Share of result in associate	*(753)*	*(1 726)*
- Non deductible interests	*(958)*	*1 225*
- Other non taxable income	*348*	*314*
- Other non deductible expenses	*(2 158)*	*(1 722)*
Deferred tax assets on temporarily non-deductible financial interests in France	(4 364)	(5 891)
Unrecognised tax losses	(15)	(163)
Effect of CVAE expense	(4 489)	(4 568)
Amortization of deferred tax related to CVAE	82	196
Change in tax rate	(1 180)	(585)
Total income tax expense	**(66 637)**	**(45 853)**

Deferred tax

Deferred tax relates to the following:

In thousand of €	**March 31, 2021**	**March 31, 2020 Restated**	**Variation**	***Of which, through P&L***	***Of which, through OCI***
Intangible assets - Picard brand	(201 474)	(201 474)	-	*-*	-
Other intangible assets	(2 263)	(2 263)	-	*-*	-
Right-of-use assets	1 497	1 479	18	*18*	
Property and equipement	(24 527)	(25 298)	771	*771*	-
Inventories	(301)	(239)	(61)	*(61)*	-
Financial instruments	(1 524)	(2 075)	551	*551*	
Long term employee benefits	2 553	2 365	188	*166*	*22*
Profit sharing	5 514	4 343	1 171	*1 171*	-
Other temporary differences	771	5 068	(4 297)	*(4 297)*	-
Deferred Tax asset/(liability)	**(219 752)**	**(218 094)**	**(1 658)**	**(1 684)**	**22**
Reflected in the statement of financial position as follows :					
Deferred tax assets	-	-			
Deferred tax liabilities	(219 752)	(218 094)			
Deferred Tax asset/(liability)	**(219 752)**	**(218 094)**			

10. Leases

10.1. Breakdown of right of use 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		69 689	3 676	**73 365**
Disposals	(267)	(7 837)	(629)	**(8 733)**
Others		173		**173**
As at 31 March 2021	**48 167**	**482 453**	**6 791**	**537 411**
Depreciation and impairment:				
As at 1st April 2020 restated	(728)	(53 223)	(1 401)	**(55 352)**
Additions		(54 383)	(1 844)	**(56 227)**
Disposals	278	1 375	614	**2 267**
Others		(173)		**(173)**
Assets held for sale	-	-	-	-
As at 31 March 2021	**(450)**	**(106 404)**	**(2 632)**	**(109 486)**
Net book value:				
As at 1st April 2020 restated	**47 706**	**367 206**	**2 342**	**417 253**
As at 31 March 2021	**47 717**	**376 049**	**4 159**	**427 925**

Leasehold rights

Leasehold rights are tested annually at the store level. Their value in use is compared to their carrying value amount. If carrying value of the leasehold rights exceeds their value in use, an impairment is recognized for the difference.

A M€ 0.3 reversal of impairment has been recorded during the financial year ended March 31, 2021.

10.2. Breakdown of other purchase and external expenses

(In thousand of €)	**For the twelve month period ended March 31, 2021**	**For the twelve month period ended March 31, 2020 Restated**
Rent expenses	(2 848)	(1 659)
Other purchase and external expenses (excluding Rent expenses)	(216 960)	(192 667)
Total Other purchase and external expenses	**(219 808)**	**(194 326)**

As of March 31, 2021, rent expenses of K€ 2,848 represent leases (following the adoption of IFRS 16) that have a term shorter than 12 months and leases valued at less than K$ 5.

10.3. Breakdown of depreciation and amortization

(In thousand of €)	**For the twelve month period ended March 31, 2021**	**For the twelve month period ended March 31, 2020 Restated**
Depreciation & amortization of tangible Right of Use	(56 227)	(57 185)
Depreciation & amortization of other fixed assets	(38 991)	(37 107)
Total Depreciation & amortization	**(95 219)**	**(94 292)**

The M€ 56.2 of depreciation and amortization of right-of-use assets for the financial year ended March 31, 2021 relate to the depreciation of the right-of-use assets recognized in accordance with IFRS 16.

