Picard Bondco

Unaudited Interim Condensed Consolidated Financial Statements as at and for the quarter ended June 30, 2021

August 27, 2021

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Introduction

Highlights

The financial results of Picard Bondco and its consolidated subsidiaries (the "Group", "Picard", "Picard Group", "we", "our" or "us") for Q1 2022 (the quarter ended June 30, 2021) include the following highlights:

- Q1 2022 sales of goods slightly increased by 0.1% to €401.3 million, from €400.9 million in Q1 2021, mainly due to a 0.5% increase in our French sales;

- Q1 2022 gross profit increased by 1.0% to €179.7 million, from €178.0 million in Q1 2021; and

- Q1 2022 EBITDA decreased by 5.9% to €72.5 million, from €77.0 million in Q1 2021, mainly due to the increase in advertising costs related to the launch of a new brand-oriented communication campaign.

CEO Cathy Collart-Geiger commented: "Our Q1 2022 sales of goods were very strong and remained stable compared with Q1 2021 when our sales were already positively impacted by the COVID-19 pandemic and had showed a 24.5% increase compared to Q1 2020. Our Q1 2022 sales of goods continued to benefit from the COVID-19 pandemic and the associated measures in place in France such as lockdown, 7pm curfew and restaurant closures that were implemented until May 19, 2021. However, sales performance also remained strong when measures began to ease in France during the second half of the quarter, and showed significant growth compared to pre-COVID levels despite reopening of schools and restaurants and vaccination roll-out.

During the quarter, we experienced an increase in the total number of tickets (16.2%) and a lower average basket size (-14.6%), mainly explained by the normalization of our customers' habits as they tended to shop less frequently but buy more products at the same time at the start of the pandemic. Basket size and number of tickets however remained in excess of pre-COVID levels, showing retention of new customers gained through FY21 and attractiveness of the Picard offer. Home delivery sales also remained in line with last year, with only a slight 0.9% decrease during Q1 2022, compared with Q1 2021 during which home delivery sales had more than doubled compared with Q1 2020 (+106.4% following the panic-buying at the start of the pandemic).

During the quarter, we opened three directly operated stores in mainland France as part of our expansion strategy, which, together with other stores opened in the last twelve months, increased our French sales by €2.8 million compared with Q1 2021. Over this same period, we also continued our international expansion, establishing a presence in the United Arab Emirates and Hong Kong through corners in Marks & Spencer stores.

Our Q1 2022 gross profit increased by €1.7 million, or 1.0%, from €178.0 million in Q1 2021 to €179.7 million in Q1 2022. Our gross margin increased to 44.8% in Q1 2022 from 44.4% in Q1 2021. This increase in our margin rate was mainly explained by improved commercial terms with suppliers and constant innovations on our range, as well as an increase in the margin rate on products sold under promotion.

Our EBITDA decreased by 5.9%, from €77.0 million in Q1 2021 to €72.5 million in Q1 2022 but remained much higher than the €52.6 million EBITDA in Q1 2020. This decrease was mainly due to the increase in advertising costs related to the launch of a brand-oriented communication campaign, the rise of logistics costs related to the transportation of our products and the increase in personnel expenses, which were partly offset by the increase in the gross margin rate. EBITDA margin stood at 18.1%, lower than the record 19.2% reported last year, but also showing a significant increase compared to the 16.3% of Q1 2020.

In light of the continuing uncertainties regarding the social, public health and economic situation in France, management remains cautious with respect to future results. Our strategy for the coming quarters remains focused on the implementation of our strategic growth plan initiated last year and mainly concentrated on the optimization of the like-for-like sales performance, the expansion of our footprint in France and abroad and capturing shares in growing channels, notably omnichannel shopping solutions."

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 June 30, 2021, we had 1,059 stores in France (including two franchised stores in Corsica, ten franchised stores in La Réunion, two franchised stores in the French West Indies, three franchised stores in New Caledonia and 26 franchised stores in mainland France), 15 stores in Belgium, one store in Luxembourg, 10 franchised stores in Scandinavia and 15 franchised stores in Japan. 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 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, 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) 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 elected to redeem €115 million of its 2010 Senior Notes. The partial redemption occurred on October 29, 2014. On March 9, 2015, Picard Bondco 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 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 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 "2017 Senior Secured Notes") and Picard Bondco issued €310 million aggregate principal amount of 5.50% Senior Notes due 2024 (the "2017 Senior Notes" and, together with the 2017 Senior Secured Notes, the "2017 Notes"). The gross proceeds from the sale of the 2017 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 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 "2017 Revolving Credit Facility").

On May 14, 2018, Picard Groupe S.A.S. issued an additional €60 million aggregate principal amount of 2017 Senior Secured Notes. The gross proceeds from the sale of the additional 2017 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.

After the end of the reporting period, on July 7, 2021, Picard Groupe S.A.S. issued €750 million of 3.875% Sustainability-Linked Fixed Rate Senior Secured Notes due 2026 (the "Fixed Rate Senior Secured Notes"), Lion/Polaris Lux 4 S.A. issued €650 million of Sustainability-Linked Floating Rate Senior Secured Notes due 2026 (the "Floating Rate Senior Secured Notes" and, together with the Fixed Rate Senior Secured Notes, the "Senior Secured Notes") and Picard Bondco issued €310 million of 5.375% Sustainability-Linked Senior Notes due 2027 (the "Senior Notes" and, together with the Senior Secured Notes, the "Notes"). The gross proceeds from the sale of the Notes were used, together with cash on hand, to (i) redeem Picard Groupe S.A.S.'s outstanding 2017 Senior Secured Notes, including accrued interest, (ii) redeem Picard Bondco's outstanding 2017 Senior Notes, including accrued interest and the applicable redemption premium, (iii) fund distributions to the shareholders of the Picard Group and (iv) pay fees and expenses related to the transactions. On July 1, 2021, Picard Groupe S.A.S. and other entities of the Picard Group also entered into a €60 million revolving credit facility (the "Revolving Credit Facility"), which replaced the 2017 Revolving Credit Facility. See note 11 of the "Notes to the interim condensed consolidated financial statements" to the Picard Bondco June 30, 2021 financial statements.

