Picard Bondco

Consolidated Financial Statements as at and for the three and twelve months ended March 31, 2023*

June 26, 2023

This report will be supplemented with additional information on or prior to July 29, 2023, in accordance with Section 4.03 of the Indentures and Clause 23.4 and Clause 1.1(a) of Schedule 19 of the Revolving Credit Facility Agreement (each, as defined herein)

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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 the quarter ended March 31, 2023 ("Q4 2023") include the following highlights:

- Q4 2023 sales of goods increased by 9.3% to €423.6 million from €387.6 million in Q4 2022, with a strong 7.7% increase in our French like-for-like sales;

- Our gross margin increased to 44.6% in Q4 2023 from 44.3% in Q4 2022; and

- Q4 2023 EBITDA increased by 4.7% to €65.0 million from €62.1 million in Q4 2022, mainly due to higher sales but partly offset by increasing operating expenses, notably our energy costs. EBITDA margin stood at 15.4%, lower than the 16.0% in Q4 2022.

CEO Cathy Collart-Geiger commented: "In the context of high inflation, a food market experiencing a sharp decline in volumes and a tense social context with the pension reform in France, our Q4 2023 sales of goods increased by 9.3% compared to Q4 2022 and remained higher than the pre-COVID level, with a 25.3% increase compared to Q4 2019. During the quarter, on a like-for-like basis, we experienced an increase in the total number of tickets (2.5%) combined with a higher average basket size (5.2%). Home delivery sales increased by 4.8% during Q4 2023, compared with Q4 2022. Our digital sales as a percentage of total sales increased to 4.4% in Q4 2023 from 4.1% in Q4 2022, confirming one of the pillars of our strategy: taking advantage of evolving habits of consumers, who order increasingly online.

Another key pillar of our strategy is brick and mortar expansion. Therefore, during this fourth quarter, we opened 14 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 €4.6 million compared with Q4 2022. During this period, we also opened four franchised stores in mainland France.

Our enhanced loyalty program (which was launched on May 30, 2022) allowed us to continue to build customer retention during the quarter. The expiration at the end of January of the loyalty points issued in calendar year 2022 encouraged our customers to convert their points into benefits or free products, increasing their number of visits in our stores during the quarter.

Our Q4 2023 gross profit increased by €17.2 million, or 10.0%, from €171.6 million in Q4 2022 to €188.8 million in Q4 2023. Our gross margin increased to 44.6% in Q4 2023 from 44.3% in Q4 2022.

Our profitability during Q4 2023 remained strong. Our EBITDA increased by 4.7%, from €62.1 million in Q4 2022 to €65.0 million in Q4 2023, and remained much higher than the pre-COVID €44.0 million EBITDA in Q4 2019. This increase was mainly due to higher sales but partly offset by an increase in our operating expenses, largely due to the rise in our energy costs. EBITDA margin stood at 15.4%, lower than the 16.0% reported last year, but still above the pre-COVID EBITDA margin of 13.0% in Q4 2019.

In light of the continuing uncertainties regarding the social and economic situation in France, management remains cautious with respect to future results. Inflationary pressures could persist over the coming months, particularly with regard to our energy expenses. One of the Group's areas of focus is monitoring its gross margin and costs structure in this context.

Our strategy for the coming quarters also remains focused on the implementation of our strategic growth plan initiated in 2021 and mainly concentrated on the optimization of our like-for-like sales performance, the expansion of our footprint in France and abroad and capturing market share 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 March 31, 2023, we had 1,122 stores in France (including two franchised stores in Corsica, 11 franchised stores in La Réunion, four franchised stores in the French West Indies, four franchised stores in New Caledonia and 45 franchised stores in mainland France), 15 stores in Belgium, one store in Luxembourg, eight franchised stores in Scandinavia and 12 franchised stores in Japan. We also sell Picard-branded products in Italy through a commercial agreement with an Italian retailer, in the United Kingdom through partnerships with Ocado and Tesco, in the Netherlands through a partnership with Albert Heijn and in Singapore through a partnership with RedMart, as well as in Hong Kong and the MENA region through partnerships with Al Futtaim Group in Marks & Spencer stores, in Taiwan through a partnership with RT Mart and in South Korea through a partnership with Kurly. 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. 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 worldwide 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.

On July 7, 2021, 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 Picard Bondco 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 Picard Bondco's outstanding 2017 Senior Notes, including accrued and unpaid 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 13.2 of the "Notes to the Consolidated Financial Statements" to the Picard Bondco annual consolidated financial statements as of and for the year ended March 31, 2023.

Reporting

This report will be supplemented by the 2023 annual report as of and for the year ended March 31, 2023 on or prior to July 29, 2023 pursuant to Section 4.03 of each of the indenture governing the Fixed Rate Senior Secured Notes (the "Fixed Rate Senior Secured Notes Indenture"), the indenture governing the Floating Rate Senior Secured Notes (the "Floating Rate Senior Secured Notes Indenture") and the indenture governing the Senior Notes (the "Senior Notes Indenture" and, together with the Fixed Rate Senior Secured Notes Indenture and the Floating Rate Senior Secured Notes Indenture, the "Indentures"), as well as clause 23.4 and clause 1.1.(a) 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 audited 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 also included herein unaudited condensed consolidated financial information for Picard Bondco as of and for the three months ended March 31, 2023.

We have prepared the audited consolidated financial statements for Picard Bondco for the year from April 1, 2022 to March 31, 2023, which are presented in this report in accordance with IFRS, including (i) the consolidated statement of financial position as of March 31, 2023, (ii) the consolidated income statement and the consolidated statement of comprehensive income for the year ended March 31, 2023 and (iii) the consolidated statement of cash flows for the year ended March 31, 2023.

See note 2.2 of the "Notes to the Consolidated Financial Statements" to the Picard Bondco annual consolidated financial statements for the year ended March 31, 2023 for a discussion of Picard Bondco's significant accounting policies.

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.

"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 and twelve-month periods ended March 31, 2022 and March 31, 2023 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 audited consolidated financial statements for Picard Bondco for the period from April 1, 2022 to March 31, 2023, included herein, in accordance with IFRS. We have also included herein unaudited condensed consolidated financial information for Picard Bondco as of and for the three-month periods ended March 31, 2022 and March 31, 2023.

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, 2022. 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		Twelve months ended	
Currency : in million of €	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2022	Mar. 31, 2023
Sales	**387.6**	**423.6**	**1 689.2**	**1 713.8**
Cost of goods sold	(216.0)	(234.7)	(947.6)	(958.7)
Gross profit	**171.6**	**188.8**	**741.6**	**755.2**
Other operating income	1.6	1.5	5.4	5.1
Other purchase and external expenses	(53.9)	(64.0)	(218.4)	(230.9)
Taxes	(6.4)	(8.4)	(19.9)	(20.1)
Personnel expenses	(50.4)	(53.2)	(205.2)	(211.5)
Other operating expenses	(0.5)	0.3	(2.2)	(1.9)
EBITDA	**62.1**	**65.0**	**301.3**	**295.8**
Depreciation and amortization	(26.0)	(26.8)	(100.6)	(104.9)
Operating profit	**36.2**	**38.3**	**200.7**	**191.0**
Finance costs	(20.9)	(24.9)	(92.3)	(90.9)
Finance income	0.0	2.4	0.0	4.0
Share of result in an associate	(0.2)	(0.1)	0.7	0.3
Income before tax	**15.1**	**15.7**	**109.1**	**104.3**
Income tax expense	(4.4)	(6.4)	(44.2)	(37.4)
Net income	**10.7**	**9.3**	**64.9**	**66.9**
Equity holders of the parent	10.7	9.3	64.9	66.9
Non-controlling interests	0.0	0.0	0.0	0.0

(*) Unaudited.

Comparative data for the three months ended March 31, 2022 have been recast in the unaudited condensed consolidated financial statements for the three months ended March 31, 2023 in order to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in May 2021 concerning the provision for retirement indemnities falling within the scope of IAS 19; see note 2.1.1.1 of the "Notes to the Consolidated Financial Statements" to the Picard Bondco audited consolidated financial statements for the year ended March 31, 2022. This interpretation has the following immaterial impacts on the Consolidated Income Statement items:

- Personnel expenses: K€ 186 for the three-month period ended March 31, 2022.

- Income tax expense: K€ (48) for the three-month period ended March 31, 2022.

The following discussion and analysis summarizes EBITDA for the three-month and twelve-month periods ended March 31, 2022 and March 31, 2023. 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, 2023, we had 1,122 stores in France (including two franchised stores in Corsica, 11 franchised stores in La Réunion, four franchised stores in the French West Indies, four franchised stores in New Caledonia and 45 franchised stores in mainland France), 15 stores in Belgium, one store in Luxembourg, eight franchised stores in Scandinavia and 12 franchised stores in Japan.

