Picard Bondco

Unaudited Interim Condensed Consolidated Financial Statements as at and for the three and six months ended September 30, 2024

November 29, 2024

Table of Contents

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 September 30, 2024 ("Q2 2025") include the following highlights:

- Q2 2025 sales of goods increased by 3.1% to €374.6 million from €363.5 million in Q2 2024;
- Our gross margin slightly decreased to 44.3% in Q2 2025 from 44.4% in Q2 2024; and
- Q2 2025 EBITDA increased by 12.2% to €51.4 million from €45.8 million in Q2 2024. EBITDA margin increased from 12.6% to 13.7%.

CEO Cécile Guillou commented: "Our Q2 2025 sales of goods showed a 3.1% increase compared to Q2 2024. Stores sales have increased by 1.9% in spite of the Olympic games and unfavorable weather conditions impacting ice cream sales, notably in July. This performance has been achieved on the back of solid and healthy growth drivers after months of inflation. In particular, our number of tickets increased by 3.5% during the quarter on a like-for-like basis.

During the first six months of our financial year, we opened 7 stores, including 5 franchised stores.

Digital sales are also an important driver of our growth. They increased by 11.3% during Q2 2025, compared with Q2 2024. Our digital sales as a percentage of total sales increased to 4.8% in Q2 2025 from 4.2% in Q2 2024, confirming another pillar of our strategy: taking advantage of evolving habits of consumers, who order increasingly online.

Our Q2 2025 gross profit margin remained well controlled and broadly in line with last year at 44.3% compared to 44.4% in Q2 2024.

Finally, driven by the normalization of energy costs, our EBITDA performance during Q2 2025 improved. Our EBITDA increased by 12.2%, from €45.8 million in Q2 2024 to €51.4 million in Q2 2025. The well-controlled operating costs and the increase in sales enabled us to increase EBITDA margin to 13.7%, compared to 12.6% in Q2 2024.

In light of the continuing uncertainties regarding the political stability in France, management remains cautious with respect to future results. Maintaining our gross margin and controlling our costs structure is essential in this context. Picard's existing strategy relies on three well-defined pillars: (i) optimizing sales performance via initiatives including a personalized customer strategy, operational excellence, a simplified store concept and a clustered offer strategy, (ii) developing Picard's footprint both in France where we see whitespace potential and internationally through key strategic partnerships and (iii) capturing share in growing channels as highlighted by our ability to respond to evolving customer habits by providing digital sales, Express Delivery and Click & Collect services."

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 September 30, 2024, we had 1,164 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 66 franchised stores in mainland France), 15 stores in Belgium, two stores 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.

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.

On September 30, 2024, the Picard Group announced that Invest Group Zouari (IGZ), which as of September 30, 2024 owned approximately 45.4% of the shares in the Picard Group, had entered into a put option agreement to purchase from Lion Capital its ownership interest of approximately 51.8% in the Picard Group. The transaction is subject to customary closing conditions, including required works council and regulatory approvals, and is expected to close late December 2024 or in the first quarter of calendar year 2025. Upon completion, IGZ will control the Picard Group. IGZ expects to fund the transaction with a combination of fresh equity and loans from its shareholders and a c.€120 million vendor loan from Lion Capital, as well as c.€200 million in cash from the Picard Group, which will be funded by the incurrence of additional Floating Rate SSNs (as described below).

Consequently, on November 6, 2024, Lion/Polaris Lux 4 S.A. issued €200 million in aggregate principal amount of additional Floating Rate SSNs under the Floating Rate SSN Indenture (as defined below).

Reporting

This report is the report as of and for the quarter ended September 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 interim condensed consolidated financial statements for Picard Bondco for the period from April 1, 2024 to September 30, 2024, which are presented in this report in accordance with IFRS, including (i) the consolidated balance sheet as of September 30, 2024, (ii) the consolidated income statement and the consolidated statement of comprehensive income for the three- and six-month periods ended September 30, 2024 and (iii) the consolidated statement of cash flows for the six-month period ended September 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 September 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

Investor Relations: investor_relations@picard.fr

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 six-month periods ended September 30, 2023 and September 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 interim condensed consolidated financial statements for Picard Bondco for the period from April 1, 2024 to September 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		Six months* ended	
in million of €	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024
Sales	**363.5**	**374.6**	**752.3**	**761.8**
Cost of goods sold	(201.9)	(208.7)	(418.2)	(423.4)
Gross profit	**161.5**	**165.9**	**334.2**	**338.3**
Other operating income	1.7	1.9	3.1	4.5
Other purchase and external expenses	(59.2)	(55.1)	(120.9)	(112.6)
Taxes	(3.5)	(3.7)	(7.2)	(7.5)
Personnel expenses	(53.6)	(57.0)	(106.9)	(113.8)
Other operating expenses	(1.2)	(0.6)	(1.8)	(1.2)
EBITDA	**45.8**	**51.4**	**100.5**	**107.8**
Depreciation and amortization	(27.5)	(28.7)	(54.7)	(56.7)
Operating profit	**18.3**	**22.7**	**45.8**	**51.1**
Finance costs	(27.8)	(31.9)	(54.2)	(74.8)
Finance income	2.3	3.2	6.4	7.4
Share of profit / (loss) in an associate	(0.1)	(0.2)	(0.0)	(0.1)
Income before tax	**(7.3)**	**(6.2)**	**(2.0)**	**(16.4)**
Income tax expense/(benefit)	2.9	2.5	0.8	6.5
Net income/(loss)	**(4.4)**	**(3.8)**	**(1.2)**	**(9.9)**
Equity holders of the parent	(4.4)	(3.8)	(1.2)	(9.9)
Non-controlling interests	0.0	0.0	0.0	0.0

(*) Unaudited.

