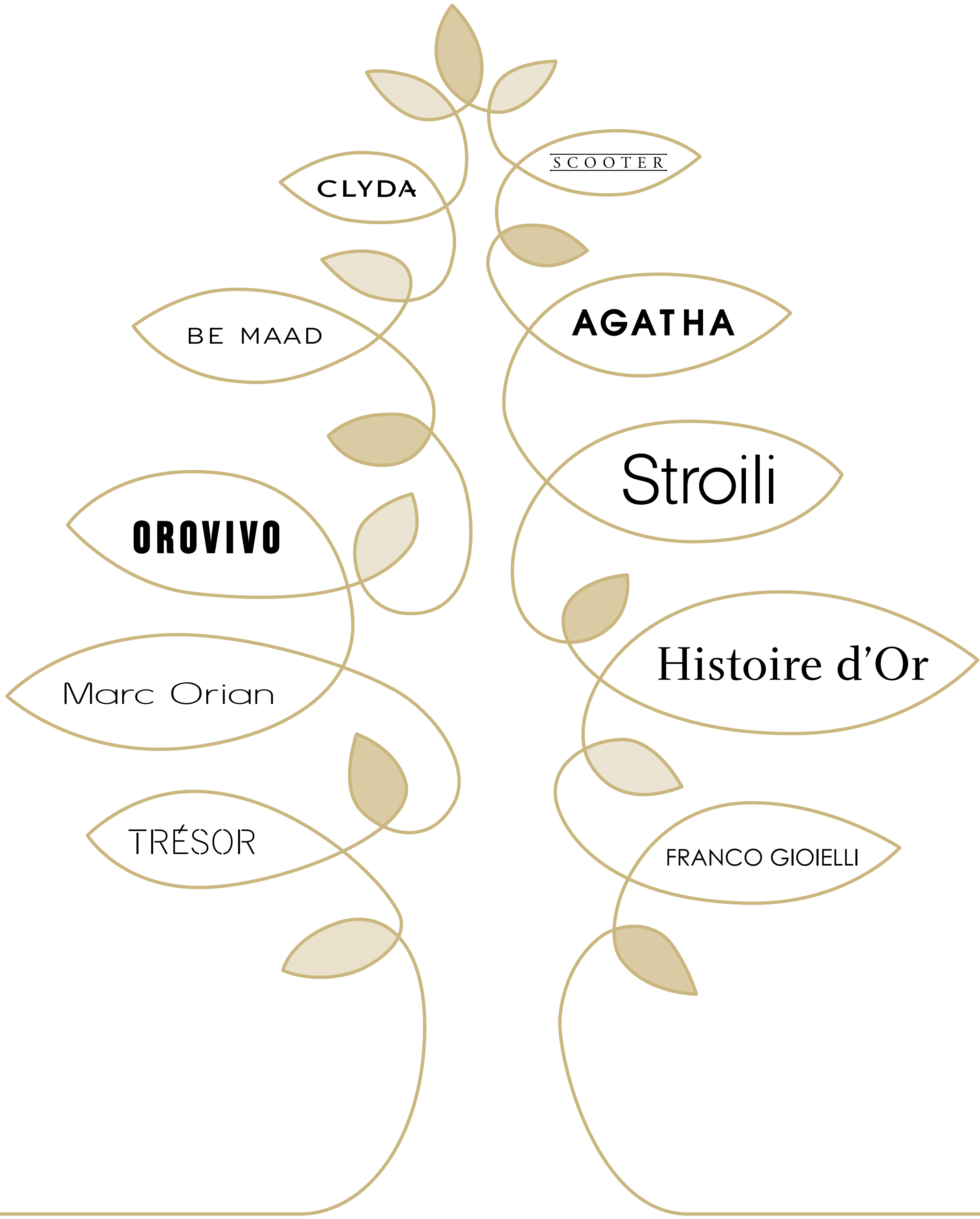
# Annual report FY2023




THOM


Histoire d'Or
L'atelier
Click&
Collect
Stroili
OROVIVO
JUWELIER
DANKE MAMA
AGATHA
PARIS
Marc Orian
FRANCO GIOIELLI

# Summary

# Message from the President

THOM achieved a very solid performance in FY23 across both its traditional regions and its new territories, based on organic growth and increased sales volumes. As a result, our brands are continuing to retain their current clients and recruit new ones. This performance is based first and foremost on our employees' commitment and expertise. I'd like to thank them most warmly.

Our FY23 results and growth are no coincidence – they are built on solid, respected fundamentals.

Firstly, a clearly-defined and observed purpose – ***Allow everyone to share a precious moment***. The Group was built around the desire to make jewellery accessible to the greatest possible number of customers while incorporating the very powerful emotional dimension linked to the act of purchasing jewellery, regardless of its price tag.

**A long-term strategic vision:** we believe in our brands. Year on year, we are **building a group that drives strong brands**. Thanks in particular to Histoire d'Or and Stroili, this goal and strategy have received recognition due to their weight and reputation in their respective markets.

**An approach that puts people at the heart of our concerns** and our business model. THOM is a group that is people-centred and founded on shared values (rigour, team spirit, simplicity, commitment, boldness) deeply rooted in its leadership model and daily practices. We ensure that all our employees recognise themselves in these values and bring them to life in their daily decisions, actions, and managerial behaviour.

## A new commitment to corporate social responsibility

2023 will go down as a landmark year for the Group in terms of its new social commitment. The Group already had a CSR approach, but it lacked structure and ambition. By devising and launching the WeTHOM responsible development plan – an ambitious long-term plan (to 2028) – **we have fast-tracked our transition** towards a development model that respects people and the environment.

I am particularly pleased that WeTHOM's first goal is dedicated to our employees and aims to **ensure their well-being** and help them **fulfil their potential**. For several years they have been the primary focus of our concerns. We founded THOM Academy, a benchmark corporate university that trained more than 17,000 people since 2012 and delivered more than 170,000 e-learning classes since 2019. We have given all our employees the opportunity to become Group shareholders. Today, more than 1,300 employees are now shareholders. And we are constantly trying to improve employee working conditions with for example, the WeTHOM@Work and WeTHOM@Stores projects.

We also set ourselves some very ambitious targets for 2023 in terms of the ethics and responsibility in our value chain, reducing our greenhouse gas emissions, preserving non-renewable resources, and making the jewellery market more circular.

What's in store for 2024? Since 2018, we have been facing wide-scale social and political crises that seem to be becoming the norm. However, **THOM is continuing to grow**. Despite the uncertainties, I am confident that the Group can rely on its partners – whom I would like to thank for their trust –, and its employees.

I am very confident that Flavien d'Audiffret, new group CEO, will strengthen THOM's position and trajectory. If we hold true to our purpose, strategy and values, we will be able to continue on this incredible collective adventure.

**Romain Peninque**
THOM President

*"THOM achieved a very solid performance in 2023, based on the commitment and expertise of its employees and a portfolio of very strong brands."*

# Highlights 2023


## November 2022

Histoire d'Or launches its new brand platform and a new communication campaign.

## December 2022

THOM acquires the remaining 50% stake in AGATHA from Renaissance Luxury Group.

## December 2022

Acquisition of Clyda, a watch brand that embodies French and Parisian chic.

## December 2022

THOM acquires Scooter, the transgenerational brand of beautiful fashion jewellery founded in 1979 by Isabelle Van Hulle.

## March 2023

Launch of **WeTHOM@Store** a well-being project.

## April 2023

Launch of the THOMAC app offering countless e-learning training modules for our employees.

## April 2023

Set up of a second corporate mutual fund (FCPE) in which all employees can invest and became indirect shareholders of the Group.


## May 2023

Opening of the first affiliated store Histoire d'Or under an affiliation contract, in Alès (France).

## September 2023

THOM acquires 51% of Be Maad, the jewellery designer brand created by Laura Attias.

## September 2023

THOM announces its new responsible development plan Horizon 2028: the WeTHOM plan.

## September 2023

THOM unveils its new brand identity.

## October 2023

The THOM Academy, the Group's university of excellence, celebrates its 10th anniversary in Paris.


## October 2023

Launch of the new Histoire d'Or store concept at Belle Épine shopping center in the Paris region.

## October 2023

Histoire d'Or wins the trophy for best store chain 2024 in the jewellery and watches category.

## October 2023

THOM annual conventions which take place in Disneyland Paris, Udine (Italy) and Munich (Germany) gather more than 1,450 staffs to share the Group's vision and objectives and to celebrate a remarquable year.

## November 2023

Flavien d'Audiffret is appointed as the Group Chief Executive Officer. He had joined the Group in September 2020.

# An undisputed leader in the field of affordable jewellery

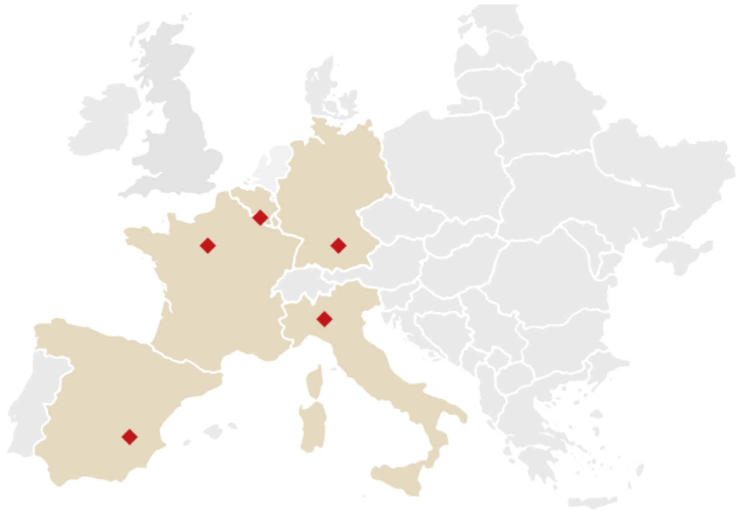
**THOM is a market leader in jewellery in Europe.**

We have grown our business sector by breaking the traditional rules of jewellery sales and making jewellery affordable to all. The Group has seen strong growth since its creation and is now implanted into 7 countries, occupying a leading position in both France and Italy. THOM has a large portfolio of multichannel brands and directly operates more than a thousand stores and 6 e-commerce platforms. The Group also distributes third-party watch and jewellery brands in over 3,000 stores in Europe.

## Our brands

Histoire d'Or
Stroili
OROVIVO
Marc Orian
FRANCO GIOIELLI
TRÉSOR
AGATHA
CLYDA
SCOOTER
BE MAAD

## A unique presence in Europe



### France
**€613m** revenue
**580** directly-operated stores & corners
**38** affiliated partner stores
**3** e-commerce websites
**3,109** employees (FTE)
**Histoire d'Or, Marc Orian, Trésor, AGATHA**

### Italy
**€325m** revenue
**389** directly-operated stores
**1** e-commerce website
**2,399** employees (FTE)
**Stroili, Franco Gioielli, Histoire d'Or**

### Benelux
**€28m** revenue
**26** directly-operated stores
**132** employees (FTE)
**Histoire d'Or, Marc Orian**

### Spain
**€11m** revenue
**26** directly-operated stores & corners
**1** e-commerce website
**88** employees (FTE)
**AGATHA**

### Germany
**€31m** revenue
**54** directly-operated stores
**1** e-commerce website
**270** employees (FTE)
**OROVIVO**

### China
**€3m** revenue
**2** directly-operated stores
Third-party digital platforms (TikTok, JD.com, TMALL...)
**26** employees (FTE)
**AGATHA**

# Key figures FY23

**€1,012m**
revenue

**> 28%**
of Reported EBITDA margin

**6.5%**
Share of e-commerce

**6,000**
average FTE employees

**10**
brands distributed in 7 countries

**> 1,100**
points of sales

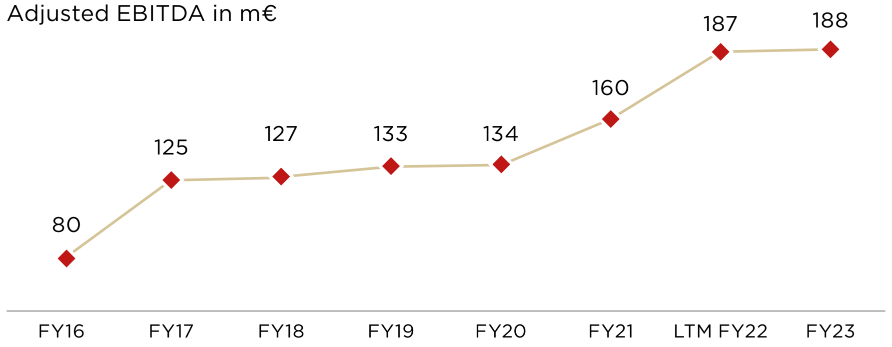
**> 3,800**
third-party stores (wholesale's customers)

**6**
e-commerce websites

**14.8**
million consumers signed up to loyalty programs

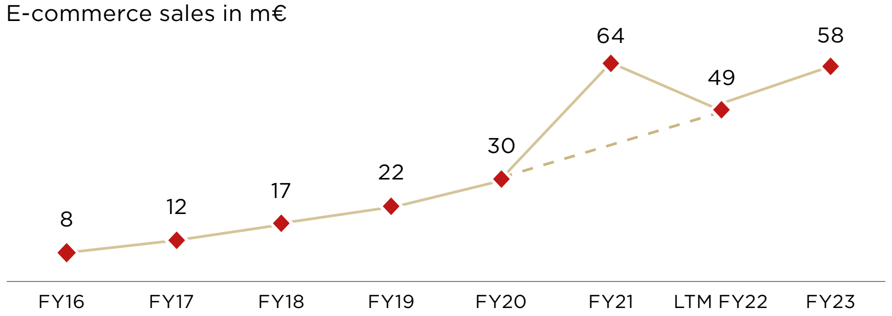
# A story of growth

## A constant growth of our EBITDA
Adjusted EBITDA in m€

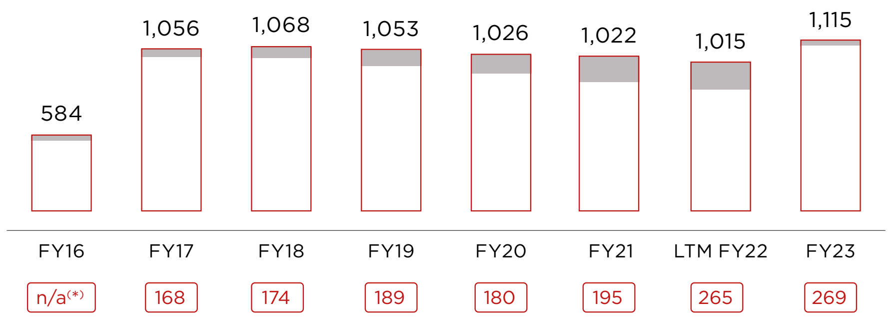



*FY16-FY21: Adjusted EBITDA in French GAAP - FY22-FY23: Adjusted EBITDA in IFRS GAAP (pre-IFRS16)*

## A continuous increase in Group's digitalization
E-commerce sales in m€

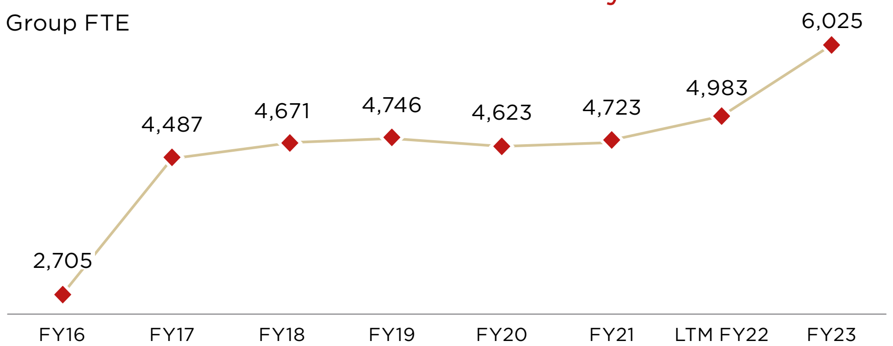



## A constant improvement in network efficiency
Store network (in number of POS)




*(*)comparison not relevant with current perimeter*

## A continuous focus on staff efficiency
Group FTE



# Interview with Flavien d'Audiffret

**Flavien d'Audiffret**
Group CEO

**Flavien d'Audiffret, who was named Group CEO in November 2023, looks back on the highlights of FY23 and lays out the Group's ambitions and strategies for meeting the challenges ahead.**

## What is your assessment of the financial year that has just ended?

We achieved a solid performance in FY2023 despite a difficult economic context marked by high inflation, which in turn had an impact on consumer purchasing power. Our accessible positioning allows us to successfully resist inflationary pressures and continue to grow by offering our clients the best products at the right prices.

Our investments in product offer, store concept, and brand communication, in combination with an improvement in in-store product availability, let us once more surpass our goals.

We are currently strong leaders in our core markets (France, Italy, Benelux) and are expanding rapidly in our other regions: Germany, Spain, China.

## What were the main highlights of 2023?

We made progress on several projects that were important or structural for the Group. These include:

- the launch of Histoire d'Or's new brand identity, revitalising France's favourite jewellery brand;
- the launch of affiliation in France, which received a very warm welcome in the market – several partners want to open Histoire d'Or stores as affiliates;
- the growth of our business in Italy with the roll-out of our new store concept, which is yielding excellent results;
- the relaunch of AGATHA which is showing very positive initial signs thanks to a brand repositioning that is truly in line with its DNA;
- and finally the launch of WeTHOM, our sustainable development plan which marks the acceleration of our CSR commitments around our three pillars: bringing out the best in our employees, developing a responsible model, and offering sustainable products.

## THOM has established itself in Europe as a leader in accessible jewellery. What is its goal today?

The Group's goal is to build a world leader in affordable jewellery. We want to align with our purpose through our timeless and fashion jewellery brands. "Allow everyone to share a precious moment".

## What is our strategy for achieving this?

The Group's strategy is to develop a portfolio of strong, identifiable brands, based on a quality product offer, powerful online and offline concepts, and peerless customer services.

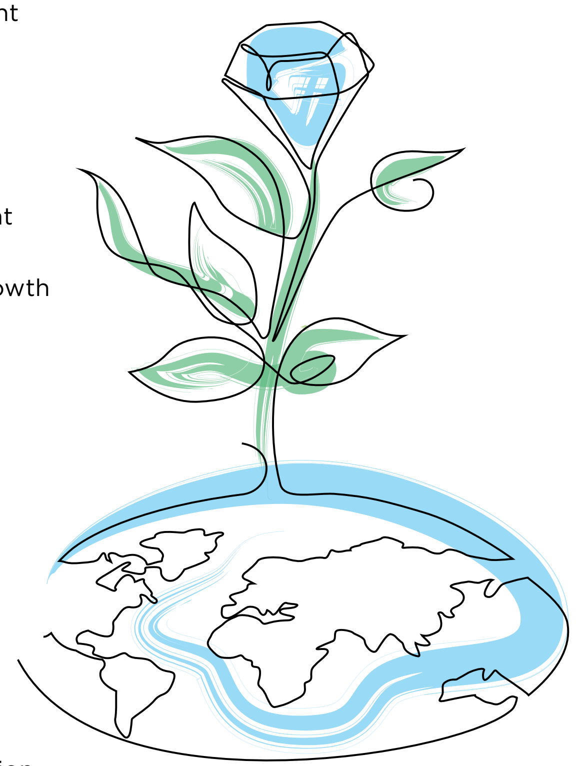
Our portfolio includes traditional and timeless jewellery brands (Histoire d'Or, Stroili, OROVIVO, etc.) and a range of fashion brands including AGATHA (an iconic foothold brand) as well as Be Maad, Clyda, and Scooter. We will continue to invest in our timeless brands to consolidate our leadership in our key markets. We will also accelerate the development of our fashion brands, which have very distinctive identities and a very significant international potential.

Our goal is to offer our clients quality products for any occasion and at affordable prices. We also want to provide clients with the best possible experience using omnichannel services like click & collect, stock 2.0, and the ability to communicate directly with a sales advisor on our e-commerce sites and benefit from personalised advice.

> *"The Group's ambition is to build a world leader of affordable jewellery."*

## How does THOM intend to develop its brand portfolio?

We are constantly on the lookout for opportunities to expand into new markets, whether through our own brands or through acquisitions. We are focusing first and foremost on organic growth, with the development of our existing brands, but also in new territories, particularly for our fashion brands. We also have a selective acquisition strategy to grow our portfolio with strong brands that have significant development and value-creation potential.



## What are the Group's priorities for 2024?

We will continue to invest in our leading brands to consolidate their positions with initiatives like affiliation in France or retail development in Italy. We will also:

- accelerate OROVIVO's development – the brand has significant growth potential in Germany, one of Europe's biggest markets for timeless jewellery;
- revive AGATHA's magic – the brand has extraordinary history and capital in the fashion jewellery segment;
- develop our new high-potential fashion jewellery brands: Be Maad, Clyda, Scooter;
- and accelerate the transformation of our distribution business towards trademark licensing.

## How are you feeling heading into 2024?

Despite the very uncertain international context, and an economy that is showing signs of plateauing, I am confident that THOM is well-equipped to respond to the challenges it faces. The combination of our long-term investments into our brands, our expansive geographical footprint, and our recent acquisitions all make me confident about 2024 and the coming years. My optimism also stems from the quality of our teams, who skilfully serve clients and are at the heart of the Group's success, as well as from THOM's corporate culture, values, and management model, which are invaluable assets in achieving our objectives.

I want to thank every one of the Group's stakeholders, who place their trust in us on a daily basis to continue to develop the Group and build a world leader in affordable jewellery.

# Our purpose: allow everyone to share a precious moment

**THOM has revolutionised the traditional world of jewellery.**

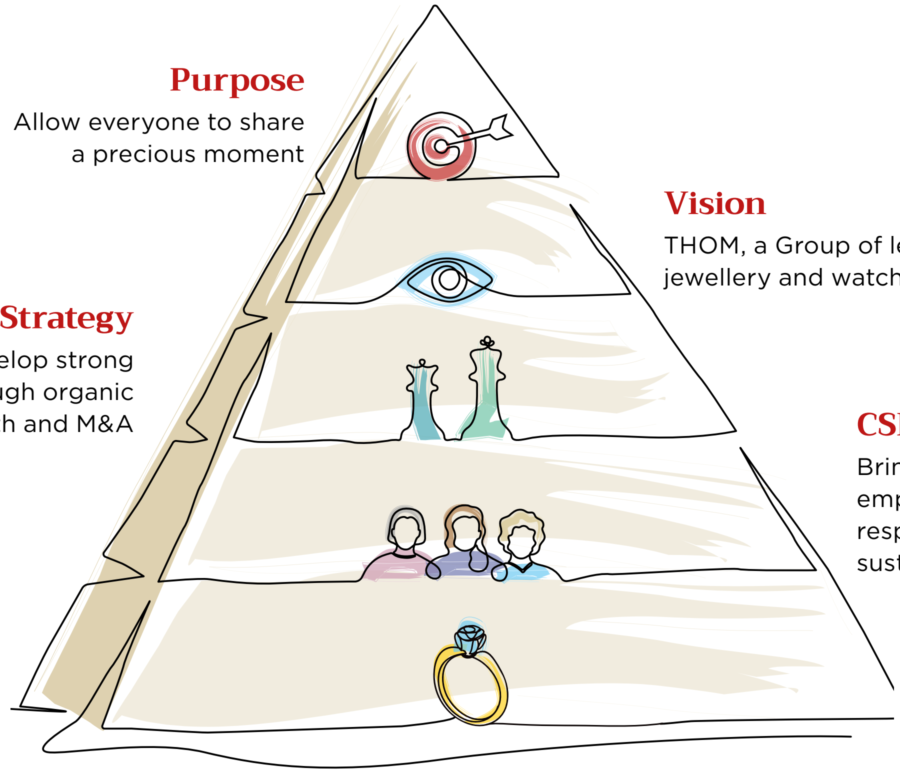
It has removed barriers to jewellery for everyone while conserving the industry's codes. It has reinvented the customer experience and made it simpler, stronger, and more enjoyable. Ever since it was created, THOM has devoted itself to offering a very wide range of products and guaranteeing the best value for money via omnichannel brands and a store network that is unequalled in Europe. THOM has made jewellery affordable to millions of women and men, and is doing its utmost to pursue its mission.

