Picard Bondco

Unaudited Interim Condensed Consolidated Financial Statements as at and for the quarter ended June 30, 2024

August 29, 2024

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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 June 30, 2024 (“Q1 2025”) include the following highlights:

- Q1 2025 sales of goods slightly decreased by 0.4% to €387.2 million from €388.9 million in Q1 2024, affected by a 2.5% decrease in our French like-for-like sales and the significant negative calendar effect on the first two months of this fiscal year given that Easter, which typically boosts our sales, fell in the month of April in the previous fiscal year (but not the current fiscal year, in which it fell in the month of March) and the unfavorable positioning of bank holidays;

- Our gross margin slightly increased to 44.5% in Q1 2025 from 44.4% in Q1 2024; and

- Q1 2025 EBITDA increased by 3.3% to €56.5 million from €54.7 million in Q1 2024, explained by the continuing normalization of our energy costs but partly offset by the increase in our personnel expenses and lower sales. EBITDA margin increased from 14.1% to 14.6%.

CEO Cécile Guillou commented: “As the inflationary period draws to a close, and in a food market experiencing a price war between the main distributors, our Q1 2025 sales of goods slightly decreased by 0.4% compared to Q1 2024. We estimate that we were broadly in line with the food market during the quarter and slightly outperformed the frozen food market that suffered from low ice cream sales, notably in June. During the quarter, on a like-for-like basis, we experienced a slight decrease in the total number of tickets (-0.4%), mainly explained by a 3.1% negative calendar effect due to the positioning the Easter celebration (no celebration in this quarter vs. a celebration in the same quarter last year) and bank holidays, combined with a lower average basket size (2.1%). Excluding calendar effects, we estimate that our like-for-like sales would have increased by 0.6%. The sales performance of the quarter was fairly variable with the first commercial operations of the year linked to the 50^{th} anniversary performing well in spite of the negative calendar effect while June was a more mixed month, with unfavorable weather conditions negatively affecting the performance of our ice cream sales.

A key pillar of our strategy is brick and mortar expansion. Therefore, during this quarter, we opened one directly operated store and two franchised stores in mainland France.

Digital sales increased by 11.1% during Q1 2025, compared with Q1 2024. Our digital sales as a percentage of total sales increased to 4.6% in Q1 2025 from 4.1% in Q1 2024, confirming another pillar of our strategy: taking advantage of evolving habits of consumers, who order increasingly online.

Our Q1 2025 gross profit slightly decreased by €0.3 million, or 0.2%, from €172.7 million in Q1 2024 to €172.4 million in Q1 2025. Our gross margin increased to 44.5% in Q1 2025 from 44.4% in Q1 2024, mainly due to the beginning of decreasing prices of raw materials we use for certain of our products.

In the calendar year 2024, Picard celebrates its 50th anniversary. The celebration of our anniversary is being spread out across the entire year 2024 with a series of events, including special commercial campaigns designed to echo the theme of the four seasons.

Our profitability during Q1 2025 remained strong. Our EBITDA increased from €54.7 million in Q1 2024 to €56.5 million in Q1 2025. This €1.8 million increase was explained by the continuing normalization of our energy costs, combined with well controlled operating costs in spite of increasing personnel expenses and further offset by lower sales. Consequently, EBITDA margin remained high at 14.6%, above the 14.1% reported for the same quarter last year.

In light of the continuing uncertainties regarding the political and social situation in France, management remains cautious with respect to future results. 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 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. We are working on implementing a new strategic plan for long-term and profitable growth, based on key initiatives, such as pursing product innovation, including exploring new categories, working on our brand image to attract new consumers, improving and digitalizing our marketing strategy, particularly our loyalty program, simplifying the multi-channel experience for our customers, and developing new growth drivers with our strategic partners."

About Picard

Picard is the leading retailer of frozen food products in France, and the pioneer in the sector. We offer our customers approximately 1,320 different frozen food SKUs, including unprocessed meat, fish and seafood, fruits and vegetables and bakery products, as well as a full range of ready-made starters, main courses, desserts and ice cream at various prices. We introduced the concept of premium quality, appetizing frozen food to French consumers when we opened our first store in Paris in 1974. Since then, we have continued to develop the market for frozen food products in France by transforming the way the French public perceives and consumes frozen food.

As of June 30, 2024, we had 1,161 stores in France (including four franchised stores in Corsica, 12 franchised stores in La Réunion, five franchised stores in the French West Indies, three franchised stores in New Caledonia, one franchised store in French Polynesia and 63 franchised stores in mainland France), 15 stores in Belgium, one store in Luxembourg and 11 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 a partnership with Ocado, 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, in South Korea through partnerships with Kurly and Lotte and in certain countries in Africa through a partnership with AIBC. Our Swedish operations were sold to our joint-venture partner as of August 15, 2018, and a franchise agreement was signed on the same date under which we supplied Picard-branded products to the Swedish franchisee. Sales in Norway and Sweden have reduced in recent years and, in January 2024, the franchisee terminated the partnership with Picard.

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

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

On October 4, 2019, Aryzta announced that it had received a binding offer from Invest Group Zouari ("IGZ") to sell a 42% stake in the Picard Group. The transaction was completed in January 2020. In January 2021, Aryzta sold its remaining stake in Picard to Lion Capital and IGZ, leaving Lion Capital and IGZ with respective stakes of 51.8% and 45.4%.

On 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 "2021 Fixed Rate SSNs"), Lion/Polaris Lux 4 S.A. issued €650 million aggregate principal amount of sustainability-linked floating rate senior secured notes due 2026 (the "2021 Floating Rate SSNs" and, together with the 2021 Fixed Rate SSNs, the "2021 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 2021 Senior Secured Notes, the "2021 Notes"). The gross proceeds from the sale of the 2021 Notes were used, together with cash on hand, to (i) redeem Picard Groupe S.A.S.'s then outstanding senior secured notes issued in 2017 and 2018, including accrued and unpaid interest, (ii) redeem Picard Bondco's then outstanding senior notes issued in 2017, including accrued and unpaid interest and the applicable redemption premium, (iii) distribute funds 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 "2021 Super-Senior Revolving Credit Facility"), which replaced the revolving credit facility the Picard Group entered into in 2017. See note 9.2 of the "Notes to the interim condensed consolidated financial statements" to the Picard Bondco June 30, 2024 financial statements. From and including the interest period commencing on June 15, 2024, the interest rate payable on the 2021 Fixed Rate SSNs and the Senior Notes and the margin on the 2021 Floating Rate SSNs was increased by 12.5 basis points per annum, as we did not attain the 2023 CO_2 Sustainability Performance Target but did attain the Energy Sustainability Performance Target and received an Assurance Letter to that effect (each, as defined in the indentures governing the relevant 2021 Notes). We notified the relevant trustee, the relevant paying Agent and (in respect of the 2021 Floating Rate SSNs) the calculation agent in writing on May 30, 2024 of the same.