11. Other intangible assets

In thousand of €	Software	Brand	Leasehold rights	Other intangible assets	**Total intangible assets**
Cost:					
As at March 31, 2019	**52 191**	**780 000**	**48 126**	**4 350**	**884 667**
Transfer			(48 126)		**(48 126)**
Additions	4 075			4 190	**8 265**
Disposals	(21)			(972)	**(993)**
As at March 31, 2020 Restated	**56 245**	**780 000**	**-**	**7 568**	**843 813**
Transfer	6 979		529	2 987	**10 496**
Additions	(1 962)				**(1 962)**
Disposals	6 340		(529)	(6 340)	**(529)**
As at March 31, 2021	**67 602**	**780 000**	**0**	**4 215**	**851 817**
Depreciation and impairment:					
As at March 31, 2019	**(41 776)**	**-**	**(983)**	**-**	**(42 759)**
Transfer			983		**983**
Addition	(6 562)				**(6 562)**
Disposals	2				**2**
As at March 31, 2020 Restated	**(48 336)**	**-**	**-**	**-**	**(48 336)**
Transfer			-		**-**
Addition	(6 421)				**(6 421)**
Disposals	1 962				**1 962**
As at March 31, 2021	**(52 794)**	**-**	**-**	**-**	**(52 794)**
Net book value:					
As at March 31, 2019	**10 415**	**780 000**	**47 143**	**4 350**	**841 908**
As at March 31, 2020 Restated	**7 909**	**780 000**	**-**	**7 568**	**795 477**
As at March 31, 2021	**14 808**	**780 000**	**0**	**4 215**	**799 023**

12. Property, plant and equipment

In thousand of €	Land	Buildings	Technical fittings Machinery and equipment	Other tangible assets	**Total tangible assets**
Cost:					
As at March 31, 2019	**32 622**	**75 231**	**206 127**	**245 931**	**559 911**
Additions			21 370	18 044	**39 414**
Disposals			(9 300)	(5 861)	**(15 161)**
As at March 31, 2020 Restated	**32 622**	**75 231**	**218 197**	**258 114**	**584 164**
Additions	797	166	20 520	19 441	**40 923**
Disposals	(72)	(152)	(7 641)	(6 308)	**(14 173)**
As at March 31, 2021	**33 346**	**75 245**	**231 075**	**271 247**	**610 914**
Depreciation and impairment:					
As at March 31, 2019	**-**	**(51 804)**	**(132 243)**	**(158 805)**	**(342 852)**
Additions		(3 309)	(15 836)	(13 635)	**(32 780)**
Disposals			8 859	4 121	**12 980**
As at March 31, 2020 Restated	**-**	**(55 113)**	**(139 220)**	**(168 319)**	**(362 652)**
Transfer					**-**
Addition		(627)	(15 920)	(15 895)	**(32 442)**
Disposals		140	7 331	4 014	**11 486**
As at 31 March 2021	**-**	**(55 600)**	**(147 809)**	**(180 199)**	**(383 609)**
Net book value:					
As at March 31, 2019	**32 622**	**23 427**	**73 884**	**87 126**	**217 059**
As at March 31, 2020 Restated	**32 622**	**20 118**	**78 977**	**89 795**	**221 512**
As at 31 March 2021	**33 346**	**19 645**	**83 267**	**91 048**	**227 305**

13. Financial assets and financial liabilities

13.1. Other financial assets

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Deposits and guarantees	10 460	10 304
Related party loans*	345	320
Other	536	325
Other financial assets	**11 341**	**10 949**
Of which non-current	*11 266*	*10 914*
Of which current	*75*	*35*