Sales of goods

Year ended March 31, 2022 and March 31, 2023

Our sales of goods increased by €24.6 million, or 1.5%, from €1,689.2 million for the year ended March 31, 2022 to €1,713.8 million for the year ended March 31, 2023.

In France, sales of goods increased by €26.8 million, or 1.6%, from €1,649.4 million for the year ended March 31, 2022 to €1,676.2 million for the year ended March 31, 2023. French like-for-like sales slightly decreased by 0.4% in the year ended March 31, 2023, as compared to the year ended March 31, 2022, as a result of a 1.5% decrease in the total number of tickets, partly offset by a 1.1% increase in the average basket size. This decrease in sales was primarily concentrated in April and May due to the strict lockdown in place at the corresponding time in the year ended March 31, 2022, and in December when our sales in the year ended March 31, 2022 benefited from the Omicron wave. Sales in June through November increased compared to the corresponding time in the year ended March 31, 2022, and our last quarter in the year ended March 31, 2023 recorded strong growth boosted by our loyalty program.

Home delivery sales decreased by 1.3%, or €0.7 million, from €54.9 million for the year ended March 31, 2022 to €54.2 million for the year ended March 31, 2023. This remains a good performance given the increases recorded during the comparable period in the two previous years, which were highly impacted by the pandemic in France and is in line with the strategic plan currently being implemented, aiming at developing our digital offering and our omnichannel shopping experience. This decrease in home delivery sales was primarily concentrated in April and May due to the strict lockdown in place at the corresponding time in the year ended March 31, 2022, while home delivery sales in June through March increased compared to the corresponding time in the year ended March 31, 2022.

Sales in Belgium and Luxembourg increased by €0.4 million, or 2.1%, from €19.2 million for the year ended March 31, 2022 to €19.6 million for the year ended March 31, 2023.

Sales in other locations with our partners and franchisees declined from €20.7 million for the year ended March 31, 2022 to €17.2 million for the year ended March 31, 2023, mainly due to the lower sales in Sweden and Japan given the normalization of our customers' habits following the pandemic. The decline was partly offset by the two partnerships started in South Korea with Kurly and in the United Kingdom with Tesco, which together accounted for a total amount of €0.6 million in sales for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

Our sales of goods increased by €36.0 million, or 9.3%, from €387.6 million for the three months ended March 31, 2022 to €423.6 million for the three months ended March 31, 2023.

In France, sales of goods increased by €36.2 million, or 9.6%, from €378.2 million for the three months ended March 31, 2022 to €414.4 million for the three months ended March 31, 2023. French like-for-like sales increased by 7.7% in the three months ended March 31, 2023, as compared to the three months ended March 31, 2022, as a result of a 2.5% increase in the total number of tickets combined with a 5.2% increase in the average basket size.

Home delivery sales increased by €0.6 million, or 4.8%, to €13.0 million for the three months ended March 31, 2023, compared with €12.4 million for the three months ended March 31, 2022.

Sales in Belgium and Luxembourg increased by €0.7 million, or 16.3%, from €4.3 million for the three months ended March 31, 2022 to €5.0 million for the three months ended March 31, 2023.

Sales in other locations with our partners and franchisees decreased by €1.4 million, or 27.5%, from €5.1 million for the three months ended March 31, 2022 to €3.7 million for the three months ended March 31, 2023 mainly due to lower sales in Japan and Taiwan. The lower sales reflect a normalization of customers' behavior in local markets following the ease of the pandemic. This was partly offset by increasing sales in the United Kingdom.

Cost of goods sold

Year ended March 31, 2022 and March 31, 2023

Our cost of goods sold increased by €11.1 million, or 1.2%, from €947.6 million for the year ended March 31, 2022 to €958.7 million for the year ended March 31, 2023, mainly due to higher sales. Cost of goods sold as a percentage of sales slightly decreased from 56.1% for the year ended March 31, 2022 to 55.9% for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

Our cost of goods sold increased by €18.7 million, or 8.7%, from €216.0 million for the three months ended March 31, 2022 to €234.7 million for the three months ended March 31, 2023, mainly due to higher sales. Cost of goods sold as a percentage of sales decreased from 55.7% for the three months ended March 31, 2022 to 55.4% for the three months ended March 31, 2023.

Gross profit

Year ended March 31, 2022 and March 31, 2023

Our gross profit increased by €13.6 million, or 1.8%, from €741.6 million for the year ended March 31, 2022 to €755.2 million for the year ended March 31, 2023, mainly due to higher sales combined with a slight increase in our gross margin rate. This increase in our gross margin rate resulted from the increase in the off-promotion gross margin, as we managed to adapt our pricing and offering to the inflationary environment, and a positive mix effect on certain product categories, notably on fish and ready meals, partly offset by product awards as part of our loyalty program launched in May and partial absorption of cost increases during the Christmas commercial period. Gross profit as a percentage of sales of goods increased from 43.9% for the year ended March 31, 2022 to 44.1% for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

Our gross profit increased by €17.2 million, or 10.0%, from €171.6 million for the three months ended March 31, 2022 to €188.8 million for the three months ended March 31, 2023, mainly due to higher sales combined with a slight increase in our gross margin rate. This increase in our gross margin rate mainly resulted from the increase in the off-promotion gross margin, as we managed to adapt our pricing and offering to the inflationary environment, and a positive mix effect on certain product categories, notably on fish and ready meals, partly offset by product awards as part of our loyalty program launched in May. Gross profit as a percentage of sales of goods increased from 44.3% for the three months ended March 31, 2022 to 44.6% for the three months ended March 31, 2023.

Other operating income

Year ended March 31, 2022 and March 31, 2023

Other operating income decreased by €0.3 million, from €5.4 million for the year ended March 31, 2022 to €5.1 million for the year ended March 31, 2023, mainly due to reduced delivery fees charged in connection with home delivery due to marketing operations.

Three months ended March 31, 2022 and March 31, 2023

Other operating income decreased by €0.1 million, from €1.6 million for the three months ended March 31, 2022 to €1.5 million for the three months ended March 31, 2023.

Other purchases and external expenses

Year ended March 31, 2022 and March 31, 2023

Our other purchases and external expenses increased by €12.5 million, or 5.7%, from €218.4 million for the year ended March 31, 2022 to €230.9 million for the year ended March 31, 2023. This increase was primarily due to higher energy costs, which increased by €9.0 million compared to the year ended March 31, 2022. Other costs, such as logistics and advertising costs, remained well controlled.

Three months ended March 31, 2022 and March 31, 2023

Our other purchases and external expenses increased by €10.1 million, or 18.7%, from €53.9 million for the three months ended March 31, 2022 to €64.0 million for the three months ended March 31, 2023. This increase was primarily due to higher energy costs, which increased by €9.0 million compared to the three months ended March 31, 2022. Other costs, such as logistics and advertising costs, remained well controlled.

Taxes other than on income

Year ended March 31, 2022 and March 31, 2023

Taxes other than on income increased by €0.2 million, from €19.9 million for the year ended March 31, 2022 to €20.1 million for the year ended March 31, 2023, due to higher sales on which certain taxes are based (mainly "*contribution sociale de solidarité des sociétés*"). Taxes other than on income as a percentage of sales of goods remained stable at 1.2% for the year ended March 31, 2022 and for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

Taxes other than on income increased by €2.0 million, from €6.4 million for the three months ended March 31, 2022 to €8.4 million for the three months ended March 31, 2023. This increase was explained by higher taxes based on sales (mainly "*contribution sociale de solidarité des sociétés*") and the comparison with the higher tax credits recorded in the three months ended March 31, 2022, in particular in connection with increased donations to food banks. Taxes other than on income as a percentage of sales of goods increased from 1.6% for the three months ended March 31, 2022 to 2.0% for the three months ended March 31, 2023.

Personnel expenses

Year ended March 31, 2022 and March 31, 2023

Personnel expenses increased by €6.3 million, or 3.1%, from €205.2 million for the year ended March 31, 2022 to €211.5 million for the year ended March 31, 2023. As a proportion of sales of goods, personnel expenses slightly increased from 12.1% for the year ended March 31, 2022 to 12.3% for the year ended March 31, 2023.