Reporting

This report is the report as of and for the quarter ended June 30, 2021 required pursuant to Section 4.03 of each of the indenture governing the Fixed Rate Senior Secured Notes, as amended and supplemented from time to time (the "Fixed Rate Senior Secured Notes Indenture"), the indenture governing the Floating Rate Senior Secured Notes, as amended and supplemented from time to time (the "Floating Rate Senior Secured Notes Indenture" and, together with the Fixed Rate Senior Secured Notes Indenture, the "Senior Secured Notes Indentures") and the indenture governing the Senior Notes, as amended and supplemented from time to time (the "Senior Notes Indenture" and, together with the Senior Secured Notes Indentures, the "Indentures"), as well as clause 23.1 and clause 1.1.(b) of Schedule 19 of the agreement governing the Revolving Credit Facility (the "Revolving Credit Facility Agreement").

Presentation of Financial Information

Financial statements presented

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

We have prepared the unaudited condensed consolidated financial statements for Picard Bondco for the period from April 1, 2021 to June 30, 2021, which are presented in this report in accordance with IFRS, including (i) the consolidated balance sheet as of June 30, 2021, (ii) the consolidated income statement and the consolidated statement of comprehensive income for the quarter ended June 30, 2021 and (iii) the consolidated statement of cash flows for the quarter ended June 30, 2021.

The accounting policies of Picard Bondco as set out in the Picard Bondco annual consolidated financial statements as of and for the year ended March 31, 2021 under IFRS have been consistently applied, except for the adoption of new standards and interpretations effective as of April 1, 2021. See note 2.2 of the "Notes to the Consolidated Financial Statements" to the Picard Bondco annual consolidated financial statements for a discussion of Picard Bondco's significant accounting policies and note 2.1.1 of the "Notes to the interim condensed consolidated financial statements" to the Picard Bondco June 30, 2021 financial statements for a discussion of the new accounting standards and interpretations in effect starting from April 1, 2021.

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 annual consolidated financial statements" and notes 2.2 and 2.3 of the "Notes to the interim condensed consolidated financial statements" to the Picard Bondco June 30, 2021 financial statements for more information. Note that the Group did not apply this decision when preparing its June 30, 2020 condensed consolidated interim financial statements, but the June 30, 2021 financial statements present comparative information as for the three months ended June 30, 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

The historical information discussed below for Picard Bondco is as of and for the three-month periods ended June 30, 2020 and June 30, 2021 and is not necessarily representative of Picard Bondco's results of operations for any future period or our financial condition at any future date. We have prepared the unaudited condensed consolidated financial statements for Picard Bondco for the period from April 1, 2021 to June 30, 2021, included herein, in accordance with IFRS; such financial information has not been audited or reviewed by any auditor.

The following discussion includes "forward looking statements" 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, 2021. 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

	Three months* ended	
Currency : in million of €	**June 30, 2020**	**June 30, 2021**
Sales	**400.9**	**401.3**
Cost of goods sold	(222.9)	(221.6)
Gross profit	**178.0**	**179.7**
Other operating income	1.4	1.1
Other purchase and external expenses	(48.4)	(52.2)
Taxes	(4.4)	(4.3)
Personnel expenses	(49.2)	(51.3)
Other operating expenses	(0.5)	(0.6)
EBITDA	**77.0**	**72.5**
Depreciation and amortization	(23.9)	(24.3)
Operating profit	**53.2**	**48.2**
Finance costs	(16.2)	(16.1)
Finance income	0.1	0.0
Share of profit in an associate	0.1	0.3
Income before tax	**37.1**	**32.4**
Income tax expense	(15.3)	(13.9)
Net income	**21.9**	**18.6**
Equity holders of the parent	21.9	18.6
Non-controlling interests	0.0	0.0

(*) Unaudited.

The following discussion and analysis summarizes EBITDA for the three months ended June 30, 2020 and June 30, 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 June 30, 2021, we had 1,059 stores in France (including two franchised stores in Corsica, ten franchised stores in La Réunion, two franchised stores in the French West Indies, three franchised stores in New Caledonia and 26 franchised stores in mainland France), 15 stores in Belgium, one store in Luxembourg, 10 franchised stores in Scandinavia and 15 franchised stores in Japan.

Sales of goods

Three months ended June 30, 2021 and June 30, 2020

Our sales of goods increased by €0.4 million, or 0.1%, from €400.9 million for the three months ended June 30, 2020 to €401.3 million for the three months ended June 30, 2021. This growth in sales has been achieved despite the strong growth already recorded in the comparable period last year, reflecting the start of the pandemic last year. Sales in Q1 2021 had increased significantly, by 24.5%, compared to Q1 2020.

In France, sales of goods increased by €1.8 million, or 0.5%, from €390.9 million for the three months ended June 30, 2020 to €392.7 million for the three months ended June 30, 2021. French like-for-like sales decreased by 0.8% in the three months ended June 30, 2021, as compared to the three months ended June 30, 2020, as a result of a 14.6% decrease in the average basket size, partially offset by a 16.2% increase in the total number of tickets. These evolutions reflected the normalization of our customers' habits.

Our performance has continued to be impacted by the COVID-19 pandemic, notably during the first six weeks of the quarter with restrictions in place in France until mid-May. The COVID-19 crisis has had a positive impact on the frozen food market, frozen food being considered as both safer and more convenient in such period. In addition, customers have tended to avoid hypermarkets to shop in smaller stores, closer to their houses and with fewer social interactions. Finally, the food retail sector has benefitted from the closure of restaurants, workplace cafeterias and other out-of-home food services during lockdown periods as well as curfews in France. These trends have clearly benefitted our business.