After the end of the reporting period, on July 3, 2024, Picard Groupe S.A.S. issued €650 million aggregate principal amount of 6.375% fixed rate senior secured notes due 2029 (the "Fixed Rate SSNs") and Lion/Polaris Lux 4 S.A. issued €575 million aggregate principal amount of floating rate senior secured notes due 2029 (the "Floating Rate SSNs" and, together with the Fixed Rate SSNs, the "Senior Secured Notes"). Concurrently with the issuance of the Senior Secured Notes, Picard Groupe S.A.S. launched a cash tender offer in respect of the 2021 Fixed Rate SSNs (the "Tender Offer"). The gross proceeds from the sale of the Senior Secured Notes were used, together with cash on hand, to (i) redeem the outstanding 2021 Floating Rate SSNs, including paying accrued and unpaid interest, (ii) pay for the consideration to be paid in the Tender Offer and satisfy and discharge the 2021 Fixed Rate SSNs that were not tendered pursuant to the Tender Offer (the "Remaining 2021 Fixed Rate SSNs") by depositing with the trustee for the 2021 Fixed Rate SSNs an amount in cash sufficient to redeem the entire outstanding principal amount of the Remaining 2021 Fixed Rate SSNs at par on July 1, 2025, including accrued and unpaid interest to July 1, 2025 and (iii) pay fees and expenses related to the transactions. On July 3, 2024, Picard Groupe S.A.S. and other entities of the Picard Group also entered into a €60 million revolving credit facility (the "Super-Senior Revolving Credit Facility"), which replaced the existing 2021 Revolving Credit Facility.

Reporting

This report is the report as of and for the quarter ended June 30, 2024 required pursuant to Section 4.03 of each of the indenture governing the Fixed Rate SSNs, as amended and supplemented from time to time (the "Fixed Rate SSN Indenture"), the indenture governing the Floating Rate SSNs, as amended and supplemented from time to time (the "Floating Rate SSN Indenture" and, together with the Fixed Rate SSN Indenture, the "Senior Secured Notes Indentures") and the indenture governing the Senior Notes, as amended and supplemented from time to time (the "Senior Notes Indenture" and, together with the Senior Secured Notes Indentures, the "Indentures"), as well as clause 23.1 and clause 1.1.(b) of Schedule 19 of the agreement governing the Revolving Credit Facility (the "Revolving Credit Facility Agreement").

Presentation of Financial Information

Financial Statements Presented

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

We have prepared the unaudited condensed consolidated financial statements for Picard Bondco for the period from April 1, 2024 to June 30, 2024, which are presented in this report in accordance with IFRS, including (i) the consolidated balance sheet as of June 30, 2024, (ii) the consolidated income statement and the consolidated statement of comprehensive income for the three-month period ended June 30, 2024 and (iii) the consolidated statement of cash flows for the three-month period ended June 30, 2024.

The accounting policies of Picard Bondco as set out in the Picard Bondco annual consolidated financial statements as of and for the year ended March 31, 2024 under IFRS have been consistently applied, except for the adoption of new standards and interpretations effective as of April 1, 2024. See note 2.2 of the "Notes to the Consolidated Financial Statements" to the Picard Bondco annual consolidated financial statements for a discussion of Picard Bondco's significant accounting policies and note 2.1.1 of the "Notes to the interim condensed consolidated financial statements" to the Picard Bondco June 30, 2024 financial statements for a discussion of the new accounting standards and interpretations in effect starting from April 1, 2024.

Rounding Adjustments

Rounding adjustments have been made in calculating some of the financial and other information included in this report. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Other Financial Measures

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

EBITDA, which is a non-IFRS measure that represents operating profit before depreciation and amortization. This measure is derived from income statement line 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" and "EBITDA" under the Indentures and the Revolving Credit Facility Agreement, respectively, which notably exclude certain exceptional and non-recurring items that are reflected in EBITDA.

EBITDA margin, which is a non-IFRS measure that represents EBITDA divided by sales of goods.

EBITDA, as presented in this report, is not a measurement of financial performance under IFRS-EU and you should not consider EBITDA as an alternative to operating profit or consolidated income, as a measure of our operating performance, cash flows from operating, investing and financing activities, as a measure of our ability to meet our cash needs or any other measures of performance derived in accordance with IFRS-EU. We believe that EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of future results. EBITDA has limitations as analytical tools, and you should not consider it in isolation. Some of these limitations are:

- it does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and EBITDA does not reflect any cash requirements that would be required for such replacements; and
- the fact that other companies in our industry may calculate EBITDA differently than we do, which limits its usefulness as a comparative measure.

"French like-for-like sales growth", which represents the change in sales from our directly operated stores that have been open for more than 12 months in mainland France, excluding franchises in mainland France, Corsica, the French West Indies, New Caledonia, La Réunion and French Polynesia, and also excluding Click & Collect and Express Delivery 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. We also reflect some adjustments to our sales, based on either a positive or a negative calendar effect, e.g., due to the number of weekends or bank holidays, or events increasing traffic, such as Easter, in a period.

Sales of goods in France is a non-IFRS measure that represents our sales from in-store and Click & Collect and Express Delivery sales in France (excluding Home Delivery, franchises and international sales).

Like-for-like sales growth, along with EBITDA, EBITDA margin and sales of goods in France, as presented in this report are not measurements of financial performance and liquidity under IFRS-EU and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS-EU.

These other financial measures contained in this report have not been prepared in accordance with SEC requirements, IFRS or the accounting standards of any other jurisdiction. The financial information included in this report is not intended to comply with the reporting requirements of the SEC and will not be subject to review by the SEC.

We present in this report, certain estimates in respect of the impact of certain events (including calendar effect) on our financial performance. In making such estimates, the Group's management makes certain assumptions based upon our financial performance from the prior corresponding period, as adjusted to reflect certain recent trends observed by management. The accuracy of these estimates depends upon the accuracy of the underlying assumptions and is subject to known and unknown risks and uncertainties.

For Further Information

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

The historical information discussed below for Picard Bondco is as of and for the three-month periods ended June 30, 2023 and June 30, 2024 and is not necessarily representative of Picard Bondco's results of operations for any future period or our financial condition at any future date. We have prepared the unaudited condensed consolidated financial statements for Picard Bondco for the period from April 1, 2024 to June 30, 2024, included herein, in accordance with IFRS; such financial information has not been audited or reviewed by any auditor.

The following discussion includes "forward-looking statements" based on our current expectations and projections about future events. All statements other than statements of historical facts included in this discussion, including, without limitation, statements regarding our tax rate on long-term deferred taxes, revenue and operating profits, strategy, capital expenditures, expected investments, projected costs, our plans and objectives for future operations, may be deemed to be forward-looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on assumptions that could potentially be inaccurate and that could cause future results to differ materially from those expected or implied by the forward-looking statements. Our future results could differ materially from those anticipated in our forward-looking statements for many reasons, including due to changes in tax laws or their application or interpretation, more generally, or unfavorable changes in the tax rate on long-term deferred taxes, more specifically, economic and other trends affecting the food retail industry, changes in consumer preferences, the competitive environment in which we operate and other factors described in the section entitled "Risk Factors" in our annual report for the year ended March 31, 2024. 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		Three months* ended	
in million of €	June 30, 2023	June 30, 2024	June 30, 2024 vs. June 30, 2023	
Sales	**388.9**	**387.2**	**(1.7)**	**-0.4%**
Cost of goods sold	(216.2)	(214.7)	1.5	-0.7%
Gross profit	**172.7**	**172.4**	**(0.3)**	**-0.2%**
Other operating income	1.4	2.6	1.2	85.7%
Other purchase and external expenses	(61.7)	(57.5)	4.2	-6.8%
Taxes	(3.7)	(3.8)	(0.1)	2.7%
Personnel expenses	(53.3)	(56.7)	(3.4)	6.4%
Other operating expenses	(0.6)	(0.6)	0.0	0.0%
EBITDA	**54.7**	**56.5**	**1.8**	**3.3%**
Depreciation and amortization	(27.2)	(28.1)	(0.9)	3.3%
Operating profit	**27.5**	**28.4**	**0.9**	**3.3%**
Finance costs	(26.3)	(42.8)	(16.5)	62.7%
Finance income	4.1	4.2	0.1	2.4%
Share of profit in an associate	0.0	0.0	0.0	
Income before tax	**5.3**	**(10.2)**	**(15.5)**	**-292.5%**
Income tax expense/(benefit)	(2.1)	4.0	6.1	-290.5%
Net income/(loss)	**3.2**	**(6.1)**	**(9.3)**	**-290.6%**
Equity holders of the parent	3.2	(6.1)		
Non-controlling interests	0.0	0.0		

(*) Unaudited.