Wages and salaries increased by €6.6 million, or 4.9%, from €135.5 million for the year ended March 31, 2022 to €142.1 million for the year ended March 31, 2023 as a result of (i) the annual salary increases in France and Belgium, in effect since April 2022, complemented by another general increase of 2.5% for all our employees in September 2022, which was implemented following the increasing inflation in France and the increase in legal minimum wages, and (ii) the expansion of our store network. As a proportion of sales of goods, wages and salaries increased from 8.0% for the year ended March 31, 2022 to 8.3% for the year ended March 31, 2023.

Employee profit sharing in France decreased by €0.4 million, from €22.2 million for the year ended March 31, 2022 to €21.8 million for the year ended March 31, 2023, as a result of the decrease in contractual profit sharing ("*intéressement*") computed using budgeted sales.

Other personnel expenses, including social security costs, increased by €0.1 million, from €47.4 million for the year ended March 31, 2022 to €47.5 million for the year ended March 31, 2023. As a proportion of sales of goods, social security costs slightly decreased from 2.3% for the year ended March 31, 2022 to 2.2% for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

Personnel expenses increased by €2.8 million, or 5.6%, from €50.4 million for the three months ended March 31, 2022 to €53.2 million for the three months ended March 31, 2023. As a proportion of sales of goods, personnel expenses decreased from 13.0% for the three months ended March 31, 2022 to 12.6% for the three months ended March 31, 2023.

Wages and salaries increased by €1.8 million, or 5.5%, from €32.5 million for the three months ended March 31, 2022 to €34.3 million for the three months ended March 31, 2023 as a result of (i) the annual salary increases in France and Belgium, in effect since April 2022, complemented by another general increase of 2.5% for all our employees in September 2022, which was implemented following the increasing inflation in France and the increase in legal minimum wages, and (ii) the expansion of our store network. As a proportion of sales of goods, wages and salaries slightly decreased from 8.4% for the three months ended March 31, 2022 to 8.1% for the three months ended March 31, 2023.

Employee profit sharing in France increased by €1.3 million, from €5.0 million for the three months ended March 31, 2022 to €6.3 million for the three months ended March 31, 2023, as a result of both the increase in contractual profit sharing ("*intéressement*") and legal profit sharing ("*participation*") computed using budgeted sales.

Other personnel expenses, including social security costs, increased from €10.1 million for the three months ended March 31, 2022 to €10.3 million for the three months ended March 31, 2023. As a proportion of sales of goods, social security costs decreased from 2.6% for the three months ended March 31, 2022 to 2.4% for the three months ended March 31, 2023.

Other operating expenses

Year ended March 31, 2022 and March 31, 2023

Our other operating expenses decreased by €0.3 million, from €2.2 million for the year ended March 31, 2022 to €1.9 million for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

Our other operating expenses decreased by €0.8 million, from €0.5 million of other operating expenses for the three months ended March 31, 2022 to a credit of €0.3 million for the three months ended March 31, 2023 due to a bad debt provision reversal.

EBITDA

Year ended March 31, 2022 and March 31, 2023

EBITDA decreased by €5.5 million, or 1.8%, from €301.3 million for the year ended March 31, 2022 to €295.8 million for the year ended March 31, 2023. Higher sales and gross margin have been offset by higher operating expenses, notably higher energy costs. As a proportion of sales of goods, EBITDA decreased from 17.8% for the year ended March 31, 2022 to 17.3% for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

EBITDA increased by €2.9 million, or 4.7%, from €62.1 million for the three months ended March 31, 2022 to €65.0 million for the three months ended March 31, 2023 mainly due to higher sales but partly offset by an increase in our operating expenses, largely due to the rise in our energy costs. As a proportion of sales of goods, EBITDA decreased from 16.0% for the three months ended March 31, 2022 to 15.4% for the three months ended March 31, 2023.

Depreciation and amortization

Year ended March 31, 2022 and March 31, 2023

Depreciation and amortization increased by €4.3 million, from €100.6 million for the year ended March 31, 2022 to €104.9 million for the year ended March 31, 2023 due to the expansion of our store network and the acceleration of our investments during the last year. As a proportion of sales of goods, depreciation and amortization slightly increased from 6.0% for the year ended March 31, 2022 to 6.1% for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

Depreciation and amortization increased by €0.8 million, from €26.0 million for the three months ended March 31, 2022 to €26.8 million for the three months ended March 31, 2023 due to the expansion of our store network and the acceleration of our investments during the last year. As a proportion of sales of goods, depreciation and amortization decreased from 6.7% for the three months ended March 31, 2022 to 6.3% for the three months ended March 31, 2023.

Operating profit

Year ended March 31, 2022 and March 31, 2023

Operating profit decreased by €9.7 million, or 4.8%, from €200.7 million for the year ended March 31, 2022 to €191.0 million for the year ended March 31, 2023, as a result of the factors discussed above. As a proportion of sales of goods, operating profit decreased from 11.9% for the year ended March 31, 2022 to 11.1% for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

Operating profit increased by €2.1 million, or 5.8%, from €36.2 million for the three months ended March 31, 2022 to €38.3 million for the three months ended March 31, 2023, as a result of the factors discussed above. As a proportion of sales of goods, operating profit decreased from 9.3% for the three months ended March 31, 2022 to 9.0% for the three months ended March 31, 2023.

Finance costs

Year ended March 31, 2022 and March 31, 2023

Finance costs decreased by €1.4 million, from €92.3 million for the year ended March 31, 2022 to €90.9 million for the year ended March 31, 2023. This decrease in finance costs was mainly due to the refinancing operation that occurred in July 2021 triggering a write-off of non-amortized issuance fees on the 2017 Notes, representing €5.8 million and an early redemption premium paid in respect of the 2017 Senior Notes representing €8.5 million. This was offset by the increase in the principal amount of debt as well as the increase in the interest rate on the Notes (compared to the 2017 Notes) and the increase in EURIBOR, impacting our Floating Rate Senior Secured Notes.

Three months ended March 31, 2022 and March 31, 2023

Finance costs increased by €4.0 million, from €20.9 million for the three months ended March 31, 2022 to €24.9 million for the three months ended March 31, 2023. This increase in finance costs followed the increase in EURIBOR, impacting our Floating Rate Senior Secured Notes.

Finance income

Year ended March 31, 2022 and March 31, 2023

Finance income was €4.0 million compared to €nil for the year ended March 31, 2023. This increase in finance income was due to interest on financial instruments and financial securities, as well as the increase in the fair value of the derivative (CAP Spread) bought in December 2022, following the increase in EURIBOR.

Three months ended March 31, 2022 and March 31, 2023

Finance income was €2.4 million compared to €nil for the three months ended March 31, 2023. This increase in finance income was mainly due to interest on financial instruments and financial securities.

Share of result in an associate

Year ended March 31, 2022 and March 31, 2023

Share of profit in an associate decreased by €0.4 million from €0.7 million for the year ended March 31, 2022 to €0.3 million for the year ended March 31, 2023, due to the normalization of the net result of Primex International S.A., which benefitted from the COVID-19 pandemic during the year ended March 31, 2022. We have a 37.2% interest in Primex International S.A., whose subsidiary, Primex Norway, developed a fish plant in Norway in 2018 and has since faced significant start-up costs to operate this facility. The activity of the plant has now improved compared with pre-COVID levels, but the valuation of Primex International will continue to be closely monitored by the Group.

Three months ended March 31, 2022 and March 31, 2023

Share of result in an associate improved by €0.1 million from a loss of €0.2 million for the three months ended March 31, 2022 to a loss of €0.1 million for the three months ended March 31, 2023.

Income before tax

Year ended March 31, 2022 and March 31, 2023

Income before tax decreased by €4.8 million, from €109.1 million for the year ended March 31, 2022 to €104.3 million for the year ended March 31, 2023. As a proportion of sales of goods, income before tax decreased from 6.5% for the year ended March 31, 2022 to 6.1% for the year ended March 31, 2023.

Three months ended March 31, 2022 and March 31, 2023

Income before tax increased by €0.6 million, from €15.1 million for the three months ended March 31, 2022 to €15.7 million for the three months ended March 31, 2023. As a proportion of sales of goods, income before tax decreased from 3.9% for the three months ended March 31, 2022 to 3.7% for the three months ended March 31, 2023.

Income tax expense / (benefit)

Year ended March 31, 2022 and March 31, 2023

Income tax expense decreased by €6.8 million, from €44.2 million for the year ended March 31, 2022 to €37.4 million for the year ended March 31, 2023. Income tax expense represented 40.5% of income before tax for the year ended March 31, 2022 and 35.8% for the year ended March 31, 2023, due to the impact of the refinancing during the year ended March 31, 2022 that generated non-deductible expenses (notably the early redemption premium), as well as the reduction in the French corporate income tax rate from 27.5% to 25% in January 2022.