In addition, sales of goods performance remained strong after the progressive easing of restrictions in France. Basket size and number of tickets remained in excess of pre-COVID levels, showing retention of new customers gained during FY21 and attractiveness of the Picard offer.

Home delivery sales slightly decreased by 0.9%, or €0.1 million, during the three months ended June 30, 2021, compared with the three months ended June 30, 2020. This also remains a strong performance given the 106.4% increase recorded at the start of the pandemic during the comparable period last year and is in line with the strategic plan currently being implemented, aiming at developing our digital offer and our omnichannel shopping experience.

Abroad, we observed a slight decline due to a slight normalization following the strong growth recorded in the comparable period last year. Sales in Belgium and Luxembourg decreased by €0.3 million, or 6.0%, from €4.8 million for the three months ended June 30, 2020 to €4.5 million for the three months ended June 30, 2021.

Sales in other locations with our partners and franchisees declined from €5.2 million for the three months ended June 30, 2020 to €4.0 million for the three months ended June 30, 2021, in spite of the additional sales with our partners in Hong Kong and in UAE. In particular, sales in the United Kingdom decreased by €0.3 million as we experienced Brexit-related delays with respect to importing our products to the United Kingdom with our partner Marks & Spencer.

Cost of goods sold

Three months ended June 30, 2021 and June 30, 2020

Our cost of goods sold decreased by €1.3 million, or 0.6%, from €222.9 million for the three months ended June 30, 2020 to €221.6 million for the three months ended June 30, 2021, mainly due to an increase in the gross profit margin. Cost of goods sold as a percentage of sales decreased from 55.6% for the three months ended June 30, 2020 to 55.2% for the three months ended June 30, 2021.

Gross profit

Three months ended June 30, 2021 and June 30, 2020

Our gross profit increased by €1.7 million, or 1.0%, from €178.0 million for the three months ended June 30, 2020 to €179.7 million for the three months ended June 30, 2021, primarily as a result of the increase in the margin rate. Gross profit as a percentage of sales of goods increased from 44.4% for the three months ended June 30, 2020 to 44.8% for the three months ended June 30, 2021, notably due to improved commercial terms with suppliers, the increase in the margin rate on products sold under promotion and the decline in the contribution of sales to international partners to total sales.

Other operating income

Three months ended June 30, 2021 and June 30, 2020

Other operating income decreased by €0.3 million, from €1.4 million for the three months ended June 30, 2020 to €1.1 million for the three months ended June 30, 2021.

Other purchases and external expenses

Three months ended June 30, 2021 and June 30, 2020

Our other purchases and external expenses increased by €3.9 million or 8.0%, from €48.4 million for the three months ended June 30, 2020 to €52.2 million for the three months ended June 30, 2021. This increase was primarily due to higher advertising costs linked to the launch of a new brand communication campaign since March 2021 (compared to the limited expenses during the lockdown in the three months ended June 30, 2020, as our campaign in April and May 2020 had been cancelled) and to higher logistics costs driven by higher transportation costs, explained notably by the increase in fuel prices.

Taxes other than on income

Three months ended June 30, 2021 and June 30, 2020

Taxes other than on income decreased by €0.1 million, from €4.4 million for the three months ended June 30, 2020 to €4.3 million for the three months ended June 30, 2021. Taxes other than on income as a percentage of sales of goods remained stable at 1.1% for the three months ended June 30, 2020 and for the three months ended June 30, 2021.

Personnel expenses

Three months ended June 30, 2021 and June 30, 2020

Personnel expenses increased by €2.1 million, or 4.2%, from €49.2 million for the three months ended June 30, 2020 to €51.3 million for the three months ended June 30, 2021. As a proportion of sales of goods, personnel expenses increased from 12.3% for the three months ended June 30, 2020 to 12.8% for the three months ended June 30, 2021.

Wages and salaries increased by €1.9 million, or 6.1%, from €31.8 million for the three months ended June 30, 2020 to €33.7 million for the three months ended June 30, 2021, as a result of the annual salary increase, the expansion of our network, as well as an increase in temporary staff to support sales growth, who had not been recruited in the comparable period last year given the unexpected rise in sales and the public health situation. As a proportion of sales of goods, wages and salaries increased from 7.9% for the three months ended June 30, 2020 to 8.4% for the three months ended June 30, 2021.

Employee profit sharing in France decreased by €0.4 million, from €5.6 million for the three months ended June 30, 2020 to €5.2 million for the three months ended June 30, 2021, as a result of both the decrease in contractual profit sharing ("*intéressement*"), which is computed based on sales performance and legal profit sharing ("*participation aux bénéfices*"), computed on taxable income.

Other personnel expenses, mainly comprising social security charges, increased by €0.5 million, from €11.8 million for the three months ended June 30, 2020 to €12.3 million for the three months ended June 30, 2021, mainly driven by an increase in social security costs, following the increase in salaries. As a proportion of sales of goods, social security costs slightly increased from 2.4% for the three months ended June 30, 2020 to 2.5% for the three months ended June 30, 2021.

Other operating expenses

Three months ended June 30, 2021 and June 30, 2020

Our other operating expenses increased by €0.1 million from €0.5 million for the three months ended June 30, 2020 to €0.6 million for the three months ended June 30, 2021.

EBITDA

Three months ended June 30, 2021 and June 30, 2020

EBITDA decreased by €4.6 million, or 5.9%, from €77.0 million for the three months ended June 30, 2020 to €72.5 million for the three months ended June 30, 2021. As a proportion of sales of goods, EBITDA decreased from 19.2% for the three months ended June 30, 2020 to 18.1% for the three months ended June 30, 2021. This decrease was explained by the increase in our personnel expenses, logistics costs and advertising costs in spite of the stability of sales and the increase in our gross profit rate. EBITDA however remained significantly higher than the €52.6 million reported during the three months ended June 30, 2019 and EBITDA margin also increased by 180 basis points compared to pre-COVID levels.