The following discussion and analysis summarizes EBITDA for the three months ended June 30, 2023 and June 30, 2024. 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" and "EBITDA" under our Indentures and our Revolving Credit Facility Agreement, respectively. See "*Presentation of Financial Information*".

Results of Operations

Expansion of store network

As of June 30, 2024, we had 1,161 stores in France (including four franchised stores in Corsica, 12 franchised stores in La Réunion, five franchised stores in the French West Indies, three franchised stores in New Caledonia, one franchised store in French Polynesia and 63 franchised stores in mainland France), 15 stores in Belgium, one store in Luxembourg and 11 franchised stores in Japan.

Sales of goods

Three months ended June 30, 2023 and June 30, 2024

Our sales of goods decreased by €1.7 million, or 0.4%, from €388.9 million for the three months ended June 30, 2023 to €387.2 million for the three months ended June 30, 2024.

In France, sales of goods slightly decreased by €0.7 million, or 0.2%, from €379.6 million for the three months ended June 30, 2023 to €378.9 million for the three months ended June 30, 2024. French like-for-like sales decreased by 2.5% in the three months ended June 30, 2024, as compared to the three months ended June 30, 2023, as a result of a 2.1% decrease in the average basket size combined with a 0.4% decrease in the total number of tickets. The decrease in the total number of tickets was mainly explained by the significant negative calendar effect on the first two months of this fiscal year given that Easter, which typically boosts our sales, fell in the month of April in the previous fiscal year (but not the current fiscal year in which it fell in the month of March) and the unfavorable positioning of bank holidays.

Digital sales increased by €1.8 million, or 11.1%, from €16.0 million for the three months ended June 30, 2023 to €17.8 million for the three months ended June 30, 2024, mainly due to digital offers in stores (Click & Collect and Express Delivery) and, in particular, the change of service provider for our Express Delivery offer. Home Delivery sales decreased by €0.3 million, or 2.7%, from €11.3 million for the three months ended June 30, 2023 to €11.0 million for the three months ended June 30, 2024.

Sales in Belgium and Luxembourg decreased by €0.3 million, or 6.4%, from €4.7 million for the three months ended June 30, 2023 to €4.4 million for the three months ended June 30, 2024, fully explained by the unfavorable comparison with the first quarter of the previous year when our stores benefitted from strikes in certain supermarkets.

Sales in other locations with our partners and franchisees decreased by €0.8 million, or 17.4%, from €4.6 million for the three months ended June 30, 2023 to €3.8 million for the three months ended June 30, 2024 mainly due to the end of our partnership in Scandinavia.

Cost of goods sold

Three months ended June 30, 2023 and June 30, 2024

Our cost of goods sold decreased by €1.5 million, or 0.7%, from €216.2 million for the three months ended June 30, 2023 to €214.7 million for the three months ended June 30, 2024, mainly due to lower sales, as well as the beginning of the decrease in raw material prices of certain of our products. Cost of goods sold as a percentage of sales slightly decreased from 55.6% for the three months ended June 30, 2023 to 55.5% for the three months ended June 30, 2024.

Gross profit

Three months ended June 30, 2023 and June 30, 2024

Our gross profit slightly decreased by €0.3 million, or 0.2%, from €172.7 million for the three months ended June 30, 2023 to €172.4 million for the three months ended June 30, 2024, mainly due to lower sales but partly offset by an increase in our gross margin rate. Gross profit as a percentage of sales of goods increased from 44.4% for the three months ended June 30, 2023 to 44.5% for the three months ended June 30, 2024. This increase in our gross margin rate mainly resulted from the beginning of the decrease in raw material prices of certain of our products.

Other operating income

Three months ended June 30, 2023 and June 30, 2024

Other operating income increased by €1.2 million, from €1.4 million for the three months ended June 30, 2023 to €2.6 million for the three months ended June 30, 2024, mainly due to increased fees from franchisees following the expansion of our network and higher income from our Express Delivery services following the change in partnership.

Other purchases and external expenses

Three months ended June 30, 2023 and June 30, 2024

Our other purchases and external expenses decreased by €4.2 million, or 6.8%, from €61.7 million for the three months ended June 30, 2023 to €57.5 million for the three months ended June 30, 2024. This decrease was primarily due to the continuing normalization of our energy costs, partially offset by our advertising costs that have shown an increase mainly explained by a phasing effect throughout the year with the beginning of the celebration of our 50th anniversary during this first quarter.

Taxes other than on income

Three months ended June 30, 2023 and June 30, 2024

Taxes other than on income increased by €0.1 million, from €3.7 million for the three months ended June 30, 2023 to €3.8 million for the three months ended June 30, 2024. Taxes other than on income as a percentage of sales of goods remained stable at 1.0% for the three months ended June 30, 2023 and for the three months ended June 30, 2024.

Personnel expenses

Three months ended June 30, 2023 and June 30, 2024

Personnel expenses increased by €3.4 million, or 6.4%, from €53.3 million for the three months ended June 30, 2023 to €56.7 million for the three months ended June 30, 2024. As a proportion of sales of goods, personnel expenses increased from 13.7% for the three months ended June 30, 2023 to 14.7% the three months ended June 30, 2023.

Wages and salaries increased by €2.5 million, or 6.9%, from €36.4 million for the three months ended June 30, 2023 to €38.9 million for the three months ended June 30, 2024 as a result of (i) the annual salary increases in France and Belgium, in effect since April 2024, and (ii) the expansion of our store network. As a proportion of sales of goods, wages and salaries increased from 9.4% for the three months ended June 30, 2023 to 10.0% for the three months ended June 30, 2024.

Employee profit sharing in France slightly decreased by €0.1 million, from €4.0 million for the three months ended June 30, 2023 to €3.9 million for the three months ended June 30, 2024, as a result of the decrease in contractual profit sharing ("*intéressement*") computed using budgeted sales.

Other personnel expenses, including social security costs, increased by €1.1 million from €12.9 million for the three months ended June 30, 2023 to €14.0 million for the three months ended June 30, 2024. As a proportion of sales of goods, social security costs increased from 2.7% for the three months ended June 30, 2023 to 3.0% for the three months ended June 30, 2024.

Other operating expenses

Three months ended June 30, 2023 and June 30, 2024

Our other operating expenses remained stable at €0.6 million for the three months ended June 30, 2023 and for the three months ended June 30, 2024.