The following discussion and analysis summarizes EBITDA for the three-month and six-month periods ended September 30, 2023 and September 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 September 30, 2024, we had 1,164 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 66 franchised stores in mainland France), 15 stores in Belgium, two stores in Luxembourg and 11 franchised stores in Japan.

Sales of goods

Six months ended September 30, 2023 and September 30, 2024

Our sales of goods increased by €9.5 million, or 1.3%, from €752.3 million for the six months ended September 30, 2023 to €761.8 million for the six months ended September 30, 2024.

In France, sales of goods increased by €11.0 million, or 1.5%, from €734.7 million for the six months ended September 30, 2023 to €745.7 million for the six months ended September 30, 2024. French like-for-like sales decreased by 0.9% in the six months ended September 30, 2024, as compared to the six months ended September 30, 2023, as a result of a 2.3% decrease in the average basket size, partially offset by a 1.5% increase in the total number of tickets. This decrease 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.

Our digital sales increased from 4.1% of our total sales for the six months ended September 30, 2023 to 4.7% for the six months ended September 30, 2024. This was mainly explained by our new digital offerings (Click & Collect and Express Delivery offers), which grew by €5.5 million from €9.0 million for the six months ended September 30, 2023 to €14.5 million for the six months ended September 30, 2024. This increase was mainly due to the full-period effect of the implementation of these offerings in a larger number of stores. In contrast, Home Delivery sales decreased by 4.1%, or €0.9 million, from €22.2 million for the six months ended September 30, 2023 to €21.3 million for the six months ended September 30, 2024.

Sales in Belgium and Luxembourg slightly declined by €0.2 million, or 2.3%, from €8.8 million for the six months ended September 30, 2023 to €8.6 million for the six months ended September 30, 2024.

Sales in other locations with our partners and franchisees decreased from €8.9 million for the six months ended September 30, 2023 to €7.4 million for the six months ended September 30, 2024 mainly due to the end of our partnership in Sweden early 2024.

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

Our sales of goods increased by €11.1 million, or 3.1%, from €363.5 million for the three months ended September 30, 2023 to €374.6 million for the three months ended September 30, 2024.

In France, sales of goods increased by €11.7 million, or 3.3%, from €355.1 million for the three months ended September 30, 2023 to €366.8 million for the three months ended September 30, 2024. French like-for-like sales increased by 0.8% in the three months ended September 30, 2024, as compared to the three months ended September 30, 2023, despite a lower average basket size (-2.6%) as we experienced a 3.5% increase in the number of tickets. The weather was not favorable to ice cream sales, notably in July. However, the performance remained strong, driven by the increase in volumes and in the number of tickets.

As a proportion of our Group sales of goods, our digital sales increased from 4.2% for the three months ended September 30, 2023 to 4.8% for the three months ended September 30, 2024. Our digital offerings (Click & Collect and Express Delivery offers) grew by €3.3 million from €4.3 million for the three months ended September 30, 2023 to €7.6 million for the three months ended September 30, 2024. This increase is mainly due to the full-period effect of the implementation of these offerings in a larger number of stores. Home Delivery sales decreased by 5.5%, or €0.6 million, from €10.9 million for the three months ended September 30, 2023, to €10.3 million for the three months ended September 30, 2024.

Sales in Belgium and Luxembourg increased by €0.1 million, from €4.1 million for the three months ended September 30, 2023 to €4.2 million for the three months ended September 30, 2024.

Sales in other locations with our partners and franchisees decreased from €4.3 million for the three months ended September 30, 2023 to €3.6 million for the three months ended September 30, 2024, mainly due to the end of our partnership in Sweden early 2024.

Cost of goods sold

Six months ended September 30, 2023 and September 30, 2024

Our cost of goods sold increased by €5.2 million, or 1.2%, from €418.2 million for the six months ended September 30, 2023 to €423.4 million for the six months ended September 30, 2024, mainly due to higher sales. Cost of goods sold as a percentage of sales remained stable at 55.6% for the six months ended September 30, 2023 and for the six months ended September 30, 2024.

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

Our cost of goods sold increased by €6.8 million, or 3.4%, from €201.9 million for the three months ended September 30, 2023 to €208.7 million for the three months ended September 30, 2024, mainly due to higher sales. Cost of goods sold as a percentage of sales increased from 55.6% for the three months ended September 30, 2023 to 55.7% for the three months ended September 30, 2024.

Gross profit

Six months ended September 30, 2023 and September 30, 2024

Our gross profit increased by €4.1 million, or 1.2%, from €334.2 million for the six months ended September 30, 2023 to €338.3 million for the six months ended September 30, 2024, mainly due to higher sales. Gross profit as a percentage of sales of goods remained stable at 44.4% for the six months ended September 30, 2024 and for the six months ended September 30, 2023.

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

Our gross profit increased by €4.4 million, or 2.7%, from €161.5 million for the three months ended September 30, 2023 to €165.9 million for the three months ended September 30, 2024, mainly due to higher sales. Gross profit as a percentage of sales of goods slightly decreased to 44.3% for the three months ended September 30, 2024 from 44.4% for the three months ended September 30, 2023.

Other operating income

Six months ended September 30, 2023 and September 30, 2024

Other operating income increased by €1.4 million, from €3.1 million for the six months ended September 30, 2023 to €4.5 million for the six months ended September 30, 2024, mainly explained by higher royalties received from our franchisees due to their increasing number.