Depreciation and amortization

Three months ended June 30, 2021 and June 30, 2020

Depreciation and amortization increased by €0.4 million, from €23.9 million for the three months ended June 30, 2020 to €24.3 million for the three months ended June 30, 2021.

Operating profit

Three months ended June 30, 2021 and June 30, 2020

Operating profit decreased by €5.0 million, or 9.3%, from €53.2 million for the three months ended June 30, 2020 to €48.2 million for the three months ended June 30, 2021. As a proportion of sales of goods, operating profit decreased from 13.3% for the three months ended June 30, 2020 to 12.0% for the three months ended June 30, 2021.

Finance costs

Three months ended June 30, 2021 and June 30, 2020

Finance costs decreased by €0.1 million from €16.2 million for the three months ended June 30, 2020 to €16.1 million for the three months ended June 30, 2021.

Income before tax

Three months ended June 30, 2021 and June 30, 2020

Income before tax decreased by €4.7 million, from €37.1 million for the three months ended June 30, 2020 to €32.4 million for the three months ended June 30, 2021. As a proportion of sales of goods, income before tax decreased from 9.3% for the three months ended June 30, 2020 to 8.1% for the three months ended June 30, 2021.

Income tax expense

Three months ended June 30, 2021 and June 30, 2020

Income tax expense decreased by €1.4 million from €15.3 million for the three months ended June 30, 2020 to €13.9 million for the three months ended June 30, 2021. The estimated average annual tax rate has been reduced from 42% to 39%, 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, as well as the reduction of corporate income tax rate in France from 31.0% to 27.5%.

Net income

Three months ended June 30, 2021 and June 30, 2020

Net income decreased by €3.3 million, from €21.9 million for the three months ended June 30, 2020 to €18.6 million for the three months ended June 30, 2021.

Certain material differences in the financial condition and results of operations between Picard Bondco and Lion/Polaris Lux 4 S.A.

Certain material differences in the financial condition and results of operations between Picard Bondco and Lion/Polaris Lux 4 S.A. The consolidated financial information of Picard Bondco does not reflect intercompany loans between Picard Bondco and its subsidiaries. As of June 30, 2021, no intercompany loan from Picard Bondco or Lion/Polaris Lux Midco S.à r.l. to Lion/Polaris Lux 4 S.A. or any of its subsidiaries and no intercompany loan from Lion/Polaris Lux 4 S.A. or any of its subsidiaries to Picard Bondco or Lion/Polaris Midco S.à r.l. was outstanding.

In addition, Picard Groupe S.A.S. is the issuer of the Fixed Rate Senior Secured Notes and Lion/Polaris Lux 4 S.A. is the issuer of the Floating Rate Senior Secured Notes. The Fixed Rate Senior Secured Notes and the Floating Rate Senior Secured Notes are guaranteed on a senior basis by Picard Bondco, Lion/Polaris Lux Midco S.à r.l., (in the case of the Fixed Rate Senior Secured Notes) Lion/Polaris Lux 4 S.A., Lion Polaris II S.A.S. and (in the case of the Floating Rate Senior Secured Notes) Picard Groupe S.A.S. Picard Bondco 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.

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

Unaudited Interim Condensed Consolidated Financial Statements of Picard Bondco

Picard Bondco

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 (UNAUDITED)

(In thousand of €)	Notes	**For the three-month period ended June 30, 2021**	**For the three-month period ended June 30, 2020 restated (a)**
Sales of goods	***4***	401 279	400 885
Cost of goods sold		(221 555)	(222 863)
Gross profit		**179 723**	**178 021**
Other operating income	***5.1***	1 105	1 403
Other purchase and external expenses	***8.2***	(52 245)	(48 372)
Taxes		(4 269)	(4 350)
Personnel expenses	***5.2***	(51 256)	(49 176)
Depreciation & amortization	***8.3***	(24 291)	(23 899)
Other operating expenses	***5.3***	(574)	(478)
Operating profit		**48 193**	**53 149**
Finance costs	***5.4***	(16 105)	(16 220)
Finance income	***5.4***	37	70
Share of profit in an associate	***6***	283	138
Income before tax		**32 408**	**37 136**
Income tax expense	*7*	(13 855)	(15 276)
Net income		**18 552**	**21 860**
Attributable to:			
Equity holders of the parent		18 552	21 860
Non-controlling interests			
Earnings per share:		-	-
Basic earnings per share (*in euros*)		7,02	8,27
Fully diluted earnings per share (*in euros*)		7,02	8,27

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

(a) Comparative data for 2020 have been restated in the consolidated financial statements as of June 30, 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 2.3 Restatement of comparative information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(In thousand of €)	Notes	For the three-month period ended June 30, 2021	For the three-month period ended June 30, 2020 restated (a)
Net income		**18 552**	**21 860**
Net gain / (loss) on cash flow hedges		-	-
Income tax		-	-
		-	-
Actuarial gains / (loss) of the period		-	-
Income tax		-	-
		-	-
Foreign currency translation		-	-
Other comprehensive income / (loss) for the period, net of		-	-
Comprehensive income		**18 552**	**21 860**
Attributable to:			
Equity holders of the parent		18 552	21 860
Non-controlling interests		-	-

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

(a) Comparative data for 2020 have been restated in the consolidated financial statements as of June 30, 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 2.3 Restatement of comparative information.