**Purpose**
Allow everyone to share a precious moment

**Vision**
THOM, a Group of leading jewellery and watches brands

**Strategy**
Develop strong Brands through organic growth and M&A

**CSR**
Bring out the best in our employees, develop a responsible model, offer sustainable products



**Values**
Demandingness, Team-spirit, Simplicity, Commitment and Boldness

# The THOM saga

**2023**
CLYDA, SCOOTER, BE MAAD
Acquisition of Scooter, Be Maad and Clyda

**2022**
TIMEWAY GROUP
Launch of Timeway, THOM's distribution division

**2021**
AGATHA, POP SELL
Acquisition of AGATHA, in partnership with Renaissance Luxury Group
Acquisition of Popsell, social selling platform

**1986**
Histoire d'Or, Marc Orian
Creation of Histoire d'Or
Creation of Marc Orian

**2016**
Stroili, OROVIVO, FRANCO GIOIELLI
Acquisition of Stroili and Franco Gioielli (Italy)
Acquisition of OROVIVO (Germany)

**2013**
TRÉSOR
Launch of Trésor (France)

# Our values

**Our employees are our greatest asset. Their mindsets and skill sets are the driving force behind our growth and success. The Group's core values guide their daily decisions and actions.**

**1 Demandingness**
We are always looking for ways to improve things right down to the smallest detail.

**2 Team spirit**
Our success is collective. We work together for better performance and greater enjoyment.

**3 Simplicity**
We favour direct relationships and a flexible organisation to maintain efficiency.

**4 Commitment**
We are fully involved and take our responsibilities seriously.

**5 Boldness**
We encourage initiative in order to drive innovation and remain competitive.

# Our brand portfolio

**A portfolio of complementary brands** and a diverse product range spanning categories, regions and purchase occasions.

## Timeless

**Powerful, modern, popular multichannel brands that have won the loyalty of millions of consumers in Europe, revolutionising and democratising the world of jewellery.**


Histoire d'Or


Stroili


OROVIVO


TRÉSOR


FRANCO GIOIELLI


Marc Orian

## Fashion

**Authentic and unique designer brands that embody and inspire the fashions and trends of their time.**

AGATHA

CLYDA

SCOOTER

BE MAAD

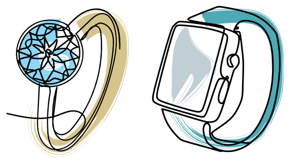
## Licenses & Distribution

**Via Timeway in France and Italy, the Group is distributing a first-class portfolio of watch brands and jewellers at over 3,800 points of sale in Europe.**

BERING
TI SENTO
adidas
ROSEFIELD
Alviero Martini 1ª CLASSE
REBEL & ROSE
BOSS
PHILIPP PLEIN
CALVIN KLEIN
GUESS WATCHES
NAUTICA
GUESS USA
TIMEX
GC LA PRÉCISION DU STYLE
TOMMY HILFIGER
FURLA SINCE 1927 ITALY

# Our value creation process

THOM controls the whole value creation chain for its entire portfolio of brands, from selection of products to multichannel distribution.

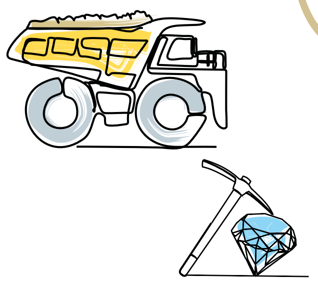


## Selection of products

**110,000** jewellery and watches references
**6,000** average references in store

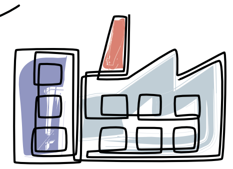
## Selection of suppliers

**5** purchasing offices
(France, Italy, Hong Kong, China and India)
**Research and qualification** of suppliers, negotiation, contract signing, quality control…
**>€340m** of purchases
**Top 10** suppliers: 44% of purchases



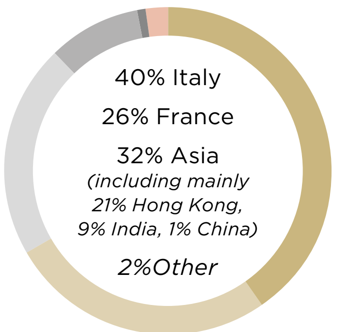
## Raw materials

**>1.5 ton** of fine gold used per year
**Purchases** of diamonds, rubies, sapphires, emeralds



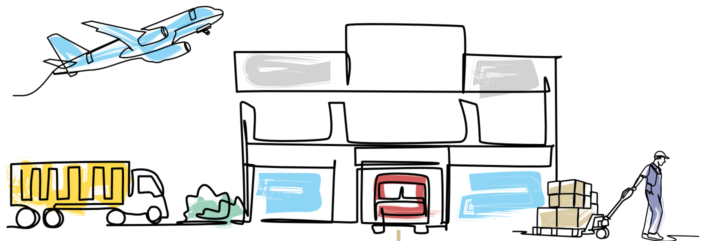
## Production workshop

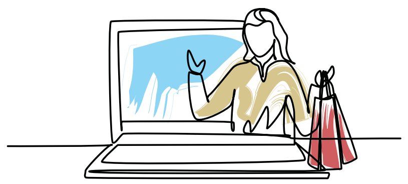
**20** main workshops
France, Italy, Hong Kong, China, India…




## Storage and shipping

**4** THOM logistics platforms:
Noisy-le-Grand and Morangis (France), Amaro (Italy),Munich (Germany)
**>19.5m** of pieces shipped every year







## E-commerce

**6** e-commerce websites
**6.5%** of Group's network sales
**>76.3m** website visits

## Store network

**10** brands
**7** countries
**91%** of Group's network sales
**1,077** directly-operated stores and corners
**38** affiliated stores
**>6,000** average full time-equivalent employees
**Our services:** engraving, piercing, repair, buyback of used jewellery, etc.

## Wholesale

**2.2%**
of Group's network sales
**>3,800** doors
**Iconic brands:**
Guess, Tommy Hilfiger, Calvin Klein, Ti Sento, Philippe Plein, Alviero Martini, Scooter…

## Our customers

**14.787 million** members in our loyalty programs
**18.5 million** pieces of jewellery sold per year
**1.9 million** watches sold per year

# Group ecosystem

## Listening to our stakeholders

**THOM is in continuous dialogue with its stakeholders as part of its corporate social responsibility approach and to ensure the sustainability of its business model.**

### Customers

**Dialogue methods:**
Customer relations services, post-purchase surveys, external social networks, loyalty programs, CSR survey

### THOM's stakeholders

### Employees

Employees and trade unions

**Communication methods:**
Social communication bodies, Yammer internal social network, annual appraisal interviews, internal surveys

### Civil society and communities

Citizens, associations and NGOs, academic spher

**Dialogue methods:**
Foundation, Associations, partnerships with NGOs, solidarity and skills-based volunteering

### Partners

Third party brands, affiliates, suppliers

**Communication methods:**
contractual relations, evaluation of suppliers' CSR performance, partnerships with suppliers, CSR survey

### Financial community

Shareholders, investors, banks, analysts and rating agencies

**Dialogue methods:** specific presentations, interviews, conferences, publications and activity reports

## Trends impacting our business model

**THOM's activity is being impacted by four major trends at work in today's world: changes in consumers and their habits, digital and technological transformation, the rise of social responsibility issues and the increased cost of energy and raw materials. These trends are forcing the Group to find solutions to these challenges but they also present opportunities.**

### Changes in consumer habits

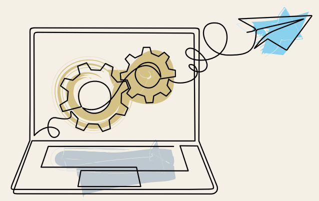
Today's consumers can access a global offer in one click. They can compare prices, have products delivered wherever they choose in a few hours, return or exchange products and post their review on social networks...

**We are convinced that,** given this context, it is more vital than ever to offer attractive, multichannel brands supported by a state-of-the-art back office platform.

### Growing importance of social responsibility

Companies are now forced by regulations to integrate social issues into their strategies.

**We are convinced that** we go further than the regulations, as our customers and employees come to expect this and it will become a decisive factor for them. Our CSR Strategy emerged from this realisation.



### Digital and technological transformation

New technologies are revolutionising the sector and our way of selling and working.

**We are convinced that** consumers now expect multichannel selling. They want to be able to choose. A customer who buys on several channels consumes more and is more loyal than a customer who only consumes on one channel. Digital technology allows our salespeople to better inform our customers and gives them more choice.

### Rising cost of energy and raw materials

Geopolitical, health and economic uncertainties and increases in consumption are leading to a rise in the cost of energy and raw materials (metals, gold, silver, etc.).

**We are convinced that** the Group has acquired solid experience over the years in managing these issues, seeing the rise in metal prices over the last 20 years.

# Our business model

## Resources

### Human resources

**>6,000** FTE employees

**Richness** and diversity of expertise (commercial, IT, financial)

**Training** programs for all employees

**A corporate** academy with a diploma

**>17,000** employees trained since 2012

**>170,000** e-learning classes delivered since 2019

### Economic, material and immaterial resources

**10** own brands

**27** third-party brands distributed

**110,000** product references

**1,077** directly-operated stores & corners

**38** affiliated partner stores

**6** e-commerce websites

**5** purchasing offices in 5 countries

**>200** suppliers in 11 main countries

**Top 10** suppliers represents >51%

**Shared IT**, purchasing & supply chain platform

**4** logistics platforms

### Financial resources

**Equity:** €301.1m*

**Investing activities (CFS):** €52m

**Goldstory Operating CF:** €206m

**Goldstory FCF:** €154m

** Including non-controlling interests*

## Our value creation levers

THOM

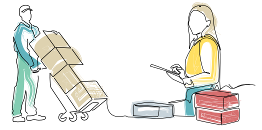
CORPORATE SOCIAL RESPONSIBILITY

### #1 Invest in our brands

### #2 Build a customer centric organisation

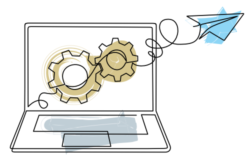
### #3 Invest in people

### #4 Consolidate a robust and agile back office

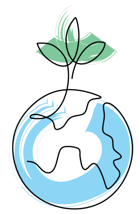


### Trends that are impacting us

Changes in consumer habits



Digital and technological transformation



Growing importance of social responsibility

Rising cost of energy and raw materials

## Impacts and shared value

### Employees

**Employee staff costs:** €254 million

**Equality Index** 94/100 in France

**88%** of employees trained

**21** young people enrolled in Bachelor Bac+3 programs

**28** apprenticeship contracts in 2023

**680** interns hosted in 2023

**21%** of the Group's employees are direct/indirect shareholders

**Disabilities Mission** created in 2022

### Customers

**>18.5 million** pieces of jewellery purchased

**>1.9 million** watches purchased

**50%** new customers in 2023

**c. 14.8 million** consumers engaged in a loyalty program

**Net Promoter Score:** >70 on all our brands

### Partners

(third party brands, affiliates, suppliers)

**Purchases** from goods suppliers: >€340 million

**Histoire d'Or,** France's favourite brand

**Media investments:** >€25 million

**>3,800** points of sale

**THOM** governance charter

**92.5%** of purchases made from RJC, BCSI and SMETA certified suppliers

### Civil society and communities

**81%** of stores equipped with LED lightbulbs

**Donations:** €144k

### Financial community

**Stable shareholder** base

**€25m** vendor loans reimbursed

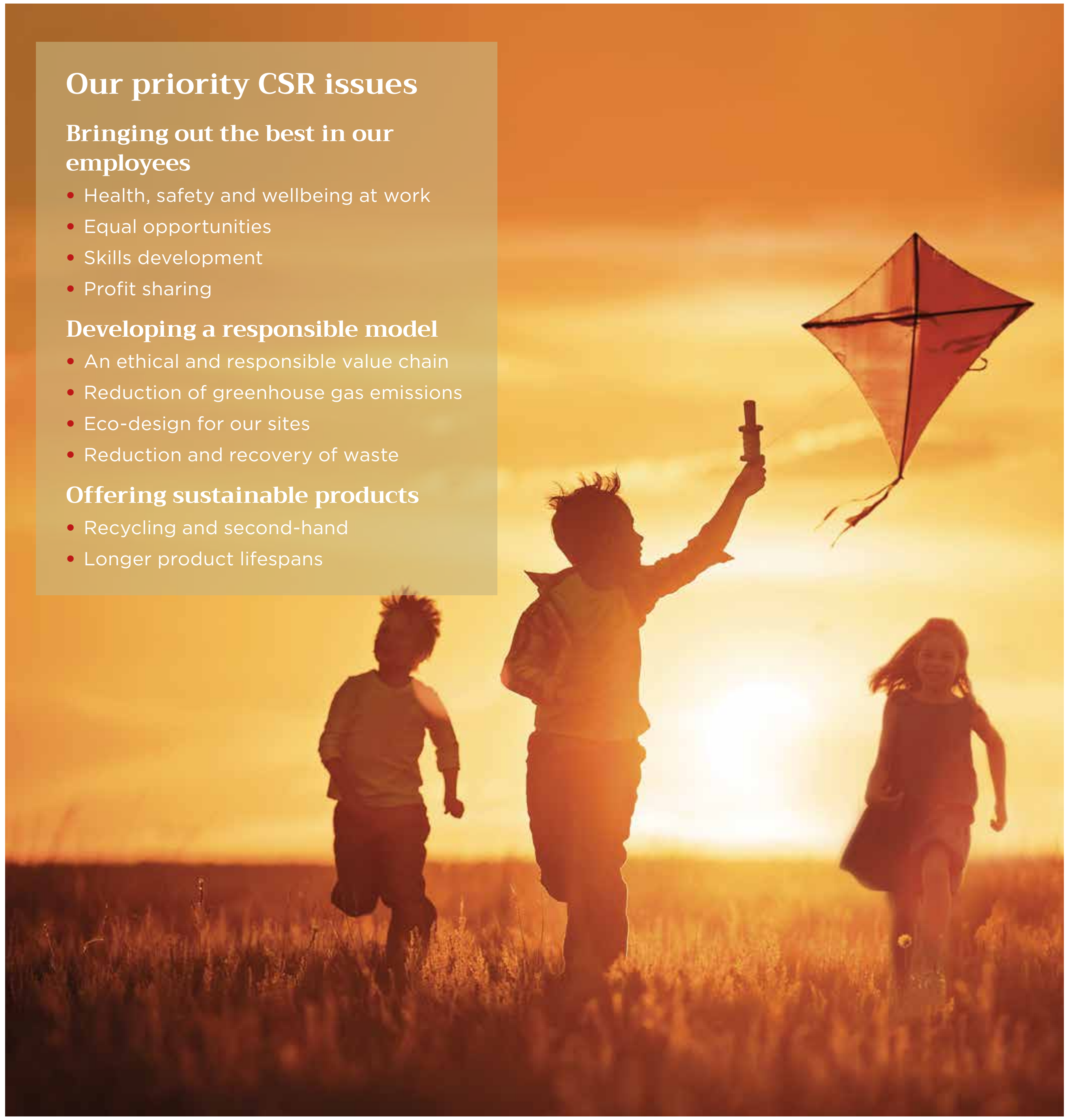
No dividend distributed in FY23

**Debt leverage:** 3.28x (Goldstory)

# Committed to responsible development

After consulting with all of its stakeholders, and while fully cognizant of its social responsibility as well as the importance of the 21st century's social, environmental and governance challenges, THOM decided to launch the WeTHOM plan in 2023, representing a real turning point in its policy for promoting responsible development.

WeTHOM is an ambitious, long-term plan (Horizon, 2028) which has already begun to impact the Group's brands, products and processes. WeTHOM will contribute to the development of the jewellery and watchmaking market by enabling more responsible purchasing, while ensuring the Group's long-term sustainability.



## Our priority CSR issues

### Bringing out the best in our employees

- Health, safety and wellbeing at work
- Equal opportunities
- Skills development
- Profit sharing

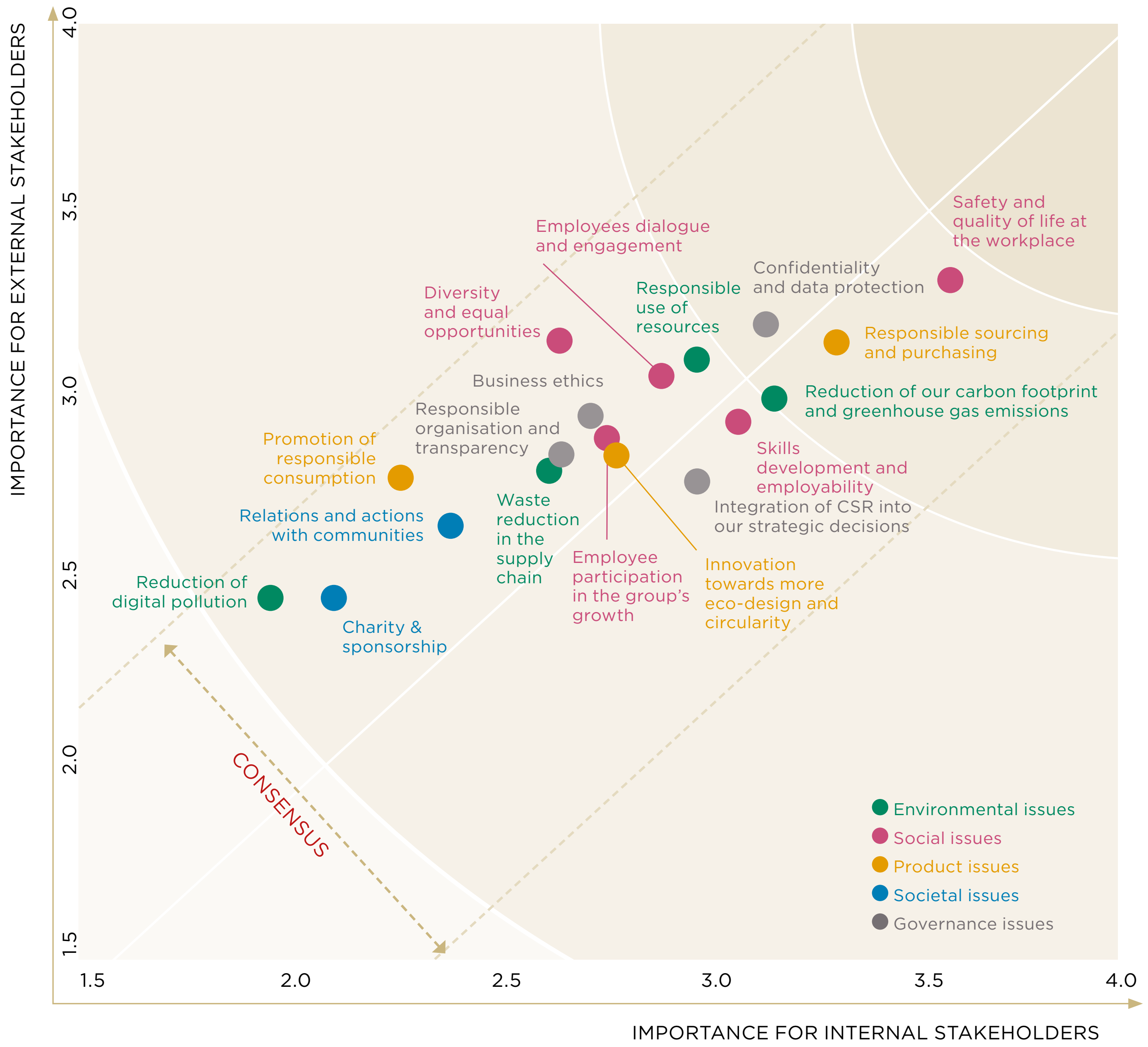
### Developing a responsible model

- An ethical and responsible value chain
- Reduction of greenhouse gas emissions
- Eco-design for our sites
- Reduction and recovery of waste

### Offering sustainable products

- Recycling and second-hand
- Longer product lifespans

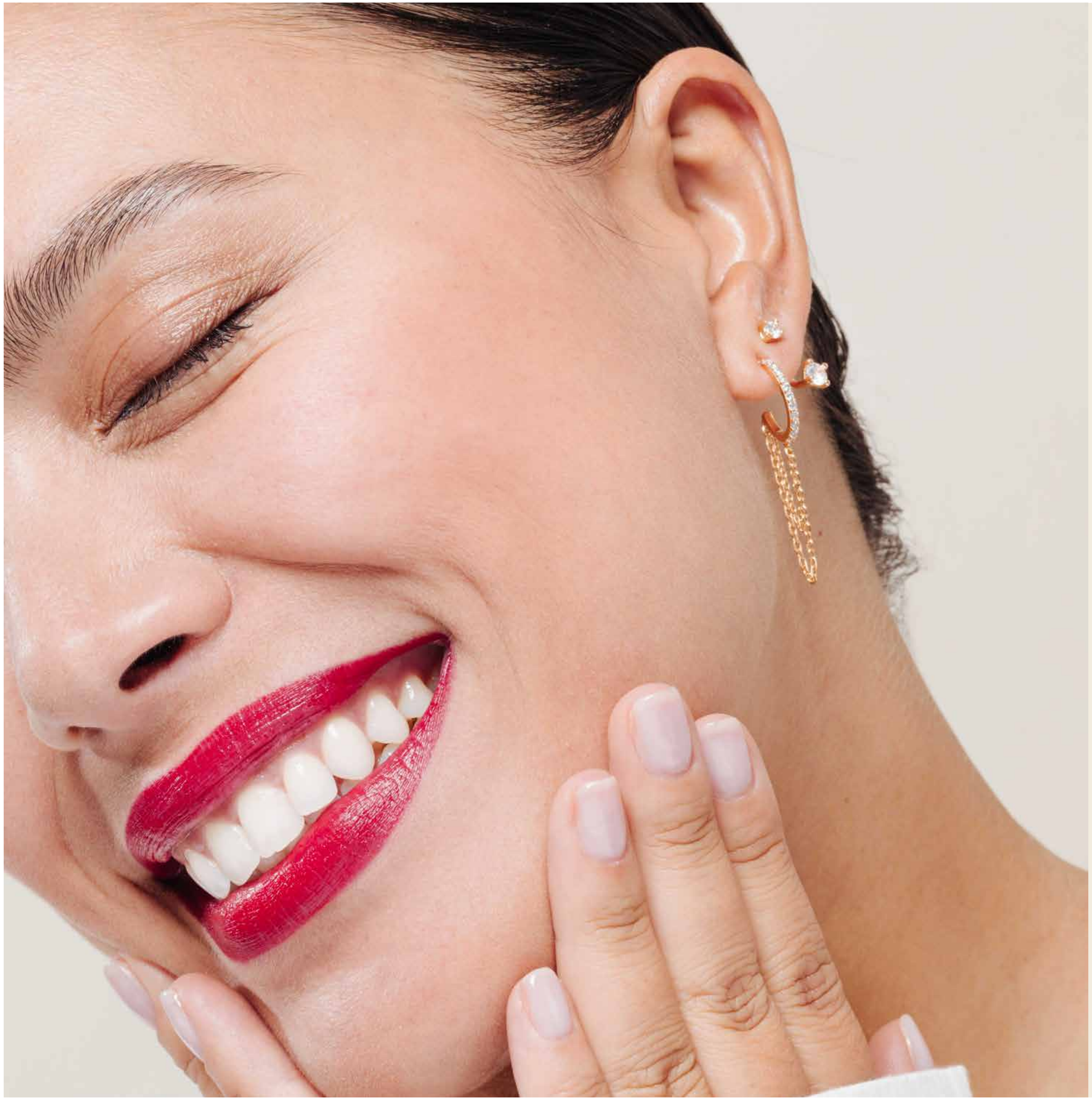
## THOM Materiality Matrix




## Contribution to SDGs

**The Group's CSR strategy is part of a global approach that contributes to the achievement of the sustainable development objectives defined by the United Nations. The Group focuses its actions on 7 objectives whose challenges are directly related to its activity.**

| 3 | 5 | 7 | 8 | 12 | 13 | 16 |
|---|---|---|---|---|---|---|
| **SDG 3** Access to health | **SDG 5** Gender equality | **SDG 7** Clean and affordable energy | **SDG 8** Decent work and economic growth | **SDG 12** Responsible consumption and production | **SDG 13** Action on climate change | **SDG 16** Peace, justice and effective institutions |



# Group strategy

# Develop a portfolio of strong brands

**THOM has a broad portfolio of attractive brands that have won the loyalty of millions of consumers in Europe, revolutionising and democratising the world of jewellery.**

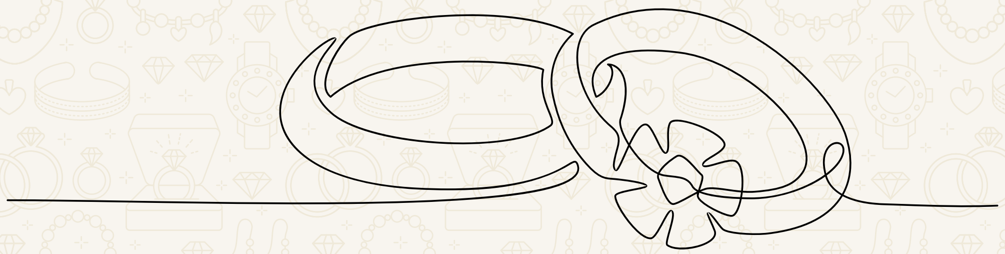
**Powerful, modern, popular multichannel brands such as Histoire d'Or and Stroili, considered French and Italian jewellery market leaders respectively.**

**Challenger or more targeted brands offering consumers real alternatives, such as iconic French costume jewellery brand AGATHA, Be Maad or Scooter which opens the Group up to exciting new territories and potential.**

## > Timeless

## > Fashion

## > Licenses & Distribution




TIMELESS

1986
Creation of Histoire d'Or

426
stores in France, Belgium, Italy and Luxembourg, including 38 affiliated partner stores

50.6m
in-store visits in 2023

47.6m
website visits in 2023

53%
of Group's network sales

1
France top-of-mind awareness

# Histoire d'Or

## The leading brand of affordable jewellery in France.

The story behind Histoire d'Or is the story of a young man who, after visiting all the jewellery stores in Cannes in search of a gift for his mother, realised that jewellery was reserved for an elite. He then imagined a new model: a jewellery store that would no longer be exclusive and intimidating, but open and generous; a jewellery store freed from traditional conventions, able to carry the voice of all, with no limit to price, model or occasions to celebrate.