EBITDA

Three months ended June 30, 2023 and June 30, 2024

EBITDA increased by €1.8 million, or 3.3%, from €54.7 million for the three months ended June 30, 2023 to €56.5 million for the three months ended June 30, 2024, notably explained by the decrease in energy costs, which was partly offset by the rise in personnel expenses, phasing of advertising expenses and lower sales. As a proportion of sales of goods, EBITDA increased from 14.1% for the three months ended June 30, 2023 to 14.6% for the three months ended June 30, 2024.

Depreciation and amortization

Three months ended June 30, 2023 and June 30, 2024

Depreciation and amortization increased by €0.9 million, from €27.2 million for the three months ended June 30, 2023 to €28.1 million for the three months ended June 30, 2024 due to the expansion of our store network. As a proportion of sales of goods, depreciation and amortization increased from 7.0% for the three months ended June 30, 2023 to 7.3% for the three months ended June 30, 2024.

Operating profit

Three months ended June 30, 2023 and June 30, 2024

Operating profit increased by €0.9 million, or 3.3%, from €27.5 million for the three months ended June 30, 2023 to €28.4 million for the three months ended June 30, 2024, as a result of the factors described above. As a proportion of sales of goods, operating profit increased from 7.1% for the three months ended June 30, 2023 to 7.3% for the three months ended June 30, 2024.

Finance costs

Three months ended June 30, 2023 and June 30, 2024

Finance costs increased by €16.5 million, from €26.3 million for the three months ended June 30, 2023 to €42.8 million for the three months ended June 30, 2024. This increase in finance costs was mainly related to (i) the update of the effective interest rate (amortizing 2021 issuance fees on a shorter period) for €7.8 million following the refinancing of the 2021 Floating Rate SSNs and the 2021 Fixed Rate SSNs prior to their contractual maturity in 2026 and (ii) the interest to be paid for €4.7 million for the satisfaction and discharge of the Remaining 2021 Fixed Rate SSNs. In December 2022, we entered into a Cap Spread, a swap used to hedge our exposure to changes in future interest payment cash flows. Through June 2025, the Cap Spread covers an aggregate principal amount of €300 million, up to a EURIBOR of 4%.

Finance income

Three months ended June 30, 2023 and June 30, 2024

Finance income was €4.2 million for the three months ended June 30, 2024 compared to €4.1 million for the three months ended June 30, 2024. This increase in finance income was mainly due to (i) higher interest income on financial securities and cash on hand and (ii) the swap described above generating higher interest income, but partly offset by (iii) the change in fair value on the derivative instrument.

Share of result in an associate

Three months ended June 30, 2023 and June 30, 2024

Share of result in an associate remained stable at €0.0 million for the three months ended June 30, 2023 and the three months ended June 30, 2024.

Income / (loss) before tax

Three months ended June 30, 2023 and June 30, 2024

Income / (loss) before tax decreased by €15.5 million, from a profit of €5.3 million for the three months ended June 30, 2023 to a loss of €10.2 million for the three months ended June 30, 2024. As a proportion of sales of goods, income / (loss) before tax decreased from 1.4% for the three months ended June 30, 2023 to negative 2.6% for the three months ended June 30, 2024.

Income tax expense / (benefit)

Three months ended June 30, 2023 and June 30, 2024

Income tax expense decreased by €6.1 million, from an expense of €2.1 million for the three months ended June 30, 2023 to a benefit of €4.0 million for the three months ended June 30, 2024 as a result of the decrease in our income / (loss) before tax result. Income tax expense / (benefit) represented 39.5% of income / (loss) before tax for the three months ended June 30, 2023 and for the three months ended June 30, 2024.

Net income / (loss)

Three months ended June 30, 2023 and June 30, 2024

Net income / (loss) decreased by €9.3 million, from a profit of €3.2 million for the three months ended June 30, 2023 to a loss of €6.1 million for the three months ended June 30, 2024, 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 June 30, 2024, 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. As of June 30, 2024, there was an inter-company account advance of €0.5 million from Lion/Polaris Lux 4 S.A. to Picard Bondco.

In addition, as of June 30, 2024, Picard Groupe S.A.S. was the issuer of the 2021 Fixed Rate SSNs and Lion/Polaris Lux 4 S.A. was the issuer of the 2021 Floating Rate SSNs. The 2021 Fixed Rate SSNs and the 2021 Floating Rate SSNs were guaranteed on a senior basis by Picard Bondco, Lion/Polaris Lux Midco S.à r.l., (in the case of the 2021 Fixed Rate SSNs) Lion/Polaris Lux 4 S.A., Lion Polaris II S.A.S. and (in the case of the 2021 Floating Rate SSNs) Picard Groupe S.A.S. On July 3, 2024, a portion of the 2021 Fixed Rate SSNs has been validly tendered and accepted by Picard Groupe S.A.S. and was canceled thereafter. On the same date, the 2021 Floating Rate SSNs were redeemed in full and the Remaining 2021 Fixed Rate SSNs were satisfied and discharged. In addition, on July 3, 2024, Picard Groupe S.A.S. issued the Fixed Rate SSNs and Lion/Polaris Lux 4 S.A. issued the Floating Rate SSNs. The Fixed Rate SSNs and the Floating Rate SSNs are guaranteed on a senior basis by Picard Bondco, Lion/Polaris Lux Midco S.à r.l., (in the case of the Fixed Rate SSNs) Lion/Polaris Lux 4 S.A., Lion Polaris II S.A.S. and (in the case of the Floating Rate SSNs) Picard Groupe S.A.S.

Picard Bondco is the issuer of the Senior Notes. The Senior Notes are guaranteed on a subordinated basis by Lion/Polaris Lux Midco S.à r.l. and Lion/Polaris Lux 4 S.A.

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

Unaudited Interim Condensed Consolidated Financial Statements of Picard Bondco

Picard Bondco

Unaudited interim condensed consolidated financial statements

June 30, 2024

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

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INTERIM CONSOLIDATED INCOME STATEMENT (unaudited)

In thousands of €	Notes	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Sales of goods	*4*	387 167	388 882
Cost of goods sold		(214 734)	(216 230)
Gross profit		**172 433**	**172 652**
Other operating income	*5.1*	2 624	1 359
Other purchases and external expenses	*8.2*	(57 492)	(61 703)
Taxes		(3 790)	(3 714)
Personnel expenses	*5.2*	(56 745)	(53 314)
Depreciation and amortization		(28 078)	(27 216)
Other operating expenses	*5.3*	(561)	(578)
Operating profit		**28 391**	**27 487**
Finance costs	*5.4*	(42 818)	(26 347)
Finance income	*5.4*	4 244	4 111
Share of result in an associate	*6*	30	9
Income before tax		**(10 153)**	**5 259**
Income tax expense	*7*	4 010	(2 077)
Net income		**(6 142)**	**3 182**
Attributable to:			
Equity holders of the parent		(6 142)	3 182
Non-controlling interests		-	-
Earnings per share:			
Basic earnings per share (*in euros*)		(2.33)	1.2
Fully diluted earnings per share (*in euros*)		(2.33)	1.2

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

In thousands of €	Notes	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Net income		**(6 142)**	**3 182**
Items not to be reclassified to profit and loss:			
Actuarial gains of the period		-	-
Income tax		-	-
		-	-
Other comprehensive income for the period, net of tax		-	-
Comprehensive income		**(6 142)**	**3 182**
Attributable to:			
Equity holders of the parent		(6 142)	3 182
Non-controlling interests		-	-