** see Note 24 "Related party disclosures"*

13.2. Interest-bearing loans and borrowings

In thousand of €	Coupon interest rate	Maturity	As at March 31, 2021	As at March 31, 2020 Restated
Current				
Obligations under finance leases			130	49
Current portion of interest bearing loans and borrowings			4 263	34 198
Bank overdrafts		On demand	39	8
Total current interest bearing loans and borrowings			**4 432**	**34 255**
Non current				
Senior secured notes (1250M€)	Euribor 3M + margin 3%	2023	1 245 435	1 243 819
Senior notes 2024 (310M€)	5,50%	2024	308 707	308 492
Total non-current interest bearing loans and borrowings			**1 554 142**	**1 552 311**
Total interest bearing loans and borrowings			**1 558 574**	**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 on December 14, 2017 and an additional M€ 60 of floating rate senior secured notes due 2023 on May 14, 2018. These floating rate 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 floating rate senior secured notes are refundable "in fine".
  The borrowing costs included in the financial debt represent a gross amount of M€ 9.6. As of March 31, 2021, the unamortized amount of these borrowing costs represents an amount of M€ 4.6.
- The Company issued M€310 of fixed rate senior notes due 2024. These senior 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 borrowing costs included in the financial debt represent a gross amount of M€ 2.1. As of March 31, 2021, the unamortized amount of these borrowing costs represents an amount of M€ 1.2.

- 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 the Group and (ii) pay fees and expenses related to the transactions.

13.3. Other financial liabilities

In thousand of €	**As at March 31, 2021**	**As at March 31, 2020 Restated**
Current		
Lease Debt	54 938	53 872
Total Other current financial liabilities	**54 938**	**53 872**
Non current		
Lease Debt	328 579	316 056
Others	63	84
Total Other non-current financial liabilities	**328 642**	**316 140**
Total Other financial liabilities	**383 580**	**370 013**

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€ 383 as of March 31, 2021.

13.4. Hedging activities and derivatives

Cash Flow Hedges

As at March 31, 2021, the Group no longer has an interest rate swap.

13.5. 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 financial statements.

In thousands of €	Carrying amount	Fair value	Carrying amount	Fair value
	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020 Restated	As at March 31, 2020 Restated
Financial assets				
Trade and other receivables	56 563	56 563	50 250	50 250
Income tax receivable	3 216	3 216	2 568	2 568
Other financial assets	11 341	11 341	10 949	10 949
Cash and cash equivalents	291 734	291 734	220 707	220 707
Total	**362 854**	**362 854**	**284 474**	**284 474**
Financial liabilities				
Fixed rate borrowings	(308 707)	(317 800)	(308 492)	(275 513)
Obligations under finance leases	(130)	(130)	(49)	(49)
Floating rate borrowings	(1 245 435)	(1 249 790)	(1 243 819)	(1 165 372)
Lease commitments	(383 664)	(383 664)	(383 664)	(383 664)
Trade and other payables	(305 106)	(305 106)	(255 510)	(255 510)
Income tax payable	(1 327)	(1 327)	(1 721)	(1 721)
Bank overdraft	(39)	(39)	(8)	(8)
Total	**(2 244 407)**	**(2 257 855)**	**(2 193 262)**	**(2 081 836)**

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, and individual creditworthiness of the customer 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 March 31, 2021, 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, obligations under finance leases 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.
- From time to time, the Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The calculation of fair value for derivative financial instruments depends on the type of instruments: Derivative interest rate contracts – The fair value of derivative interest rate contracts (e.g., interest rate swap agreements) are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument.

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

- *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 valuation techniques of level 2 (Although, the Group currently have not interest rate swap agreement outstanding). The fair value of long-term debt is determined using price quotations at the reporting date (level 1).

14. Impairment test of goodwill and other intangible assets with indefinite useful lives

As of March 31, 2021, goodwill and the brand recognized through business combinations have been fully allocated to the group of CGU composed of directly operated stores in France. As of March 31, 2021, net booked value of goodwill and other intangible with indefinite useful lives is the following:

In thousand of €	**As at March 31, 2021**	**As at March 31, 2020 Restated**
Goodwill gross value	815 170	815 170
Brand gross value	780 000	780 000
Total	**1 595 170**	**1 595 170**

As of April 1, 2020, lease rights are reclassified in right of use in accordance with IFRS 16 (*see Note 2.1.1- New accounting standards and interpretations in effect starting from April 1, 2020*).