**Since 1986, the men and women behind Histoire d'Or have continued to reinvent jewellery:** imagining new standards, new services and new experiences, always inviting women and men to express themselves, to assert their personality and to put gold in all their stories.




TIMELESS

1996
Creation of Stroili

340
stores

>700
doors (wholesale activity)

38.1m
in-store visits in 2023

28.7m
website visits in 2023

27%
of Group's network sales

# Stroili

## Stroili is the leading brand of affordable jewellery in Italy.

Stroili was established in 1996, thanks to the innovative idea of making the jewellery world affordable to anyone and revolutionising the jewellery's concept.

In 2016, Stroili was acquired by THOM with the aim to support the further expansion in Italy with new openings in shopping malls and strategic flagships in shopping streets offering precious, beautiful and exquisite jewels combining an excellent know-how and craftmanship to italian goldsmiths' tradition.

Stroili is the modern jewellery store where everyone can find their best emotion-value for money, thanks to a retail experience designed to provide fun, discovery with a personal guidance, a careful selection of products, unique in variety.


TIMELESS


TIMELESS

1856
Creation of OROVIVO

54
stores

900k
website visits in 2023

3%
of Group's network sales

97%
customer satisfaction

4.75
trusted shop

## OROVIVO

### Founded in 1856, OROVIVO is a brand that combines modernity with tradition on the German market.

Horst Knapp founded the jewellery company KNAPP in the Erzgebirge in 1856. Thus he laid the foundation for OROVIVO. Only few companies can look back on such a history. **OROVIVO stands for modern and timeless jewellery, for sparkling beauty and special moments.**

OROVIVO is represented throughout Germany and challenges the traditional truths of the jewellery industry, breaking with exclusive norms and elitism. OROVIVO stands for diversity and individuality.

OROVIVO stands for tradition and passion, always takes the next step forward but remain true to its professional and customer-friendly identity. Uncompromising quality and a passion for radiant jewellery ideas characterise its range of products.

1986
Creation
of Marc Orian

2
countries
(France, Belgium)

91
stores

3.4m
website visits in 2023

7%
of Group network sales

## Marc Orian

### Founded in 1986, Marc Orian is the alternative generalist brand in France.

Marc Orian is known for its innovative and technical expertise in the jewellery sector. **Marc Orian has been the first ever jewellery banner to open in shopping centers and is one the leading brands on the market with 91 stores in France and Belgium.**

Marc Orian, the selective jeweler, makes every effort to satisfy customers and guide them in their choices thanks to its jewels made of noble materials such as gold or silver, and its fine or precious stones. In stores and online, customers will find at Marc Orian both timeless pieces and trendy jewellery for all the highlights of life: wedding, birthday, baptism, birth... Marc Orian is a brand that is capable of adapting to contemporary and to each customer.

TIMELESS


1988
Creation of Franco Gioielli

36
stores

2%
of Group's network sales

## FRANCO GIOIELLI

### Franco Gioielli is THOM italian alternative generalist banner.

Franco Gioielli was born in Turin in 1988, from the innovative mind of a Piedimontese businessman. Franco Gioielli was then acquired by Stroili Group in 2005 and now counts 36 jewellery stores, located in the best shopping malls of Italy.

**Franco Gioielli is the trusted jewellery store inside shopping malls and guarantees the good quality as well as the reliability of italian craftmanship with an ever-affordable price.**

With its jewels made with the most precious and certified materials, Franco Gioielli is able to face any request as far as gifts are concerned. A gift for others or oneself that carries the values of italian goldsmiths' tradition.

FASHION


TIMELESS


68
stores

>5,000
references

2%
of Group's network sales

95%
customer satisfaction

## TRÉSOR

### Trésor is in France the everyday-low-price value banner of THOM.

In less than 5 years, Trésor has successfully become a reference in the everyday low price jewellery and watches sector. Present in highly attractive shopping centers throughout France, Trésor jewellery stores offer constant arrivals of jewellery and watches: here, all the bargains come and go every day! With its permanent arrivals, exclusivities and novelties, Trésor guarantees everyone the best deal.

1974
Creation of AGATHA

96
stores & corners in France, Spain and China

18m
website and third-party digital platforms visits

>800,000
pieces of jewellery sold

3%
of Group's network sales

265
doors (wholesale activity)

## AGATHA

### The iconic French costume jewellery brand.

AGATHA was born in Paris 50 years ago, under the vision of its founder Michel Quiniou, who imagined an innovative and accessible French jewellery brand. Remaining faithful to the Parisian spirit, AGATHA offers high quality products at an affordable price, on-going renewal of collections feeding brand desirability, a premium execution and an inviting experience.

Fashion

Fashion

Fashion

## BE MAAD

2015
Launch of Be Maad

31
countries

185
doors

70k
Instagram followers

### Each piece of Be Maad jewellery tells a story.

Laura Attias created Be Maad in 2015 to offer authentic, high-quality jewellery that can be worn every day. As a self-taught designer, Laura has mastered the secrets of gemstones and the art of jewellery-making. She infuses powerful and radiant imagination into her collections to design characterful jewellery that adapts to each woman's style and enhances those who wear them. Be Maad is now distributed in more than 30 countries and 185 points of sale.

## CLYDA

1974
Launch of Clyda

193
doors

>6,000
pieces of jewellery and watches sold

>300
references

### Clyda's watches embody the French and Parisian elegance, affordable and timeless.

Founded in Franche-Comté over forty years ago, Clyda is a French brand that embodies French and Parisian chic. Timeless, intergenerational, the brand is intended for all women seeking elegance. Clyda offers watches suitable for every occasion. Watches with an assertive style, whether contemporary, classic, or romantic. Creative and sophisticated, Clyda watches are the essential accessories to enhance any outfit and figure. There are true jewellery-watches, affordable, giving a chic and premium effect.

## SCOOTER

1979
Launch of Scooter

75
doors

5,000
pieces of jewellery sold

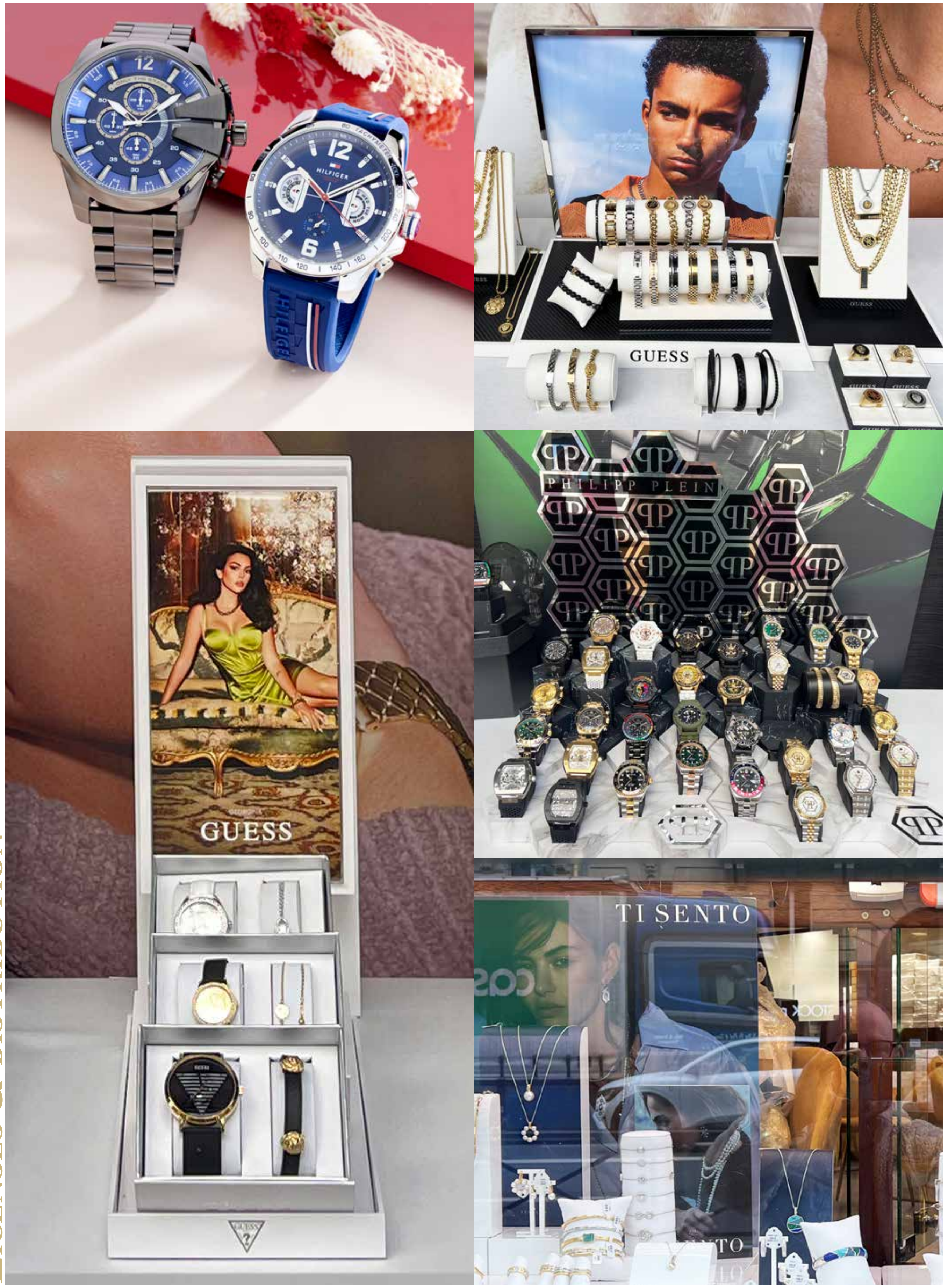
300
jewellery references

### A strong bohemian-chic and multicultural jewellery identity.

Founded in 1979 by stylist Isabelle Van Hulle, the Scooter brand possesses a strong bohemian-chic and multicultural identity, inspired by its creator's travels to Africa, Asia, the Middle East, and Latin America. The use of natural materials, the refinement of designs, and the attention to detail have allowed Scooter to establish itself in France and abroad.

Scooter is a transgenerational brand of beautiful fashion jewellery, crafted from silver or gold-plated metal and adorned with highly trendy natural stones. Scooter's jewellery embodies the escape and freedom that every generation seeks.

# LICENSES & DISTRIBUTION




TIMEWAY GROUP

Timeway, wholesale division of THOM, was founded in 2019 with the aim of becoming distribution partner to the world's biggest watch and jewellery groups. Timeway is distributing a first-class portfolio of watch brands and jewellers at over 3,800 points of sale in France and Italy (jewellery-watchmakers, retail chains, and concept stores...).

TI SENTO
ROSEFIELD
REBEL & ROSE
PHILIPP PLEIN
GUESS WATCHES
GUESS USA
Gc LA PRÉCISION DU STYLE
FURLA SINCE 1927 ITALY
BERING
adidas
ALVIERO MARTINI 1ª CLASSE
BOSS
CALVIN KLEIN
NAUTICA
TIMEX
TOMMY HILFIGER

| | | | | | |
|---|---|---|---|---|---|
| 1998 | 2019 | 27 | > 3,800 | 286,000 | 396,000 |
| Launch of Timeway France, formerly known as Venson Paris/IBB Paris | Launch of Timeway Italy | brands distributed | points of sale in Europe | watches sold | jewellery items sold |

# Our value creation levers

**The sustainable and profitable growth of THOM is based on a long-term vision and a strategy that aims to develop a portfolio of brands leading their market, supported by an omnichannel distribution model, an integrated Group platform and first-class human capital.**

**All decisions taken within the Group and its subsidiaries, and all action plans rolled out, align with the Group's social responsibility strategy.**

## #1 Invest in our brands

We innovate and invest to develop our brands, making them stronger and more desirable. We are improving our product offer by providing more choice, accessibility and substitutability. We are optimising the quality of our store concepts and our network coverage in shopping centres and city centres. We are strengthening our communication campaigns' efficiency.

## #3 Invest in people

The women and men of THOM are at the heart of the Group's success. We therefore do our utmost to attract the best talents and allow them to fully express their potential, to engage them and to retain them.

THOM

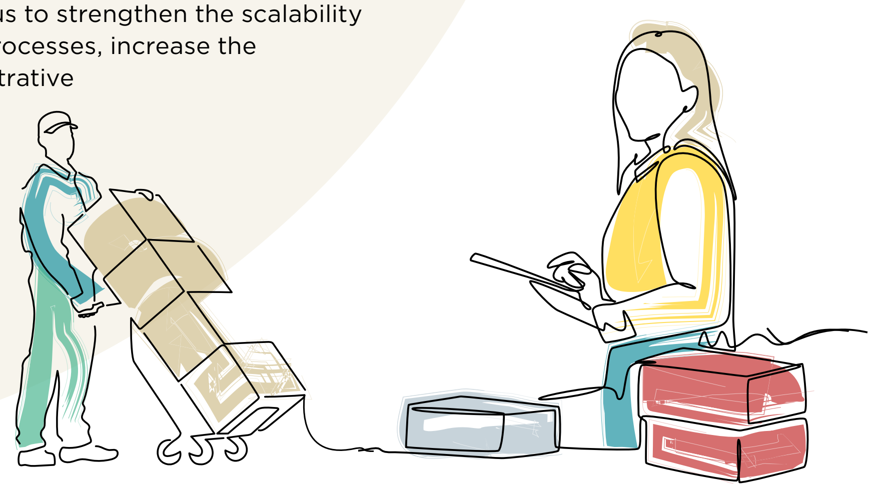
CORPORATE SOCIAL RESPONSIBILITY

## #2 Build a customer centric organisation

Customer satisfaction and retention is at the heart of our strategy. We are constantly seeking ways to optimise the customer experience both online and in stores. We are reinforcing our teams' professionalism, digitalising in-store processes, and optimising the selling ceremony. We offer a complete range of jewellery services, a seamless online and offline experience, and the shortest possible order timelines and delivery times. We are developing social selling. The customer truly is the centre of our organisation and our processes.

## #4 Consolidate a robust and agile back office

We are making further progress in pooling back office functions within the Group (purchasing, procurement, logistics, etc.). We are introducing a high-performance Group IT model (ERP, WMS, e-commerce platform, etc.) which will enable us to strengthen the scalability and alignment of our processes, increase the productivity of administrative functions, reduce time-to-market, etc.



# #1 Invest in our brands

**In all our countries, we innovate and invest to develop our brands, making them stronger and more desirable.**

**The Group's subsidiaries are supported by the teams at Headquarters (purchasing, supply chain, IT, legal, etc.) to strengthen their roles as driving forces in their respective markets.**

# THOM in France

**Franck Lesclauses**

CEO France

**In a difficult economic climate marked by high inflation, Histoire d'Or recorded sustained growth in FY23, with sales up 4%.**

Thanks to the major brand overhaul carried out over several years, the new brand platform and the major media investments made during FY23 – including 3 national poster campaigns –, Histoire d'Or further strengthened its leadership in France. The brand was voted "French consumers' favourite jewellery brand". It also made it into the Top 10 of France's favourite brands (EY Panel), across all sectors, and topped its category in terms of spontaneous awareness.

FY23 was a very eventful year. Several strategic projects were launched or ongoing:

- Opening of its first partner store under an affiliation contract, in Alès in May 2023, followed by 4 other openings paving the way for faster rolling out of the affiliation model. A dedicated partner recruitment website was also launched.
- In terms of product offer, efforts have focused on product quality, an overhaul of the innovation strategy and of the emblematic diamond category (synthetic diamonds, stone certification, etc.).
- Evolution of the Histoire d'Or store concept implemented in the Belle Épine store, with the creation of dedicated areas to enhance customer experience (sales lounge, click & collect points, piercing area and area adapted for mobile payment, etc.).
- Launch of a large-scale test in 30 Histoire d'Or stores of completely rebranded, high-end merchandising differentiated by product category (gold, stones, silver plating, etc.).
- Completion of the roll-out of our mobile smartphone payment solution across the entire network.
- Implementation of new training modules for our in-store teams.



## At a glance

**Our brands:**
Histoire d'Or, Marc Orian, Trésor

€587m
revenue

58% of Group's revenue

€48m
e-commerce sales

512 directly-operated stores

2,866
employees (FTE)


**Histoire d'Or, France's favourite brand**

Thanks to its positioning, store concept and store network, Histoire d'Or is France's favourite affordable jewellery brand.

*"Histoire d'Or is continuing to strengthen its leadership in France despite an unfavourable economic context."*

FY23 also saw the launch of **WeTHOM@Store**, a major project for the Group that aimed at optimising the employee experience. Following a study launched in January 2023, a series of important measures have been taken concerning the organisation of working hours and employee benefits, such as the provision of meal vouchers for store employees and the creation of a «concierge» service to facilitate daily life (administrative support, help in finding doctors, nursery places, etc.).

In 2024, we will be focussing on several major projects. We will:

- Roll out the new evolution of Histoire d'Or concept in renovated stores and new openings;
- Continue to develop the affiliation model;
- Strengthen our service offer and launch a second-hand offer;
- Open a new communication and sales channel on TikTok;
- Launch new communication campaigns for our employer brand.

The aim, as ever, is to consolidate our leadership in the French market.

## Extending our network through affiliates

In order to reinforce its territorial coverage, the Group is favouring the affiliation model, which is a long-lasting model that allows the best professionals to work with the best brands. A new organisation is currently being implemented within the Group to steer and support the development of affiliation. The Group's objective in France is to have around 150 affiliated stores (creating or buying independent jewellers) in small town centres or shopping centres. This affiliation strategy will also be tested in Italy.

### Our partner stores

38 partner stores (8 in town centers, 30 in shopping centers)

2002
First opening

6 partner store openings in 2023

# THOM in Italy

**Arnaud Marques**
CEO Italy

**THOM achieved an exceptional FY23 in Italy, posting turnover and EBITDA growth that significantly exceeded expectations and successes in many areas.**

The roll-out of Stroili's new store concept is continuing to out-perform the rest of the network. Store openings in shopping malls and city centres, especially in Rome, have increased our market share in a highly competitive and promotional environment. The redesign of our diamond and wedding ring offer has been very well received by our clients. The gold segment now represents over 50% of our sales (compared to 35% in 2018). The creation of a new environment for the men's collection has allowed us to confidently predict its roll-out across the entire network. The gradual reduction in our discount levels has enabled us to offset the effects of higher raw material costs.

We also moved ahead with rebranding the Stroili brand with a new tagline, "Emozioni sulla pelle" (Emotions on the skin), and continued to roll out the Wepinkofyou project aimed at improving employee well-being by awarding exceptional end-of-year 2023 bonuses and introducing meal vouchers in 2024. In 2023, the THOM Italy teams once more participated fully, contributing to clients voting Stroili as the best chain of stores in the jewellery sector.

**2024** represents a real challenge for THOM in Italy. Though inflation has decreased, it remains high. A slowdown in consumer spending cannot therefore be ruled out. Nevertheless, THOM plans to increase its market share in Italy through:

- more than 15 store openings, to improve our territorial coverage;
- continued renovation of our stores (pink concept) to harmonise the whole network;
- training our teams to optimise customer service;
- replacing our logistics tool to accelerate flows and boost our omnichannel strategy;
- and rolling out our men's offer across our network.

We look forward to 2024 with confidence because we know that our teams will once again be able to pull together to make all the difference.

## At a glance

**Our brands:**
Stroili, Franco Gioielli, Histoire d'Or

€313m
revenue

30%
of Group's revenue

€7.8m
e-commerce sales

389
direcly-operated stores

2,382
employees (FTE)




# THOM in Germany

## At a glance

**Our brand:**
OROVIVO

€31m
revenue

3% of Group's revenue

54
directly-operated stores

270
employees (FTE)


**Noëlle Allara**
CEO Germany

**OROVIVO had a very satisfactory FY23, with like-for-like sales growth of 12.6%.**

At the end of the year, the brand launched its network expansion strategy, opening city-centre stores in three of the country's major cities - Düsseldorf, Heidelberg and, very recently, Stuttgart - and in 2 leading shopping centres in Munich.

In 2024, OROVIVO's priorities will focus on:

- developing the skills of in-store teams (sales advisors, store managers, etc.);
- expanding the store network, which will take place in major German cities, mainly in shopping centres where ramp-up is faster;
- developing e-commerce, which, following an overhaul of the website, has recorded sales growth of 27% over the last 6 months and offers excellent prospects.