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

INTERIM CONSOLIDATED BALANCE SHEET (unaudited)

In thousands of €	Notes	As at June 30, 2024	As at March 31, 2024
Assets			
Goodwill		815 170	815 170
Property, plant and equipment		243 704	240 487
Right-of-use assets	*8.1*	448 275	456 686
Other intangible assets		804 125	804 898
Investment in an associate	*6*	6 091	6 061
Other non-current financial assets	*9.1*	19 018	24 009
Total non-current assets		**2 336 383**	**2 347 311**
Inventories		119 813	110 535
Trade and other receivables		63 088	55 099
Income tax receivables		11 052	6 045
Current financial assets	*9.1*	4 263	64
Cash and cash equivalents	*10*	285 649	311 117
Total current assets		**483 865**	**482 859**
Total assets		**2 820 248**	**2 830 171**
Equity and liabilities			
Issued capital		2 642	2 642
Share premium		97	97
Other comprehensive income		2 221	2 221
Retained earnings		149 376	101 924
Net income / (loss) of the period		(6 142)	47 452
Equity attributable to equity holders of the parent		**148 194**	**154 336**
Non-controlling interests		-	-
Total equity		**148 194**	**154 336**
Non-current liabilities			
Interest-bearing loans and borrowings	*9.2*	307 586	1 698 717
Other non-current financial liabilities	*9.3*	353 007	361 182
Provisions		12 673	11 704
Employee benefit liability		10 441	10 140
Deferred tax liability		209 859	218 268
Total non-current liabilities		**893 566**	**2 300 011**
Current liabilities			
Trade and other payables		309 841	300 445
Income tax payable		-	433
Interest-bearing loans and borrowings	*9.2*	1 408 470	15 670
Other current financial liabilities	*9.3*	60 178	59 277
Total current liabilities		**1 778 489**	**375 824**
Total liabilities		**2 672 055**	**2 675 835**
Total equity and liabilities		**2 820 248**	**2 830 171**

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

In thousands of €	Issued capital	Share premium	Actuarial gain / (losses)	Total other comprehensive income	Retained earnings	Net income	Equity attributable to equity holders of the parent	Total Equity
As at April 1, 2023	**2 642**	**97**	**2 178**	**2 178**	**34 987**	**66 936**	**106 840**	**106 840**
Net income attribution	-	-	-	-	66 936	(66 936)	**-**	**-**
Net income for the period	-	-	-	-	-	3 182	**3 182**	**3 182**
Other comprehensive income	-	-	-	-	-	-	**-**	**-**
Total comprehensive income	**-**	**-**	**-**	**-**	**66 936**	**(63 755)**	**3 182**	**3 182**
As at June 30, 2023	**2 642**	**97**	**2 178**	**2 178**	**101 923**	**3 182**	**110 023**	**110 023**
As at April 1, 2024	**2 642**	**97**	**2 221**	**2 221**	**101 924**	**47 452**	**154 336**	**154 336**
Net income attribution	-	-	-	-	47 452	(47 452)	-	**-**
Net income for the period	-	-	-	-	-	(6 142)	**(6 142)**	**(6 142)**
Other comprehensive income	-	-	-	-	-	-	-	**-**
Total comprehensive income	**-**	**-**	**-**	**-**	**47 452**	**(53 594)**	**(6 142)**	**(6 142)**
As at June 30, 2024	**2 642**	**97**	**2 221**	**2 221**	**149 376**	**(6 142)**	**148 194**	**148 194**

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

In thousands of €	Notes	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Operating activities			
Operating profit		28 391	27 487
Depreciation and impairment of property, plant and equipment		25 199	24 617
Amortisation and impairment of intangible assets		2 879	2 599
Other non cash operating items		793	(38)
Income tax paid		(9 392)	(9 943)
Operating cash flows before change in working capital requirements		*47 871*	*44 721*
Change in inventories		(9 278)	(13 423)
Change in trade and other receivables and prepayments		(7 989)	(2 892)
Change in trade and other payables		6 365	(5 494)
Net cash flows from operating activities, total		**36 969**	**22 913**
Investing activities			
Proceeds from sale of property, plant and equipment		70	499
Purchase of property, plant and equipment		(9 452)	(15 586)
Purchase of intangible assets		(2 771)	(1 500)
Purchase of financial instruments		(318)	(542)
Proceeds from sale of financial instruments		196	479
Net cash used in investing activities		**(12 274)**	**(16 649)**
Financing activities			
Interest paid		(32 280)	(35 598)
Interest paid related to lease contracts		(3 465)	(1 787)
Payments related to lease contracts		(14 450)	(14 831)
Net cash flows used in financing activities		**(50 195)**	**(52 216)**
Net decrease in cash and cash equivalents	**10**	(25 499)	(45 953)
Net cash at the beginning of the year	**10**	311 118	281 431
Net cash at June 30	**10**	**285 619**	**235 478**

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

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

The present unaudited interim condensed consolidated financial statements cover the period from April 1, 2024 to June 30, 2024.

2. Basis of preparation and accounting principles

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements as at and for the three-month period ended June 30, 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the consolidated annual financial statements and should be read in conjunction with the Group's audited consolidated annual financial statements as at and for the year ended March 31, 2024.

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

2.1.1 New accounting standards and interpretations in effect starting from April 1, 2024

Since April 1, 2024, the Group has applied the following new amendments, standards, and interpretations previously endorsed by the European Union:

- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements (applicable according to the IASB in accounting periods beginning on or after January 1, 2024);
- Amendments 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);
- Amendments to IAS 1 Non-current Liabilities with Covenants (applicable according to the IASB in accounting periods beginning on or after January 1, 2024); and
- 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, 2024).

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

- IAS 12 International Tax Reform - Pillar Two Model Rules

As of June 30, 2024, the potential impact of this standard on the Group's results and financial situation is currently being evaluated. Preliminary estimations and analyses suggest that the impact of such policy will be immaterial given the fact that the Group mainly operates in France, where the income tax rate is above the threshold set by Pillar Two.

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:

- Amendments to IAS 21 Lack of Exchangeability (applicable according to the IASB in accounting periods beginning on or after January 1, 2025);
- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (applicable according to the IASB in accounting periods beginning on or after January 1, 2026);
- IFRS 18: Presentation and Disclosure in Financial Statements (applicable according to the IASB in accounting periods beginning on or after January 1, 2027);
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (applicable according to the IASB in accounting periods beginning on or after January 1, 2027); and

- Annual Improvements Vol.11 (applicable according to the IASB in accounting periods beginning on or after January 1, 2026).

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

The potential impacts of climate change are taken into account in the Group's strategic plan and risk management. In preparing these condensed consolidated financial statements, the Group took these impacts into account. In view of the risks faced, no significant provision of this kind has been recognized in the financial statements. The Group believes that the long-term consequences of climate change are not yet measurable. The Group has defined several annual key performance indicators for corporate social responsibility (CSR), monitored and collected across the relevant operational divisions, notably focused on the improvement of our environmental performance. In order to achieve its ambitions, the Group has implemented a clear governance structure with responsibility to ensure the operations are aligned to the sustainability priorities. In connection with the issuance of sustainability-linked notes in 2021, the Group identified two sustainability performance targets to be attained by the end of calendar year 2023: a 6% reduction in energy consumption by our stores by 2023 compared to the baseline in 2020 and a 10% reduction in carbon emissions from our shipping networks and logistics chains by 2023 compared to the baseline in 2019. While we attained our goal of reducing the energy consumption by our stores by 2023, we did not attain our goal of reducing the carbon emissions from our shipping networks and logistics chains (See *Notes 9.2*).