Goodwill and brand

The recoverable amounts of goodwill and brand have been computed through a value in use calculation. The value in use was computed based on financial projections approved by senior management covering a five-year period. Future cash flows of French stores factor a one-off favorable impact of the public health crisis on fiscal year 2021, followed by a step-back in fiscal year 2022 revenues, and a return to pre-crisis figures by fiscal year 2023. A Compound Annual Growth Rate of 4% is expected over the 2020-2026 period, driven by the opening of new franchises as well as the development of home delivery.

Terminal value was computed as the sum of discounted normative cash flows to perpetuity, through a Gordon Shapiro method factoring the discount rate and long-term growth rate assumptions detailed below.

Key assumptions used in the determination of the value in use

The calculation of value-in-use was mostly sensitive to the following assumptions:

- Discount rate; and
- Long-term growth rate used to extrapolate cash flows beyond the budget period.

The discount rate applied to cash flow projections was 7.25% (compared to 7.25% the prior year) and cash flows beyond the five-year period were extrapolated using a 1.75% long-term growth rate (compared to 1.75% the prior year). As a result of this analysis, no impairment has been recognized by the Group.

Sensitivity to changes in assumptions
With regards to the assessment of value-in-use of the goodwill and brand, the Group estimated that a 50 bps increase in the discount rate or a 50 bps decrease in the long-term growth rate would not cause the carrying value of the above cash-generating units to materially exceed its recoverable amount. Similarly, a 50 bps decrease in the normative EBIT (earnings before interest and taxes) margin would have no impact on the result of the tests.

15. Inventory

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Packaging	1 157	879
Non packaged finished goods	13 160	9 676
Packaged finished goods	89 388	76 946
Depreciation	(1 400)	(1 453)
Inventory	**102 306**	**86 049**

16. Trade and other receivables

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Trade receivables	12 572	10 054
Prepaid expenses	22 318	22 188
VAT receivables and other sales taxes	15 757	11 225
Other receivables	5 916	6 783
Trade and other receivables	**56 563**	**50 250**

17. Cash and cash equivalents

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Cash at banks and on hand	288 875	217 848
Securities	2 859	2 859
Cash and cash equivalents	**291 734**	**220 707**

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

In thousand of €	**As at March 31, 2021**	**As at March 31, 2020 Restated**
Cash and cash equivalents	291 734	220 707
Bank overdrafts	(39)	(8)
Net cash position	**291 695**	**220 699**

18. Issued capital

In thousand of €	**Number of shares**	**Share Capital**	**Share Premium**
As at 31 March 2019	**2 641 726**	**2 642**	**97**
As at 31 March 2020 Restated	**2 641 726**	**2 642**	**97**
As at 31 March 2021	**2 641 726**	**2 642**	**97**

The share capital amounts to EUR 2 641 726 and is divided into 2 641 726 fully paid-up ordinary shares with a nominal value of EUR 1 per share.

Capital Management

The capital used by the Group is managed so as to:

- ensure the continuity of the Group's operations;
- maintain an appropriate ratio of shareholders' equity to debt in order to minimize the cost of capital.

In addition, in order to maintain or adjust its capital structure, the Group may be prompted to take out new debt or repay existing debt, adjust the amount of its dividends paid to shareholders, conduct a capital repayment to shareholders, issue new shares or sell assets in order to reduce debt levels.

19. Dividends paid

During the period ended March 31, 2021, the Group paid a dividend of M€ 24.5 to its shareholders.

20. Earnings per share

Information on the earnings and number of ordinary and potential dilutive shares included in the calculation is presented below:

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Net income attributed to Company shareholders (in thousands of euros) ……	**99 351**	**49 802**
Weighted average number of common shares outstanding (in thousands)…………	2 642	2 642
Weighted average number of issued common shares and non dilutive potential shares (in thousands)……………………………………………………………	**2 642**	**2 642**
Basic earnings per share (in euros)………………………………………………	**37,61**	**18,85**
Net income attributed to Company shareholders (in thousands of euros) ……	**99 351**	**49 802**
Weighted average number of issued common shares and non dilutive potential shares (in thousands)………………………………………………………	**2 642**	2 642
Weighted average number of common shares used for the claculation of fully diluted earnings per share (in thousands)………………………………………	**2 642**	**2 642**
Fully diluted earnings per share (in euros)……………………………………	**37,61**	**18,85**