Committed to a simple, warm and quality customer experience, OROVIVO intends to set up a dedicated wedding ring area and service workshop in each of its stores. OROVIVO, Dein Juwelier*, intends to stand out from the crowd by asserting its status as a jeweller. OROVIVO customers have spoken: 97% of them would recommend the brand.

* Your jeweller

*"OROVIVO achieved a solid performance in 2023 and launched its policy of opening stores in major cities."*

# AGATHA, back on the scene

*"We will revive AGATHA's magic."*

**INTERVIEW WITH Stéphane Delva**
CEO AGATHA Paris

**In February 2021, THOM and Renaissance Luxury Group took over AGATHA. Over 2021 and 2022, THOM and Renaissance Luxury Group worked hand in hand to rebuild the company's fundamentals. In December 2022, THOM took full control of AGATHA SAS and decided to accelerate the recovery in all countries.**

## What are AGATHA's strengths?

AGATHA is a French costume jewellery brand created by Michel Quiniou in 1974. Within 10 years, AGATHA became an iconic French brand thanks to strong assets: 1. high quality products at an affordable price; 2. on-going renewal of collections feeding brand desirability; 3. premium execution (great locations, strong brand codes, high investments in PR and communication); 4. inviting experience (passionate staff, products' abundance).

The memories of the brand's golden age are vivid and the brand codes are very clear: Parisian heritage, dark blue, shiny silver and Scottie, the brand icon.

## What were the highlights of the year 2023 for AGATHA?

The brand positioning has been clarified, the brand communication has been upscaled (from content to on-line expression, on the site, in social media and in stores), the brand activation has been adjusted to secure strong 360 plans.

The growth of sales, especially in France (Retail LFL growth: +8% in FY23 Vs. 22, +137% on line) and in China (€2,9m of sales in FY23, mostly through TMall and TikTok), is the best indicator of the strategic choices.

## What is AGATHA's 2024 roadmap?

In 2024, the focus will be on:

- Elevating the brand image, through products, visuals and story telling;
- Upgrading the stores' network thanks to (1) the closing of dilutive stores, especially in locations not aligned with the premium repositioning of AGATHA; (2) a program of openings in upscale locations in French key cities (Paris, Bordeaux, Lyon...) and renovations (key stores in France and Spain);
- Enchanting the customer experience both in-store (teams' training, piercing acceleration, on-shelf story telling) and on-line (new graphic charter, visuals' permanent upgrade, brand story telling, unboxing upgrade...).

1974
Creation of AGATHA

€30m
revenue

875,000
pieces of jewellery sold

96
stores and corners in France, Spain and China

2
e-commerce websites

5
third-party digital platforms

18m
website and third-party digital platforms visits

## AGATHA in China

**INTERVIEW WITH Alexandre Chieng**
CEO AGATHA - Asia Pacific

**AGATHA Paris opened its first boutique in Shanghai's Raffles City in 2006. THOM has great ambitions with this iconic brand in China...**

## What are the strengths of AGATHA in the Chinese market?

First and foremost, AGATHA is an iconic French brand with some very strong assets, such as the AGATHA blue and the Scottie, recognised by tens of millions of Chinese consumers. The brand also has an active community in China, with over a million online followers. Finally, it is a French brand that relies on the appeal of a Parisian lifestyle, by far the most sought-after in China.

## What is your distribution strategy?

AGATHA targets an active female client base aged between 25 and 35, aspiring to a fashionable, international lifestyle. We decided to focus our efforts online for our relaunch of AGATHA in China. Nowadays, we are present on all the major Chinese e-commerce websites (TMALL, JD, Tiktok, Poizon, Red, etc.) and operate directly, with our own teams. This is a rare competitive advantage for a foreign brand in China. Our competitors generally prefer to outsource operations to third parties – a simpler but less responsive and more expensive solution.

## And your marketing and communication strategy?

We have created our own ecosystem of celebrities and influencers. In 2023, we collaborated with 179 celebrities, 628 key opinion leaders and 200 livestreamers. This allowed us to achieve 37 million views and attract 10 million visitors to our e-commerce websites.

## What are your goals for 2024?

- Achieve growth of over 100%;
- Reach the top 50 in the TMALL Jewellery and hair accessories category (compared to 109th in 2023 and 168th in 2022);
- Grow our KOL community to 1,500 members;
- Extend our success in digital to success in physical retail;
- Get 100% of our teams to participate in climate fresk.

# Be Maad

2015
creation of Be Maad

31
countries

185
points of sale

13,500
pieces of jewellery sold in 2023

70k
followers on Instagram

2m
views per month on Pinterest

*"We want to open our own points of sale and develop our international presence while remaining faithful to the brand's DNA."*

**INTERVIEW WITH**
**Laura Attias**
Founder of Be Maad

**In 2023, THOM acquired a majority stake in Be Maad, founded in 2015 by Laura Attias. The brand is now distributed in over 31 countries and 185 points of sale.**

## How did Be Maad come into being?

I created Be Maad in 2015 because I loved real jewellery, quality jewellery that you can wear every day. I learned the art of jewellery, its raw materials, its skillsets. I discovered all the secrets of stones, and my personal inspirations feed my collections. I create jewellery to suit every woman's style without ever compromising on strong pieces.

## What makes Be Maad unique?

Be Maad is a designer brand. Each piece of jewellery is created from a sketch on paper which is brought to life in our workshops, thanks to the meticulous work of passionate craftspeople. A piece of Be Maad jewellery is not an assembly of parts, but a genuine creation, which you can trace from the first sketch all the way to the jewellery box.

Our pieces are produced responsibly and in small quantities, for better quality. They are hand-crafted in our workshops in Jaipur, India. We know where the stones we work with come from, so we're transparent.

Be Maad is for all women, without exception. Our jewellery can be worn on any occasion. Each piece of Be Maad jewellery is more than an accessory. It tells a story, it captures life, it expresses the wearer's personality.

## What is your current roadmap?

We want to open our own points of sale, develop our international presence and strengthen our online presence, while preserving the brand's DNA and values.

## Be Maad in the USA

The Be Maad brand does most of its business in France. However, it is already being distributed and promoted in around thirty countries in Europe, Asia and America...
**Laura Attias, its founder, plans to extend Be Maad's international presence, with a particular focus on the United States.**
*"Be Maad is just setting out on its international adventure. In the U.S., we're distributed in high-end costume jewellery stores across 5 cities, including New York and Los Angeles. We took part in the New York Now and Coterie New York trade shows, and launched an awareness campaign in early January on all our paid marketing channels, Facebook, Instagram, Pinterest and Google Ads... It's a test, which for the moment is giving very positive results, and should enable us to plan other campaigns with a local press relations agency. We are also planning a partnership with a distributor so that Be Maad can benefit from a network of premium sales outlets in the United States".*

# Licenses & distribution activity

**INTERVIEW WITH**
**Andrea Busato**
CEO Timeway

## What are the strengths of Timeway in France and Italy?

Our large portfolio of brands allow us to satisfy the needs of many retailers and consumers, both in watches and jewellery, both with a fashion twist and with a traditional taste. Thanks to our experienced teams, we master the distribution of famous jewellery and watch brands to independent jewellers outlets, jewellery and watch chains and department stores.

## What were the highlights of 2023 for Timeway?

In Italy, in 2023, we have consolidated our partnership with Timex and Movado Groups, extending our offer to many brands both in watches and jewels. In France, 2023 was marked by the successful launch of AGATHA brand distribution to independent jewelers and the acquisition of the Clyda and Scooter brands. This will enable us to diversify our business and develop our own brands.

## What is Timeway's roadmap for 2024?

In Italy, our main focus will be in developing our portfolio to its maximum potential, with a strong push on independents channel. In France, we aim to strengthen the distribution of our existing brands, develop our own Clyda and Scooter brands, and extend our business to brand licensing.

1998
Launch of Timeway France

2019
Launch of Timeway Italy

> 3,800
points of sale distributing Timeway brands

27
brands distributed in Italy (14) and France (13)

286,000
watches sold

396 000
jewellery items sold

€22m
revenue

*FY23 data*





Precious people

**Tiphanie Rastel**
Product Manager – Timeway

## What is your job?

I am a product manager for watch brands and jewellery brands at Timeway France. I define the product offering for each brand, exclusively for distribution in France, as well as the commercial and marketing strategy. Concretely, I select and purchase products per season, based on collection analysis (sell in/sell out) and market trends. I then sell these products in the French market through various distribution channels: department stores, independent stores, concept stores, e-commerce, etc. On the commercial side, I handle brand listing with key accounts and follow up with sales representatives for independent stores. On the marketing side, after establishing the strategy and marketing plan, I coordinate various promotional and communication actions.

## What thrills you about your job?

What thrills me the most is discovering new products, brands, and trends every day—it never stops! The world of watches is so rich and fascinating, while the jewellery sector is always evolving and continuously reinventing itself. Since Timeway is a small company, I can be involved in various aspects and regularly manage new projects from A to Z.

## Among the 5 values of the Group, which ones resonate with you the most?

Exigency and Boldness. Being demanding to improve performance while demonstrating boldness to innovate and not miss any opportunities.

# #2 Build a customer centric organisation

**Customer satisfaction and retention is at the heart of our strategy. We are constantly seeking ways to optimise the customer experience both online and in stores.**

## Offering an unrivalled customer experience

**The quality of customer experience is at the forefront of the Group sales and marketing teams' concerns. IT and logistics are also involved.**

**In stores,** the quality of customer experience relies on several factors: the store organisation and furniture ergonomics, the clarity of products and services offered, the sales advisors' expertise, the speed of in-store operations and even the shortening of order timelines.

What is unique about jewellery is that the customer cannot act alone. The customer must be professionally welcomed, assisted and advised throughout their journey. Our sales advisers and store managers simultaneously have to be agile enough to manage the flow of visitors, ensure the shortest possible wait time, and keep customer movement fluid, especially during peak hours. This is the crux of the matter.

An essential part of customer experience is the quality of the greeting, customer care, and advising. The Group established training courses for sales advisors and store managers that aim for excellence. This is all the more important because turnover in retail has increased since the pandemic.

Spaces dedicated for services (piercing, jewellery maintenance, watches, etc.) have been arranged to optimize customer care. For piercings, we have provided our stores with ergonomic chairs...

The mobility of store operations (checkout, payment, order pick-up, etc.) is a priority lever for simplifying and accelerating the customer experience. We have therefore equipped our stores with mobile phones to carry out operations such as pre-checkout and order delivery without having to go through the checkout desks. Our priority now is to complete these mobile services by implementing the payment function in all our stores.

This is being developed alongside the addition of other functionalities which will contribute to an even better customer and sales advisor experience.

### Development rooted in a strong, satisfied customer base

**16.8 million** members in our membership programs

**>95%** of satisfied customers

**>70** Net Promoter Score on all of our brands

**Constantly adapting to customer behaviours**

**Average customer** is 39-years old with a stable income

**Mobile represents** 80% of online traffic and 69% of online sales

**3.0 million followers** reached through social media

## Precious people

**Sabrina Howarth**

Store Manager - OROVIVO

### Tell us about your career at OROVIVO?

I started my training as a retail saleswoman at OROVIVO in 1997. After completing my training, I spent 2 years traveling throughout Germany for OROVIVO, opening stores.

I participated in inventories, trained employees, and supported various branches. I am now a Store Manager and, since this year, I am also allowed to train my first apprentice. It's a great feeling since I started as an apprentice at OROVIVO myself 26 years ago.

### What are the key requirements for a Store Manager?

I must be a good listener and observer, adapt to the strengths and weaknesses of each employee, and recognize them. Finding the right balance at all times for the role of a team player as well as a leader is essential. Loving and challenging yourself every day with a 360-degree view of employees, the store, customers - in short, the big picture - is a must.

### The powerful rise of e-commerce

**6** e-commerce websites

**6.5%** Share of online sales in the Group's network sales

**>76** million web visits

**70%** Share of new customers in online turnover

**30%** Share of turnover resulting from online searches preceding a store purchase

**27%** Share of click-and-collect in online sales

# Ensuring a seamless online and offline experience

*"There are no boundaries between online and offline. The two channels complete each other, and both contribute to a unique customer experience."*

**THOM has multichannel brands that operate at over a thousand points of sales, as well as 6 e-commerce platforms. It is increasing its market shares both on- and offline.**

**In-person retail** remains very dominant in the Group's model (90% of the Group's turnover and gross margin), but the rapid growth in online sales confirms the relevance of the Group's omnichannel strategy.

**This digital channel** is primarily beneficial to reach new customers. 70% of turnover is from customers who have never purchased from a store. It allows the Group to cover territory where the physical network is less dense and offers a wider range than what can be found in stores. It is equally useful for the growing number of customers who research products online before buying them in-store (24% of store turnover). Finally, in terms of customer experience, the digital channel significantly improves our brands' value propositions by allowing the consumer to inform themselves and buy the way they want by finding the same product offer, services and opportunities, regardless of the channel used.

### Web-to-store strategies

Research online purchase offline, click & collect, e-reservation, speedy delivery...


### Personalized and 360° customer journey

CRM one to one, omnichannel loyalty program...

### Store-to-web strategies

Digitalised inventories, delivery from store to client...

## Precious people

**Alix du Halgouet**

Head of E-commerce – AGATHA

### What is your profession?

My role is to develop the growth of the AGATHA website by optimizing acquisition, conversion, and loyalty.

### What is your background?

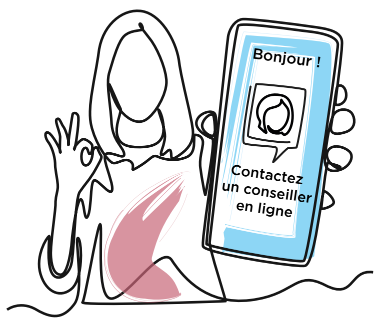
Before joining THOM, I worked in various ready-to-wear companies within digital and marketing departments. This allowed me to develop a good understanding of the customer journey. I joined THOM in 2018 as an e-shop manager for the Histoire d'Or and Marc Orian brands. With my team, our role was to facilitate the customer journey to maximize purchases. This involved commercial animation, merchandising, product shootings, as well as editorial and visual content. I then had the opportunity to join the AGATHA brand as the Head of E-commerce. It's a fantastic opportunity to contribute to the brand's revival and expand my scope by being responsible for conversion, acquisition, and CRM in France and Spain.

### What inspires you in your profession?

It's a very challenging job because it allows me to be in touch with different departments, combining marketing performance and results. And above all, listening to my team and challenging them every day.

## Building a meaningful dialogue with consumers

The Group's brands have opened multiple channels to keep their customers informed, communicate with them, and build strong and long-lasting relationships no matter where they are.




# Social selling. Ambassad'Or.

**3 QUESTIONS TO Sandie Combeau**
Social selling manager

**The social selling Ambassad'Or service allows customers to choose a sales advisor from a selection of profiles displayed on the brand's website, to assist them and advise them on their purchase online and in-store.**

### How has the Ambassad'Or service progressed?

In 2023, we focused on recruiting and training new Ambassad'Ors throughout France to ensure that our clients have omnichannel customer service and the option to find their personal shoppers in-store, close to home.

### What are its strengths and weaknesses?

The turnover generated by this service is growing. Our Ambassad'Ors appreciate both the privileged customer relationship created by this new channel and the fact that they have improved their remuneration by reaching bonus targets. On the website, the conversion rate for clients who use this service is 10 times higher than those who don't, and their average shopping basket increases by 55%. We must therefore continue to improve this service's usage rate on our site. Our goal in 2024 is to make this service more widely known.

### What is your goal for 2024?

We want to offer this personal shopper service in every major French city, and transform it into a cornerstone of our e-commerce website.

976
stores and corners in shopping centers

101
stores in city centers

3,900
sales advisors

> 3,800
third-party stores (wholesale's customers)

110,000
references

1.9 million
watches sold per year

18.5 million
pieces of jewellery sold

c. 14.8 million
consumers signed up to loyalty programs

## Precious people

**Camille Foriel**
Ambassad'Or — Histoire d'Or

### What is your job?

I am a sales advisor at Histoire d'Or. My job is to ensure complete satisfaction for our customers so that each person leaves with a piece of jewellery that suits them perfectly. I also have the privilege of being an Ambassad'Or. My mission involves answering customer questions on the Histoire d'Or website and engaging with a small network of clients with whom I discuss new items and timeless jewellery.

### Can you tell us about a typical day?

Every day is different in our profession. We have various tasks: after-sales service, ear piercing, sales, restocking jewellery, and arranging displays. Our day is never predetermined; surprises are always in store!

### What thrills you about your job?

I love that each day is different, and I enjoy interacting with our customers both in-store and on the website through the Ambassad'Or chat. We are one of the few professions where we accompany our customers through all the happy events in their lives: engagements, weddings, baptisms, birthdays…

# Rolling out an attractive service offer


**Benoît Foucault, Group Services Director, explains the challenge that services represent for the Group and the strategy put into place to meet it.**

### What are THOM's service challenges?

Jewellery is a precious item with high sentimental value, which consumers want to keep in good condition over the long term. They want to be able to care for and repair their jewellery, transform it, resell it or pass it on… That's why services play such an essential role in the jewellery sector… and especially for THOM.

Developing an attractive service offer not only enables us to build customer loyalty, but also to differentiate ourselves from other e-commerce players and retailers who are not offering services in this area. Our service offer enhances our value proposition and is all the more strategic for promoting a more responsible way of consuming, which is in great demand from consumers today.

### What services does THOM offer today?

Services have been rolled out across all the Group's brands, with the depth of coverage varying slightly from one brand to another. Histoire d'Or, Marc Orian, OROVIVO and Stroili offer a very wide range of services. These brands have equipped their stores with tools and machines. In France, for example, we have installed engraving machines in 320 of our stores.

Our brands offer several categories of service: piercing; jewellery care products; watch maintenance, including battery and strap changes; jewellery and watch-making techniques of varying complexity: cleaning, rhodium-plating, repairs, personalisation with sizing and engraving, custom creations; and finally, gold repurchasing, at the crossroads of recycling and financial services.

Our sales advisors are trained to handle all these services, and in most of our stores they can carry out maintenance, piercing, engraving and other services. All our stores are linked to partner workshops for more complex jewellery and watch-making operations: soldering, rhodium-plating, gem-setting repairs, creation, etc. We also have three in-house workshops, located in Paris, Bordeaux and Amaro in Italy, which we are currently expanding.

### What is the Group's Services strategy?

To build a highly attractive service offer, the Group is focusing on 4 main areas:

- Continuous improvement of the service offer. When it comes to jewellery care, for example, we want to offer products that are easier to use, more attractive and more rewarding. We are also inspired by the service-oriented American market, where jewellers offer insurance, maintenance packages, etc.

- Reinforcing our technical capacity to carry out jewellery-making by continuing to introduce tools and machines in-store, strengthening our relationships with partner workshops, and bringing certain services in-house.
- Enhancing the value of our service offer for customers. On our e-commerce sites, where we still sell relatively few services. In stores, by reinforcing our advisors' ability to support their customers, identify their needs, and mastering the presentation of our services and skills.
- Setting up in-store tools to provide high-quality services. When a customer entrusts you with a piece of jewellery for a repair to be carried out in the workshop, there's no room for error. We can't lose the piece of jewellery, make a mistake about the repair to be carried out, or take 2 months to get it back... We have to be able to ensure a care process and a customer relationship that are as efficient and secure as possible.

### What is the Group's long-term sales target?

Services currently account for around 3% of Group's sales. We want to go further, we want to accompany our customers ever more closely in their precious moments and enable them to enjoy their jewellery even more. Our international market benchmark confirms that we can improve the impact and attractiveness of our service offer.

## Offering a complete jewellery service

The Group offers a wide array of in-store jewellery services and fine-tunes them to respond to customers' expectations. The Group has workshops that carry out services such as customisation, repair, transformation and refinement. It is creating in-store service areas (piercing, maintenance, gold recycling, etc.) and is training its teams to offer high-quality services.

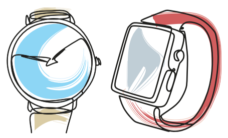
### Services in store

**3%** of Group's network sales

**30** workshops

**350** piercing locations

**500,000** ears pierced

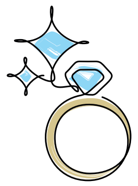


### Watch maintenance

- Battery replacement
- Waterproof check
- Repair
- Resizing and strap attaching
- Reconditioning

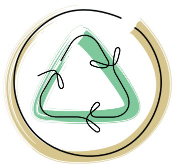
### Jewellery customisation

- Engraving
- Resizing
- Custom orders



### Jewellery care

- Cleaning
- Clasp replacement
- Pearl rethreading
- Rhodium plating
- Gem setting
- Soldering



### Recycling gold

with broken, damaged or unfashionable jewels

### Piercing

## #3 Invest in people

**The women and men of THOM are at the heart of the Group's success. We therefore do our utmost to attract the best talents and allow them to fully express their potential, to engage them and to retain them.**

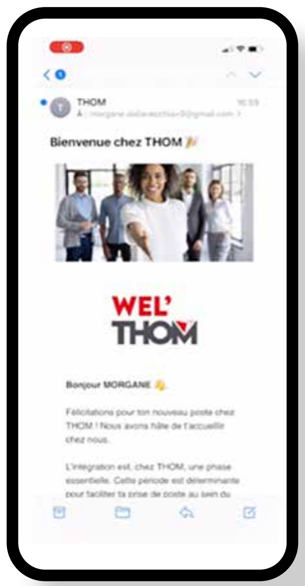
## Talent is at the core of the Group's HR strategy

**To achieve its goals of growth and operational excellence, the Group is developing its human capital with the goal of becoming a benchmark employer. The group has based its HR strategy on 3 pillars: an attractive employer brand, skills development, and employee loyalty.**


## Attracting talent

Attracting the best talent to the Group is an ongoing challenge. Companies are struggling to recruit in the retail sector. To enhance its attractiveness to candidates, the Group draws on a number of assets and initiatives:

- **A strong employer brand,** with a new, specific and high-impact brand platform, that was developed in 2023 and promoted by communication campaigns on all social media (TikTok, Instagram, Linkedin, etc.) and on Welcome to the jungle.
- **A varied sourcing policy** using:
  - advertising based on algorithms and data analysis to optimise our job offers' online visibility,
  - co-opting with the THOM Job application, which enabled the Group to recruit dozens of new employees on permanent contracts in 2023.
- **An efficient recruitment process** offering a quality candidate experience with:
  - simplified and accelerated steps designed to retain talented candidates,
  - comparative application evaluation sessions,
  - promotion of the Group to candidates.
- **Innovative pre-boarding and onboarding,** offering new employees a reassuring, fun experience from the moment they sign their contract. Thanks to the Wel'THOM application, a link is created with the candidate before they even start the position, and skills are gradually built up throughout the integration process. Today, nearly 60% of new recruits make use of the Wel'THOM application.





## Developing talent

The retail sector is evolving rapidly, both in terms of technology and customer behaviour. The jewellery business is also a highly specialised field (products, techniques, procedures, services, merchandising, etc.) which takes time to master. To ensure the professional development of all its employees – from the moment they join the company and throughout their careers – the Group relies on an extremely comprehensive system including:

- **THOM Academy,** a corporate university that is a benchmark in its sector. THOM Academy offers Group employees training courses throughout their careers. Every employee, whether a fresh store or head office arrival, or a new or experienced manager, can receive training at THOM. The range of training courses on offer is very broad, covering business fundamentals, soft skills and management. Training courses are delivered via e-learning, using the THOMAC application (over 116 modules available), virtual classes and face-to-face training via à la carte training or modules.
- **Personal development plans**. To help Area Managers develop the skills of Store Managers, in 2023 THOM launched a Store Manager development framework. Thanks to this framework, Store Managers can self-assess 16 skills and develop their soft skills with their line manager.
- **Coaching.** In-house or external coaches are on hand to support new recruits in key Group positions.
- **A policy of encouraging hierarchical, functional and geographical mobility.** In 2023, THOM overhauled its mobility policy by modernising the mobility charter, increasing benefits and support, and simplifying and digitising the internal application process.