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

Other operating income increased by €0.2 million, from €1.7 million for the three months ended September 30, 2023 to €1.9 million for the three months ended September 30, 2024, mainly explained by higher royalties received from our franchisees due to their increasing number.

Other purchases and external expenses

Six months ended September 30, 2023 and September 30, 2024

Our other purchases and external expenses decreased by €8.3 million, or 6.9%, from €120.9 million for the six months ended September 30, 2023 to €112.6 million for the six months ended September 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. Our other costs, notably logistics, remained well-controlled.

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

Our other purchases and external expenses decreased by €4.1 million, or 6.9%, from €59.2 million for the three months ended September 30, 2023 to €55.1 million for the three months ended September 30, 2024. This decrease was primarily due to the continuing normalization of our energy costs.

Taxes other than on income

Six months ended September 30, 2023 and September 30, 2024

Taxes other than on income increased by €0.3 million, from €7.2 million for the six months ended September 30, 2023 to €7.5 million for the six months ended September 30, 2024 due to higher sales on which certain taxes are based (notably, "*contribution sociale de solidarité des sociétés*") and profit sharing on which a 20% tax ("*forfait social*") is due.

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

Taxes other than on income increased by €0.2 million, from €3.5 million for the three months ended September 30, 2023 to €3.7 million for the three months ended September 30, 2024 due to higher sales on which certain taxes are based (notably, "*contribution sociale de solidarité des sociétés*") and profit sharing on which a 20% tax ("*forfait social*") is due.

Personnel expenses

Six months ended September 30, 2023 and September 30, 2024

Personnel expenses increased by €6.9 million, or 6.5%, from €106.9 million for the six months ended September 30, 2023 to €113.8 million for the six months ended September 30, 2024. As a proportion of sales of goods, personnel expenses slightly increased from 14.2% for the six months ended September 30, 2023 to 14.9% for the six months ended September 30, 2024.

Wages and salaries increased by €4.3 million, or 5.9%, from €73.5 million for the six months ended September 30, 2023 to €77.8 million for the six months ended September 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 9.8% for the six months ended September 30, 2023 to 10.2% for the six months ended September 30, 2024.

Employee profit sharing in France increased by €0.8 million, from €7.1 million for the six months ended September 30, 2023 to €7.9 million for the six months ended September 30, 2024, as a result of the increase in the legal profit sharing ("*participation aux bénéfices*"), computed using net income at the level of Picard Surgelés.

Other personnel expenses, including social security costs, increased by €1.9 million, from €26.2 million for the six months ended September 30, 2023 to €28.1 million for the six months ended September 30, 2024, mainly driven by a €1.7 million increase in social security costs, following the increase in salaries. As a proportion of sales of goods, social security costs increased from 2.8% for the six months ended September 30, 2023 to 3.0% for the six months ended September 30, 2024.

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

Personnel expenses increased by €3.4 million, or 6.3%, from €53.6 million for the three months ended September 30, 2023 to €57.0 million for the three months ended September 30, 2024. As a proportion of sales of goods, personnel expenses increased from 14.7% for the three months ended September 30, 2023 to 15.2% for the three months ended September 30, 2024.

Wages and salaries increased by €1.8 million, or 4.9%, from €37.1 million for the three months ended September 30, 2023 to €38.9 million for the three months ended September 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 10.2% for the three months ended September 30, 2023 to 10.4% for the three months ended September 30, 2024.

Employee profit sharing in France increased by €0.8 million, from €3.2 million for the three months ended September 30, 2023 to €3.9 million for the three months ended September 30, 2024, as a result of the increase in the legal profit sharing ("*participation aux bénéfices*"), computed using net income at the level of Picard Surgelés.

Other personnel expenses, including social security costs, increased by €0.9 million, from €13.3 million for the three months ended September 30, 2023 to €14.2 million for the three months ended September 30, 2024, mainly driven by a €0.8 million increase in social security costs, following the increase in salaries. As a proportion of sales of goods, social security costs increased from 3.0% for the three months ended September 30, 2023 to 3.1% for the three months ended September 30, 2024.

Other operating expenses

Six months ended September 30, 2023 and September 30, 2024

Our other operating expenses decreased by €0.6 million, from €1.8 million for the six months ended September 30, 2023 to €1.2 million for the six months ended September 30, 2024.

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

Our other operating expenses decreased by €0.6 million, from €1.2 million for the three months ended September 30, 2023 to €0.6 million for the three months ended September 30, 2024.

EBITDA

Six months ended September 30, 2023 and September 30, 2024

EBITDA increased by €7.3 million, or 7.3%, from €100.5 million for the six months ended September 30, 2023 to €107.8 million for the six months ended September 30, 2024, mainly driven by the normalization in our energy costs and the increase in our sales. As a proportion of sales of goods, EBITDA increased from 13.4% for the six months ended September 30, 2023 to 14.2% for the six months ended September 30, 2024.

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

EBITDA increased by €5.6 million, or 12.2%, from €45.8 million for the three months ended September 30, 2023 to €51.4 million for the three months ended September 30, 2024, mainly driven by the normalization in our energy costs and the increase in our sales. As a proportion of sales of goods, EBITDA increased from 12.6% for the three months ended September 30, 2023 to 13.7% for the three months ended September 30, 2024.

Depreciation and amortization

Six months ended September 30, 2023 and September 30, 2024

Depreciation and amortization increased by €2.0 million, from €54.7 million for the six months ended September 30, 2023 to €56.7 million for the six months ended September 30, 2024 due to the expansion of our store network and the acceleration of our investments in recent years.