CONSOLIDATED BALANCE SHEET (UNAUDITED)

(In thousand of €)	Notes	As at June 30, 2021	As at March 31, 2021
Assets			
Goodwill		815 170	815 170
Property, plant and equipment		229 632	227 305
Right-of-use Assets	*8.1*	420 934	427 925
Other intangible assets		799 746	799 023
Investment in an associate	*6*	4 265	3 982
Other non-current financial assets	*9.1*	11 222	11 266
Total non-current assets		**2 280 970**	**2 284 671**
Inventory		106 806	102 306
Trade and other receivables		62 525	56 563
Income tax receivable		93	3 216
Current financial assets	*9.1*	78	75
Cash and cash equivalents	*10*	294 450	291 734
Total current assets		**463 951**	**453 894**
Assets held for sale			
Total assets		**2 744 922**	**2 738 565**
Equity and liabilities			
Issued capital		2 642	2 642
Share premium		97	97
Other comprehensive income		(413)	(413)
Retained earnings		248 559	149 208
Net income of the period		18 552	99 351
Equity attributable to equity holders of the parent		**269 437**	**250 885**
Non-controlling interests		-	-
Total equity		**269 437**	**250 885**
Non-current liabilities			
Interest-bearing loans and borrowings	*9.2*	1 554 664	1 554 142
Other non-current financial liabilities	*9.3*	321 783	328 642
Provisions		10 072	9 461
Employee benefit liability		10 044	9 881
Deferred tax liability		222 043	219 752
Total non-current liabilities		**2 118 606**	**2 121 877**
Current liabilities			
Trade and other payables		292 820	305 106
Income tax payable		0	1 327
Interest-bearing loans and borrowings	*9.2*	8 623	4 432
Other current financial liabilities	*9.3*	55 435	54 938
Total current liabilities		**356 878**	**365 803**
Total liabilities		**2 475 484**	**2 487 680**
Liabilities held for sale			
Total equity and liabilities		**2 744 922**	**2 738 565**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

In thousand of €	Issued capital	Share premium	MRPS	Cash flow hedge reserve	Actuarial gain / (losses)	Share Based payment	Foreign currency translation	Total other comprehensive income	Retained earnings	Net income	Equity attributable to equity holders of the parent	Non-controlling interest	Total Equity
As at March 31, 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 (a)	**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	-	-	-	-	-	-	-	-	-	21 860	**21 860**		**21 860**
Other comprehensive income	-	-	-	-				-		-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21 860**	**21 860**	**-**	**21 860**
Dividend paid								-			-		-
Issued capital attributable to NCI	-		-	-	-	-	-	-	-	-	-		-
As at June 30, 2020 Restated (a)	**2 642**	**97**	-	0	(350)	-	-	**(350)**	**173 719**	**21 860**	**197 967**	-	**197 967**
As at March 31, 2021	**2 642**	**97**	**-**	0	(413)	-	-	**(413)**	**149 209**	**99 351**	**250 885**	**-**	**250 885**
Net income attribution	-	-	-	-	-	-	-	-	99 351	(99 351)	-	-	-
Net income for the period	-	-	-	-	-	-		-	-	18 552	**18 552**	-	**18 552**
Other comprehensive income	-	-	-	-		-		-			-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18 552**	**18 552**	**-**	**18 552**
Dividend paid	-		-	-	-	-	-	-		-	-		-
Issued capital attributable to NCI	-		-	-	-	-	-	-	-	-	-		-
As at June 30, 2021	**2 642**	**97**	-	0	(413)	-	-	**(413)**	**248 560**	**18 552**	**269 438**	-	**269 437**

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

(a) Comparative data for 2020 have been restated in the consolidated financial statements as of June 30, 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 2.3 Restatement of comparative information.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

In thousand of €	Notes	For the three-month period ended June 30, 2021	For the three-month period ended June 30, 2020 Restated (a)
Operating activities			
Operating profit		48 193	53 149
Depreciation and impairment of property, plant and equipment		22 577	22 055
Amortisation and impairment of intangible assets		1 714	1 843
Other non cash operating items		622	110
Interest received		26	46
Income tax paid		(9 481)	(12 487)
Operating cash flows before change in working capital requirements		*63 651*	*64 716*
Change in Inventories		(4 500)	(12 232)
Change in trade and other receivables and prepayments		(5 962)	(116)
Change in trade and other payables		(12 286)	1 071
Net cash flows from operating activities		**40 903**	**53 439**
Investing activities			
Proceeds from sale of property, plant and equipment		50	72
Purchase of property, plant and equipment		(10 982)	(4 656)
Purchase of intangible assets		(2 433)	(1 997)
Purchase of financial instruments		(42)	(47)
Net cash used in investing activities		**(13 406)**	**(6 628)**
Financing activities			
Interests paid *		(9 548)	(16 993)
Payments related to leases contracts *		(13 535)	(13 374)
Interests paid related to lease contracts *		(1 657)	(1 586)
Dividends paid to equity holder of the parent			
Net cash flows from/(used in) financing activities		**(24 740)**	**(31 953)**
Net increase / (decrease) in cash and cash equivalents		2 756	14 858
Cash and cash equivalents at the beginning of the period	10	291 695	220 699
Cash and cash equivalents at the end of the period	**10**	**294 451**	**235 557**
of which cash & cash equivalents continuing operations		*294 451*	*235 557*
of which cash & cash equivalents, assets held for sale			

**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.*

(a) Comparative data for 2020 have been restated in the consolidated financial statements as of June 30, 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 2.3 Restatement of comparative information.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Picard Bondco (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 is at 4 rue Lou-Hemmer, L-1748 Senningerberg, Grand Duchy of Luxembourg. Picard Bondco is an affiliate (fully controlled) of Lion/Polaris Lux Topco S.à.r.l.

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

The present unaudited interim condensed consolidated financial statements cover the period from April 1, 2021 to June 30, 2021.

2. Basis of preparation and accounting principles

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements as at and for the three-month period ended June 30, 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the Group's audited consolidated annual financial statements as at and for the year ended March 31, 2021.

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

2.1.1 New accounting standards and interpretations in effect starting from April 1, 2021

Since April 1, 2021, the Group has applied the following new amendments, standards, and interpretations previously endorsed by the European Union:

- 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 April 1, 2021);
- Amendments to IFRS 4 Deferral of IFRS 9 (applicable according to the IASB in accounting periods beginning on or after January 1, 2021); and
- 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).

The adoption of these policies had no material impact on the Group's consolidated financial statements.