## Retaining talent

To retain talent and enable it to develop to its fullest capacity, the Group has implemented an ambitious and innovative policy based on:

- **An attractive remuneration system.** THOM offers all its employees a remuneration package including bonuses, profit-sharing and company performance incentives.
- **The opportunity for all employees to become THOM shareholders.** Nearly 20% of employees have subscribed to the THOMtogether corporate mutual fund invested in Group shares, enabling them to become indirect shareholders.
- **Regular performance appraisals** through habitual monthly check-ins to discuss the network's objectives, achievements and areas for improvement. **People reviews** for store and head office staff, to standardise appraisals, propose development and succession plans, and boost mobility.
- **Numerous initiatives to enhance employee well-being.** Barometers have been set up to measure employees' well-being at work, and action plans have been launched to optimise well-being factors. After the **WeTHOM@Work** project dedicated to the well-being of employees at Group headquarters, in 2023 THOM led the **WeTHOM@Store** project dedicated to the well-being of network employees. In 2023, the Group also launched THOM for Me in France, a project designed to provide personalised assistance to employees experiencing personal difficulties and to help them achieve a better work-life balance.
- **A positive climate and a strong corporate culture,** founded on a core set of values that are very present in the Group (demandingness, team spirit, simplicity, commitment, boldness) and a ***leadership model*** that has just been finalised, constituting a frame of reference for all employees.

## Precious people

### Gwenaelle Grivel

Marketing Project Manager – Histoire d'Or

### What is your job?

Since January 2022, I have been the Marketing Project Manager for the brand Histoire d'Or. My role is to be the guardian of the brand's platform and communication. I translate the commercial animation plan into a 360° communication plan (in-store advertising, catalogs, digital, packaging, etc.).

### What is your career background?

I have been with THOM for over 7 years. After joining Toulouse Business School, I grew and evolved within the Group. After my first internship as an assistant marketing project manager for the Trésor & J'M brands, I continued the adventure with a one-year apprenticeship as a junior marketing project manager for the Trésor & Smizze brands as part of my Master's degree. Freshly graduated in 2019, the Group offered me a new opportunity in a permanent position as a merchandising project manager for Histoire d'Or. After 3 years in the merchandising department, in January 2022, I chose to return to my first love: marketing!

### Among the 5 values of the Group, which one resonates with you the most?

Undoubtedly, the most important value for me and in my job is Team Spirit. Being a project manager is also and above all about rallying people around a common goal to make it a collective success. It is also about meeting people, exchanging ideas with colleagues and external service providers, helping each other, and moving forward together. This value is very important in the Group, and we all share it, providing daily motivation.

# THOM for me

## Helping employees manage their daily lives

**Starting in 2024, THOM will introduce an assistance program, THOM for Me, aimed at helping employees better manage the complexities of their lives and finding a harmonious balance between their personal and professional spheres.**

In recognition of the diverse personal situations of its employees, THOM is offering a range of free services, accessible 7 days a week, 24 hours a day. This initiative aims to ensure that the Group is not only a hub for performance but a space that prioritises health, life balance and fulfilment at work.

This new service is tailored to address various personal situations (including employees who are caregivers, those with disabilities, single parents, employees with financial difficulties, and those navigating through a divorce or experiencing domestic violence). It is designed to simplify everyday life and help employees manage life's demands.

Employees will have access to the following services:

- **Social & family assistance:** family, housing, health, disability, remaining in the workforce, budgeting, etc.
- **Psychological support:** counselling and psychological follow-up
- **Administrative and legal assistance:** legal information, administrative support, document library
- **Health assistance:** medical concierge service, remote medical advice, health coaching
- **Concierge service/life assistance:** housework, gardening, deliveries, collections, childcare, etc.

All employees will have access to these services to help them manage their daily lives.

A single telephone number, dedicated exclusively for THOM, will put them in touch with experts who can offer guidance and assistance based on their needs.

A communication and awareness-raising plan will be developed to ensure that everyone is aware of this new program.

For Me (Imagine Human group) is collaborating with THOM on this innovative project, ensuring alignment with the Group's culture and organisational values.

# THOM Academy, a major asset in THOM's development

**Created in 2012, THOM Academy is dedicated to supporting skills development for Group employees, from the moment they join the company and throughout their careers. It aims to meet the challenges of performance, transformation and employability for Group employees, and is now a benchmark corporate university.**

## A wide range of training courses

THOM Academy offers employees in its store network 4 key modules:

- For sales advisors: **The Sales Advisor Course**, comprising 4 training courses (Sales 1, Sales 2 and Sales 3, plus a Service & Warranty module), taken during the first 2 years of the Sales Advisor's career and carried out locally, as close as possible to the teams' locations.
- For future Store Managers from within the Group: the 11-month **Management Course**, dedicated to developing managerial skills.
- For Store Managers and Sales Managers recruited from outside the Group: the **Manager Integration Course**, to be taken at the Academy within 4 months of joining the company, which facilitates integration and focuses on business and managerial skills.
- For all employees: ***"à la carte"* training courses** to develop business and managerial skills and contribute to personal development.

Since 2021, the Academy has also been aimed at employees of affiliated stores, offering them a full catalogue of training courses.

Each year, THOM Academy enriches its training courses so that Group employees can keep striving for excellence in a constantly changing environment.

**2023 was a particularly eventful year for THOM Academy:**

- April 2023 saw the launch of the THOMAC application (Learning Management System), giving access to 116 e-learning training modules. These modules complement face-to-face training and support the brands' sales policy. The application is available on mobile, Zebra, PC and Intranet.
- New Managerial *Posture and Communication* training course delivered locally and attended by 250 managers.
- Creation of the Sales 3 training course to complement the Salesperson course.
- Creation of a Diamond Master Class for expert sales advisors.
- Launch of the Voltaire project, which has enabled over 500 people to improve their command of the French language.

### THOM Academy key figures

**2012**
Launch of THOM Academy

**700 m$^2$**
of premises

**17**
in-house trainers

**4** training project managers

**13** part-time manager-trainers

**>5,000**
employees trained in 2023, i.e.**>83%** of the THOM workforce

**2023**
Launch of THOMAC app

**102** training modules

**2,437** unique active users

**65,000** connections

**65%** part of mobile users

QUALIOPI certified since **2021**

## A partner for support functions at company headquarters

THOM Academy is also a business partner for the various head office departments. It is involved in implementing specific projects, and has been commissioned by:

- the E-commerce department, for Ambassad'Or training (40 people trained);
- the Diversity department, for the roll-out of the Disability training program, which enabled 10 employees to be trained on disability issues;
- the Services department, for the Engraving training program (81 employees trained).

THOM Academy offers head office employees a dedicated and diversified catalogue of training modules for business, office work, managerial and personal development (management, professional efficiency, office work, languages, gemology, written customer relations, etc.) as well as a Management course (team management and cross-functional management). More than 200 head office employees completed these courses during 2023.

## Recognised expertise

THOM Academy has been Qualiopi certified since March 2022. It offers a unique training program for high-potential THOM sales advisors, the Bachelor Store Manager. This diploma course (level 6 certification, equivalent to Bac + 3) is a real opportunity for those who finished their education at Bac or Bac + 2. By 2023, 27 employees had graduated from the program.

### Fanny Labeda, top of the class of the 1st THOM Academy Bachelor Program

After a vocational secondary school qualification (beauty and cosmetics) and some experience in beauty salons and sales, Fanny Labeda joined Histoire d'Or in 2015 as a sales advisor in Perpignan. Fanny worked her way up from advisor, to senior advisor, to assistant store manager before being offered a position of store manager. At the same time, she was offered the opportunity to attend THOM Academy's Management course, a work-study training program.

*"I knew the broad outlines of the business, but there were a lot of things I needed to know more about. I was delighted to be able to have this adventure with a close-knit group of learners. We attended training modules on recruitment, managerial communication, team management, managing emotions, etc. It was a judgement-free zone, the trainers were very attentive to how we felt on the ground. We were able to share our experiences, which made this training course very useful. When the training ended, we were offered the chance to take a certification* to obtain a Bac+3 diploma. I applied for it and I sat the certification exam. I wanted to show my 4-year-old daughter that nothing in life is ever too late...".*

Fanny and 20 other THOM employees obtained their certification and made up the 1st cohort of graduates of THOM Academy's Bachelor's programme. She was awarded her diploma during the annual Histoire d'Or convention in November 2023.

*"More than 1,000 employees came together at Disneyland Paris. The 21 graduates were summoned to the stage, and that's when I found out I was valedictorian! They surprised me by arranging for my 4-year-old daughter to hand me a rose onstage. It felt really amazing! This training course really gave me more confidence. If there's one thing I've taken away from it, it's the personal touch. The training team was very close to us, and they were as moved as we were during graduation! It was a huge accomplishment for them, too!"*

** Level 6 certificate (equivalent to French Bac+3)*

# The THOM Academy is being rolled out within the Group

**INTERVIEW WITH**

**Nathalie Vegnan**
France HR Development Manager

**& Elena Vettorello**
Italy HR Development Manager

**As part of its WeTHOM plan, the Group is committed to transforming its training academies into reference schools – innovative, educational institutions capable of professionalising all employees and enabling everyone to seize the career opportunities offered within the Group.**

### How is the Group meeting this commitment?

**Nathalie:** The men and women of THOM are at the heart of the Group's success. We need to attract talent, develop it and retain it. It's important to remember that jewellery is a highly intricate profession. It takes months and months to learn about the products, techniques, procedures, services, and more.

THOM has been developing a highly ambitious training policy for many years, in line with the specific nature of our businesses and our development objectives. We've established a company university, the THOM Academy, to support employees throughout their careers, from induction to advancement, by offering training covering all aspects of their work.

### Does Italy share the same ambitions?

**Elena:** We have the same high standards for all the countries in the Group. Our businesses are the same, and we rely on the best practices that have been tried and tested in our French academy for years. That's why we work in unison with all the countries in which we operate.

### How does our French academy support other countries?

**N.:** France has a wealth of experience in training, with our academy being over 10 years old. Our goal is to leverage this expertise to accelerate the development of skills in other countries, primarily by providing training in the fundamentals of the business.

Today, drawing on our international experience, we've decided to enhance our organisation. We've structured ourselves with the addition of an international project manager who is a business expert, having joined us one year ago. We offer partnerships tailored to the needs, size and maturity of each country.

### In Italy, have you also had to adapt your organisation?

**E.:** In Italy, we've prioritised the sales process, which we were able to implement in a very short time, drawing on French expertise. And that's just the beginning... Therefore, we are resizing our training department to optimise our development and become a corporate university as robust as the one our Group has established in France.

### Are there any other advantages to creating group synergies?

**E.:** The internationalisation of training also helps to bring countries closer together and fosters a common culture by sharing best business practices.

**N.:** It also enables us to develop a consistent management culture. We are also implementing a Group leadership model, which will strengthen cohesion and enhance the overall performance of our organisation. This aligns with a key objective of our WeTHOM plan.

# Encouraging mobility and internal promotion

Mobility, whether hierarchical, functional or geographical, is an essential component of the Group's HR policy. Not only does it enable employees to develop in line with their aspirations, it also enables the Group to meet its recruitment needs and strengthen its position by retaining its talent.

The Group's HR policy is based on a number of components and processes that ensure a fair, transparent and supportive approach to mobility. This approach aims to:

- **Open up career opportunities to all.** THOM has drawn up a mobility charter outlining the guidelines and benefits of mobility processes within the Group. THOM offers 2 career paths within the network, towards management and towards expertise. The THOM mobility website has a page dedicated to job descriptions for all THOM positions and their associated skill sets.
- **Real-time information on vacancies.** The THOM Job application, which currently supports co-opting, will be available to internal mobility in 2024. This will give all employees real-time access to all job opportunities at Headquarters and in the stores. They will either be able to apply themselves or to pass them on to their network.
- **Identify employees who are willing and/or able to be mobile,** via annual, half-yearly or quarterly interviews depending on the position, staff reviews and appraisals.
- **Gather employee preferences for mobility,** via the career centre or the MyRH website.
- **Support employee mobility through training,** integration planning, mentoring, monitoring or coaching.

### Internal mobility has no limits at THOM

Romain Peninque, our President, started his career with the Group... in a store. Every effort is made to enable those who want to develop or change jobs to do so. The Group has worked on the mapping of all its professions, the development paths and mobility gateways, and employees have a digital portal dedicated to mobility. To encourage internal promotion, several specific training courses have been set up.

### Mobility key figures

**90%** Percentage of store managers who have benefited from internal promotion

**338** employees promoted in 2023

**7** employees benefited from mobility in their job or position

## Precious people

**Giulio Scolaro** Lead HR Training and Development – Stroili

### What is your job?

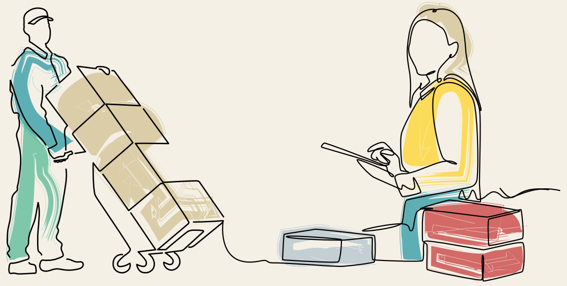
As responsible for training and development at Stroili for HQ and Retail, my scope includes the realization of the company training plan from collecting needs to budgeting, from review content to follow up, and all activities related to performance review, people review and reward system. It's such an exciting and challenging job!

### Among the 5 values of the Group, which two speak to you the most?

I think that commitment and demandingness maybe suit me the most: needless to say that training and also performance are hot topics in a retail company and, along with team spirit, it's mandatory to be looking to improve even the smallest details and involved and take responsibility for achieving the Company ambitions, needs and goals.

## #4 Consolidate a robuste and agile back office

**We are making further progress in pooling back office functions within the Group (purchasing, procurement, logistics, etc.). We are introducing a high-performance Group IT model which will enable us to strengthen the scalability and alignment of our processes, increase the productivity of administrative functions, reduce time-to-market, etc.**



# Improving and securing our supply chain

**4 QUESTIONS TO Philippe Sophys**
THOM Logistics Director

**Philippe Sophys, THOM's Logistics Director, presents the Group's logistics challenges and the action plans implemented to improve them.**

### What logistics challenges is THOM facing?

The Group is seeking to optimise product availability both for its store network customers in its various countries of business and for its online customers.

Optimisation of our storage facilities and the procedures for dispatching our products to customers must comply with certain objectives, including:

- reducing the carbon footprint of our transport and logistics sites;
- limiting storage and transportation costs;
- constantly improving the level of service provided to stores and online customers: delivery reliability, goods security, appropriate packaging, etc;
- and securing our logistics plans by identifying risks in all supply chain logistics activities.

## What is THOM's logistics model? What are its strengths?

THOM's logistics model is organised on a country-by-country basis, enabling us to meet domestic sales challenges as efficiently as possible: a logistics site near Paris dedicated to our sales activities in France and Benelux, a logistics site in northern Italy for our Italian business, and a site near Munich for our German business.

Each of these country teams is responsible for transport – both inbound and outbound – and for product logistics operations: reception, warehousing, preparation, shipping and returns.

The strength of our model lies in the reliability and robustness of our processes, in the performance monitoring of each partner, whether internal or external, and in the relationships built up over many years with Group employees and service providers.

Our model enables the company to adapt quickly to fluctuations in activity – whether business growth or seasonal variations - and is highly agile in adapting to business needs.

## What were the highlights of 2023?

We launched a project to overhaul our Italian logistics warehouse: we are upgrading the warehouse management system (WMS) and are considering how to adapt the building and equipment to the challenges of growth and business support over the next five years.

We have secured deliveries to stores in France and Belgium by building up a centralised safety stock for fast-moving products.

We have also upgraded our retail transport system in France and Belgium, to enhance service, delivery security and the economic performance of our transportation network.

## What is the Group's roadmap for the short and medium term?

In the short term, our aim is to converge the logistics information systems of our various warehouses towards a single WMS solution. In France and Germany, this system is already in use for part of the business, and will be significantly upgraded in 2024. It will also be rolled out in Italy from mid-2024.

In the medium term, the aim is to develop the master plans for each country, in order to improve delivery performance and economic efficiency. Moreover, the aim will be to develop the company's global master plan, positioning ourselves to ensure the company's forecast business growth, while converging towards an efficient, secure and customer service-oriented core model.

Precious people

**Delphine Lebarbier**

Reverse Manager – Logistics Center THOM

### What is your job?

I joined THOM in January 2018 as an e-logistics team leader. I was responsible for reception-preparation and packaging operations, overseeing a team of 20 collaborators. In 2020, I evolved and became the Reverse Manager.

### Can you describe your job?

As a Reverse Manager, I am responsible for all operations involving the return of products from stores to the central logistics center: stock balancing, defective products, supplier returns. This position requires technical skills and proficiency in Horizon, Reflex, and Excel software, and above all, great precision because all these flows have a high financial impact. The defined processes must be rigorously adhered to. Every day, I work closely with stores, internal control, management control, and accounting. I also have to be proactive in responding to all requests.

### Among the 5 values of the Group, which ones resonate with you the most?

What I appreciate the most today is the team spirit that has developed within the logistics, e-logistics, and transport teams, and even beyond. When I arrived in 2018, I was struck by the mutual assistance and commitment of the logistics teams within the center, but also of all the employees who came to help the stores during the Christmas period and for Black Friday.

## Logistics at a glance

**19.5**
million jewellery pieces and watches shipped

**> 1,100**
stores delivered

**200**
permanent logistics staff

# Corporate social responsibility



### Extra-financial performance and reporting scope

The Group's CSR performance is observed by the CSR Department, the Financial Department, and the job contributors who monitor extra-financial performance indicators throughout the financial year (1 October - 30 September).

# Interview with Estelle de Caneva

**Estelle de Caneva**
Group CSR Director

**CSR is part of the Group's DNA. THOM is convinced that there can be no sustainable business in a world without a future, without happy employees and without fully satisfied customers. As Group CSR Director, Estelle de Caneva drives and coordinates an ambitious sustainable development approach built with the input of all the Group's stakeholders.**

## What is THOM's CSR roadmap?

In 2023, the Group has set out an ambitious responsible development plan, the WeTHOM plan Horizon 2028, based on a comprehensive diagnosis - a materiality analysis and a carbon assessment - which involved all our stakeholders and enabled us to analyse and prioritise our CSR issues. WeTHOM's roadmap spans the next 5 years and sets out concrete commitments and objectives that will achieve the Group's transition. To take effective action, we have launched 20 projects, which are steered on a Group level and supported by our subsidiaries in every country. For each project, we have defined an action plan, governance, resources, a schedule, and monitoring indicators.

## What are the Group's goals and projects?

The WeTHOM plan is based on 3 major goals.

- **Our 1st goal is to bring out the best in our employees.** Since its creation, THOM has always been committed to creating a working environment that fosters the skills development, success and well-being of its employees. Valuing our employees is therefore a key ambition for THOM. We are constantly working to ensure the well-being of our employees and enable them to realise their full potential. We have set ourselves concrete and measurable objectives in terms of well-being at work, equal opportunities, training and employee shareholding.

**Our commitments & goals**

- **Health, safety and wellbeing at work:** 90% of employees happy to work at THOM
- **Equal opportunities:** Proportion of disabled employees within the Group >6%
- **Skills development:** Training courses at the Group's academies for 100% for our employees
- **Profit sharing:** The possibility for every employee to become a Group shareholder

- **Our 2nd goal is to develop a responsible business model.** The climate emergency has changed everything... THOM has measured its greenhouse gas emissions across its entire value chain and is therefore committed to significantly reducing its scope 1, 2 and 3 greenhouse gas emissions by 30% by 2030. This commitment is not without consequences, and will force us to re-evaluate our strategies and processes to build a value chain committed to respecting humans and the environment. For example, we will accompany our suppliers in their low-carbon trajectory and reduce the energy consumption of our own sites (headquarters, stores and warehouses) by 40% by 2030.

*"The WeTHOM plan sets out concrete commitments and objectives that will achieve the Group's transition."*

**Our commitments & goals**

- **An ethical and responsible value chain:** Commit to the group's RJC certification
- **Reduction of greenhouse gas emissions:** 30% reduction in scope 1, 2 and 3 GHG emissions
- **Eco-design for our sites:** 100% of new and renovated stores conforming to the eco-design criteria
- **Reduction and recovery of waste:** 100% of the waste produced at our sites recovered through appropriate waste streams


"We have adopted a voluntary approach to co-construction, involving all our stakeholders over the long term."

- **Our 3rd goal is to offer sustainable products.** Our continued development will only be possible if our products and services fully satisfy our customers and, in particular, respond to their desire to buy more responsibly. We therefore need to evolve our model, ranges and market. We are committed to moving towards 100% of our supply in recycled gold by 2030 and providing a second-hand product offering to contribute to preserving non-renewable resources and to the circularity of the jewellery market. We are also committed to continually improving the quality of our products and offering a range of services to lengthen their lifespans.

**Our commitments & goals**

Horizon WeTHOM 2028

**Recycling and second-hand**

- Move toward 100% recycled gold in our jewellery by 2030
- Use 100% recyclable paper boxes and shopping bags by 2025
- Development of a second-hand product offering

## What is your method for involving the Group's stakeholders and rolling out the WeTHOM plan?

First of all, we have adopted a voluntary approach to co-construction, involving all our stakeholders over the long term. Customers of all our brands, employees in every country where we operate, suppliers, partners and investors were all involved in our sustainability study. The commitment of our ecosystem and the support provided by experts guarantee a sincere and rigorous approach.

We have also put in place a strong governance structure to guide our CSR approach. We have a CSR Committee, which integrates CSR into the company's strategy at the highest level. We have a CSR department whose role is to drive strategy, coordinate action plans and mobilise teams, and a steering committee that oversees the progress of projects carried out by the business units.

Last but not least, we have set up a network of project managers and contributors from all our countries because this transition will only be possible if all the company's functions and businesses are on board. Regular meetings are scheduled with project sponsors, managers and the Supervisory Board to ensure that our CSR projects are firmly anchored in the strategy of the company and its businesses.

THOM has also launched an awareness-raising programme for all employees, with the Climate Fresco and the CSR Fresco. Employees are regularly informed of the Group's actions at national conventions, country road shows and via internal communication media.

In this way, THOM will gradually involve all its businesses, departments, countries and stakeholders in its CSR transition.

## What are the most significant achievements and initiatives already launched?

Some of our 20 CSR projects are already well advanced, while others are still in the launch phase.

For example, we are beginning to roll out the expertise of our corporate university - **THOM Academy** - in the countries where we operate.



THOM has been developing a highly ambitious training policy in France for a number of years, and we want to leverage this expertise to accelerate skills development in other countries.

We have rolled out the **WeTHOM@Work** and **WeTHOM@Store** projects, with the aim of improving our work organisation, improving well-being at work and work-life balance for our head office and store employees. We have also recently launched the THOM for Me project, offering personalised assistance to all our employees in France, to help them better manage difficulties in their lives.

On the environmental front, we have implemented voluntary measures on scopes 1, 2 & 3 by: implementing an energy reduction plan to optimise electricity consumption at our sites; redesigning our packaging to make it more eco-friendly; reviewing our professional mobility policy as well as working on the eco-design of our stores...

Regarding product sustainability, THOM is working on optimising product lifespan by focusing on quality, second-hand and repair, and the development of recycled materials. All these issues have now become priorities in the construction of our brands' offer.