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

Depreciation and amortization increased by €1.2 million, from €27.5 million for the three months ended September 30, 2023 to €28.7 million for the three months ended September 30, 2024 due to the expansion of our store network and the acceleration of our investments in recent years.

Operating profit

Six months ended September 30, 2023 and September 30, 2024

Operating profit increased by €5.3 million, or 11.6%, from €45.8 million for the six months ended September 30, 2023 to €51.1 million for the six months ended September 30, 2024, as a result of the factors discussed above. As a proportion of sales of goods, operating profit increased from 6.1% for the six months ended September 30, 2023 to 6.7% for the six months ended September 30, 2024.

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

Operating profit increased by €4.4 million, or 24.0%, from €18.3 million for the three months ended September 30, 2023 to €22.7 million for the three months ended September 30, 2024, as a result of the factors discussed above. As a proportion of sales of goods, operating profit increased from 5.0% for the three months ended September 30, 2023 to 6.1% for the three months ended September 30, 2024.

Finance costs

Six months ended September 30, 2023 and September 30, 2024

Finance costs increased by €20.6 million, from €54.2 million for the six months ended September 30, 2023 to €74.8 million for the six months ended September 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) of €8.7 million following the refinancing of the 2021 Floating Rate SSNs and the 2021 Fixed Rate SSNs prior to their contractual maturity in 2026, (ii) the interest to be paid of €4.7 million for the satisfaction and discharge of the Remaining 2021 Fixed Rate SSNs, (iii) the increase in net interest related to lease commitments accounted for according to IFRS 16 and (iv) 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 (€3.1 million).

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

Finance costs increased by €4.1 million from €27.8 million for the three months ended September 30, 2023 to €31.9 million for the three months ended September 30, 2024. This increase in finance costs was mainly related to the increase in net interest related to lease commitments accounted for according to IFRS 16 and 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 (€2.2 million).

Finance income

Six months ended September 30, 2023 and September 30, 2024

Finance income increased from €6.4 million to €7.4 million for the six months ended September 30, 2024. This increase in finance income mainly related to the payments by the trustee for the 2021 Fixed Rate SSNs in respect of the cash balance on deposit with such trustee to satisfy and discharge the Remaining 2021 Fixed Rate SSNs.

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

Finance income increased from €2.3 million to €3.2 million for the three months ended September 30, 2024. This increase in finance income mainly related to the payments by the trustee for the 2021 Fixed Rate SSNs in respect of the cash balance on deposit with such trustee to satisfy and discharge the Remaining 2021 Fixed Rate SSNs.

Share of result in an associate

Six months ended September 30, 2023 and September 30, 2024

Share of result in an associate decreased by €0.1 million to a loss of €0.1 million for the six months ended September 30, 2024.

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

Share of result in an associate decreased by €0.1 million from a loss of €0.1 million for the three months ended September 30, 2023 to a loss of €0.2 million for the three months ended September 30, 2024.

Loss before tax

Six months ended September 30, 2023 and September 30, 2024

Loss before tax increased by €14.4 million, from a loss of €2.0 million for the six months ended September 30, 2023 to a loss of €16.4 million for the six months ended September 30, 2024. As a proportion of sales of goods, loss before tax increased from -0.3% for the six months ended September 30, 2023 to -2.1% for the six months ended September 30, 2024.

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

Loss before tax decreased by €1.1 million, from a loss of €7.3 million for the three months ended September 30, 2023 to a loss of €6.2 million for the three months ended September 30, 2024. As a proportion of sales of goods, loss before tax decreased from -2.0% for the three months ended September 30, 2023 to -1.7% for the three months ended September 30, 2024.

Income tax credit

Six months ended September 30, 2023 and September 30, 2024

Income tax credit increased by €5.7 million, from a credit of €0.8 million for the six months ended September 30, 2023 to a credit of €6.5 million for the six months ended September 30, 2024. Income tax credit represented 39.5% of loss before tax for the six months ended September 30, 2023 and for the six months ended September 30, 2024.

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

Income tax credit decreased by €0.4 million from a credit of €2.9 million for the three months ended September 30, 2023 to a credit of €2.5 million for the three months ended September 30, 2024. Income tax credit represented 39.5% of loss before tax for the three months ended September 30, 2023 and for the three months ended September 30, 2024.

Net loss

Six months ended September 30, 2023 and September 30, 2024

Net loss increased by €8.7 million, from a loss of €1.2 million for the six months ended September 30, 2023 to a loss of €9.9 million for the six months ended September 30, 2024, as a result of the factors described above.

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

Net loss decreased by €0.6 million, from a loss of €4.4 million for the three months ended September 30, 2023 to a loss of €3.8 million for the three months ended September 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 September 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.

In addition, Picard Groupe S.A.S. is the issuer of the Fixed Rate SSNs and Lion/Polaris Lux 4 S.A. is the issuer of 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

September 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

Table of Contents

INTERIM CONSOLIDATED INCOME STATEMENT (unaudited)