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, 2023);
- 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); and

- 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).

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

2.2 Significant accounting judgments, estimates and assumptions

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting periods are disclosed in the audited consolidated financial statements of the Group as at and for the year ended March 31, 2021.

As at June 30, 2021, the following estimates should be noted:

Valuation of tangible and intangible assets

There was no indication of impairment of tangible and intangible assets as at June 30, 2021. As a result, no impairment test was performed at this date.

Valuation of financial assets

The Group measured its investment in associates on the basis of available estimates and interim financial statements as of June 30, 2021. This measurement is based on the losses and impairments recorded in the financial statements of the associate, which reflect the best estimate of the associate's management.

The estimate of financial assets might be reassessed by the Group, if the existing assumptions are revised prior to the year ending March 31, 2022.

Employee benefits liabilities

The cost of defined benefit pension plans and the present value of pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future withdrawal rates of employees. As of June 30, 2021, assumptions remain unchanged compared to March 31, 2021.

The Group is currently reviewing the assumption regarding salary increase rates and might amend this assumption in future quarterly reports.

Lease terms

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 performed analyses to measure accounting impacts and implemented these new rules starting with the financial statements as at and for the period ended March 31, 2021.
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 superseded 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.

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).

2.3 Restatement of comparative information

As indicated above, the Group applied the IFRS IC interpretation relating to the assessment of leases with retroactive effect from April 1, 2019, but only starting with the financial statements as at and for the period ended March 31, 2021. As a consequence, the comparative condensed financial statements as of and for the three months ended June 30, 2020 did not take into account these new rules and impacts.

The impact on the retrospective restatement of the unaudited interim condensed consolidated financial statements as at and for the three months ended June 30, 2020 is presented below:

2.3.1 Consolidated Income Statement

(In thousand of €)	Notes	For the three-month period ended June 30, 2020 As published	IFRS IC interpretation impacts	For the three-month period ended June 30, 2020 restated
Sales of goods	*4*	400 885	-	400 885
Cost of goods sold		(222 863)	-	(222 863)
Gross profit		**178 021**	**-**	**178 021**
Other operating income	*5.1*	1 406	(3)	1 403
Other purchase and external expenses		(48 328)	(44)	(48 372)
Taxes		(4 350)	-	(4 350)
Personnel expenses	*5.2*	(49 176)	-	(49 176)
Depreciation & amortization		(23 632)	(266)	(23 899)
Other operating expenses	*5.3*	(478)	-	(478)
Operating profit		**53 462**	**(313)**	**53 149**
Finance costs	*5.4*	(15 677)	(543)	(16 220)
Finance income	*5.4*	69	1	70
Share of profit in an associate	*6*	138	-	138
Income before tax		**37 991**	**(855)**	**37 136**
Income tax expense	*7*	(15 506)	229	(15 276)
Net income		**22 486**	**(626)**	**21 860**
Attributable to:				
Equity holders of the parent		22 486	(626)	21 860
Non-controlling interests		-	-	-
Earnings per share:				
Basic earnings per share (in euros)		8,51		8,27
Fully diluted earnings per share (in euros)		8,51		8,27

2.3.2 Consolidated Statement of Comprehensive Income

(In thousand of €)	Notes	For the three-month period ended June 30, 2020 As published	IFRS IC interpretation impacts	For the three-month period ended June 30, 2020 restated
Net income		**22 486**	**(626)**	**21 860**
Net gain / (loss) on cash flow hedges	***9.4***	-	-	-
Income tax		-	-	-
		-	-	-
Items not to be reclassified to profit and loss:				
Actuarial gains / (loss) of the period			-	-
Income tax			-	-
		-	-	-
Foreign currency translation		-		
Other comprehensive income / (loss) for the period, net of		-		-
Comprehensive income		**22 486**	**(626)**	**21 860**
Attributable to:				
Equity holders of the parent		22 486	(626)	21 860
Non-controlling interests		-		-

2.3.3 Consolidated Cash-Flows Statement

In thousand of €	Notes	For the three-month period ended June 30, 2020 As published	IFRS IC interpretation impacts	For the three-month period ended June 30, 2020 Restated
Operating activities				
Operating profit		53 462	(313)	53 149
Depreciation and impairment of property, plant and equipment		22 055		22 055
Amortisation and impairment of intangible assets		1 577	266	1 843
Other non cash operating items		110		110
Interest received		46		46
Income tax paid		(12 487)		(12 487)
Operating cash flows before change in working capital requirements		*64 763*	*(47)*	*64 716*
Change in Inventories		(12 232)		(12 232)
Change in trade and other receivables and prepayments		(116)		(116)
Change in trade and other payables		1 071		1 071
Net cash flows from operating activities		**53 486**	**(47)**	**53 439**
Investing activities				
Proceeds from sale of property, plant and equipment		72		72
Purchase of property, plant and equipment		(4 656)		(4 656)
Purchase of intangible assets		(1 997)		(1 997)
Purchase of financial instruments		(47)		(47)
Net cash used in investing activities		**(6 628)**	**-**	**(6 628)**
Financing activities				
Interests paid *		(16 993)		(16 993)
Payment related to leases contracts *		(13 993)	619	(13 374)
Interests paid related to lease contracts *		(1 014)	(572)	(1 586)
Dividends paid to equity holder of the parent				-
Net cash flows from/(used in) financing activities		**(32 000)**	**47**	**(31 953)**
Net increase / (decrease) in cash and cash equivalents		14 858	-	14 858
Cash and cash equivalents at the beginning of the period	**10**	220 699		220 699
Cash and cash equivalents at the end of the period	**10**	**235 557**	**-**	**235 557**

3. Significant events and seasonality of operations

3.1 Significant events of the period

The period has continued to reflect the impact of the COVID-19 pandemic and associated restrictions in France (such as curfew and closure of restaurants), notably in April and May 2021. Such measures have had a positive impact on both sales and operating profit. Restrictions have been progressively lifted since mid-May 2021.