## Will the WeTHOM plan profoundly change the company and its businesses?

Yes. THOM has firmly and sincerely committed itself to an ambitious CSR approach that is gradually permeating all the company's functions and businesses. CSR thus encourages the emergence of a new mindset and the development of cross-functional and cross-country actions that will profoundly transform our practices and business model.

But above all, the WeTHOM plan is also about creating new opportunities for the Group, new drivers of competitiveness and innovation, at every level of the company, in every function and in every department.

"The WeTHOM plan is also about creating new opportunities for the Group, new drivers of competitiveness and innovation."

## The key dates of our social commitment

- **2012** – Launch of the THOM Academy
- **Dec. 2013** – First formalized CSR policy
- **2014** – Net Promoter Score
- **2014** – Launch of LED lighting in the stores
- **2016** – Launch of the My-RH digital training portal in France
- **Feb. 2018** – Suppliers' charter
- **Mar. 2018** – Inauguration of the HQE head office
- **Jan. 2019** – Inauguration of the CSR committee
- **Jan. 2019** – Product sustainability strategy
- **2021** – Governance charter
- **2021** – Employee investment fund (THOMtogether plan)
- **May 2022** – Creation of the Group CSR Department
- **Jul. 2022** – Launch of our Mission Handicap
- **Sep. 2022** – Group materiality study
- **Oct. 2022** – Group carbon footprint review
- **Nov. 2022** – Energy efficiency plan for our stores
- **Sept. 2023** – Launch of WeTHOM (responsible development plan – Horizon 2028)
- **Sept. 2023** – Group's leadership model

## Precious people

**Andreas Doucet**

CSR Reporting Officer – THOM

### What inspires you in your profession?

It's a job of today and tomorrow. Indeed, this job has a positive impact. It serves the general interest by addressing climate issues. Moreover, it's a job that is always evolving due to the acceleration of our responsible development plan and the strengthening of regulations. I am fortunate to work on very diverse topics and with all the professions of the company due to the transversality of CSR!

### Among the 5 values of the Group, which ones resonate with you the most?

I would say first, commitment because it is necessary to stay on course and achieve goals, such as decarbonizing our activities. Then, simplicity because I find it essential to explain complex areas such as climate and environmental awareness clearly and simply.

# Bringing out the best in our employees

## Health, safety and well-being at work

### Ensuring health and safety at work

**Providing a safer working environment.**

Our store locations are chosen in areas that ensure the safety of our employees. In addition, all newcomers to the Group receive training on safety risks and good practices.

**Preventing psycho-social risks.**

Support has been in place for some twenty years in France. It will be developed in the other countries of the Group. THOM works with a specialised partner, particularly for the prevention of harassment, the management of crisis situations and suffering, and the management of traumatic events.

**Preventing accidents at work.**

All THOM employees receive training as soon as they join the Group. The Internal Control department, in collaboration with all the Group's departments and partners, has drawn up a risk map (falls, fires, handling, etc.) in order to be able to control them and implement corrective measures.

| | FY 20 | FY 21 | FY 22 | FY 23 |
|---|---|---|---|---|
| Number of accidents at work without time off | 71 | 66 | 76 | 120 |
| Number of accidents at work with time off | 85 | 68 | 107 | 132 |

### Maximising well-being at work

THOM is convinced that investing in well-being at work is a winning strategy for both employees and the Group.

The **WeTHOM@Work**, a major Well-being at Work project, concerned the Group's headquarters and was launched in June 2021, just after the pandemic. The aim was to rethink work organisation to meet the new expectations of head office employees.
A diagnostic process, based on questionnaires and focus groups, led to the identification of several areas for improvement in terms of communication, organisation and work environment.
WeTHOM@Work has resulted in:

- an overhaul of our remote-working agreement,
- completely refurbished premises, offering a greater number of shared spaces and bubbles for conference calls, a new zoning plan to strengthen and improve synergies between departments, and new equipment to enable flexible office working,
- new communication tools: an e-magazine and a digital onboarding course,
- training in collaborative tools,
- defining key principles for successful meetings.

THOM's WeTHOM@Work project won an award at the Victoires des Leaders du Capital Humain (Silver medal for work-life quality in the Paris region).

Building on this experience, THOM launched a similar project – **WeTHOM@Store** – for its store teams in 2023. The aim was to measure the network's employee satisfaction levels and improve their experience through a barometer system of measurement. The initial diagnosis highlighted a number of strong points:

- over 80% of employees feel a high level of well-being at work (versus 63% on average in the retail sector),
- an engagement level of over 8/10 (retail average: 7.6/10),
- a high level of trust in the company (89%),
- a sense of doing valuable and meaningful work (>90%),
- a highly valued team (95%),
- a management style that is generally appreciated,
- training opportunities recognised and appreciated (92%).

This collaborative effort led to the identification of a number of courses of action that were immediately implemented:

- organisational changes were brought about to bring us closer to our teams, so that we can better listen to them, provide them with better support, and develop deeper connections between the Group's brands;
- a better benefits policy: meal vouchers and a more dynamic variable remuneration system, as well as the introduction of the **THOM for Me** service in France to help employees resolve personal difficulties;
- specific training for experts.

# Guaranteeing equal opportunities

## Our commitment

**To guarantee equal opportunities in all situations (recruitment, training, internal movement, promotions, etc.) in line with the Group's values**

Ensuring equal opportunities is one of THOM's priority commitments. The Group's actions focus in particular on the employment of young people and seniors, gender equality and disability.

The Group is committed to facilitating access to the job market for young people and offers them support and career development programs (Vendor Programme, etc.). It has also set up an action plan to promote the employment of seniors (50 years and older).

This action plan aims to encourage senior employees to continue working, by developing their employability and securing their professional careers:

- Prevention of hardship
- Adaptation of the end of career
- Valuing expertise by passing on knowledge and skills to younger employees.

In terms of **gender equality**, the Group obtained an index of 94/100 in France.

The Group concluded in July 2022 an agreement on disability with the social partners and set up the Disabilities Mission, which established an action plan concerning job retention, recruitment, integration and training of people with disabilities as well as the use of the protected sector. A major awareness program for all employees was launched to speed up the process.

### Young people and seniors at THOM

28%
Share of employees under 25 years old

18%
Share of employees over 50

650 interns recruited on average each year

100%
of internships are paid from the 1st day

30
work-study students recruited on average each year

600 sales advisors hired on average eachyear

### THOM, a history of women

92%
share of women in the Group's workforce

60%
share of women in the board

**69%** France – **23%** Italy
**75%** Germany – **75%** Spain
**75%** Asia

94/100
Gender equality index

# Involving our employees in the company's performance

## Our commitment

**To directly link our employees' work with the company's performance through profit redistribution schemes and employee share ownership**

At the end of 2021, the Group created the **THOMtogether** corporate mutual fund, which is invested in the company's shares. This initiative has enabled many of the Group's employees to become indirect shareholders and thus be closely involved in its performance. As Eric Belmonte, founder of the Group, points out: "I am convinced, as are all the members of our Supervisory Board, that every employee should be able to become a shareholder in the Group at which he or she is employed. This is why we created the THOMtogether FCPE. This operation has already enabled hundreds of Group employees to become shareholders indirectly. We are very proud to have offered this opportunity to the Group's employees.

- Nearly 400 employees have subscribed for an average amount of over €2,200.
- 8% of the Group's employees became shareholders thanks to this operation.

# Developing a responsible model

## Ensuring an ethical and responsible value chain

### Our commitment

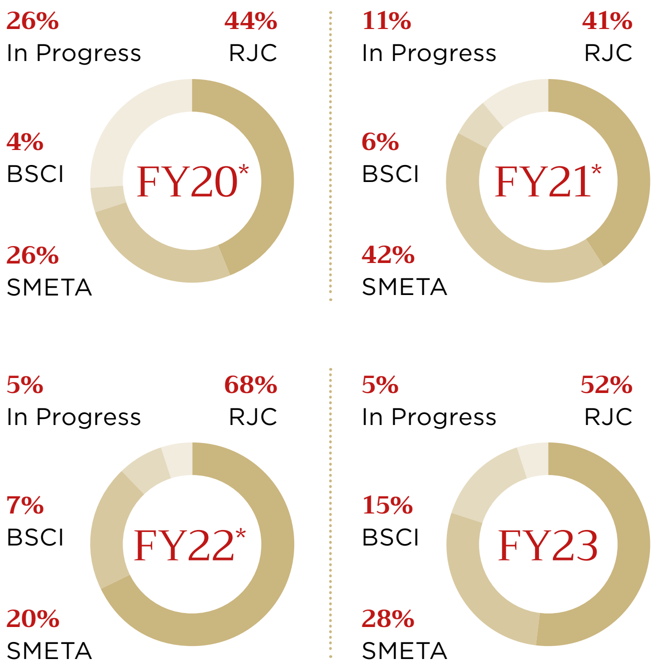
- **To commit to the Group's RJC certification**
- **To take into account CSR criteria in all its calls for tenders**

Ensuring that products are sourced responsibly is a key challenge for THOM, and core to the Group's sustainability strategy. Its aim is to guarantee the ethics and responsibility of its entire supply chain via the most demanding certifications or audits, where certifications do not apply.

The Group strives to ensure all eligible suppliers have a RJC COP certification (the most demanding certification in relation to our activity) or, where it does not apply, are audited according to the most demanding criteria.

In FY23, 95% of our non-branded purchases were made from suppliers that are certified according to the world class international standards: RJC, SMETA 2, BSCI. The Group wants to move gradualy from BSCI and SMETA 2 to SMETA 4 which is the most demanding.

Our suppliers are audited before we start working with them by independent and recognised auditors (Bureau Veritas, QIMA). These bodies evaluate all of our suppliers at least once every two years.




*(*) excluding Agatha*

> *"92.5% of our purchases are world-class certified."*

**Since 2018, all of our suppliers sign a charter i which they undertake to:**

- Comply with local and international law.
- Respect people – in line with the principles of the UN Global Compact, 8 Fundamental Conventions of the International Labour Organisation (ILO), and the ILO Declaration on Fundamental Principles and Rights at Work.
- Respect the environment – by complying with national and international regulations aimed at protecting the environment (to limit negative effects on ecosystems, conservation areas, and natural flora and fauna).
- Fight against corruption.

**We take care to ensure the traceability of our raw materials.**

Our diamond suppliers are committed to respecting the Kimberley Process, the only recognised process for ensuring the traceability of precious stones. The objective of the Kimberley Process is to prevent conflict diamonds (rough diamonds used to finance wars waged by rebels to destabilise governments) from entering the international market through the certification system. Our suppliers guarantee the accuracy of the information provided about the diamonds in the products and the authenticity of the certificates issued. For a period of 10 years, any problem with a diamond (characteristics, origin, authenticity, existence of defects or flaws) will be presumed to be due to non-compliance with the process and will be the sole responsibility of the supplier.

## Reducing our greenhouse gas emissions and energy consumption

### Our commitment & goals

**To get commitments from all of our stakeholders, both internal and external, across our entire value chain, in order to reduce our Scope 1, 2 and 3 greenhouse gas emissions by 30% by 2030 and help to limit global warming.**

- 30% reduction in greenhouse gas emissions linked to transport
- 100% of our suppliers committed to reducing their carbon footprints
- 40% reduction vin energy consumption at our sites by 2030
- A greater proportion of low-carbon energy in our total consumption
- Reduction of the emissions linked to business travel: no air travel if the journey can be made by train in less than 5 hours
- Initiatives encouraging our employees to use eco-friendly means of transport

The Group is committed to the fight against global warming and therefore aims to reduce its greenhouse gas emissions. This is why the reduction and optimisation of direct and indirect energy and fuel consumption are important objectives for the Group.

The Group will evaluate its carbon footprint including scope 3 every year. This assessment enabled the Group to measure its impact on the environment and the climate and structure action plans aimed at reducing its GHG emissions and energy consumption.

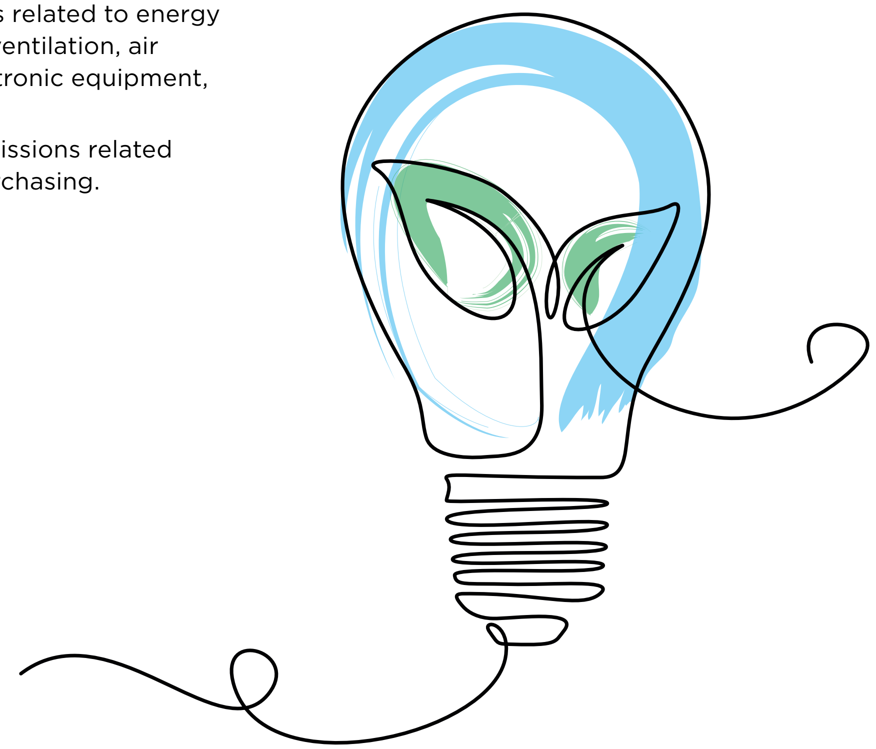
**Scope 1:** The Group's direct GHG emissions generated by company or service vehicles controlled by the Group.

**Scope 2:** Indirect GHG emissions related to energy consumption: lighting, heating, ventilation, air conditioning, electrical and electronic equipment, etc.

**Scope 3:** Other indirect GHG emissions related to the Group's transport and purchasing.

**GHG emissions ($tCO_2e$) – FY23**

| | |
|---|---|
| Total emissions | 265,388 |
| Emissions Scope 1 | 832 |
| Emissions Scope 2 | 5,364 |
| Emissions Scope 3 | 259,192 |
| of which scope 3 upstream | 225,552 |
| of which scope 3 downstream | 33,640 |
| Carbon intensity ($tCO_2e$ /M€ of turnover) | 274 |



## GHG emissions linked to purchasing of products

The Group's primary source of GHG emissions concerns the purchasing of products.

### GHG emissions linked to upstream transport of products

Upstream transport of products also constitutes an important source of the Group's GHG emissions. The majority of it is undertaken by plane and by road. For FY23, upstream transport represented 11,228 $tCO_2e$. The Group will strive to reduce its $CO_2$ emissions and consider alternative modes of transport.

**Upstream transportation – FY23**

| | |
|---|---|
| $tCO_2e$ emissions | 11,228 |
| Share of Scope 3 upstream emissions | 4% |

### GHG emissions linked to downstream transport of products

We transport our products from our logistics platforms to our stores and provide delivery to customers through third-party carriers. Thus, our emissions linked to downstream transport represent 33,427 $tCO_2e$ in FY23.

**Downstream transportation – FY23**

| | |
|---|---|
| $tCO_2e$ emissions | 33,427 |
| Share of Scope 3 downstream emissions | 13% |

### GHG emissions linked to business travel

Our employees' business travel is undertaken on trains, planes and in cars. This travel generated 420 $tCO_2e$ in FY23. In its new travel policy, the Group decided that its employees would not take the plane if the journey could be made by train in less than 5 hours.

An agreement on remote working was signed in 2020 to improve quality of life at work for our employees and to reduce their business travel between our different sites and stores.

**FY23**

| | |
|---|---|
| Share of plane | 31% |
| Share of train | 13% |
| Share of car | 56% |

# Reducing and recovering of waste

### Our commitment & goals

Horizon WeTHOM 2028

**To reduce and recover the waste produced by our activity at all of our sites and all of our suppliers' sites.**

- 100% of the waste produced at our sites recovered through appropriate waste streams
- 100% of suppliers committed to reducing and recovering their waste
- No single-use paper or plastic in our value chain

Most of the waste produced by the Group comes from the stores. Cardboard, plastic and paper are indeed present in the packages and packaging received. The Group is currently developing an action plan to reduce the amount of waste generated.

**Quantity of packaging waste (in kg) – FY23**

| | |
|---|---|
| Paper | 11,144 |
| Cardboard | 164,510 |
| Minigrip (polypropylene) | 15,758 |
| Other plastics | 22,465 |
| **Total** | **213,877** |

# Applying eco-design principles to our sites and reducing their energy consumption

### Our commitment & goals

Horizon WeTHOM 2028

**To apply the principles of eco-design (reduce, reuse, recycle) to all of our sites.**

- 100% of new and renovated stores conforming to the eco-design criteria
- 100% of our sites using low-energy lighting


The total energy consumption across all THOM buildings rose to 23.5 GWh in FY23. Of this, 51.8% represented THOM's activity in France (12.2 GWh).

The energy consumption of our stores, head offices and logistics platforms results from lighting, heating, ventilation and air conditioning installations, as well as electrical and electronic equipment.

In order to reduce energy consumption at our points of sale, in 2014, the Group began switching to LED lighting, which is more energetically efficient. To date, 74% of the Group's stores are equipped with LED lights. In 8 years, the change to LED has allowed us to reduce energy consumption by 30% while increasing the lifespan of spotlights.

As part of the tertiary sector decree aimed at reducing the energy consumption of tertiary sector buildings, the Group has chosen the company Deepki to help it control its energy consumption. The Group has already succeeded in reducing its consumption (corrected for climate) by 19% between 2019 and 2023 in France.

**THOM launched a major energy sobriety plan** to reduce its energy consumption by 40% by 2030 through:

- Optimising its installations. For example, 100% of its stores will have LED lighting by the end of 2025. The Group is adjusting its heating and air-conditioning installations so that they are set to optimised parameters and has introduced partial lighting when the store is not open to the public, etc.
- Optimising the use of energy by focusing on energy efficiency. The Group has introduced incentives in this area through profit-sharing in France, for example.

| Energy consumption (in MWh) - France | FY19 | FY20* | FY21* | FY22 | FY23 |
|---|---|---|---|---|---|
| Stores | 14,186 | 11,116 | 11,048 | 12,484 | 11,472 |
| Headquarters | 251 | 208 | 231 | 152 | 188 |
| Logistics platforms | 216 | 215 | 155 | 76 | 207 |
| **Total** | **14,653** | **11,539** | **11,434** | **12,712** | **11,867** |

** Years impacted by the Covid-19 pandemic (respectively 29% and 17% network closed in FY21 and FY20)*

# Offering
# sustainable products

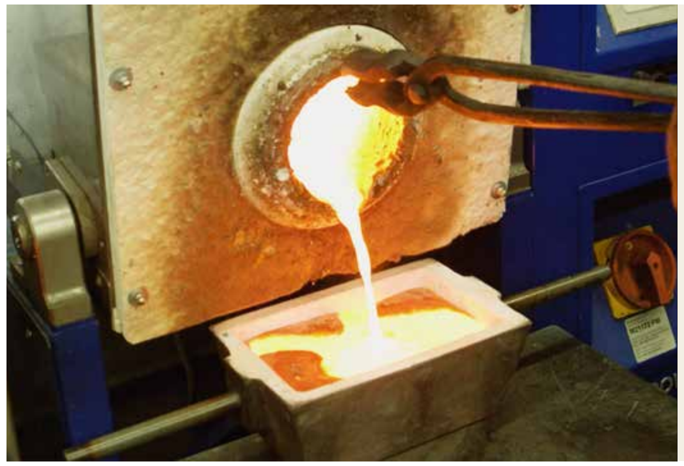
## Recycling and second-hand

### Our commitments and goals

**To use recycled materials for the production of jewellery and packaging wherever possible, despite their financial impact, and provide a second-hand product offering to contribute to preserving non-renewable resources and to the circularity of the jewellery market.**

Horizon WeTHOM 2028

- Move toward 100% recycled gold in our jewellery by 2030
- Use 100% recyclable paper boxes and shopping bags
- Development of a second-hand product offering
- Collection of end-of-life jewellery and watches at all our stores



## Longthening product lifespans

### Our commitment

**To continually improve the quality of our products and offer a range of services to lengthen their lifespans.**

Horizon WeTHOM 2028

- Quality level over 98% of parts made
- Promotion of the repair and maintenance services at all our stores

### Offering sustainable products

In 2019 THOM developed a strategy to improve the sustainability of its products so as to encourage more responsible consumption and reduce its environmental footprint. This strategy is based on 4 pillars:

- Qualifying suppliers according to technical and environmental criteria ensuring their ability to manufacture responsible products via Supplier Audit Program.
- Defining technical specifications to ensure the strength and therefore the durability of products. For example: strength of chains and clasps, quality of setting, metal finish, etc. The rate of product returns due to quality issues is stable compared to FY21. The product return rate due to quality issues has improved to 4.75% by the end of 2023, compared to 4.91% by end of 2022.
- On-site quality control at the end of production. In FY22, 100% of production was subject to quality control by suppliers and approximately 5% of products were subject to additional inspections by THOM and its customers (this KPI was negatively impacted by the Covid environment. By the end of 2023, 8.5% of shipments were inspected at the supplier premises prior to shipment. Our target is to achieve an additional 5% of inspected shipments in FY24.
- Launched product improvement program in 2023 by focusing on the quality improvement of the top defective and top sales items on a quarterly basis. Regular in-depth analysis of defects or weaknesses observed in real-life situations by our teams and our customers, resulting in improved product quality.

### Repairing defective products, reusing unsold products

**The Group offers jewellery and watch repair services in all its stores**. In FY 2023, the group repaired products for a total sales amount of 18.9 million euros, demonstrating the Group's commitment to circularity and taking into account the challenges of sustainable development.

**The Group has also developed a network for the recovery of defective or unsold products which relies on:**

- its suppliers: reuse of metals and stones in new production;
- its stores: repair of defective products returned by our customers; recovery of damaged products (watches and gold jewellery);

a network of partners who collect and recycle used watches and jewellery. In 2019, the Group entered into a partnership with Eco-Tempo, a key player committed to the social and solidarity economy. In this way, the Group wishes to promote sustainable development through the preservation of resources and the reuse of raw materials. Thanks to this partnership, the Group will benefit from a specific network for the reprocessing of used watches and jewellery.

Through the WeTHOM plan, the Group is committed to continuously optimising its organisation. The aim is to provide employees with a healthy and safe working environment and o develop their well being.

## Precious people

**Éric Derignac**

Jeweler - Marc Orian

### What is your job?

I am a Jeweler within an internal THOM workshop, ensuring the proper handling and execution of jewellery services provided to our clients.
I provide diagnosis and advice to our teams and clients. I restore brilliance and enhance our jewelry, both owned by the company and entrusted by our clients. I perform common repairs such as polishing, resizing, rhodium plating, and various other repairs.

### What thrills you about your job?

What thrills me is providing the best solution to each problem, always satisfying our clients, while facing the unknown every day. Each repair or intervention is unique.