21. Provisions and contingent liabilities

In thousand of €	Risks related to the operations	Disputes and litigations	Total
Provision as at March 31, 2019	**104**	**6 925**	**7 028**
Allowances	70	2 508	2 578
Reversal	(44)	(447)	(491)
Provision as at March 31, 2020 Restated	**130**	**8 986**	**9 115**
Allowances	85	3 148	3 233
Reversal	(20)	(2 867)	(2 887)
Provision as at March 31, 2021	**195**	**9 267**	**9 461**

22. Employee benefits

The Picard defined benefit pension plan covers substantially all of the Group's French employees. The plan is not funded.

French employees are entitled to a lump sum when they retire depending on their length of service and on final salary.

The following tables summarize the components of net benefit expense recognized in the income statement and the unfunded status and amounts recognized in the statement of financial position for these plans:

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Current service cost	715	649
Interest cost	108	116
Benefit paid	(172)	(170)
Net benefit expense	**650**	**595**
recognized in operating income	543	479
recognized in financial income	108	116

The position recorded in the consolidated statement of financial position breaks down as follows:

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Benefit obligation	9 882	9 146
Fair value of plan assets		
Funded status	**9 882**	**9 146**
Unrecognized prior service cost		
Benefit liability	**9 882**	**9 146**

The Group's liability for defined benefit plans is K€ 9,882 as of March 31, 2021.

Changes in employee benefit obligations are as follows:

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Benefit obligation at April 1	9 146	8 326
Current service cost	715	649
Interest cost	108	116
Actuarial (gains) and losses	85	226
Benefits paid	-172	(170)
Benefit obligation at March 31	**9 882**	**9 146**
of which classified in continued operations	*9 882*	*9 146*
of which classified in liabilities held for sale		

The cumulative amounts of actuarial (gains) and losses (before taxes) recognized in the consolidated statements of comprehensive income are as follows:

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Balance at April 1	(1 198)	(1 424)
Net actuarial (losses)/gains during the period	85	226
Balance at March 31	**(1 113)**	**(1 198)**

The benefit obligation and the experience actuarial gains (losses) are as follows:

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Benefit obligation at April 1	9 146	8 326
Experience adjustments generated on the benefit obligation		
In amount	136	(89)
In percentage of the benefit obligation	1%	-1%

The principal assumptions used in determining defined benefit obligation for the French retirement indemnities plan are shown below:

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Discount rate	1,07%	1,10%
Average expected rate of salary increase	1,50%	1,50%
Withdrawal rates	[0% - 31.9%]	[0% - 31.9%]

A single equivalent discount rate has been calculated using a cash flows matching method on future cash flows.

For the French retirement indemnities plan, a decrease of 0.25% of the discount rate would increase the defined benefit obligation by approximately K€ 512. An increase of 0.25% of the discount rate would decrease the defined benefit obligation by approximately K€ 340.

23. Trade and other payables

In thousand of €	As at March 31, 2021	As at March 31, 2020 Restated
Trade payables	216 863	182 287
Payables to suppliers of fixed assets	12 819	9 210
Social liabilities	71 402	59 841
Tax payables	3 476	3 733
Other payables	545	439
Trade and other payables	**305 105**	**255 510**

Social liabilities include variable components of salaries which are not due for payment yet, accrued costs in relation with paid vacations, "recoverable" days in accordance with the French legal regime of "Reduction of working time", and legal and contractual profit sharing.

24. Related party disclosures

The consolidated financial statements include the financial statements of the Group and of the subsidiaries listed in Note 28. Consolidated entities.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

In thousands of €		Dividends from related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associate: **Primex International SA**	**As at March 31, 2020 Restated (a)**	0	45 588	0	1 223
Associate: **Primex International SA**	**As at March 31, 2021**	0	51 719	0	846

The following loans have been entered with related parties:

In thousands of €	As at March 31, 2021	As at March 31, 2020 Restated
Lion Polaris Lux Topco	320	296
Interests accrued	26	24
Total	**345**	**320**

Compensation of key management personnel of the Group for the period are:

In thousands of €	As at March 31, 2021	As at March 31, 2020 Restated
Total compensation paid to key management personnel	2 571	1 758

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel (amount relates to short term benefits).