Three months ended March 31, 2022 and March 31, 2023

Income tax expense increased by €2.0 million, from €4.4 million for the three months ended March 31, 2022 to €6.4 million for the three months ended March 31, 2023. Income tax expense represented 28.9% of income before tax for the three months ended March 31, 2022 and 41.3% for the three months ended March 31, 2023.

Net income

Year ended March 31, 2022 and March 31, 2023

Net income increased by €2.0 million, from €64.9 million for the year ended March 31, 2022 to €66.9 million for the year ended March 31, 2023, as a result of the factors described above.

Three months ended March 31, 2022 and March 31, 2023

Net income decreased by €1.4 million, from €10.7 million for the three months ended March 31, 2022 to €9.3 million for the three months ended March 31, 2023, as a result of the factors described above.

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 March 31, 2023, 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 Lux 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.

Picard Bondco

Consolidated Financial Statements
As at and for the year ended March 31, 2023*

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

This version of the audited financial statements attached to this report is an extract from the official signed audited financial statements which remains the authoritative version.

Audit report

To the Shareholder of
Picard Bondco

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Picard Bondco (the "Company") and its subsidiaries (the "Group") as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Director’s Report on the consolidated Financial Statements but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Director's Report on the consolidated Financial Statements is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 23 June 2023

Malik Lekehal

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Consolidated Income Statement

In thousand of €	Notes	March 31, 2023	March 31, 2022
Sales of goods	***6***	1 713 823	1 689 195
Cost of goods sold		(958 651)	(947 624)
Gross profit		**755 172**	**741 570**
Other operating income	***7.1***	5 078	5 359
Other purchases and external expenses	***10.2***	(230 911)	(218 398)
Taxes		(20 149)	(19 889)
Personnel expenses	***7.3***	(211 482)	(205 152)
Depreciation and amortization	***10.3***	(104 859)	(100 550)
Other operating expenses	***7.2***	(1 885)	(2 231)
Operating profit		**190 965**	**200 709**
Finance costs	***7.4***	(90 888)	(92 292)
Finance income	***7.4***	3 955	48
Share of result in an associate	***8***	306	655
Income before tax		**104 337**	**109 121**
Income tax expense	***9***	(37 401)	(44 182)
Net income		**66 936**	**64 939**
Attributable to:			
Equity holders of the parent		66 936	64 939
Non-controlling interests			
Earnings per share:			
Basic earnings per share (*in euros*)	***20***	25,34	24,58
Fully diluted earnings per share (*in euros*)	***20***	25,34	24,58

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

Consolidated Statement of Comprehensive Income

In thousand of €	Notes	March 31, 2023	March 31, 2022
Net income		**66 936**	**64 939**
Items not to be reclassified to profit and loss:			
Actuarial gains of the period	*22*	2 157	1 141
Income tax		(557)	(258)
		1 600	884
Other comprehensive income for the period, net of tax		*1 600*	*884*
Comprehensive income		**68 536**	**65 823**
Attributable to:			
Equity holders of the parent		68 536	65 823
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, 2023	As at March 31, 2022
Assets			
Goodwill	*14*	815 170	815 170
Property, plant and equipment	*12*	238 841	230 341
Right-of-use assets	*10.1*	451 809	435 533
Other intangible assets	*11*	802 943	802 022
Investment in an associate	*8*	4 944	4 638
Other non-current financial assets	*13.1*	18 125	10 838
Total non-current assets		**2 331 832**	**2 298 542**
Inventories	*15*	117 412	108 082
Trade and other receivables	*16*	57 807	48 113
Income tax receivable		2 724	3 158
Current financial assets	*13.1*	80	78
Cash and cash equivalents	*17*	281 485	206 542
Total current assets		**459 508**	**365 974**
Total assets		**2 791 340**	**2 664 516**
Equity and liabilities			
Issued capital	*18*	2 642	2 642
Share premium	*18*	97	97
Other comprehensive income		2 178	578
Retained earnings		34 987	(29 952)
Result for the year		66 936	64 939
Equity attributable to equity holders of the parent		**106 841**	**38 304**
Non-controlling interests			-
Total equity		**106 841**	**38 304**
Non-current liabilities			
Interest-bearing loans and borrowings	*13.2*	1 694 500	1 690 497
Other non-current financial liabilities	*13.3*	353 802	336 556
Provisions	*21*	9 297	9 135
Employee benefit liability	*22*	9 184	10 362
Deferred tax liability	*9*	220 415	220 447
Total non-current liabilities		**2 287 198**	**2 266 996**
Current liabilities			
Trade and other payables	*23*	322 971	286 387
Income tax payable		541	1 043
Interest-bearing loans and borrowings	*13.2*	15 493	14 588
Other current financial liabilities	*13.3*	58 297	57 198
Total current liabilities		**397 301**	**359 216**
Total liabilities		**2 684 500**	**2 626 212**
Total equity and liabilities		**2 791 340**	**2 664 516**

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**	Actuarial gain / (losses)	**Total other comprehensive income**	**Retained earnings**	**Result for the year**	**Equity attributable to equity holders of the parent**	**Non-controlling interest**	**Total Equity**
As at March 31, 2021	**2 642**	**97**	**(413)**	**(413)**	**148 794**	**99 351**	**250 471**	**-**	**250 471**
Impact of the application of the IFRS IC decision on the calculation of the employee benefit provision			108	108		(184)	**(77)**		**(77)**
IFRS IC interpretation adjustments on Leases							**-**		**-**
As at April 1, 2021	**2 642**	**97**	**(306)**	**(306)**	**148 794**	**99 167**	**250 394**	**-**	**250 394**
Net income attribution	-	-	-	-	99 167	(99 167)	**-**	-	**-**
Net income for the period	-	-	-	-		64 939	**64 939**	-	**64 939**
Other comprehensive income	-	-	884	884	-	-	**884**	-	**884**
Total comprehensive income	**-**	**-**	**884**	**884**	**-**	**64 939**	**65 823**	**-**	**65 823**
Dividends paid	-		-	-	(277 913)	-	**(277 913)**		(277 913)
As at March 31, 2022	**2 642**	**97**	**578**	**578**	**(29 953)**	**64 939**	**38 304**	**-**	**38 304**
Net income attribution					64 939	(64 939)			**-**
Net income for the period						66 936	**66 936**		**66 936**
Other comprehensive income			1 600	1 600			**1 600**		**1 600**
Total comprehensive income	**-**	**-**	**1 600**	**1 600**	**-**	**66 936**	**68 536**	**-**	**68 536**
Dividends paid							**-**		**-**
As at March 31, 2023	**2 642**	**97**	**2 178**	**2 178**	**34 987**	**66 936**	**106 840**	**-**	**106 840**

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

Consolidated Statement of Cash Flows

In thousand of €	Notes	March 31, 2023	March 31, 2022
Operating activities			
Operating profit		190 965	200 709
Depreciation and impairment of property, plant and equipment		94 702	92 434
Amortisation and impairment of intangible assets		10 157	8 132
Other non cash operating items		(1 119)	(673)
Interest received			22
Income tax paid		(36 655)	(42 806)
Operating cash flows before change in working capital requirements		*258 049*	*257 818*
Change in inventories		(9 318)	(5 657)
Change in trade and other receivables and prepayments		(9 705)	8 450
Change in trade and other payables		34 238	(17 061)
Net cash flows from operating activities, total		**273 261**	**243 549**
Investing activities			
Proceeds from sale of property, plant and equipment		240	132
Purchase of property, plant and equipment		(35 281)	(39 648)
Purchase of intangible assets		(10 211)	(11 004)
Purchase of financial instruments		(456)	(524)
Proceeds from sale of financial instruments		968	1 095
Net cash used in investing activities		**(44 739)**	**(49 949)**
Financing activities			
Proceeds from borrowings			1 710 000
Repayment of borrowings			(1 561 557)
Refinancing costs			(22 439)
Interests paid *		(84 725)	(65 833)
Interests paid related to leases contracts *		(7 371)	(6 519)
Payments related to leases contracts *		(61 534)	(56 054)
Dividends paid to equity holder of the parent			(276 356)
Net cash flows from/(used in) financing activities		**(153 631)**	**(278 758)**
Net increase / (decrease) in cash and cash equivalents		74 891	(85 158)
Net cash at the beginning of the year		206 538	291 695
Net cash at March 31	**17**	**281 430**	**206 538**
of which classified in held for sale		-	-
of which classified in continued operations		*281 430*	*206 538*

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

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

Notes to the 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 "Company"). The registered office of the Company is at 4 rue Lou-Hemmer, L-1748 Senningerberg. The Company is an affiliate (fully controlled) of Lion/Polaris Lux Topco S.àr.l.