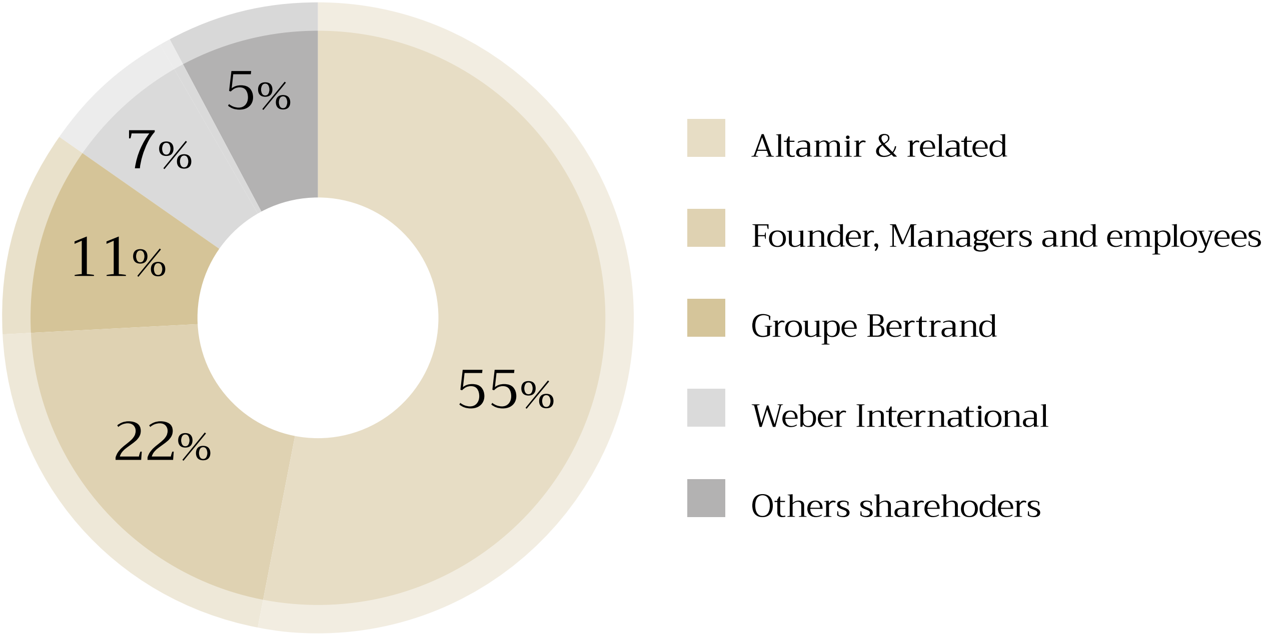
### Among the 5 values of the Group, which ones resonate with you the most?

I would emphasize the following values: Demandingness concerning the quality of my work; Team Spirit by providing my colleague and the stores with the best solutions; Total engagement because it is essential for me to complete requests on time!

# Shareholding and Governance

# THOM shareholding

**The new shareholdering, in place since February 26, 2021, gathers experienced and solid investors fully aligned on the strategy, the values and the governance of the Group. It also gathers a strong know how of retail, branding, digital and affiliation which are the cornerstones of Group's strategy.**




## Altamir

**Altamir is a seasoned international investor with strong experience**

Altamir is a listed private equity company (Euronext Paris, Compartment B) which was founded in 1995 by Maurice Tchenio

- Its objective is to provide shareholders with long-term capital appreciation and regular dividends by investing in a diversified portfolio of fast-growing companies
- Altamir's primary investment policy is to invest via and with the funds managed or advised by Seven2 (formerly Apax Partners S.A.S.) and Apax Partners LLP while remaining an independent company
- Portfolio of 69 companies with a €1.5bn total fair market value as of December 2022
- Altamir mainly invests in the Tech, Telecom, Consumer and Health services sectors

## Founder, Managers and Employees

Founders & Managers took advantage of opportunities to increase their stakes in two steps, in February 2021 and in December 2022.

In addition, THOMtogether programs now enable nearly 1,300 employees to be shareholders of the Group for which the Group has significantly contributed to allow each individual to become a shareholder. Founders, Managers and employees currently hold 22.5% of the Group's capital.

## Groupe Bertrand

Groupe Bertrand is a leader in the French restaurant sector, present in several market segments (large brasseries, networks, fast food restaurants, etc.). Groupe Bertrand is developing in France and internationally, both directly and through franchising, around its portfolio of brands, and now has over 850 restaurants worldwide. Groupe Bertrand also owns two flagship luxury hotels in Paris.

## Weber International

Founded in 2016, Weber International is a Luxembourg-based financial investment company investing directly or through funds in European and global companies' capital to support their development.

Weber International invests exclusively with its own funds in two areas:

- Growth capital: investments in unlisted and growing European companies.
- Venture capital: investments in European start-ups.

Weber International is currently directly involved in around ten ventures and sits on the board of several of these.

# Our Supervisory Board

Following the Group purchase by Altamir and other shareholders in February 2021, the Supervisory Board was partially changed. The eight Board Members of Altastory S.A.S were chosen for their skills and experience in the fields of retail, affiliation, brand communication, international development, financial markets, audit, internal control and compliance, as well as CSR. The board met 14 times since October 2022 with a 71% participation rate, under the chairmanship of Eric Belmonte. During the financial year ended September 30, 2023, the Board approved:

- the closing of the annual financial statements;
- the examination of the budget;
- the review and approval of the work of the Committees.

*“Our Supervisory Board is made up of highly committed individuals who strive to provide the best of their expertise and to contribute to THOM’s growth as well as that of its employees.”*

**Éric Belmonte**

### Éric Belmonte

**Chairman of the Supervisory Board, THOM**

*Member of the Board since 2010*

Eric Belmonte was the Chief Executive Officer of THOM from 1997 to 2015. Eric was already member of the Board before being appointed Chairman of the Supervisory Board, October 1st, 2020.

### Maurice Tchenio

**Vice-Chairman of the Supervisory Board**

**Chairman of Altamir Gérance**

*Member of the Board since 2010*

In 1972, Maurice Tchenio co-founded Apax Partners, which is now one of the world leaders in private equity. He is also Chairman and Chief Executive Officer of Altamir management company and Chairman of the AlphaOmega Foundation.

### Olivier Bertrand

**CEO, Groupe Bertrand**

*Member of the Board since 2020*

Olivier Bertrand is the founder of BH, the holding company of Groupe Bertrand, a company that indirectly owns several famous restaurants in Paris and chains of restaurants in France.

### Didier Le Menestrel

**Partner, Weber Investissements**

*Member of the Board since 2021*

Following the sale of La Financière de L’Échiquier in 2019, he co-founded in 1990, Didier Le Menestrel joined Weber Investissements where he focuses on investments in non-listed companies.



### Benoît Bassi

**Senior Partner, Bridgepoint**

*Member of the Board since 2010*

Benoît Bassi is a Partner of Bridgepoint and the Chairman of Bridgepoint’s investment activities in France. He is a member of Bridgepoint’s Group Board and joined the firm in 1991.

### Jordi Constans

**Board Member of Puig, Fluidra and THOM**

*Member of the Board since 2024*

Jordi Constans has been President and CEO of Danone France and then chairman of the dairy product division. At Louis Vuitton, he has been Chairman and CEO. Jorge currently serves on the Boards of Puig and Fluidra.

### Jean-Pierre Chantrel

**Chairman of the Audit Committee, THOM**

*Member of the Board since 2021*

Jean-Pierre Chantrel joined THOM in 1995, as CFO and Group Deputy CEO of THOM until April 2016.

### Bruno Candelier

**Partner, Apax Partners**

*Member of the Board since 2010*

Bruno Candelier joined Apax Partners in 2001. He is responsible for investments in the Retail & Consumer sector. He is a member of Apax Partners’ Investment Committee and joined the firm in 2001.

# Our Strategic Committee

### Mission

The Strategy board is responsible for developing strategy and elaborating the business plan and the budget. It approves decisions between €1m and €10m. Decisions are made by Romain Peninque.

### Functioning

During this board, the Group CEO presents the strategy he recommends for the Group, along with the resulting Budget and Business Plan. The Group CFO assists him in this task. Decisions considered “important”, ranging from 1 to 10 million euros, must be presented to and approved by this board.

The President of the board is responsible for ensuring the relevance of the strategy, Budget and Business Plan. He is assisted by external members to help him make the best decision.

### Board Members

- Romain Peninque
  Chairman of the Commitee
- Maurice Tchenio
  Member

# Our specialist Committees

## Audit, Control & Compliance Committee

**Mission**

Provide independent and objective oversight of the processes implemented and information produced by the Group to ensure regulatory compliance, risk management, reliability of financial information, and the achievement of its sustainable development objectives.

**Audit**

The committee's mission is to ensure that the organisation and the controls in place enable the Group to produce accurate and reliable administrative and financial information.

The main responsibilities of the committee include:

- Reviewing financial statements and periodic reports of the organisation.
- Monitoring the effectiveness of the internal control system.
- Assessing financial risks and risk management strategies.
- Evaluating the independence and objectivity of internal and external auditors.
- Reviewing financial and administrative compliance policies of the organisation.
- Evaluating and recommending measures to improve information reliability and production processes.

**Risks**

The committee's mission is to proactively oversee and manage the risks to which the organisation is exposed, ensuring that appropriate measures are taken to identify, assess, mitigate, and manage these risks:

- Establishing a risk management policy and related procedures.
- Identifying, assessing, and monitoring risks faced by the organisation.
- Reviewing existing risk management measures and proposing improvements.
- Ensuring compliance with applicable regulations and standards in risk management.
- Providing recommendations to the Supervisory committee regarding risks.

**CSR**

The committee's mission is to oversee and assess the risks related to corporate social responsibility (CSR):

- Reviewing the organisation's policies and practices regarding CSR, including environmental, social, and governance (ESG) issues.
- Assessing potential risks related to CSR and making recommendations to mitigate them.
- Monitoring the organisation's compliance with international standards and regulations concerning CSR.
- Collaborating with internal and external stakeholders to promote the organisation's CSR objectives.
- Reviewing CSR reports and performance measures and making recommendations for improvement.

### Board Members

- Jean-Pierre Chantrel
  Chairman of the Committee
- Roland Tchenio
  Member
- Rémi-Pierre Lapprend
  CSR Director Maisons du Monde
  Member & CSR referent

## Remuneration Committee

**Mission**

The Remuneration Committee is tasked with overseeing and advising the Supervisory Board on the compensation policies for executives, senior management, and key employees of the organisation, aiming to attract, retain, and motivate talent while ensuring fair and performance-aligned compensation. It also pronounces on the level of general employee compensation and benefits in the context of fair value sharing.

- Establishing and reviewing compensation policies for executives, senior management, and key employees, considering market practices, individual performance, and the organisation's financial situation.
- Evaluating and approving compensation plans, including base salaries, bonuses, management package, and other forms of variable compensation.
- Monitoring the implementation of compensation policies and ensuring compliance with regulations and legal obligations regarding compensation.
- Assessing compensation-related risks and proposing measures to mitigate such risks.
- Reviewing and approving employment contracts and severance arrangements for executives and senior management.
- Providing general recommendations to the Supervisory Committee regarding compensation adjustments or all employees based on individual performance, profit sharing, and market trends.

### Board Members

- Benoît Bassi
  Chairman of the Committee
- Jean-Pierre Chantrel
  Member
- Didier Le Menestrel
  Member

# Our Executive Committee

The Executive Committee consists of 9 members: the Group CEO, the Group CFO, the CEOs for France, Italy, Germany and AGATHA, the Chief of E-commerce & digital business, the COO and the CTO. Reporting to the Supervisory Board, the Executive Committee contributes to strategy and plays an essential role in the coordination between headquarters and the subsidiaries, and amongst the subsidiaries. It runs the Group's business, approves its main policies, and ensures that these policies are executed. In particular, it sets and monitors financial and operational objectives, conducts regular brand and market reviews, assesses performance, and proposes any necessary adjustments. The Executive Committee meets on a weekly basis.

### Flavien d'Audiffret

**Group CEO**

Flavien d'Audiffret joined the Group in September 2020 as General Manager Europe. He previously worked for SMCP, Coca-Cola Enterprises and Amazon.

### Cyrille Palitzyne

**Group CFO**

Cyrille Palitzyne joined the Group in 2017 as Deputy CFO and was appointed Group CFO in 2018. He has 18 years of experience in finance and management.

### Franck Lesclauses

**CEO France**

Franck Lesclauses has a strong experience in famous retail brands such as Decathlon, Sephora or Nike. Franck held different position in the Group (France Sales Director, IT Sales Director) before being appointed General Manager of France in 2022.

### Arnaud Marques

**CEO Italy**

Arnaud Marques has more than 20 years of experience in retail and FMCG in France and abroad. He joined the Group in 2016 as Group Supply Chain and IT Director, before being appointed General Manager of Italy in 2021.

### Noëlle Allara

**CEO Germany**

Noëlle Allara joined the Group in 2000. Noëlle held different positions (purchasing, supply, sourcing) before being appointed General Manager of Germany in March 2019.

### Stéphane Delva

**CEO AGATHA**

Stéphane Delva has more than 25 years of experience in FMCG (Unilever), retail and luxury (LVMH). She joined the Group in September 23 and was appointed Chief Executive Officer for AGATHA in January 24.

### Aurélien Sénéchal

**Chief Operating Officer**

Aurélien has 16 years experience in jewellery industry. He joined the Group in 2021 as Supply Chain Director and became, in 2022, Chief Operating Officer.

### Hayat Zerouali

**Group Purchasing Officer**

Hayat has more than 20 years of experience in retail, digital and e-commerce. She joined the Group in 2013 as E-Commerce director, then in charge of strategy for the Clyda and Scooter brands before being appointed Group Purchasing Director.

### Vincent Duno

**Chief Technical Officer**

Vincent joined THOM in 2017 and has more than 20 years of experience in large IT projects implementation.

# Our governance charter

Our governance charter signed by all the managers of the Group sets out the rules on:

- spending,
- transparency, equity and loyalty in relations with third parties,
- knowledge of current procedures and regulations in force,
- awareness of social and environmental stakes.

A Group procedural note signed by all managers (and automatically thereafter upon the arrival of new managers) gives them full knowledge of the rules implied by their status and the engagement and validation thresholds. A specific statement is included for the Chinese wall versus Timeway.

**Only a Manager can be a signatory of a contract,** it is forbidden to delegate this responsibility. It is the Managers' responsibility to put in place suitable tools (dashboards, indicators) in order to control the practice of regular competition between suppliers and subcontractors.

**3 principles apply for relationships with third parties:**

- **Transparency, fairness and loyalty** with third parties: Managers are required to be constantly vigilant on sensitive subjects such as respect for the principles of competition (regular practice of calls for tenders, fair distribution of markets), conflict of interest and the gift policy. They are in charge of monitoring their team and have the obligation to intervene in the event of a proven breach.
- **Knowledge of existing procedures** and regulations in force: In their area of expertise, and by providing the necessary relays within their team, Managers must do everything possible to strictly comply with the applicable laws. It is their responsibility to seek internal or external assistance once they have identified a non-compliance or a risk of sanction.
- **Taking into account social and environmental issues:** Managers must be part of a collective process intended to integrate our concerns in social, environmental, ethical, human rights and respect for consumers. They will adopt proactive behaviors in terms of corporate social responsibility.

*"Our governance charter sets a cornerstone of our relationships with our customers, suppliers and employees. It aims at responsabilising each manager in its relationships with third parties and within the Group and promote Group values."*

# Audit, Internal Control & Compliance

THOM continued to strengthen its internal control environment in 2023. The Group Audit, Internal Control & Compliance department provides operational expertise and support to countries and ensures the harmonisation and implementation of the Group's procedures and policies to mitigate risks.

## 3 QUESTIONS TO Régis Dumur

Group Audit, Internal Control & Compliance Director

### How is the Audit, Internal Control and Compliance department organised?

The department is part of the Group Financial team and functionally reports to the Audit Committee. It fulfils 3 functions: **audit & risk management, internal control and compliance**, which now includes anti-bribery and anti-corruption, on top of GDPR. Audit & risk management is managed at Group level in collaboration with the subsidiaries' operational teams. Internal control and compliance, under my functional supervision, are implemented on a local level by the financial management teams of the relevant subsidiaries and managers: internal controllers, local DPOs, operational teams, experts (IT, legal, etc.).

### What were the main highlights of FY23?

First, a clear definition of roles and governance between the different departments (Audit & risk management, Internal Control, Compliance) and the operational teams has been established.

**The internal audit** has been strengthened with the recruitment and integration a Head of Audit and a senior auditor, which allowed the kick-off of our three-year audit plan with a focus on purchases, sales and cash. Regarding risk management, the Group's risk mapping has been updated and a specific risk mapping for cyber risks has been established. We have also set up an Operational Risks Committee, with Group's representatives, responsible for managing main risks and providing corrective action plans.

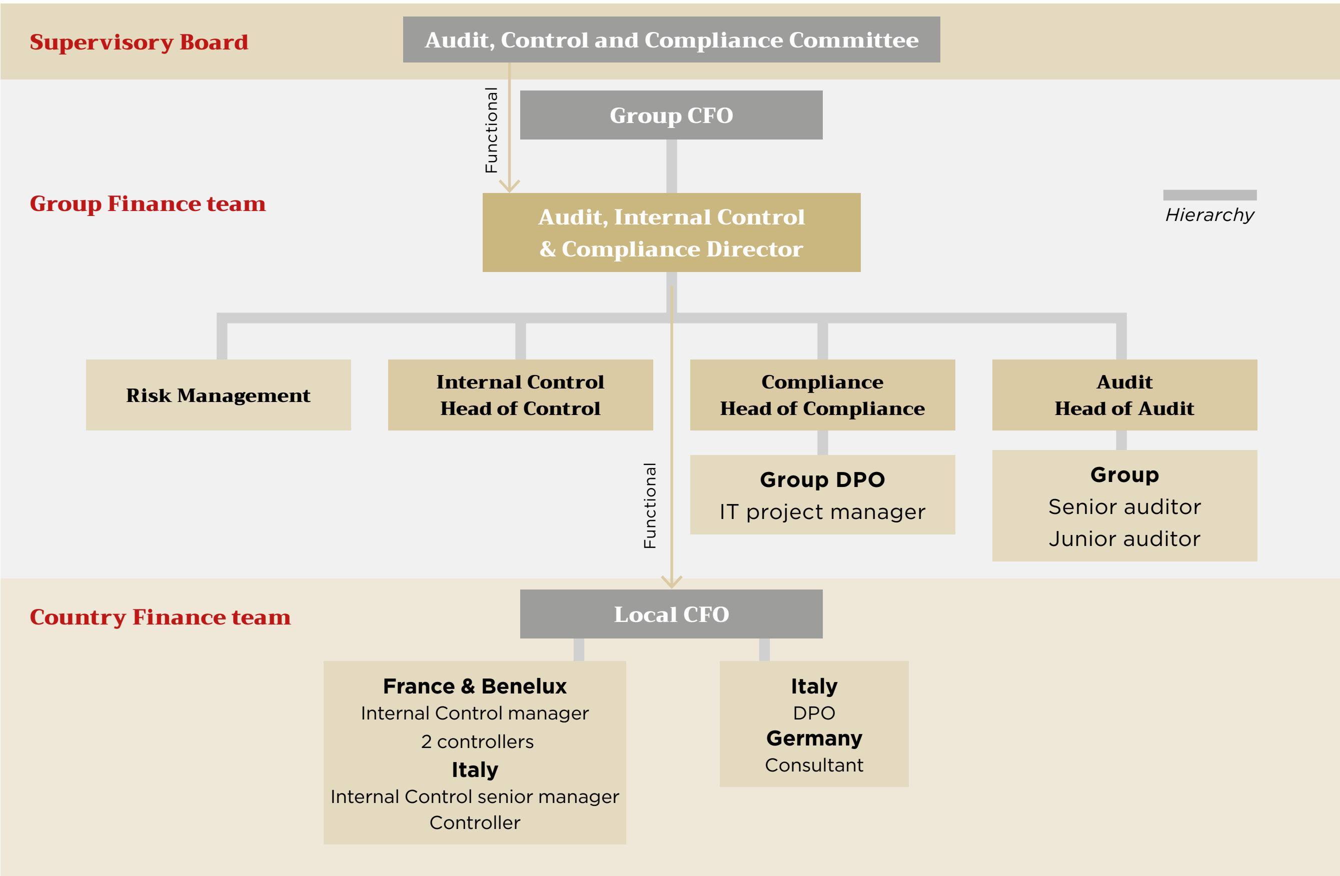
**The Compliance department** defined the GDPR governance. The main principles are as follows:

- the Audit Committee sets an adequate level of risk and guidelines related to privacy;
- the Compliance department defines and writes policies and procedures;
- the operational teams are responsible for conducting operations in accordance with the framework and the level of risk set by the Audit Committee.

The Compliance department has implemented and deployed a privacy roadmap to ensure compliance to GDPR and has managed specific projects such as data cleaning, consent mode enhancement, cybersecurity improvements, user rights management.

In 2023, **the Internal Control department** redefined the delegation of authority and commitments for France, Italy and Germany. It also deployed the Store Loss Prevention tool, a Database analysis tool, to identify fraud patterns, wrong application of procedures and potential IT system anomalies in the retail information system in Italy.

## Audit, internal control and compliance organisation




## The Group's and the countries' permanent missions

| Accountable | Group Audit, Control and Compliance | Country Audit and Compliance | Operations |
|---|---|---|---|
| Audit & Risk Management | • Estimate regularly internal control, perform diagnosis and suggest recommendations via audits<br>• Develop group risk mapping | • Help operations in remediation implementation and KRI follow up | • Define and put in place remediation plans based on audit and risk mapping recommendations<br>• Provide data to follow Key Risk Indicators |
| Internal control | • Steer projects (ERP/ Store Loss)<br>• Challenge local self assessment plan<br>• Define group guidelines and follow their implementation | • Self-assessments realisation to ensure Operations monitor its risks<br>• Animate store loss prevention<br>• Support Operations in procedure implementation | • Detect risks and put in place controls<br>• Write and update the procedures<br>• Define ERP internal control rules |
| Compliance | **Privacy**<br>• Define privacy strategy and DPA templates<br>• Coordinate data protection<br>• Animates DPOs<br>• Validate derogations with Risk committee<br>• Define governance Privacy by design rules<br>**Corruption, money laundering, CSDD***<br>• Develop compliance risk mapping<br>• Ensure adherence<br>• Ensure law & Group policies compliance<br>• Conduct audits to assess compliance and mitigate risks<br>• Define a Group code of conduct | **Privacy**<br>• Be accountable to local authority<br>• Ensure Group privacy guidelines sharing<br>• Advise CODIR<br>• Provide reporting and alert to Group<br>• Assist operational in the record of processing activities and PIA<br>**Corruption, money laundering, CSDD***<br>• Share policy development at local level<br>• Train employees on compliance matters<br>• Regulatory monitoring<br>• Monitor non-compliance for Group<br>• Promote ethical conduct | **Privacy**<br>• Manage data breach violation<br>• Answer to right management request<br>• Define data retention duration<br>• Complete records of processing activities and put in place PIA<br>• Apply privacy by design on all projects<br>**Corruption, money laundering, CSDD***<br>• Define and follow specific accounting control linked to corruption compliance<br>• Perform third part audit regarding social, security, environment, corruption<br>• Define alerts system and disciplinary system<br>• Plan mandatory measures related to CSDD* |

**Corporate sustainability due diligence*

## What is your roadmap for 2024?

In 2024, **the Audit department** will roll out the second part of the Audit plan which focuses on stocks, indirect purchases, HR processes and sales. It will also implement and monitor a set of key risk indicators to mitigate risks and will update the risk mapping (Group, cyber, anti-corruption and anti-bribery). Furthermore, the Operational Risks Committee will continue to ensure that all majors and urgent matters are addressed.