In thousands of €	Notes	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023	For the six-month period ended September 30, 2024	For the six-month period ended September 30, 2023
Sales of goods	*4*	374 621	363 463	761 788	752 344
Cost of goods sold		(208 714)	(201 921)	(423 447)	(418 151)
Gross profit		**165 907**	**161 541**	**338 340**	**334 193**
Other operating income	*5.1*	1 858	1 741	4 482	3 100
Other purchase and external expenses	*8.2*	(55 067)	(59 205)	(112 559)	(120 909)
Taxes		(3 678)	(3 512)	(7 468)	(7 226)
Personnel expenses	*5.2*	(57 015)	(53 569)	(113 760)	(106 883)
Depreciation & amortization		(28 662)	(27 505)	(56 740)	(54 720)
Other operating expenses	*5.3*	(645)	(1 220)	(1 207)	(1 798)
Operating profit		**22 697**	**18 270**	**51 088**	**45 757**
Finance costs	*5.4*	(31 939)	(27 835)	(74 757)	(54 182)
Finance income	*5.4*	3 188	2 330	7 432	6 441
Share of profit in an associate	*6*	(150)	(56)	(121)	(48)
Income before tax		**(6 205)**	**(7 290)**	**(16 357)**	**(2 031)**
Income tax expense	*7*	2 451	2 880	6 461	802
Net income		**(3 754)**	**(4 410)**	**(9 896)**	**(1 229)**
Attributable to:					
Equity holders of the parent		(3 754)	(4 410)	(9 896)	(1 229)
Non-controlling interests		-	-	-	-
Earnings per share:					
Basic earnings per share (in euros)		(1.42)	(1.67)	(3.74)	(0.47)
Fully diluted earnings per share (in euros)		(1.42)	(1.67)	(3.74)	(0.47)

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 September 30, 2024	For the three-month period ended September 30, 2023	For the six-month period ended September 30, 2024	For the six-month period ended September 30, 2023
Net income / (loss)		**(3 754)**	**(4 410)**	**(9 896)**	**(1 229)**
Net gain / (loss) on cash flow hedges	*9.4*	-	-		
Income tax		-	-	-	-
		-	-	-	-
Items not to be reclassified to profit and loss:					
Actuarial gains of the period		-	-	-	-
Income tax		-	-	-	-
		-	-	-	-
Other comprehensive income / (loss) for the period, net of tax		-	-	-	-
Comprehensive income / (loss)		**(3 754)**	**(4 410)**	**(9 896)**	**(1 229)**
Attributable to:					
Equity holders of the parent		(3 754)	(4 410)	(9 896)	(1 229)
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 September 30, 2024	As at March 31, 2024
Assets			
Goodwill		815 170	815 170
Property, plant and equipment		243 045	240 487
Right-of-use assets	*8.1*	441 641	456 686
Other intangible assets		804 102	804 898
Investment in an associate		5 940	6 061
Other non-current financial assets	*9.1*	26 548	24 009
Total non-current assets		**2 336 447**	**2 347 311**
Inventories		115 816	110 535
Trade and other receivables		57 527	55 099
Income tax receivable		13 808	6 045
Current financial assets	*9.1*	65	64
Cash and cash equivalents	*10*	76 633	311 117
Total current assets		**263 850**	**482 859**
Total assets		**2 600 297**	**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		(9 896)	47 452
Equity attributable to equity holders of the parent		**144 440**	**154 336**
Non-controlling interests		-	-
Total equity		**144 440**	**154 336**
Non-current liabilities			
Interest-bearing loans and borrowings	*9.2*	1 516 804	1 698 717
Other non-current financial liabilities	*9.3*	345 527	361 182
Provisions		13 896	11 704
Employee benefit liability		10 742	10 140
Deferred tax liability		208 055	218 268
Total non-current liabilities		**2 095 024**	**2 300 011**
Current liabilities			
Trade and other payables		283 798	300 445
Income tax payable		-	433
Interest-bearing loans and borrowings	*9.2*	14 916	15 670
Other current financial liabilities	*9.3*	62 121	59 277
Total current liabilities		**360 835**	**375 824**
Total liabilities		**2 455 859**	**2 675 835**
Total equity and liabilities		**2 600 298**	**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	Non-controlling interest	Total Equity
As at April 1, 2023	**2 642**	**97**	**2 178**	**2 178**	**34 987**	**66 936**	**106 840**	**-**	**106 841**
Net income attribution	-	-	-	-	66 936	(66 936)	-	-	-
Net income for the period	-	-	-	-		(1 229)	**(1 229)**	-	**(1 229)**
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(1 229)**	**(1 229)**	**-**	**(1 229)**
As at September 30, 2023	2 642	97	2 178	**2 179**	**101 923**	**(1 229)**	**105 612**	**-**	**105 612**
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	-	-		-		(9 896)	**(9 896)**	-	**(9 896)**
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(9 896)**	**(9 896)**	**-**	**(9 896)**
As at September 30, 2024	2 642	97	2 221	**2 221**	**149 377**	**(9 896)**	**144 440**	**-**	**144 440**

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 six-month period ended September 30, 2024	For the six-month period ended September 30, 2023
Operating activities			
Operating profit		51 088	45 757
Depreciation and impairment of property, plant and equipment		50 919	49 565
Amortisation and impairment of intangible assets		5 822	5 155
Other non-cash operating items		1 872	192
Income tax paid		(10 917)	(16 630)
Operating cash flows before change in working capital requirements		*98 784*	*84 039*
Change in inventories		(5 281)	(6 976)
Change in trade and other receivables and prepayments		(2 429)	(5 110)
Change in trade and other payables		(18 085)	(30 282)
Net cash flows from operating activities		**72 990**	**41 671**
Investing activities			
Proceeds from sale of property, plant and equipment		93	599
Purchase of property, plant and equipment		(21 372)	(29 129)
Purchase of intangible assets		(5 814)	(4 905)
Purchase of financial instruments		(5 664)	(2 255)
Proceeds from sale of financial instruments		30	142
Net cash used in investing activities		**(32 726)**	**(35 548)**
Financing activities			
Proceeds from borrowings		1 225 000	-
Repayment of borrowings		(1 400 000)	-
Refinancing costs		(15 154)	-
Interest paid		(48 444)	(47 450)
Interest paid related to lease contracts		(6 955)	(4 041)
Payment related to leases contracts		(29 222)	(30 396)
Net cash flows used in financing activities		**(274 775)**	**(81 887)**
Net decrease in cash and cash equivalents	**10**	(234 511)	(75 764)
Net cash at the beginning of the year	**10**	311 117	281 431
Net cash at September 30	**10**	**76 606**	**205 667**

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 September 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 six-month period ended September 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 September 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.