The Company 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.

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 21, 2023, the board of the Company approved the consolidated financial statements as of and for the year ended March 31, 2023, 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, 2022 and ended March 31, 2023. The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments). 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"), and as adopted by the European Union and effective for financial years beginning on or after April 1, 2022.

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, 2022

Since April 1, 2022, the Group has applied the following new amendments, standards, and interpretations previously endorsed by the European Union:

- 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); and
- Amendments to Annual Improvements 2018-2020 (applicable according to the IASB in accounting periods beginning on or after January 1, 2022).

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 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 IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates and Errors (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);
- Amendment to IFRS 17 Initial Application of IFRS 17 and IFRS 9 - Comparative Information (applicable according to the IASB in accounting periods beginning on or after January 1, 2023);
- Amendment to IFRS 16 Lease Liability in a Sale and Leaseback (applicable according to the IASB in accounting periods beginning on or after January 1, 2024); and
- Amendments to IAS 1 Non-current Liabilities with Covenants (applicable according to the IASB in accounting periods beginning on or after January 1, 2024).

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 paid in cash or by credit card. Wholesale sales are recognized when the goods are delivered to the franchisee.

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

Loyalty program

Since May 30, 2022, the Group has operated a new loyalty program that enables customers to obtain discounts or award credits on their future purchases. Customers can benefit from the award credits granted during 2022 until January 31, 2023. Award credits granted to customers under the loyalty program represent a performance obligation that is separately identifiable from the initial sales transaction. This performance obligation gives rise to the recognition of a contract liability included in Trade and other payables. The corresponding revenue is deferred until the award credits are used by the customer.

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, 2022, and March 31, 2023, 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.

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. Leases

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

- **Lease terms**

The Group has estimated the term of each of its lease agreements (i.e. the period during which it is reasonably certain to remain in the premises), taking into account the facts and circumstances that are specific to each lease agreement.

This estimated lease term corresponds to:

- the non-cancellable period subsequent to the valuation date; plus

- the period covered by a lessee's renewal option if such renewal is reasonably certain.

The main criteria when assessing the reasonably certain term of a lease are (i) the specialized nature of the assets, (ii) the location of the assets and (iii) the maturity of the investments made.

For stores, in most cases, the estimated term of the lease has been defined as the maximum period during which the contract is executory. In some cases, a shorter period has been retained, particularly for stores that are not profitable (excluding newly opened stores still in ramp-up period) or when a closure is already planned.

- **Discount rate**

The Group determines the discount rate applicable to each lease agreement based on the incremental borrowing rate in each location and based on maturity.

The discount rates used correspond to bank rates that the Group would obtain in order to finance identical fixed assets.

- **Short-term leases and leases of low value assets**

The Group has elected not to recognize right-of-use assets and lease liabilities for leases that have a term shorter than 12 months and for leases of assets valued at less than K$ 5, which mainly include IT equipment, mobile devices and car leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

- **Leasehold rights**

Leasehold rights represent specific and additional legal rights in relation to the right-of-use of the property, which materialize, if necessary, at the end of the lease. In particular, such rights include the right to renew the lease under favorable conditions (e.g. capped rents) and the right to obtain an indemnity in the event the lessor refuses to renew the lease at the end of the contract.

The duration and mode of consuming the economic benefits of leasehold rights are different from those of the rest of the right-of-use assets (which are consumed during the term of the contract).

Leasehold rights are considered initial direct costs, i.e. incremental costs incurred to obtain a lease which would not have been incurred if the contract had not been concluded (IFRS 16.A). The Group chose to recognize leasehold rights as a component of right-of-use assets.The residual value of the leasehold right corresponds to the amount initially paid. Leasehold rights are tested annually and an impairment is recognized if necessary.

l. 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, 2023, the trademark recognized corresponds to the Picard brand.

Software

Software acquired by the Group is booked as an intangible asset at its original cost when definition of the intangible asset is met. 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.

m. 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 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.

n. 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 and Luxembourg and franchised and corner operations and partnerships in Italy, the Netherlands, Scandinavia, Japan, Singapore, the United Kingdom, Hong Kong, South Korea, Taiwan and the MENA region, 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.

o. 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.

p. 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.

The Group may be involved in legal, administrative or regulatory proceedings in the normal course of its business. A provision is recorded when there is a sufficient probability that such disputes will lead to costs borne by Picard or one of its subsidiaries to settle the dispute and the amount can be reliably estimated.

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.

Loyalty program

Since May 30, 2022, the Group has operated a new loyalty program that enables customers to obtain discounts or award credits on their future purchases. Award credits granted to customers under the loyalty program represent a performance obligation that is separately identifiable from the initial sales transaction. This performance obligation gives rise to the recognition of a contract liability included in Trade and other payables. The corresponding revenue is deferred until the award credits are used by the customer.

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, 2023	Sensitivity to +20bps change		Sensitivity to -20bps change	
	P&L Impact	OCI Impact	P&L Impact	OCI Impact
Interest rate swaps	1 661		(1 661)	-
Floating rate debt	(1 300)		1 300	-
	361	**-**	**(361)**	**-**

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. 0.9% of the Group's interest-bearing loans and borrowings mature less than one year after March 31, 2023, 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 :

In thousand of €

Year ended March 31, 2023	Less than one year	1 to 3 years	3 to 5 years	over 5 years	Total
Fixed rate borrowings	(45 777)	(91 398)	(1 088 242)	-	(1 225 417)
Obligations under finance lease	(46)	(57)			(103)
Floating rate borrowings	(26 000)	(52 000)	(656 525)	-	(734 525)
Other financial liabilities	(58 297)	(114 724)	(117 995)	(121 083)	(412 098)
Trade and other payables	(322 971)				(322 971)
Income tax payable	(541)				(541)
	(453 632)	**(258 179)**	**(1 862 761)**	**(121 083)**	**(2 695 655)**

5. Significant events of the financial year ended March 31, 2023

There has been no significant event during the period.

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 and Luxembourg and, franchised and corner operations and partnerships in Italy, the Netherlands, Scandinavia, Japan, Singapore, the United Kingdom, Hong Kong, South Korea, Taiwan and the MENA region, 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, 2023	
In thousand of €	**France**	**Other**	**Total**
Sales	1 676 238	37 584	1 713 823
Other operating income	4 774	305	5 078
Other operating expenses	(2 701)	817	(1 885)
Operating profit before amortization	**289 979**	**5 845**	**295 824**
Amortization of the year	(103 242)	(1 617)	(104 859)
Operating profit	**186 737**	**4 228**	**190 965**

		March 31, 2022	
In thousand of €	**France**	**Other**	**Total**
Sales	1 649 359	39 836	1 689 194
Other operating income	4 826	534	5 359
Other operating expenses	(2 060)	(171)	(2 231)
Operating profit before amortization	**295 508**	**5 752**	**301 259**
Amortization of the year	(98 951)	(1 600)	(100 550)
Operating profit	**196 557**	**4 152**	**200 709**

Total operating profit decreased by M€ 9.7, from M€ 200.7 for the year ended March 31,2022 to M€ 190.9 for the year ended March 31, 2023.

7. Other operating income/expenses

7.1. Other operating income

In thousand of €	March 31, 2023	March 31, 2022
Home Services shipping fees	1 356	1 826
Store rentals	761	600
Franchises	1 484	1 431
Other operating income	1 477	1 502
Total other operating income	**5 078**	**5 359**

7.2. Other operating expenses

In thousand of €	March 31, 2023	March 31, 2022
Royalties	(529)	(585)
Losses on bad debt	14	(300)
Other operating expenses	(1 370)	(1 347)
Total other operating expenses	**(1 884)**	**(2 231)**

7.3. Personnel expenses

In thousand of €	March 31, 2023	March 31, 2022
Wages and salaries	(142 101)	(135 499)
Social security costs	(38 024)	(38 165)
Pension costs	(759)	(837)
Employee profit sharing	(21 847)	(22 205)
Other employee benefits expenses	(8 751)	(8 446)
Total personnel expenses	**(211 482)**	**(205 152)**

Total personnel expenses increased by M€ 6.3, from M€ 205.2 for the year ended March 31, 2022 to M€ 211.5 for the year ended March 31, 2023.