2.2 Significant accounting judgments, estimates and assumptions

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting periods are disclosed in the audited consolidated financial statements of the Group as at and for the year ended March 31, 2024.

As at June 30, 2024, the following estimates should be noted:

Valuation of tangible and intangible assets

There was no indication of impairment of tangible and intangible assets as at June 30, 2024. As a result, no impairment test was performed at this date.

Valuation of financial assets

The Group measured its investment in associates on the basis of available estimates and interim financial statements as of June 30, 2024. This measurement is based on the losses and impairments recorded in the financial statements of the associate, which reflect the best estimate of the associate's management.

The estimate of financial assets might be reassessed by the Group, if the existing assumptions are revised prior to the year ending March 31, 2025.

Employee benefits liabilities

The cost of defined benefit pension plans and the present value of pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future withdrawal rates of employees. As of June 30, 2024, assumptions remain unchanged compared to March 31, 2024.

Loyalty program

Since May 30, 2022, the Group has operated a loyalty program that enables customers to obtain discounts or award credits on their future purchases. Customers can benefit from the award credits granted during each calendar year until January 31 of the following calendar year. Unused credits are reset after January 31. 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.

Provisions and Contingent Liabilities

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized when:

- The Group has a present obligation (legal or constructive) as a result of a past event;
- A reliable estimate can be made of the amount of the obligation; and
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Amounts are discounted when the effect of time is significant.

Contingent liabilities are not recognized and consist of:

- Potential liabilities arising from past events, the existence of which will only be confirmed by the occurrence of uncertain future events that are not completely within the Group's control; or
- Obligations arising from past events, but which are not recognized because it is not likely that an outflow of resources embodying economic benefits will be necessary to extinguish the obligation or because the amount of the obligation cannot be reliably assessed.

As at June 30, 2024, the Group was subject to unfair competition claims, the total exposure of which amounted to approximately M€ 9.2. The plaintiff was dismissed in the first instance and has appealed the court's decision. We continue to believe we have strong defenses to these claims and as of June 30, 2024, we have made no provision relating to these claims.

3. Significant events and seasonality of operations

3.1 Significant events of the period

There has been no significant event during the period.

3.2 Seasonality of operations

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

4. Operating geographical 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 business units as follows:

- France; and
- Other.

The "Other" business unit includes distribution activities in Belgium and Luxembourg and franchised and corner operations and partnerships in Italy, the Netherlands, Japan, Singapore, the United Kingdom, Hong Kong, South Korea, Taiwan, the MENA region and in certain countries in Africa as well as our holding company operations (other than Group financing and income taxes) in Luxembourg. From the financial year ending March 31, 2025, Scandinavia no longer constitutes part of the "Other" business unit, as the partnership with our franchisee was terminated in January 2024.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Business unit 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 business unit.

In thousands of €	For the three-month period ended June 30, 2024		
	France	**Other**	**Total**
Sales	378 904	8 263	387 167
Other operating income	2 560	65	2 624
Other operating expenses	(558)	(4)	(561)
Operating profit before amortization	**55 875**	**595**	**56 469**
Amortization for the year	(27 672)	(406)	(28 078)
Operating profit	**28 203**	**188**	**28 391**

In thousands of €	For the three-month period ended June 30, 2023		
	France	**Other**	**Total**
Sales	379 590	9 291	388 882
Other operating income	1 319	40	1 359
Other operating expenses	(575)	(3)	(578)
Operating profit before amortization	**53 440**	**1 263**	**54 702**
Amortization for the year	(26 791)	(425)	(27 216)
Operating profit	**26 649**	**838**	**27 487**

5. Other operating income/expenses

5.1 Other operating income

In thousands of €	**For the three-month period ended June 30, 2024**	**For the three-month period ended June 30, 2023**
Home Services shipping fees	326	297
Store rentals	351	234
Franchises	661	460
Other operating income	1 287	368
Total other operating income	**2 624**	**1 359**

5.2 Personnel expenses

In thousands of €	**For the three-month period ended June 30, 2024**	**For the three-month period ended June 30, 2023**
Wages and salaries	(38 850)	(36 413)
Social security costs	(11 442)	(10 583)
Pension costs	(154)	(171)
Employee profit sharing	(3 924)	(3 953)
Other employee benefit expenses	(2 376)	(2 195)
Total personnel expenses	**(56 745)**	**(53 314)**

Total personnel expenses increased by M€ 3.4, from M€ 53.3 for the three-month period ended June 30, 2023 to M€ 56.7 for the three-month period ended June 30, 2024.

5.3 Other operating expenses

In thousands of €	**For the three-month period ended June 30, 2024**	**For the three-month period ended June 30, 2023**
Royalties	(154)	(149)
Losses on bad debt	(161)	(144)
Other operating expenses	(247)	(285)
Total other operating expenses	**(561)**	**(578)**

5.4 Finance income and costs

In thousands of €	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Interest expense	(38 182)	(23 895)
Net interest related to lease commitments	(3 465)	(2 244)
Interest costs of employee benefits	(147)	(104)
Foreign exchange losses	(7)	(1)
Financial expense on derivative instrument - Fair value	(914)	-
Other financial expenses	(104)	(102)
Finance costs	**(42 818)**	**(26 347)**
Income on short term investment	2 738	2 086
Financial income on derivative instrument - Fair value	-	1 179
Other financial income on derivative instrument	1 476	797
Other financial income	31	48
Finance income	**4 244**	**4 111**

Interest expense increased by M€ 14.3, from M€ 23.9 for the three-month period ended June 30, 2023 to M€ 38.2 for the three-month period ended June 30, 2024.

This increase comprises a one-off expense of:

- M€ 7.8 relating to the update of the effective interest rate (amortizing 2021 issuance fees on a shorter period) following the refinancing of the M€ 650 of 2021 Floating Rate SSNs and the M€ 750 of 2021 Fixed Rate SSNs prior to their contractual maturity in 2026 (see note *9.2 Interest-bearing loans and borrowings*); and

- M€ 4.7 of interest to be paid in order to satisfy and discharge the remaining M€ 112.3 of 2021 Fixed Rate SSNs which were not validly tendered and accepted pursuant to the tender offer that launched on June 24, 2024 by Picard Groupe S.A.S. (see note *9.2 Interest-bearing loans and borrowings*).

The K€ 3,465 net interest related to lease commitments in the three months ended June 30, 2024 represents the financial interest calculated on lease liabilities recognized in accordance with IFRS 16.

The K€ 914 financial expense on derivative instrument in the three months ended June 30, 2024 represents the change in fair 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 initially linked to the M€ 650 of 2021 Floating Rate SSNs (see note *9.4 Hedging activities and derivatives*). The Cap Spread covers an amount of up to M€ 300.