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 September 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 September 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 September 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 September 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 September 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 September 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

On July 3, 2024, the Group successfully refinanced the M€ 750 sustainability-linked fixed rate senior secured notes due 2026 and the M€ 650 sustainability-linked floating rate senior secured notes due 2026.

Picard Groupe S.A.S. issued M€ 650 aggregate principal amount fixed rate senior secured notes due 2029 (the "2024 Fixed Rate Notes") and Lion Polaris Lux 4 S.A. issued M€ 575 aggregate principal amount of floating rate senior secured notes due 2029 (the "2024 Floating Rate Notes"). The gross proceeds from the sale of the 2024 Fixed Rate Notes and the 2024 Floating Rate Notes were used, together with cash on hand, to (i) redeem the outstanding 2021 Floating Rate SSNs (as defined below), including paying accrued and unpaid interest to the date of redemption, (ii) pay for the consideration to be paid in a concurrent cash tender offer (the "Tender Offer") for the 2021 Fixed Rate SSNs (as defined below) 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.

On September 30, 2024, the Picard Group announced that Invest Group Zouari (IGZ), which as of September 30, 2024 owned approximately 45.4% of the shares in the Picard Group, had entered into a put option agreement to purchase from Lion Capital its ownership interest of approximately 51.8% in the Picard Group. The transaction is subject to customary closing conditions, including required works council and regulatory approvals, and is expected to close late December 2024 or in the first quarter of calendar year 2025. Upon completion, IGZ will control the Picard Group. IGZ expects to fund the transaction with a combination of fresh equity and loans from its shareholders and a c.€120 million vendor loan from Lion Capital, as well as c.€200 million in cash from the Picard Group, which will be funded by the incurrence of additional 2024 Floating Rate Notes.

Consequently, on November 6, 2024, Lion/Polaris Lux 4 S.A. issued €200 million in aggregate principal amount of additional 2024 Floating Rate Notes under the indenture dated July 3, 2024 governing the 2024 Floating Rate Notes.

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 September 30, 2024**			**For the six-month period ended September 30, 2024**		
	France	**Other**	**Total**	**France**	**Other**	**Total**
Sales	366 807	7 814	374 621	745 711	16 077	761 788
Other operating income	1 808	49	1 858	4 368	114	4 482
Other operating expenses	(634)	(11)	(645)	(1 192)	(15)	(1 207)
Operating profit before amortization	**50 729**	**630**	**51 360**	**50 717**	**372**	**107 829**
Amortization of the year	(28 216)	(447)	(28 662)	(55 887)	(853)	**(56 740)**
Operating profit	**22 514**	**183**	**22 697**	**50 717**	**372**	**51 088**

In thousands of €	**For the three-month period ended September 30, 2023**			**For the six-month period ended September 30, 2023**		
	France	**Other**	**Total**	**France**	**Other**	**Total**
Sales	355 059	8 404	363 463	734 649	17 695	752 344
Other operating income	1 679	62	1 741	2 998	102	3 100
Other operating expenses	(559)	(661)	(1 220)	(1 133)	(664)	(1 798)
Operating profit before amortization	**45 504**	**271**	**45 775**	**98 944**	**1 534**	**100 477**
Amortization of the year	(27 078)	(427)	(27 505)	(53 869)	(852)	(54 720)
Operating profit	**18 426**	**(156)**	**18 270**	**45 075**	**682**	**45 757**

5. Other operating income/expenses

5.1 Other operating income

In thousands of €	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023	For the six-month period ended September 30, 2024	For the six-month period ended September 30, 2023
Home Services shipping fees	303	279	629	576
Store rentals	406	250	757	484
Franchises	623	567	1 284	1 027
Other operating income	526	645	1 813	1 014
Total other operating income	**1 858**	**1 741**	**4 482**	**3 100**

5.2 Personnel expenses

In thousands of €	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023	For the six-month period ended September 30, 2024	For the six-month period ended September 30, 2023
Wages and salaries	(38 908)	(37 098)	(77 758)	(73 511)
Social security costs	(11 531)	(10 751)	(22 973)	(21 334)
Pension costs	(164)	(130)	(318)	(301)
Employee profit sharing	(3 938)	(3 171)	(7 861)	(7 124)
Other employee benefits expenses	(2 474)	(2 418)	(4 850)	(4 613)
Total personnel expenses	**(57 015)**	**(53 569)**	**(113 760)**	**(106 883)**

Total personnel expenses increased by M€ 6.9, from M€ 106.9 for the six-month period ended September 30, 2023 to M€ 113.8 for the six-month period ended September 30, 2024.