7.4. Finance income and costs

In thousand of €	March 31, 2023	March 31, 2022
Interest expenses	(82 832)	(85 262)
Net interests related to leases commitment	(7 400)	(6 420)
Interest costs of employee benefits	(220)	(123)
Foreign exchange losses	(1)	(2)
Other financial expenses	(435)	(485)
Finance costs	**(90 888)**	**(92 292)**
Income on loans and receivables	2	9
Income on short term investment	2 098	26
Financial income on derivate instrument	1 823	
Other financial income	31	13
Finance income	**3 955**	**48**

As part of a debt refinancing, The Group fully redeemed its 2017 Senior Secured Notes and its 2017 Senior Notes during the second quarter of the financial year ended March 31, 2022. This early redemption resulted in non-recurring finance costs of K€ 14,307, corresponding to the write-off of the non-amortized issuance fees (K€ 5,782) and the early redemption penalty of the 2017 Senior Notes (K€ 8,525).

The K€ 7,400 net interest related to lease commitments for the year ended March 31, 2023, represents the financial interest calculated on lease liabilities recognized in accordance with IFRS 16.

The K€ 1,823 financial income on derivate instrument for the year ended March 31, 2023 represents the difference between the fair value and the book value of the CAP Spread entered into by the Group in December 2022 to hedge the Group's exposure to changes in future interest payment cash flows linked to the M€ 650 Floating Rate SSNs (see note *13.4 Hedging activities and derivatives*)

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, 2023**	**March 31, 2022**
Share of the associate's statement of financial position:		
Non-current assets	6 140	6 160
Current assets	11 238	11 791
Current liabilities	9 813	11 088
Non-current liabilities	2 279	2 016
Equity	**5 286**	**4 846**
Share of the associate's revenue and result:		
Revenue	27 140	24 711
Proft / Losses	306	656
Carrying amount of the investment	**4 943**	**4 637**

Variations during the period were the following:

In thousand of €	**March 31, 2023**	**March 31, 2022**
Carrying value at opening	**4 637**	**3 981**
Share of result in an associate	306	656
Carrying value as of March 31	**4 943**	**4 637**

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 remains below expectations. The valuation of Primex International will continue to be closely monitored by the Group. Pending the sustainability of results, the Group has not reversed any depreciation.

9. Income tax expense

In thousand of €	For the twelve month period ended March 31, 2023	For the twelve month period ended March 31, 2022
Current tax	(37 990)	(43 573)
Deferred tax	589	(609)
Total income tax expense	**(37 401)**	**(44 182)**
Income tax recognized in other comprehensive income	(557)	(258)
Total income tax	**(37 958)**	**(44 439)**

Income tax expense decreased from an expense of K€ 44,439 for the financial year ended March 31, 2022 to an expense of K€ 37,958 for the financial year ended March 31, 2023.

This decrease is mainly related to the current tax expense recorded for the financial year ended March 31, 2022 following the exceptional results related to the COVID-19 crisis as well as the decrease of legal tax rate.

In thousand of €	For the twelve month period ended March 31, 2023	For the twelve month period ended March 31, 2022
Income before tax	104 337	109 121
Tax rate	25,83%	27,37%
At French statutory income tax rate	(26 950)	(29 866)
Effect of non deductible expenses/taxable income:	(7 764)	(9 567)
- Share of result in associate	*79*	*179*
- Other non taxable income	*2 045*	*914*
- Other non deductible expenses	*(9 888)*	*(10 660)*
Deferred tax assets on temporarily non-deductible financial interests in France		
Unrecognised tax losses	18	19
Effect of CVAE expense	(2 735)	(3 163)
Change in tax rate	31	(1 604)
Total income tax expense	**(37 401)**	**(44 182)**

Deferred tax

Deferred tax relates to the following:

In thousand of €	March 31, 2023	March 31, 2022	Variation	*Of which, through P&L*	*Of which, through OCI*	*Of which, through retained earnings*
Intangible assets - Picard brand	(201 474)	(201 474)	-	-	-	-
Other intangible assets	(2 263)	(2 263)	-	-	-	-
Right-of-use assets	2 634	2 001	633	*633*		
Property and equipement	(24 228)	(24 412)	184	*184*	-	-
Inventories	(395)	(278)	(117)	*(117)*	-	-
Financial instruments	(2 407)	(2 303)	(103)	*(103)*		
Long term employee benefits	2 372	2 677	(304)	*253*	*(557)*	
Profit sharing	5 071	5 027	44	*44*	-	-
Tax rate changes			-			
Other temporary differences	275	580	(305)	*(305)*	-	-
Deferred tax asset/(liability)	**(220 415)**	**(220 445)**	**32**	**589**	**(557)**	**-**
Reflected in the statement of financial position as follows :						
Deferred tax assets	-					
Deferred tax liabilities	(220 414)	(220 445)				
Deferred tax asset/(liability)	**(220 415)**	**(220 445)**				

10. Leases

10.1. Breakdown of right of use recognized under IFRS 16

In thousand of €	Leasehold rights	Land & Buildings	Vehicles	**Right-of-use-assets**
Cost:				
As at April 1, 2022	**48 158**	**545 452**	**8 184**	**601 795**
Additions	400	76 486	1 370	**78 256**
Disposals	(240)	(3 373)	(1 244)	**(4 857)**
As at March 31, 2023	**48 318**	**618 565**	**8 310**	**675 194**
Depreciation and impairment:				
As at April 1, 2022	**(702)**	**(161 351)**	**(4 209)**	**(166 262)**
Additions	(99)	(56 740)	(2 146)	**(58 986)**
Disposals	240	395	1 229	**1 864**
As at March 31, 2023	**(561)**	**(217 696)**	**(5 127)**	**(223 384)**
Net book value:				
As at April 1, 2022	**47 456**	**384 102**	**3 975**	**435 533**
As at March 31, 2023	**47 757**	**400 869**	**3 183**	**451 810**

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.

10.2. Breakdown of other purchase and external expenses

In thousand of €	For the twelve month period ended March 31, 2023	For the twelve month period ended March 31, 2022
Rent expenses	(4 292)	(2 848)
Other purchase and external expenses (excluding Rent expenses)	(226 619)	(215 550)
Total Other purchase and external expenses	**(230 911)**	**(218 398)**

For the financial year ended March 31, 2023, rent expenses of K€ 4,292 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, 2023	For the twelve month period ended March 31, 2022
Depreciation & amortization of tangible Right of Use	(58 746)	(57 531)
Depreciation & amortization of other fixed assets	(46 113)	(43 019)
Total Depreciation & amortization	**(104 859)**	**(100 550)**

The M€ 58.7 of depreciation and amortization of right-of-use assets for the financial year ended March 31, 2023 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	Other intangible assets	**Total intangible assets**
Cost:				
As at March 31, 2021	**67 602**	**780 000**	**4 215**	**851 817**
Transfer	2 851	-	(2 851)	-
Additions	9 788	-	1 091	**10 879**
Disposals	(2)	-	-	**(2)**
As at March 31, 2022	**80 239**	**780 000**	**2 456**	**862 695**
Transfer	1 252		(1 252)	-
Additions	5 516		5 462	**10 979**
As at March 31, 2023	**87 007**	**780 000**	**6 666**	**873 673**
Depreciation and impairment:				
As at March 31, 2021	**(52 794)**	-	-	**(52 794)**
Addition	(7 880)	-	-	**(7 880)**
Disposals	2	-	-	**2**
As at March 31, 2022	**(60 672)**	**-**	**-**	**(60 672)**
Addition	(10 058)	-	-	**(10 058)**
As at March 31, 2023	**(70 730)**	**-**	**-**	**(70 730)**
Net book value:				
As at March 31, 2021	**14 808**	**780 000**	**4 215**	**799 023**
As at March 31, 2022	**19 567**	**780 000**	**2 456**	**802 022**
As at March 31, 2023	**16 277**	**780 000**	**6 666**	**802 943**

12. Property, plant and equipment

In thousand of €	Land	Buildings	Technical fittings Machinery and equipment (1)	Other tangible assets (2)	**Total tangible assets**
Cost:					
As at March 31, 2021	**33 346**	**75 245**	**231 075**	**271 247**	**610 914**
Additions		7	24 863	17 196	**42 066**
Disposals		(20)	(9 690)	(6 329)	**(16 039)**
As at March 31, 2022	**33 346**	**75 232**	**246 248**	**282 114**	**636 941**
Additions (3)			22 681	23 740	**46 421**
Disposals			(6 380)	(4 503)	**(10 883)**
As at March 31, 2023	**33 346**	**75 232**	**262 549**	**301 352**	**672 478**
Depreciation and impairment:					
As at March 31, 2021	-	**(55 600)**	**(147 809)**	**(180 199)**	**(383 609)**
Transfer		2 352	4	(2 356)	-
Addition		(550)	(17 267)	(17 338)	**(35 155)**
Disposals		20	9 422	2 722	**12 164**
As at March 31, 2022	-	**(53 779)**	**(155 649)**	**(197 171)**	**(406 599)**
Addition		(469)	(17 420)	(17 927)	**(35 815)**
Disposals			6 260	2 517	**8 777**
As at 31 March 2023	-	**(54 248)**	**(166 809)**	**(212 581)**	**(433 638)**
Net book value:					
As at March 31, 2021	**33 346**	**19 645**	**83 267**	**91 048**	**227 305**
As at March 31, 2022	**33 346**	**21 453**	**90 599**	**84 943**	**230 341**
As at 31 March 2023	**33 346**	**20 984**	**95 740**	**88 770**	**238 841**