6. Investment in an associate

The Group has a 37.21% interest in Primex International S.A., which is involved in the 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 thousands of €	**As at June 30, 2024**	**As at March 31, 2024**
Share of the associate's statement of financial position:		
Non-current assets	6 030	6 041
Current assets	9 742	9 174
Current liabilities	7 633	7 404
Non-current liabilities	1 843	1 545
Equity	**6 296**	**6 266**
Share of the associate's revenue and result:		
Revenue	4 485	22 693
Profit	30	1 117
Carrying amount of the investment	**6 090**	**6 060**

In thousands of €	**As at June 30, 2024**	**As at March 31, 2024**
Carrying value at opening	**6 060**	**4 943**
Share of result in an associate	30	1 117
Carrying value as of March 31	**6 090**	**6 060**

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 and its valuation, the Group recorded two additional depreciations in September 2020 and in December

2023, as the net book value exceeded the fair value computed by the Group. The valuation of Primex International will continue to be closely monitored by the Group.

7. Income tax expense

The Group calculates income tax expense using an estimated tax rate that would be applicable to the expected total annual earnings (projected pre-tax income at year-end). The estimated effective average annual tax rate used is 39.5%, including Business Contribution on Value Added ("CVAE"), which is accounted for as an income tax in line with IAS 12. The projected annual tax rate amounted to 39.5% in previous periods.

A tax audit of Picard Groupe S.A.S. was initiated by the French tax authorities in February 2024 for the fiscal years ended March 31, 2021, March 31, 2022 and March 31, 2023. As at the date of this report, the tax audit is still in progress.

8. Leases

8.1 Breakdown of Right of Use recognized under IFRS 16

In thousands of €	Leasehold rights	Land & Buildings	Vehicles	**Right-of-use-assets**
Cost:				
As at March 31, 2023	**48 318**	**618 565**	**8 310**	**675 194**
Additions		67 900	2 498	**70 398**
Disposals	(369)	(5 697)	(1 673)	**(7 739)**
As at March 31, 2024	**47 949**	**680 769**	**9 134**	**737 852**
Additions	-	7 217	169	**7 386**
Disposals	-	(377)	(1 892)	**(2 269)**
As at June 30, 2024	**47 949**	**687 610**	**7 410**	**742 969**
Depreciation and impairment:				
As at March 31, 2023	**(561)**	**(217 696)**	**(5 127)**	**(223 384)**
Additions	-	(59 260)	(1 952)	**(61 212)**
Disposals	485	1 291	1 655	**3 430**
As at March 31, 2024	**(76)**	**(275 666)**	**(5 425)**	**(281 166)**
Additions	-	(14 930)	(491)	**(15 421)**
Disposals	-	-	1 892	**1 892**
As at June 30, 2024	**(76)**	**(290 596)**	**(4 023)**	**(294 695)**
Net book value:				
As at March 31, 2023	**47 757**	**400 869**	**3 183**	**451 810**
As at March 31, 2024	**47 873**	**405 103**	**3 709**	**456 687**
As at June 30, 2024	**47 873**	**397 014**	**3 387**	**448 274**

As at June 30, 2024, the total amount of depreciation and impairment was M€ 294.7, K€ 76 of which were related to impairments of leasehold rights.

8.2 Breakdown of Other purchase and external expenses

In thousands of €	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Rent expenses	(2 107)	(1 647)
Other purchases and external expenses (excluding Rent expenses)	(55 385)	(60 056)
Total Other purchase and external expenses	**(57 492)**	**(61 703)**

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

8.3 Breakdown of Depreciation & amortization

In thousands of €	For the three-month period ended June 30, 2024	For the three-month period ended June 30, 2023
Depreciation & amortization of tangible Right of Use assets	(15 421)	(14 880)
Depreciation & amortization of other fixed assets	(12 657)	(12 336)
Total Depreciation & amortization	**(28 078)**	**(27 216)**

9. Financial assets and financial liabilities

9.1 Other current and non-current financial assets

In thousands of €	As at June 30, 2024	As at March 31, 2024
Deposits and guarantees	10 341	10 356
Related party loans	7 860	7 709
Other financial assets on derivate instrument	4 199	5 112
Other	881	895
Other financial assets	**23 281**	**24 073**
Of which non-current	*19 018*	*24 009*
Of which current	*4 263*	*64*

Other financial assets on derivative instrument of K€ 4,199 represents the fair 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 initially linked to the M€ 650 of floating rate senior secured notes due 2026 (see note *9.4 Hedging activities and derivatives*). The Cap Spread covers an amount of up to M€ 300.

Other financial assets of K€ 881 represents the amount of financial receivables recognized in respect of sub-letting arrangements granted over the residual period of the leases concerned in accordance with IFRS16 (K€ 64 of which was recorded as current as at June 30, 2024).

9.2 Interest-bearing loans and borrowings

In thousands of €	Coupon interest rate	Maturity	As at June 30, 2024	As at March 31, 2024
Current				
Current portion of interest bearing loans and borrowings			3 774	15 670
Senior secured notes 2026 (M€ 750)	3.875%	2026	754 680	-
Senior secured notes 2026 (M€ 650)	Euribor 3M + margin 4%	2026	649 986	-
Bank overdrafts		On demand	31	-
Total current interest-bearing loans and borrowings			**1 408 471**	**15 670**
Non current				
Senior secured notes 2026 (M€ 750)	3.875%	2026	-	744 792
Senior secured notes 2026 (M€ 650)	Euribor 3M + margin 4%	2026	-	646 191
Senior notes 2027 (M€ 310)	5.375%	2027	307 586	307 734
Total non-current interest-bearing loans and borrowings			**307 586**	**1 698 717**
Total interest-bearing loans and borrowings			**1 716 057**	**1 714 387**

On July 7, 2021, Picard Groupe S.A.S. issued M€ 750 aggregate principal amount of sustainability-linked fixed rate senior secured notes due 2026 (the "2021 Fixed Rate SSNs"), Lion Polaris Lux 4 S.A. issued M€ 650 aggregate principal amount of sustainability-linked floating rate senior secured notes due 2026 (the "2021 Floating Rate SSNs") and the Company issued M€ 310 aggregate principal amount of sustainability-linked senior notes due 2027 (the "Senior Notes" and, together with the 2021 Fixed Rate SSNs and the 2021 Floating Rate SSNs, the 2021 "Notes"). The gross proceeds from the issuance of the 2021 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 2021 Notes initially had 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 2021 Fixed Rate SSNs were payable after five years on July 1, 2026. Interest was paid twice a year at a fixed interest rate of 3.875% per annum, subject to certain increases, as described below. The 2021 Fixed Rate SSNs were 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 2021 Floating Rate SSNs were payable after five years on July 1, 2026. Interest was 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, subject to certain increases, as described below. The 2021 Floating Rate SSNs 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, subject to certain increases, as described below. The Senior Notes are refundable "in fine".

On June 24, 2024, the Group announced that it intended to offer new floating rate notes and fixed rate notes for an aggregate principal amount of €1,225 million (the "Notes") and, concurrently, Picard Groupe S.A.S. launched a cash tender offer in respect of the 2021 Fixed Rate SSNs (the "Tender Offer"). The gross proceeds from the sale of the Notes would be used, together with cash on hand, to (i) redeem the outstanding 2021 Floating Rate SSNs, including paying accrued and unpaid interest to the date of redemption, (ii) pay for the consideration to be paid in the Tender Offer and satisfy and discharge the 2021 Fixed Rate SSNs that were not tendered pursuant to the Tender Offer (the "Remaining 2021 Fixed Rate SSNs") and (iii) pay all fees and expenses related to the transactions (see note 11. Events after the reporting period).