5.3 Other operating expenses

In thousands of €	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023	For the six-month period ended September 30, 2024	For the six-month period ended September 30, 2023
Royalties	(140)	(140)	(294)	(289)
Losses on bad debt	(206)	(239)	(367)	(383)
Other operating expenses	(300)	(841)	(546)	(1 125)
Total other operating expenses	**(645)**	**(1 220)**	**(1 207)**	**(1 798)**

5.4 Finance income and costs

In thousands of €	For the three-month period ended September 30, 2024	For the three-month period ended September 30, 2023	For the six-month period ended September 30, 2024	For the six-month period ended September 30, 2023
Interest expenses	(26 025)	(25 330)	(64 207)	(49 225)
Non-amortized issuance fees & early redemption penalty	-	-	-	-
Net interest related to lease commitments	(3 489)	(2 254)	(6 954)	(4 499)
Interest costs of employee benefits	(137)	(145)	(284)	(249)
Foreign exchange losses	(5)	(2)	(12)	(3)
Financial expense on derivative instrument - Fair value	(2 180)	-	(3 093)	-
Other financial expense on derivative instrument	-	-	-	-
Other financial expense	(103)	(104)	(207)	(206)
Finance costs	**(31 939)**	**(27 835)**	**(74 757)**	**(54 182)**
		-		
Income on loans and receivables	400	4	401	5
Income on short-term investment	719	1 804	3 457	3 890
Financial income on derivative instrument - Fair value	-	(649)	-	530
Financial income on derivative instrument	1 260	1 209	2 736	2 007
Financial income on deposit	780	-	780	-
Other financial income	28	(38)	58	10
Finance income	**3 187**	**2 331**	**7 432**	**6 441**

Interest expense increased by M€ 15.0, from M€ 49.2 for the six-month period ended September 30, 2023 to M€ 64.2 for the six-month period ended September 30, 2024.

This increase comprises one-off expenses of:

- M€ 8.7 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 paid in order to satisfy and discharge the M€ 750 of 2021 Fixed Rate SSNs (see note *9.2 Interest-bearing loans and borrowings*).

The K€ 6,954 net interest related to lease commitments in the six months ended September 30, 2024 represents the financial interest calculated on lease liabilities recognized in accordance with IFRS 16.

The K€ 3,093 financial expense on derivative instrument in the six months ended September 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 (see note *9.4 Hedging activities and derivatives*). The cap spread covers an amount of up to M€ 300.

The K€ 780 financial income on deposit is related to the deposit of cash sufficient to redeem on July 1, 2025 the Remaining 2021 Fixed Rate SSNs in connection with their satisfaction and discharge (see note *9.4 Hedging activities and derivatives*).

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 September 30, 2024	As at March 31, 2024
Share of the associate's statement of financial position:		
Non-current assets	6 052	6 041
Current assets	9 725	9 174
Current liabilities	7 483	7 404
Non-current liabilities	2 148	1 545
Equity	**6 146**	**6 266**
Share of the associate's revenue and profit:		
Revenue	8 841	22 693
Profits / (Losses)	(121)	1 117
Carrying amount of the investment	**5 940**	**6 060**

In thousands of €	As at September 30, 2024	As at March 31, 2024
Carrying value at opening	**6 060**	**4 943**
Share of profit / (loss) in an associate	(121)	1 117
Carrying value at closing	**5 940**	**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 Asset**
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	-	13 961	2 794	**16 755**
Disposals	-	(618)	(1 971)	**(2 588)**
As at September 30, 2024	**47 949**	**694 112**	**9 958**	**752 018**
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	-	(30 082)	(1 101)	**(31 183)**
Disposals	-	-	1 971	**1 971**
As at September 30, 2024	**(76)**	**(305 748)**	**(4 555)**	**(310 379)**
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**	**3 711**	**456 687**
As at September 30, 2024	**47 873**	**388 364**	**5 403**	**441 640**

As at September 30, 2024, the total amount of depreciation and impairment was M€ 310.4, 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 six-month period ended September 30, 2024	For the six-month period ended September 30, 2023
Rent expenses	(4 124)	(2 513)
Other purchase and external expenses (excluding Rent expenses)	(108 435)	(118 396)
Total Other purchase and external expenses	**(112 559)**	**(120 909)**

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 six-month period ended September 30, 2024	For the six-month period ended September 30, 2023
Depreciation & amortization of tangible Right of Use	(31 183)	(30 469)
Depreciation & amortization of other fixed assets	(25 558)	(24 251)
Total Depreciation & amortization	**(56 740)**	**(54 720)**

9. Financial assets and financial liabilities

9.1 Other current and non-current financial assets

In thousands of €	As at September 30, 2024	As at March 31, 2024
Deposits and guarantees	10 618	10 356
Related party loans	13 109	7 709
Other financial assets on derivate instruments	2 019	5 112
Other	867	895
Other financial assets	**26 613**	**24 073**
of which non-current	*26 548*	*24 009*
of which current	*65*	*64*

Other financial assets on derivative instrument of K€ 2,019 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 (see note *9.4 Hedging activities and derivatives*). The cap spread covers an amount of up to M€ 300.

9.2 Interest-bearing loans and borrowings

In thousands of €	Coupon interest rate	Maturity	As at September 30, 2024	As at March 31, 2024
Current				
Current portion of interest payable on loans and borrowings			14 889	15 670
Bank overdrafts		On demand	27	-
Total current interest bearing loans and borrowings			**14 916**	**15 670**
Non-current				
Senior secured notes 2026 (750M€)	3.875%	2026	-	744 792
Senior secured notes 2026 (650M€)	Euribor 3M + margin 4%	2026	-	646 191
Senior notes 2027 (310M€)	5.375%	2027	308 057	307 734
Senior secured notes 2029 (575M€)	Euribor 3M + margin 3.635%	2029	567 714	-
Senior secured notes 2029 (650M€)	6.375%	2029	641 034	-
Total non-current interest bearing loans and borrowings			**1 516 804**	**1 698 717**
Total interest bearing loans and borrowings			**1 531 720**	**1 714 387**

On July 7, 2021, the Company issued M€ 310 aggregate principal amount of sustainability-linked senior notes due 2027 (the “Senior Notes”), together with M€ 750 sustainability-linked fixed rate senior secured notes due 2026 (the “2021 Fixed Rate SSNs”) and the M€ 650 sustainability-linked floating rate senior secured notes due 2026 (the “2021 Floating Rate SSNs” and, together with the Senior Notes and the 2021 Fixed Rate SSNs, the “2021 Notes”). The 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 July 3, 2024, the Group successfully refinanced the 2021 Fixed Rate SSNs and the 2021 Floating Rate SSNs.