3.2 Seasonality of operations

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

4. Operating segment information

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

- France; and
- Other.

The "Other" operating segment includes distribution activities in Belgium, Luxembourg and franchised and corner operations and partnerships in Italy, Netherlands, Scandinavia, Japan, Singapore, the UK, Hong Kong and the UAE, 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.

	As at June 30, 2021			**As at June 30, 2020**		
In thousand of €	**France**	**Other**	**Total**	**France**	**Other**	**Total**
Sales	392 724	8 554	401 279	390 902	9 984	400 885
Operating profit	47 576	617	48 193	51 960	1 189	53 149

Total operating profit decreased by M€ 5.0, from M€ 53.1 for the three-month period ended June 30, 2020 to M€ 48.2 for the three-month period ended June 30, 2021.

5. Other operating income/expenses

5.1 Other operating income

In thousand of €	For the three-month period ended June 30, 2021	For the three-month period ended June 30, 2020 restated
Capitalized expenses	-	318
Home Services shipping fees	444	640
Store rentals	124	106
Franchises	355	211
Other operating income	183	128
Total other operating income	**1 106**	**1 403**

5.2 Personnel expenses

In thousand of €	For the three-month period ended June 30, 2021	For the three-month period ended June 30, 2020 restated
Wages and salaries	(33 738)	(31 791)
Social security costs	(10 113)	(9 774)
Pension costs	(94)	(37)
Employee profit sharing	(5 209)	(5 621)
Other employee benefits expenses	(2 104)	(1 954)
Total personnel expenses	**(51 257)**	**(49 176)**

Total personnel expenses increased by M€ 2.1, from M€ 49.2 for the three-month period ended June 30, 2020 to M€ 51.3 for the three-month period ended June 30, 2021.

5.3 Other operating expenses

In thousand of €	For the three-month period ended June 30, 2021	For the three-month period ended June 30, 2020 restated
Royalties	(140)	(207)
Losses on bad debt	(223)	(153)
Other operating expenses	(211)	(118)
Total other operating expenses	**(574)**	**(478)**

5.4 Finance income and costs

In thousand of €	For the three-month period ended June 30, 2021	For the three-month period ended June 30, 2020 restated
Interest expense	(14 310)	(14 457)
Net interests related to leases commitment	(1 632)	(1 582)
Interest costs of employee benefits	(69)	(126)
Other financial expense	(94)	(54)
Finance costs	**(16 105)**	**(16 220)**
Income on loans and receivables	7	7
Income on short term investment	25	27
Other financial income	5	36
Finance income	**37**	**70**

The K€ 1.632 net interests related to leases commitment represents the financial interests calculated on lease liabilities recognized in accordance with IFRS 16.

6. Investment in an associate

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

Primex International 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 €	June 30, 2021	March 31, 2021
Share of the associate's statement of financial position:		
Non-current assets	6 295	6 307
Current assets	7 585	9 716
Current liabilities	7 228	9 590
Non-current liabilities	2 323	2 387
Equity	**4 329**	**4 046**
Share of the associate's revenue and profit:		
Revenue	5 488	30 042
Profit / (Loss)	283	(2 352)
Carrying amount of the investment	**4 264**	**3 981**

In thousand of €	June 30, 2021	March 31, 2021
Carrying value at opening	**3 981**	**6 333**
Share of profit in an associate	283	(2 352)
Distribution of dividends	-	-
Carrying value at closing	**4 264**	**3 981**

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 on September 30, 2020. The activity of this plant has since improved but the valuation of Primex International will continue to be closely monitored by the Group.

7. Income tax expense

The Group calculates income tax expense using an estimated tax rate that would be applicable to the expected total annual earnings (projected pre-tax income at year-end). The estimated average annual tax rate used is 39%, including Business Contribution on Value Added ("CVAE") which is accounted for as an income tax in line with IAS 12. The projected annual tax rate amounted to 42% in previous periods.

8. Leases

8.1 Breakdown of Right of Use recognized under IFRS 16

In thousand of €	Leasehold rights	Land & Buildings	Vehicles	Right of Use Asset
Cost:				
As at April 1, 2021	**48 167**	**482 453**	**6 791**	**537 411**
Additions		6 613	677	**7 290**
Disposals		(225)	(80)	**(305)**
As at June 30, 2021	**48 167**	**488 841**	**7 388**	**544 396**
Depreciation and impairment:				
As at April 1, 2021	**(450)**	**(106 404)**	**(2 632)**	**(109 486)**
Additions		(13 621)	(539)	**(14 160)**
Disposals		108	75	**183**
As at June 30, 2021	**(450)**	**(119 917)**	**(3 095)**	**(123 462)**
Net book value:				
As at April 1, 2021	**47 717**	**376 049**	**4 159**	**427 925**
As at June 30, 2021	**47 717**	**368 924**	**4 292**	**420 934**

8.2 Breakdown of Other purchase and external expenses

(In thousand of €)	**For the three-month period ended June 30, 2021**	**For the three-month period ended June 30, 2020 Restated**
Rent expenses	(489)	(456)
Other purchase and external expenses (excluding Rent expenses)	(51 756)	(47 916)
Total Other purchase and external expenses	**(52 245)**	**(48 372)**

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

8.3 Breakdown of Depreciation & amortization

(In thousand of €)	**For the three-month period ended June 30, 2021**	**For the three-month period ended June 30, 2020 Restated**
Depreciation & amortization of tangible Right of Use	(14 160)	(14 051)
Depreciation & amortization of other fixed assets	(10 131)	(9 847)
Total Depreciation & amortization	**(24 291)**	**(23 899)**

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

9. Financial assets and financial liabilities

9.1 Other current and non-current financial assets

In thousand of €	**As at June 30, 2021**	**As at March 31, 2021**
Deposits and guarantees	10 415	10 460
Related party loans	352	345
Other	533	536
Other financial assets	**11 300**	**11 341**
Of which non-current	*11 222*	*11 266*
Of which current	*78*	*75*

Other financial assets of K€ 533 represent the amount of financial receivables recognized in respect of sub-letting arrangements granted over the residual period of the leases concerned in accordance with IFRS16 (K€ 78 of which was recorded as current as at June 30, 2021).