On the same date, Lion/Polaris Lux 4 S.A published a conditional notice of redemption for the 2021 Floating Rate SSNs.

On June 26, 2024, Picard Groupe S.A.S. announced that it had priced its offering of €650 million aggregate principal amount of 6.375% fixed rate senior secured notes due 2029 and Lion/Polaris Lux 4 S.A. announced that it had priced its offering of €575 million aggregate principal amount of floating rate senior secured notes due 2029, at three-month EURIBOR (with a 0% floor) plus 3.635% per annum. As a result, the M€ 650 of 2021 Floating Rate SSNs and the M€ 750 of 2021 Fixed Rate SSNs have been reclassified as current liabilities and the related interest expense for the three-month period ended June 30, 2024 has increased by M€ 7.8 due to the update of the effective interest rate and by M€ 4.7 due to the interest to be paid in order to satisfy and discharge the M€ 112.3 of Remaining 2021 Fixed Rate SSNs (see note *5.4 Finance income and costs*).

In connection with the 2021 Notes, the Group identified two sustainability performance targets for 2023, a 6% reduction in energy consumption by our stores by 2023 compared to the baseline in 2020 (the "2023 Energy Sustainability Performance Target") and a 10% reduction in carbon emissions from our shipping networks and logistics chains by 2023 compared to the baseline in 2019 (the "2023 CO2 Sustainability Performance Target" and, together with the 2023 Energy Sustainability Performance Target, the "2023 Sustainability Performance Targets").

In May 2024, the Group tested its 2023 Sustainability Performance Targets, which set ambitious performance targets for the Group to reduce its energy consumption and CO2 emissions from the shipping network and logistics chain. While the 2023 Energy Sustainability Performance Target has been met, the Group did not manage to meet the 2023 CO2 Sustainability Performance Target. Consequently, from and including the interest period commencing on June 15, 2024, the interest rate payable on the 2021 Fixed Rate SSNs and the Senior Notes and the margin on the 2021 Floating Rate SSNs was increased by 12.5 basis points per annum.

The interest-bearing loans and borrowings change is only related to the non-cash impact of the amortization of the effective interest rate (No additional debts were subscribed during the year).

9.3 Other financial liabilities

In thousands of €	As at June 30, 2024	As at March 31, 2024
Current		
Lease debt	60 178	59 277
Total other current financial liabilities	**60 178**	**59 277**
Non current		
Lease debt	352 922	361 098
Others	85	84
Total other non-current financial liabilities	**353 007**	**361 182**
Total other financial liabilities	**413 185**	**420 458**

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€ 413.2 as of June 30, 2024.

9.4 Hedging activities and derivatives

Cash Flow Hedges

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 initially linked to the M€ 650 of 2021 Floating Rate SSNs (see note 9.2 *Interest-bearing loans and borrowings*). The changes in fair value of this contract are recorded in the income statement.
The Group does not apply the hedge accounting method.

	Notional (K€)	Premium paid (K€)	Faire value as at June 30, 2024 (K€)	Value date	Maturity date	Underlying index	Strike purchase	Strike sale
CAP Spread	300 000	6 010	4 199	15/12/2022	15/06/2025	EUR3M	2%	4%

During the three-month period ended June 30, 2024, the interest received on this derivative instrument represented financial income of M€ 1.5 and the change in the fair value of the instrument represented financial expense of M€ 0.9.

9.5 Fair values

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

In thousands of €	Carrying amount	Fair value	Carrying amount	Fair value
	As at June 30, 2024	As at June 30, 2024	As at March 31, 2024	As at March 31, 2024
Financial assets				
Trade and other receivables	38 893	38 893	33 630	33 630
Income tax receivable	11 052	11 052	6 045	6 045
Other financial assets	23 281	23 281	24 073	24 073
Cash and cash equivalents	285 649	285 649	311 117	311 117
Total	**358 875**	**358 875**	**374 865**	**374 865**
Financial liabilities				
Fixed rate borrowings - non current	(307 586)	(300 694)	(1 052 526)	(1 035 713)
Obligations under finance leases	(27)	(27)	(39)	(39)
Floating rate borrowings - non current	-	-	(646 191)	(650 676)
Lease commitments	(413 185)	(413 185)	(420 458)	(420 458)
Trade and other payables	(309 472)	(309 472)	(299 704)	(299 704)
Interest-bearing loans and borrowings	(3 774)	(3 774)	(15 670)	(15 670)
Fixed rate borrowings - current	(754 680)	(745 343)	-	-
Floating rate borrowings - current	(649 986)	(649 753)	-	-
Income tax payable	-	-	(433)	(433)
Bank overdraft	(31)	(31)	(0)	(0)
Total	**(2 438 741)**	**(2 422 278)**	**(2 435 022)**	**(2 422 693)**

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.
- Receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, provision allowances are taken into account for the expected losses relating to these receivables. As at June 30, 2024, 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. For derivative interest rate contracts, the fair values of derivative interest rate

contracts (e.g., interest rate swap agreements) are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument.

Fair value hierarchy

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

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

The fair value of all interest rate derivatives is determined through valuation techniques of level 2 (although the Group currently has no interest rate swap agreement outstanding). The fair value of long-term debt is determined using price quotations at the reporting date (see *Note 4. Financial risk management objectives and policies* in the annual report for the year ended March 31, 2024).

10. Cash and cash equivalents

In thousands of €	**As at June 30, 2024**	**As at March 31, 2024**	**As at June 30, 2023**	**As at March 31, 2023**
Cash at banks and on hand	285 649	138 258	102 660	98 626
Securities	-	172 859	132 859	182 859
Cash and cash equivalents	**285 649**	**311 117**	**235 519**	**281 485**

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

In thousands of €	**As at June 30, 2024**	**As at March 31, 2024**	**As at June 30, 2023**	**As at March 31, 2023**
Cash and cash equivalents	285 649	311 117	235 519	281 485
Bank overdrafts	(31)	(0)	(41)	(54)
Net cash position	**285 618**	**311 117**	**235 478**	**281 431**

11. Events after the reporting period

On June 24, 2024, the Group announced that it intended to offer new floating rate notes and fixed rate notes for an aggregate principal amount of €1,225 million (see *Notes 9.2 Interest-bearing* *loans and borrowings*). The notes were priced on June 26, 2024 and on July 3, 2024, the Group successfully refinanced its 2021 Fixed Rate SSNs and 2021 Floating Rate SSNs:

- Picard Groupe S.A.S. issued €650 million aggregate principal amount of 6.375% fixed rate senior secured notes due 2029; and

- Lion/Polaris Lux 4 S.A. issued €575 million aggregate principal amount of floating rate senior secured notes due 2029, at three-month EURIBOR (with a 0% floor) plus 3.635% per annum.

The gross proceeds from the sale of the Notes were used, together with cash on hand, to (i) redeem the 2021 Floating Rate SSNs, including paying the accrued and unpaid interest to the date of redemption, (ii) purchase certain of its 2021 Fixed Rate SSNs and satisfy and discharge the remaining 2021 Fixed Rate SSNs that were not purchased by Picard Groupe S.A.S. by depositing an amount in cash sufficient to redeem them on July 1, 2025 and (iii) pay all fees and expenses related to the transactions.