Compensation of the Chairman of the Board of Directors
Directors' fee for the members of the Board of Lion Polaris II were paid for K€ 344 for the year ended March 31, 2021.

25. Commitments and contingencies

Mortgages and pledges

The following security interests have been granted to secure the 5.50% senior notes issued by the Company for M€ 310 and floating rate senior secured notes issued by Picard Groupe S.A.S. for M€ 1,250, as well as the M€ 30 revolving credit facility:

- Pledges over all the shares of Lion/Polaris Lux Midco S.à r.l., Lion/Polaris Lux 4 S.A. and Lion Polaris II S.A.S.;
- Pledges over the receivables under an intercompany loan between the Company and Lion/Polaris Lux Midco S.à r.l., an intercompany loan between Lion/Polaris Lux Midco S.à r.l. and Lion/Polaris Lux 4 S.A. and an intercompany loan between Lion/Polaris Lux 4 S.A. and Lion/Polaris II S.A.S.; and
- Pledges over bank accounts of the Company, Lion/Polaris Lux Midco S.à r.l. and Lion/Polaris Lux 4 S.A.

In addition, the following security interests have also been granted to secure only the floating rate senior secured notes issued by Picard Groupe S.A.S. for M€ 1,250 and the M€ 30 revolving credit facility:

- Pledges over certain intellectual property rights of Picard Surgelés S.A.S.;
- Pledges over the shares of Picard Groupe S.A.S., Picard Surgelés S.A.S. and Picard International S.A.S.;
- Pledges over the bank accounts the Company Picard Groupe S.A.S. and Lion Polaris II S.A.S.; and
- Pledges over the receivables under an intercompany loan between the Company and Lion/Polaris Lux Midco S.à r.l., an intercompany loan between Lion/Polaris II S.A.S. and Picard Groupe S.A.S. and an intercompany loan between Picard Groupe S.A.S. and Picard Surgelés S.A.S.

Partnership

Picard Surgelés S.A.S., a subsidiary of the Company, enters into framework agreements with some of its suppliers with a commitment on an annual volume of purchase. Under those framework agreements, suppliers may produce and store products dedicated to Picard Surgelés S.A.S. Nevertheless, the transfer of ownership of those products occurs only at delivery of goods to Picard Surgelés S.A.S. or subcontractors warehouses.

26. Events after the reporting period

No significant event occurred after March 31, 2021.

27. Employees

Average number of employees	As at March 31, 2021	As at March 31, 2020
France	5 055	4 762
Belgium	52	51
Luxembourg	4	4
Total employees	**5 111**	**4 817**

The staffing table above represents the average number of full-time equivalent employees as of March 31, 2021.

28. Consolidated entities

		As of March 31, 2021			As of March 31, 2020		
Name	Country of incorporation	Consolidation method	% of interest	% of control	Consolidation method	% of interest	% of control
Picard Bondco S.A.	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Lion/Polaris Lux 4 S.A.S	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Luxembourg S.A.S	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Midco SARL	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Groupe S.A.S	France	Full	100.00%	100.00%	Full	100.00%	100.00%
Lion Polaris II S.A.S	France	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Surgelés S.A.S	France	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard België S.A.	Belgium	Full	100.00%	100.00%	Full	100.00%	100.00%
Primex International S.A.	France	Equity method	37.21%	37.21%	Equity method	37.21%	37.21%

29. Statutory Auditor's fees

The total fees paid by the Group to the statutory auditors and their networks are as follow:

In thousands of euros	As at March 31, 2021			As at March 31, 2020 Restated		
	PricewaterhouseCoopers	KPMG	RSM	PricewaterhouseCoopers	KPMG	RSM
(a) total fees for audit of the consolidated accounts	668	39	45	695	41	37
(b) total fees for other assurance services	292	8	25	180	10	7
(c) total fees for tax advisory services	26			34		
(d) total fees for other non-audit services						
Total fees	**986**	**47**	**70**	**909**	**51**	**44**