9.2 Interest-bearing loans and borrowings

In thousand of €	Effective interest rate	Maturity	As at June 30, 2021	As at March 31, 2021
Current				
Obligations under finance leases				130
Current portion of interest bearing loans and borrowings			8 623	4 263
Bank overdrafts		On demand	-	39
Total current interest bearing loans and borrowings			**8 623**	**4 432**
Non current				
Senior secured notes (1250M€)	Euribor 3M + margin 3%	2023	1 245 801	1 245 435
Senior notes 2024 (310M€)	5,50%	2024	308 863	308 707
Total non-current interest bearing loans and borrowings			**1 554 664**	**1 554 142**
Total interest bearing loans and borrowings			**1 563 287**	**1 558 574**

The 2017 Notes have the following characteristics:

- Picard Groupe S.A.S., a subsidiary of the Company, issued M€ 1,190 of floating rate senior secured notes due 2023 in December 2017 and an additional M€ 60 of floating rate senior secured notes due 2023 in May 2018. These floating rate senior secured notes (the "2017 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 Company issued M€310 of fixed rate senior notes due 2024 in December 2017. These senior notes (the "2017 Senior Notes" and, together with the 2017 Senior Secured Notes, the "2017 Notes") are payable after 7 years on November 30, 2024, and interest is paid twice a year based on a fixed interest rate of 5.50%. The senior notes are refundable "in fine".
- The gross proceeds from the sale of the 2017 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 the Company'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 2017 Senior Secured Notes issued in May 2018 were used to (i) fund distributions to the shareholders of Picard Group and (ii) pay fees and expenses related to the transactions.
- On July 8, 2021, the Group redeemed the following notes as part of a refinancing transaction (see note 11. Events after the reporting period):
    - o the M€ 1,190 of 2017 Senior Secured Notes and the additional M€ 60 of 2017 Senior Secured Notes both due in 2023; and
    - o the M€310 of 2017 Senior Notes due in 2024.

9.3 Other financial liabilities

In thousand of €	As at June 30, 2021	As at March 31, 2021
Current		
Lease Debt	55 435	54 938
Total Other current financial liabilities	**55 435**	**54 938**
Non current		
Lease Debt	321 720	328 579
Others	63	63
Total Other non-current financial liabilities	**321 783**	**328 642**
Total Other financial liabilities	**377 218**	**383 580**

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€ 377.2 as of June 30, 2021.

9.4 Hedging activities and derivatives

Cash Flow Hedges

As at June 30, 2021, the Group has not entered into any hedging arrangements.

9.5 Fair values

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

In thousands of €	Carrying amount June 30, 2021	Fair value June 30, 2021	Carrying amount March 31, 2021	Fair value March 31, 2021
Financial assets				
Trade and other receivables	62 525	62 525	56 563	56 563
Income tax receivable	93	93	3 216	3 216
Other financial assets	11 300	11 300	11 341	11 341
Cash and cash equivalents	294 450	294 450	291 734	291 734
Total	**368 368**	**368 368**	**362 854**	**362 854**
Financial liabilities				
Fixed rate borrowings	(308 863)	(317 450)	(308 707)	(317 800)
Obligations under finance leases	(98)	(98)	(130)	(130)
Floating rate borrowings	(1 245 801)	(1 248 630)	(1 245 435)	(1 249 790)
Lease commitments	(377 155)	(377 155)	(383 580)	(383 580)
Trade and other payables	(292 820)	(292 820)	(305 106)	(305 106)
Income tax payable	(0)	(0)	(1 327)	(1 327)
Bank overdrafts	-	-	(39)	(39)
Total	**(2 224 737)**	**(2 236 153)**	**(2 244 323)**	**(2 257 771)**

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 June 30, 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.

Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

10. Cash and cash equivalents

In thousand of €	**June 30, 2021**	**March 31, 2021**	**June 30, 2020**	**March 31, 2020**
Cash at banks and on hand	291 591	288 875	232 700	217 848
Securities	2 859	2 859	2 859	2 859
Cash and cash equivalents	**294 450**	**291 734**	**235 559**	**220 707**

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

In thousand of €	**June 30, 2021**	**March 31, 2021**	**June 30, 2020**	**March 31, 2020**
Cash and cash equivalents	294 450	291 734	235 559	220 707
Bank overdrafts	-	(39)	(2)	(8)
Cash and cash equivalents position	**294 450**	**291 695**	**235 557**	**220 699**

11. Events after the reporting period

In July 2021, a refinancing of the Group's debt was implemented :

- Picard Groupe S.A.S. issued €750 million aggregate principal amount of 3.875% Sustainability-Linked Fixed Rate Senior Secured Notes due 2026 (the "Fixed Rate Senior Secured Notes"), Lion/Polaris Lux 4 S.A. issued €650 million aggregate principal amount of Sustainability-Linked Floating Rate Senior Secured Notes due 2026 (the "Floating Rate Senior Secured Notes" and, together with the Fixed Rate Senior Secured Notes, the "Senior Secured Notes") and the Company issued €310 million aggregate principal amount of 5.375% Sustainability-Linked Senior Notes due 2027 (the "Senior Notes" and, together with the Senior Secured Notes, the "Notes").

- The gross proceeds from the sale of the Notes were used, together with cash on hand, to (i) redeem Picard Groupe S.A.S.'s outstanding 2017 Senior Secured Notes, including accrued and unpaid interest, (ii) redeem the Company's outstanding 2017 Senior Notes, including accrued and unpaid interest and applicable redemption premium, (iii) fund distributions to the shareholders of the Group and (iv) pay fees and expenses related to the transactions.