(1) Technical fittings Machinery and equipment mainly include frozen equipment such as cold room, freezer.
(2) Other tangible assets mainly include IT equipment, furniture and layout of stores.
(3) Mainly additions concern store openings (24) and remodeling campaign (60)

13. Financial assets and financial liabilities

13.1. Other financial assets

In thousand of €	As at March 31, 2023	As at March 31, 2022
Deposits and guarantees	9 877	10 298
Related party loans*	12	11
Other financial assets on derivate instrument	7 671	-
Other	644	606
Other financial assets	**18 205**	**10 916**
Of which non-current	*18 125*	*10 838*
Of which current	*80*	*78*

13.2. Interest-bearing loans and borrowings

In thousand of €	Coupon interest rate	Maturity	As at March 31, 2023	As at March 31, 2022
Current				
Current portion of interest bearing loans and borrowings			15 439	14 583
Bank overdrafts		On demand	54	5
Total current interest-bearing loans and borrowings			**15 493**	**14 588**
Non current				
Senior secured notes 2026 (M€ 750)	3.875%	2026	742 780	740 881
Senior secured notes 2026 (M€ 650)	Euribor 3M + margin 4%	2026	644 610	643 094
Senior notes 2027 (M€ 310)	5.375%	2027	307 110	306 521
Total non-current interest-bearing loans and borrowings			**1 694 500**	**1 690 497**
Total interest-bearing loans and borrowings			**1 709 993**	**1 705 085**

On July 7, 2021, the Group successfully refinanced its existing debt. Picard Groupe S.A.S. issued M€ 750 aggregate principal amount of sustainability-linked fixed rate senior secured notes due 2026, Lion Polaris Lux 4 S.A. issued M€ 650 aggregate principal amount of sustainability-linked floating rate senior secured notes due 2026 and the company issued M€ 310 aggregate principal amount of sustainability-linked senior notes due 2027. The gross proceeds from the sale of the Notes, together with cash on hand, were used to (i) redeem the company's outstanding principal amount of senior notes due 2024 issued on December 14, 2017 including accrued and unpaid interest and the applicable redemption premium, (ii) redeem Picard Groupe S.A.S.'s outstanding principal amount of senior secured notes due 2023 issued on December 14, 2017, and May 14, 2018, including accrued and unpaid interest, (iii) fund distributions to the shareholders of the Group, and (iv) pay fees and expenses related to these transactions.

The Notes issued have the following characteristics:

- Picard Groupe S.A.S., a subsidiary of the Company, issued M€ 750 of fixed rate senior secured notes due 2026 in July 2021. These fixed rate senior secured notes are payable after five years on July 1, 2026. Interest is paid twice a year at a fixed interest rate of 3.875% per annum. The senior secured notes are refundable "in fine".
- Lion Polaris Lux 4 S.A., a subsidiary of the Company, issued M€ 650 of floating rate senior secured notes due 2026 in July 2021. These floating rate senior secured notes are payable after five years on July 1, 2026. Interest is paid quarterly based on a variable

interest rate fixed in reference to a market rate (three-month EURIBOR, subject to a 0% floor) increased by a margin of 4% per annum. The floating rate senior secured notes are refundable “in fine”.

- The Company issued M€310 of fixed rate senior notes due 2027 in July 2021. These senior notes are payable after six years on July 1, 2027, and interest is paid twice a year based on a fixed interest rate of 5.375% per annum. The senior notes are refundable “in fine”.

13.3. Other financial liabilities

In thousand of €	As at March 31, 2023	As at March 31, 2022
Current		
Lease debt	58 297	57 198
Total other current financial liabilities	**58 297**	**57 198**
Non current		
Lease debt	353 724	336 480
Others	78	76
Total other non-current financial liabilities	**353 802**	**336 556**
Total other financial liabilities	**412 098**	**393 754**

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€ 412 as of March 31, 2023.

13.4. Hedging activities and derivatives

On December 2, 2022, the Group entered into a CAP Spread, a swap used to hedge the Group’s exposure to changes in future interest payment cash flows linked to the M€ 650 of floating rate senior secured notes due 2026 (see note 13.2 *Interest-bearing loans and borrowings*). The changes in fair value of this contract are recorded in the income statement.
The Group does not apply hedge accounting method.

	Notional (M€)	Faire value as at March 31, 2023 (M€)	Value date	Maturity date	Underlying index	Strike purchase	Strike sale
CAP Spread	6 010	7 671	15/12/2022	15/06/2025	EUR3M	2%	4%

During the period ended March 31, 2023, this resulted in financial income of M€ 1.8.

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, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
Financial assets				
Trade and other receivables (1)	36 335	36 335	48 113	48 113
Other financial assets	18 205	18 205	10 314	10 314
Cash and cash equivalents	281 485	281 485	206 542	206 542
Total	**336 025**	**336 025**	**268 128**	**268 128**
Financial liabilities				
Fixed rate borrowings	(1 049 890)	(927 666)	(1 047 403)	(1 019 781)
Obligations under finance leases	(46)	(46)	(45)	(45)
Floating rate borrowings	(644 610)	(626 639)	(643 094)	(646 100)
Interest rate swap		-		-
Lease commitments	(412 098)	(412 098)	(393 754)	(393 754)
Trade and other payables	(322 341)	(322 341)	(286 387)	(286 387)
Bank overdraft	(54)	(54)	(5)	(5)
Total	**(2 429 039)**	**(2 288 844)**	**(2 371 730)**	**(2 347 114)**

(1) As at March 31, 2022, the amount of prepaid expenses were of K€ 19.666

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, 2023, 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 (though the Group currently has no 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, 2023, 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, 2023, the net book value of goodwill and other intangible with indefinite useful lives is the following:

In thousand of €	**As at March 31, 2023**	**As at March 31, 2022**
Goodwill gross value	815 170	815 170
Brand gross value	780 000	780 000
Total	**1 595 170**	**1 595 170**

Since April 1, 2020, lease rights are reclassified in right of use in accordance with IFRS 16.

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 Picard senior management covering a five-year period. Future cash flows of French stores factor a 1.8% revenue growth in 2023 resulting from a pass-through of the inflation on prices, partially offset by lower volumes than expected. A Compound Annual Growth Rate of 3.5% is expected over the 2024-2028 period, driven by the opening of own stores, new franchises as well as the development of the CRM strategy and new services such as Click & Collect for example.

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 8.32% (compared to 7.31% the prior year mainly resulting from the increase in interests rates over the period) 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.

In addition, the business plan used reflects ESG initiatives implemented by the group as part of its strategy and related capex are included in the business plan, notably in the remodeling capex.

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 EBITDA (earnings before interest, taxes, depreciation & amortization) margin would have no impact on the result of the tests.

15. Inventory

In thousand of €	**As at March 31, 2023**	**As at March 31, 2022**
Packaging	946	1 053
Non packaged finished goods	7 535	14 041
Packaged finished goods	110 202	94 269
Provision	(1 270)	(1 282)
Inventory	**117 412**	**108 081**

16. Trade and other receivables

In thousand of €	**As at March 31, 2023**	**As at March 31, 2022**
Trade receivables	9 237	9 332
Prepaid expenses	23 623	22 552
VAT receivables and other sales taxes	20 509	13 492
Other receivables	4 437	2 737
Trade and other receivables	**57 807**	**48 113**

17. Cash and cash equivalents

In thousand of €	As at March 31, 2023	As at March 31, 2022
Cash at banks and on hand	98 626	203 684
Securities	182 859	2 859
Cash and cash equivalents	**281 485**	**206 542**

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

In thousand of €	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	281 485	206 542
Bank overdrafts	(54)	(5)
Net cash position	**281 431**	**206 538**

18. Issued capital

In thousand of €	Number of shares	Share Capital	Share Premium
As at March 31, 2021	**2 641 726**	**2 642**	**97**
As at March 31, 2022	**2 641 726**	**2 642**	**97**
As at March 31, 2023	**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; and
- continually optimise its financial structure by maintaining an optimum balance between net debt, EBITDA and equity 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

The Group did not pay or declare any dividends during the period ended March 31, 2023.