Picard Groupe S.A.S. issued M€ 650 aggregate principal amount fixed rate senior secured notes due 2029 (the “2024 Fixed Rate Notes”) and Lion Polaris Lux 4 S.A. issued M€ 575 aggregate principal amount of floating rate senior secured notes due 2029 (the “2024 Floating Rate Notes” and, together with the 2024 Fixed Rate Notes, the “2024 Notes”). The gross proceeds from the sale of the 2024 Notes were 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 Remaining 2021 Fixed Rate SSNs and (iii) pay all fees and expenses related to the transactions.

As part of this refinancing, Picard Groupe S.A.S. launched on June 24, 2024 the Tender Offer, an invitation to holders of its 2021 Fixed Rate SSNs to tender such 2021 Fixed Rate SSNs for purchase for cash. Out of the M€750, M€ 637.7 were tendered. The Remaining 2021 Fixed Rate SSNs were satisfied and discharged and the Picard Group irrevocably deposited with the trustee for the 2021 Fixed Rate SSNs an amount in cash sufficient to pay the holders the nominal amount and interest until July 1, 2025. Consequently, the cash and the Remaining 2021 Fixed Rate SSNs have been netted in the presentation of the Consolidated Statement of Financial Position.

The 2024 Notes have the following characteristics:

- Picard Groupe S.A.S., a subsidiary of the Company, issued M€ 650 of fixed rate senior secured notes due 2029 in July 2024. These fixed rate senior secured notes are payable after five years on July 1, 2029. Interest is paid twice a year at a fixed interest rate of 6.375% per annum. The senior secured notes are refundable “in fine”.
- Lion Polaris Lux 4 S.A., a subsidiary of the Company, issued M€ 575 of floating rate senior secured notes due 2029 in July 2024. These floating rate senior secured notes are payable after five years on July 1, 2029. 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 3.635% per annum. The floating rate senior secured notes are refundable “in fine”.

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.

9.3 Other financial liabilities

In thousands of €	As at September 30, 2024	As at March 31, 2024
Current		
Lease debt	62 121	59 277
Total other current financial liabilities	**62 121**	**59 277**
Non current		
Lease debt	345 445	361 098
Others	82	84
Total other non-current financial liabilities	**345 527**	**361 182**
Total other financial liabilities	**407 648**	**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€ 407.7 as of September 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. 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 September 30, 2024 (K€)	Value date	Maturity date	Underlying index	Strike purchase	Strike sale
CAP Spread	300 000	6 010	2 019	15/12/2022	15/06/2025	EUR3M	2%	4%

During the six-month period ended September 30, 2024, the interest received on this derivative instrument represented financial income of M€ 2.7 and the change in the fair value of the instrument represented financial expense of M€ 3.0.

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
	September 30, 2024	September 30, 2024	March 31, 2024	March 31, 2024
Financial assets				
Trade and other receivables	31 892	31 892	33 630	33 630
Income tax receivable	13 808	13 808	6 045	6 045
Other financial assets	26 613	26 613	24 073	24 073
Cash and cash equivalents	76 633	76 633	311 117	311 117
Total	**148 947**	**148 947**	**374 865**	**374 865**
Financial liabilities				
Fixed rate borrowings	(959 105)	(969 142)	(1 052 526)	(1 035 713)
Obligations under finance leases	(15)	(15)	(39)	(39)
Floating rate borrowings - non current	(567 714)	(577 220)	(646 191)	(650 676)
Lease commitments	(407 648)	(407 648)	(420 458)	(420 458)
Trade and other payables	(283 240)	(283 240)	(299 704)	(299 704)
Interest-bearing loans and borrowings	(4 875)	-	(15 670)	(15 670)
Income tax payable	-	-	(433)	(433)
Bank overdraft	(27)	(27)	-	-
Total	**(2 222 623)**	**(2 237 291)**	**(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 September 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 €	**September 30, 2024**	**March 31, 2024**	**September 30, 2023**	**March 31, 2023**
Cash at banks and on hand	76 633	138 258	86 473	98 626
Securities	-	172 859	132 859	182 859
Cash and cash equivalents	**76 633**	**311 117**	**219 332**	**281 485**

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

In thousands of €	**September 30, 2024**	**March 31, 2024**	**September 30, 2023**	**March 31, 2023**
Cash and cash equivalents	76 633	311 117	219 332	281 485
Bank overdrafts	(27)	(0)	(13 665)	(54)
Cash and cash equivalents position	**76 606**	**311 117**	**205 667**	**281 431**

11. Events after the reporting period

As part of the acquisition by IGZ, on October 21, 2024, Lion/Polaris Lux 4 S.A. announced that it intended to offer €200 million aggregate principal amount of additional Floating Rate Senior Secured Notes due 2029 to be issued under the indenture governing Lion/Polaris Lux 4 S.A.'s outstanding Floating Rate Senior Secured Notes due 2029 issued on July 3, 2024. The transaction successfully closed on November 6, 2024.