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, 2023	As at March 31, 2022
Net income attributed to Company shareholders (in thousands of euros)	**66 936**	**64 939**
Weighted average number of common shares outstanding (in thousands)..........	2 642	2 642
Non dilutive potential shares (in thousands)	-	-
Weighted average number of issued common shares and non dilutive potential shares (in thousands)..	**2 642**	**2 642**
Basic earnings per share (in euros)..	**25.34**	**24.58**
Net income attributed to Company shareholders (in thousands of euros)	**66 936**	**64 939**
Weighted average number of issued common shares and non dilutive potential shares (in thousands)...	**2 642**	2 642
Potential dilutive shares (in thousands)..	**1 838**	-
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).......................................	**25.34**	**24.58**

21. Provisions

In thousand of €	Risks related to the operations	Disputes and litigations	Total
Provision as at March 31, 2021	**195**	**9 267**	**9 461**
Allowances	80	3 406	3 486
Reversal	(60)	(3 753)	(3 813)
Provision as at March 31, 2022	**215**	**8 920**	**9 134**
Allowances	80	3 368	3 448
Reversal	(69)	(3 216)	(3 285)
Provision as at March 31, 2023	**226**	**9 072**	**9 297**

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, 2023	As at March 31, 2022
Current service cost	1 005	1 030
Interest cost	220	123
Benefit paid	(246)	(193)
Net benefit expense	**979**	**960**
recognized in operating income	759	837
recognized in financial income	220	123

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

In thousand of €	As at March 31, 2023	As at March 31, 2022
Benefit obligation	9 185	10 363
Fair value of plan assets		
Funded status	**9 185**	**10 363**
Unrecognized prior service cost		
Benefit liability	**9 185**	**10 363**

The Group's liability for defined benefit plans is K€ 9,185 as of March 31, 2023.

Changes in employee benefit obligations are as follows:

In thousand of €	As at March 31, 2023	As at March 31, 2022
Benefit obligation at April 1	10 363	10 545
Current service cost	1 005	1 030
Interest cost	220	123
Actuarial (gains) and losses	(2 157)	(1 141)
Benefits paid	(246)	(193)
Benefit obligation at March 31	**9 185**	**10 363**
of which classified in continued operations	*9 185*	*10 363*
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, 2023	As at March 31, 2022
Balance at April 1	(2 399)	(1 258)
Net actuarial (losses)/gains during the period	(2 157)	(1 141)
Balance at March 31	**(4 557)**	**(2 399)**

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

In thousand of €	As at March 31, 2023	As at March 31, 2022
Benefit obligation at April 1	10 363	10 545
Experience adjustments generated on the benefit obligation		
In amount	414	(535)
In percentage of the benefit obligation	4.0%	-5.1%

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, 2023	As at March 31, 2022
Discount rate	3.6%	1.96%
Average expected rate of salary increase	2.00%	2.00%
Withdrawal rates	[0% - 37.78%]	[0% - 31.9%]

A single equivalent discount rate has been calculated using a cash flow 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€ 320. An increase of 0.25% of the discount rate would decrease the defined benefit obligation by approximately K€ 306.

23. Trade and other payables

In thousand of €	As at March 31, 2023	As at March 31, 2022
Trade payables	228 726	204 781
Payables to suppliers of fixed assets	18 906	10 169
Social liabilities	69 033	67 485
Tax payables	3 067	3 070
Other payables	3 239	883
Trade and other payables	**322 971**	**286 387**

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 list of Group entities is disclosed in note 28.

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 S.A.**	**As at March 31, 2022**	0	41 793	0	1 898
Associate: **Primex International S.A.**	**As at March 31, 2023**	0	44 040	36	2 327

The following loans have been entered with related parties:

In thousands of €	As at March 31, 2023	As at March 31, 2022
Lion/Polaris Lux Topco S.à r.l.	3	3
Interests accrued	9	8
Total	**12**	**11**

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

In thousands of €	As at March 31, 2023	As at March 31, 2022
Total compensation paid to key management personnel	1 793	1 733

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 Board of Directors

Directors fee for the members of the Board of Lion Polaris II S.A.S. were paid for K€ 300 for the year ended March 31, 2023 (as compared to K€ 300 for the year ended March 31, 2022).

25. Commitments and contingencies

Mortgages and pledges

The following security interests have been granted to secure the 3.875% senior secured notes issued by Picard Groupe S.A.S. in an aggregate principal amount of M€ 750, the floating rate senior secured notes issued by Lion/Polaris Lux 4 S.A. in an aggregate principal amount of M€ 650 and the M€ 60 multi-currency revolving credit facility:

- Pledges over the following assets of the Company: its bank account in Luxembourg, the receivables under an intercompany loan by the Company to Lion/Polaris Lux Midco S.à r.l. (and certain future receivables) and the ordinary shares of Lion/Polaris Lux Midco S.à r.l.;
- Pledges over the following assets of Lion/Polaris Lux Midco S.à r.l.: its bank account in Luxembourg, the receivables under an intercompany loan by Lion/Polaris Lux Midco S.à r.l. to Lion/Polaris Lux 4 S.A. (and certain future receivables), the ordinary shares of Lion/Polaris Lux 4 S.A., one ordinary share of Picard Groupe S.A.S. and two ordinary shares of Lion Polaris II S.A.S.;
- Pledges over the following assets of Lion/Polaris Lux 4 S.A.: its bank account in Luxembourg, the receivables under two intercompany loans by Lion/Polaris Lux 4 S.A. to Lion Polaris II S.A.S. and Picard Groupe S.A.S., one ordinary share of Picard Groupe S.A.S. and the ordinary shares of Lion Polaris II S.A.S.;
- Pledges over the following assets of Lion Polaris II S.A.S.: the bank accounts in France, the receivables under an intercompany loan by Lion Polaris II S.A.S. to Picard Groupe S.A.S. and the ordinary shares of Picard Groupe S.A.S.; and
- Pledges over the following assets of Picard Groupe S.A.S.: its bank account in France, the receivables under intercompany loans by Picard Groupe S.A.S. to Picard Surgelés S.A.S., the ordinary shares of Picard Surgelés S.A.S. and the ordinary shares of Picard International S.A.S.

The following security interests have been granted to secure the 5.375% senior notes issued by the Company in an aggregate principal amount of M€ 310:

- Pledges over the following assets of the Company: its bank account in Luxembourg, the receivables under an intercompany loan by the Company to Lion/Polaris Lux Midco S.à r.l. (and certain future receivables) and the ordinary shares of Lion/Polaris Lux Midco S.à r.l.;
- Pledges over the following assets of Lion/Polaris Lux Midco S.à r.l.: its bank account in Luxembourg, the receivables under an intercompany loan by Lion/Polaris Lux Midco S.à r.l. to Lion/Polaris Lux 4 S.A. (and certain future receivables), the ordinary shares

of Lion/Polaris Lux 4 S.A., one ordinary share of Picard Groupe S.A.S. and two ordinary shares of Lion Polaris II S.A.S.; and

- Pledges over the following assets of Lion/Polaris Lux 4 S.A.: its bank account in Luxembourg, the receivables under two intercompany loans by Lion/Polaris Lux 4 S.A. to Lion Polaris II S.A.S. and Picard Groupe S.A.S., one ordinary share of Picard Groupe S.A.S. and the ordinary shares of Lion Polaris II S.A.S.

Framework agreements

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, 2023.

27. Employees

Average number of employees	**As at March 31, 2023**	**As at March 31, 2022**
France	5 148	5 164
Belgium	50	53
Luxembourg	5	4
Total employees	**5 203**	**5 221**

The staffing table above represents the average number of full-time equivalent employees as of March 31, 2023.

28. Consolidated entities

		As of March 31, 2023			As of March 31, 2022		
Name	**Country of incorporation**	**Consolidation method**	**% of interest**	**% of control**	**Consolidation method**	**% of interest**	**% of control**
Picard Bondco	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Lion/Polaris Lux 4 S.A.	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Luxembourg S.A.	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Lion/Polaris Lux Midco S.à r.l.	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 Belgique – S.A.	Belgium	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Frozen UK Limited	England	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, 2023		As at March 31, 2022	
	Certification of accounts	**Other services**	**Certification of accounts**	**Other services**
PricewaterhouseCoopers	**781**	**48**	**757**	**505**
RSM	**(0)**		**61**	
KPMG	**0**		**62**	
Total fees	**781**	**48**	**881**	**505**