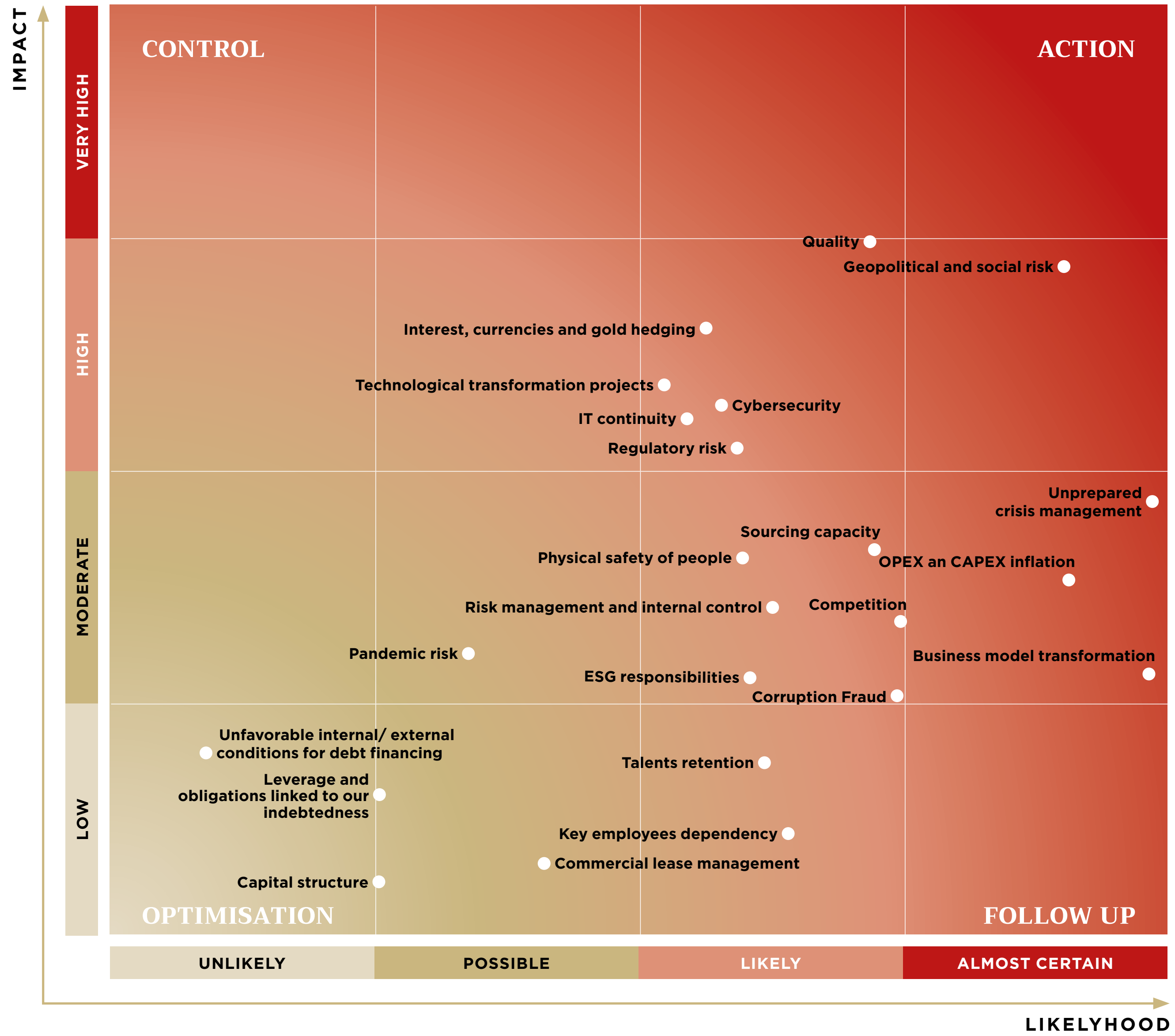
**The Compliance department** will continue to monitor the Group and its subsidiaries activities to ensure adequate level of compliance with local and European laws. In that regard, recurring audits and advisory engagements on matters of corruption, money laundering and data privacy will be carried out. In addition, the Compliance department will also:

- finalize our GDPR roadmap by updating some Privacy Impact Assessments, ensuring that on main projects the Privacy team is involved to cover potential risks,
- create a specific committee with Cybersecurity department in order to coordinate action regarding personal data security.
- monitor fraud with a quarterly report to identify the Group's potential losses in areas such as freight loss, retail operations (stores level), purchasing process or supply chain activities.

Finally, **the Internal Control department** will:

- centralise and ensure compliance to Group guidelines for the implementation of sales, purchasing and cybersecurity processes,
- roll out self-assessments in France (approx. 40 stores) and in Italy (approx. 30 stores),
- deploy the Store Loss Prevention tool in France to enhance control environment in retail,
- develop and implement a projects and commitments management tool to keep CAPEX and OPEX under control, and work with the IT Department to strengthen cybersecurity.

## Group's risk mapping




For the full Risk Factor review and action plans, refer to page 108.

# Financial review

# FY2023 Financial review

*“Despite inflationary pressures, the Group delivered a solid GM and EBITDA performance thanks to a successful strategy favouring volumes growth over pricing upsides.”*

**Cyrille Palitzyne**
Group CFO

## Revenues

The consolidated sales for the financial year ended September 30, 2023 amounted to €1,011.8 million, reflecting an increase of €79.3 million compared to €932.4 million in the last twelve-month of the period ended September 30, 2022, equivalent to a growth rate of 8.5%.

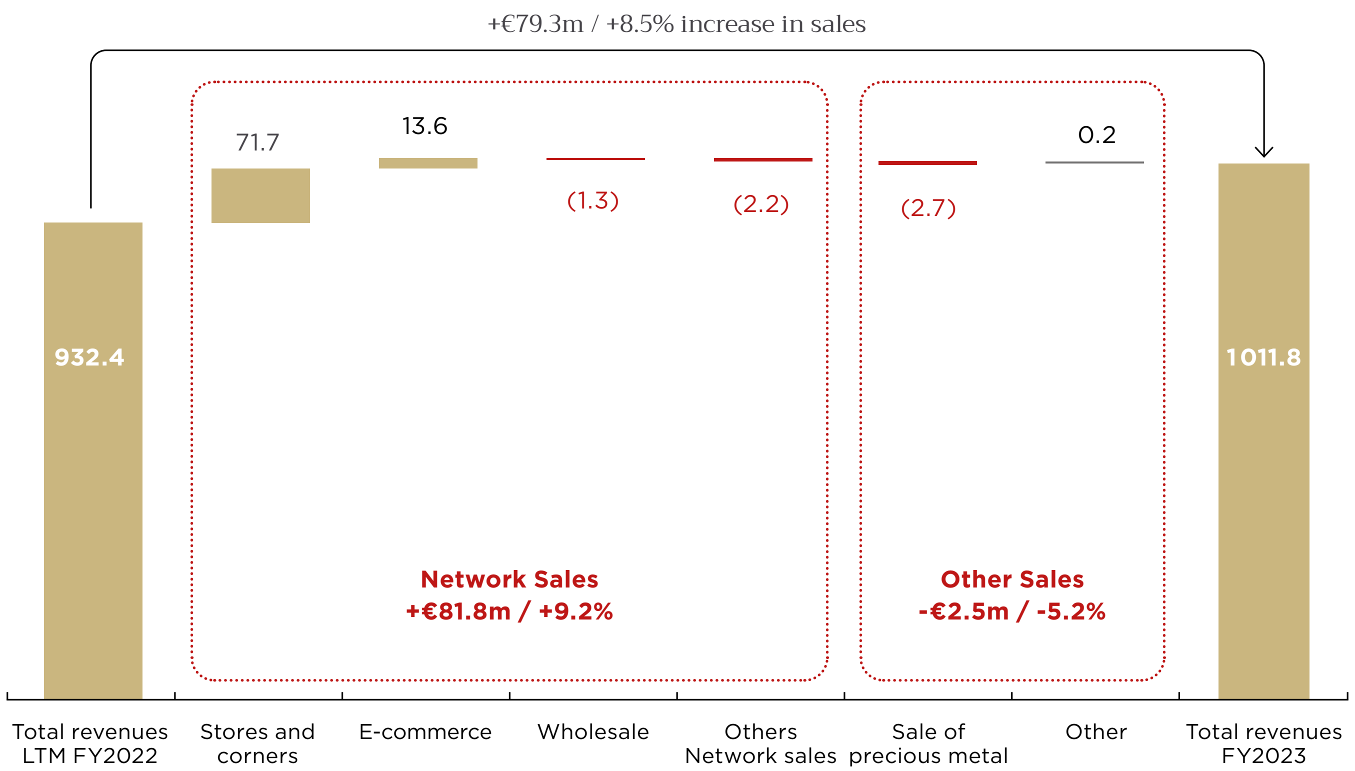
The Network sales of the Group demonstrated a significant increase of €81.8 million, corresponding to a growth of 9.2%, reaching €966.7 million for the financial year ending September 30, 2023, compared to €884.9 million in the last twelve-month of the period ended September 30, 2022. This growth was mainly driven by:

- A solid LFL growth of +5.6% which confirmed the relevance of our strategy to favor volume growth, with limited price increases. This LFL growth was also fueled by strategic initiatives aimed at reinforcing the well-established brands within the Group during fiscal year 2023. These initiatives included new marketing campaigns for Histoire d’Or and Stroili brands, the expansion of product offerings within these brands and the implementation of a new store concept in Italy;
- The consolidation of AGATHA in the Group’s portfolio which contributing €30.0 million to the total sales of the Group.

On the contrary, the other sales presented a decrease of (€2.5) million between the financial year ended September 30, 2023 and the last twelve-month of the period ending September 30, 2022. This decrease is primarily attributed to a reduction in the sales of precious metals by €2.7 million, amounting to €43.2 million in the financial year ended September 30, 2023, compared to €45.9 million in the last twelve-month for the period ended September 30, 2022. The sale of precious metals is highly fluctuating as it is related to our hedging policy and the changes in the Gold fixing.

### Total revenues bridge

*In millions of euros, FY 2023 vs. LTM FY 2022*




### Network sales performance, on a like-for-like basis

*FY 2023 vs. LTM FY 2022*

| | Geographies | | Distribution channels | | | |
|---|---|---|---|---|---|---|
| | France | International | Stores | E-commerce | Wholesale* | Total LFL |
| FY23 | 3.8% | 9.5% | 5.2% | 16.8% | (2.4%) | 5.8% |
| LTM FY22 | 28.3% | 30.8% | 35.0% | (23.0%) | (47.2%) | 30.1% |

** full perimeter for wholesale activity, standalone LFL wholesale performance is irrelevant for QTD and YTD*

# EBIDTA

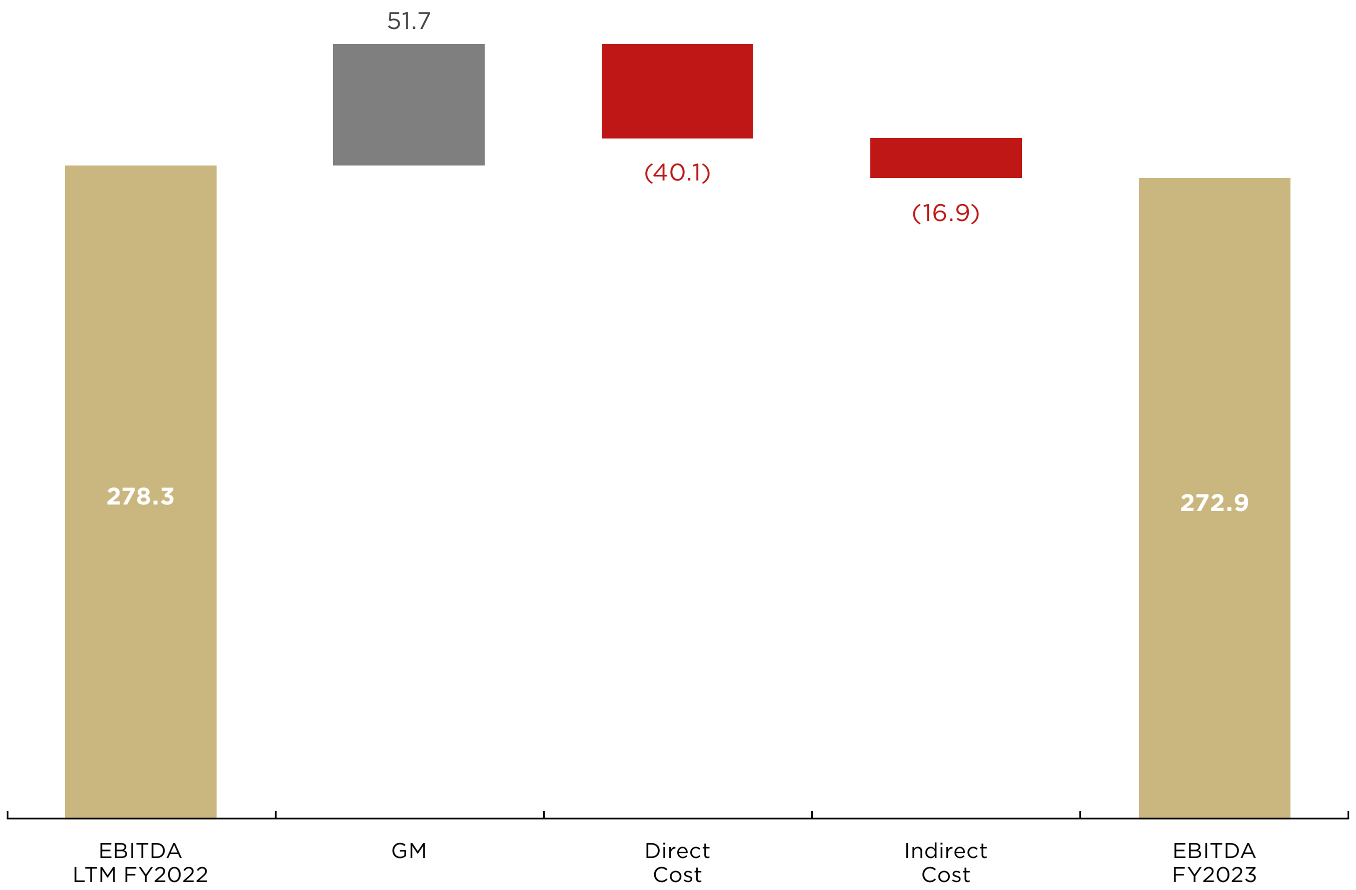
The Group generated a Reported EBITDA of €272.9 million for the financial year ended September 30, 2023, €269.6 million once restated for Subsidies and Credit Notes received in respect of Covid19 as opposed to €278.3 million in the last twelve-month period ended September, 30, 2022, indicating an increase of €6.0 million or 2.2% as a result of:

- The strategic decision of the Group to restrain price increases to favor volume growth, despite inflationary pressure on the cost structure which resulted in a strong LFL sales growth across countries and distribution channels (except Wholesale which was impacted by the tougher market context for independent jewelers) and increase in Gross Margin in value which more than absorbed increase of direct and indirect costs;
- Not offset by an adverse impact of €1.4 million driving from the inclusion of AGATHA in our consolidated financial statements for fiscal year 2023.

## Reported EBITDA bridge

*In millions of euros, FY 2023 vs. LTM FY 2022 with Reported EBITDA bridge by country and by nature of costs:*

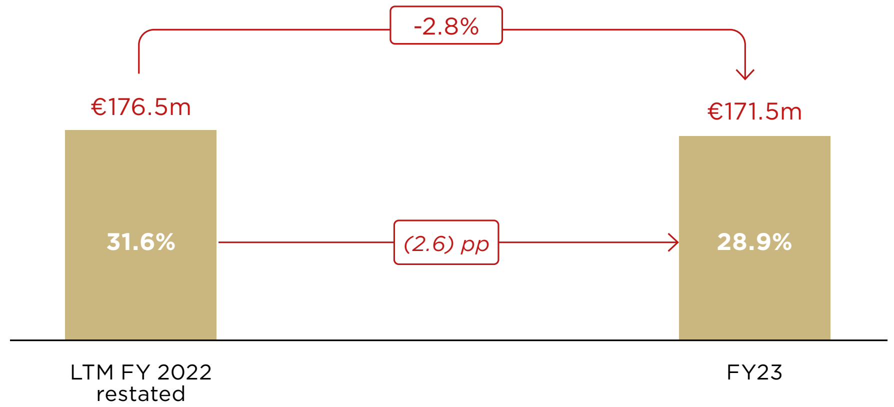
| *In €m* | LTM FY 2022 | Covid-19 subsidies and credit notes | LTM FY 2022 restated | Energy inflation | Var. in m€ | FY 2023 |
|---|---|---|---|---|---|---|
| France | 183.2 | (6.8) | 176.5 | (4.4) | (0.5) | 171.5 |
| Italy | 79.8 | (1.5) | 78.4 | (1.1) | 11.0 | 88.3 |
| RoW | 15.2 | (3.1) | 12.0 | - | 1.1 | 13.1 |
| **Reported EBITDA** | **278.3** | **(11.4)** | **266.9** | **(5.5)** | **11.5** | **272.9** |



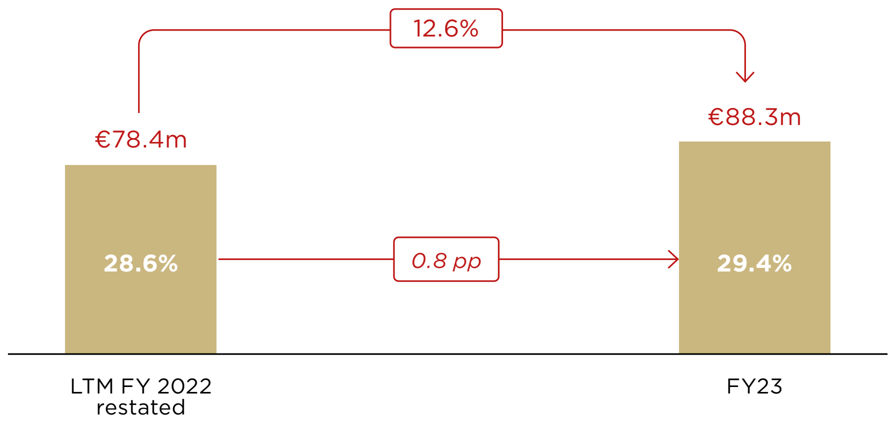

## Reported EBITDA bridge by country

*In millions of euros, FY23 vs. FY22 with EBITDA margin*

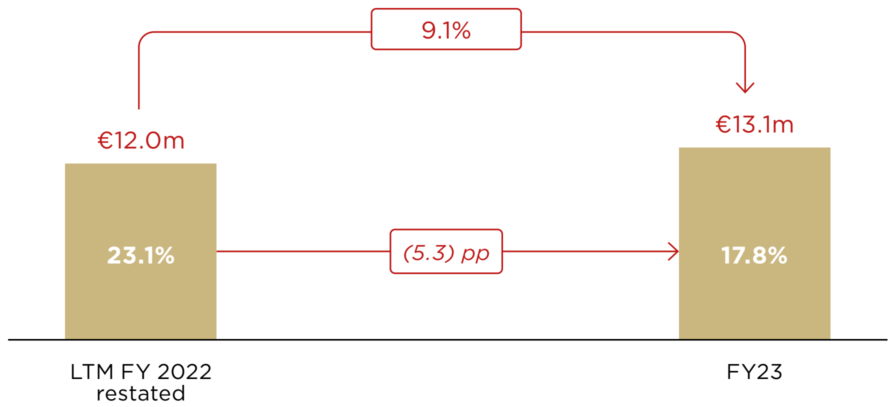
### France




### Italy



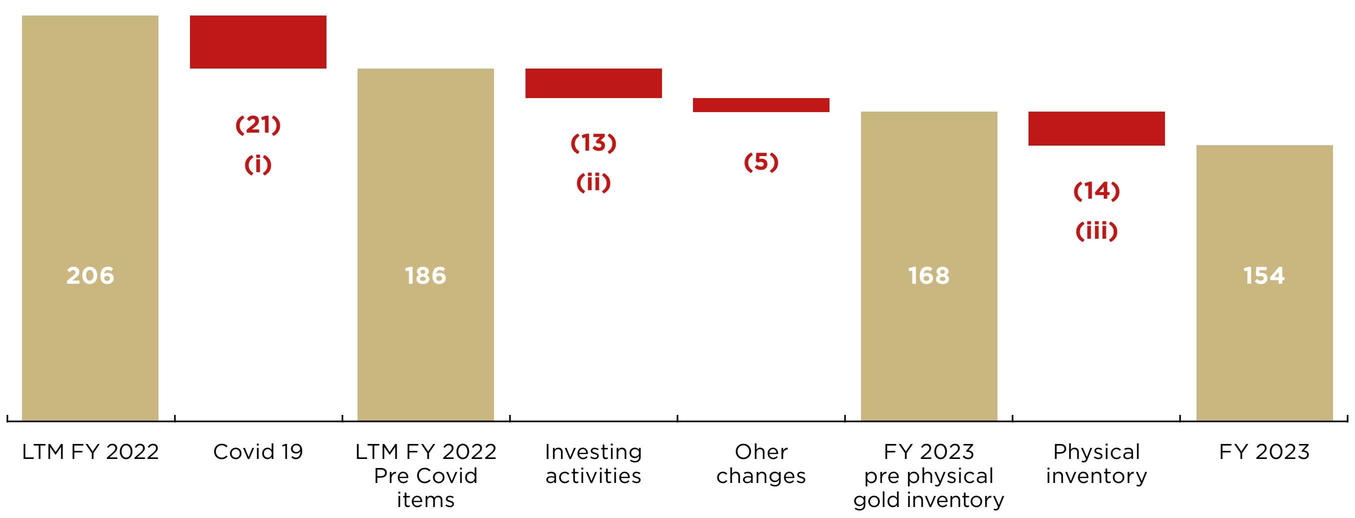

### RoW (the Rest of the World)




# Free Cash Flow Goldstory

## 2023 Free Cash Flow

*In millions of euros*




The Free Cash Flow of the Group exhibits seasonality, reaching its peak in December following the Christmas season upon the completion of product sales payments. Conversely, a low point from September to November reflects an inventory build-up in preparation for the Christmas season. The main factors influencing the seasonality of the Group's Free Cash Flow include Reported EBITDA, changes in working capital (predominantly trade payables and, to a lesser extent, inventories), and capital expenditure, consisting of opening capital expenditure, maintenance capital expenditure and refurbishment capital expenditure.

At Goldstory level, the reported Free Cash Flow totalled €154.0 million for the fiscal year ended September 30, 2023, marking a decrease of €52.4 million, or 25.4% from €206.5 million in the last-twelve-month ended September 30, 2022. The rate of EBITDA conversion into Free Cash Flow achieved 56.4%.

This decrease was mainly attributed by the following elements:

**i.** A €21.4 million in suppliers' credit notes and subsidies received in the last twelve-month of fiscal year 2022, including: a €10.0 million subsidy from French goverment for fixed costs, a €4.5 million credit notes for rents received from landlords in Italy and France, a €3.8 million subsidy for Real Estate Rents from the French government, and a €3.1 million subsidy from the German government to support businesses affected by the Covid-19 pandemic compared to €0.8 million in the fiscal year 2023.

**ii.** A €12.8 million negative impact from net cash used in investing activities, mainly related to an increased rate of store refurbishments following the Covid19 pandemic and an initiative in Italy to renovate stores with the new Stroili store concept (62 stores refurbished in Italy in fiscal year 2023 compared to 19 stores in the last twelve-month of fiscal year 2022).

**iii.** A targeted investment of €14.3 million in a physical gold inventory in the last quarter of fiscal year 2023, subsequently resold in the first quarter of fiscal year 2024 for hedging purposes (compared to none in the last twelve-month of fiscal year 2022).

# Net debt and leverage

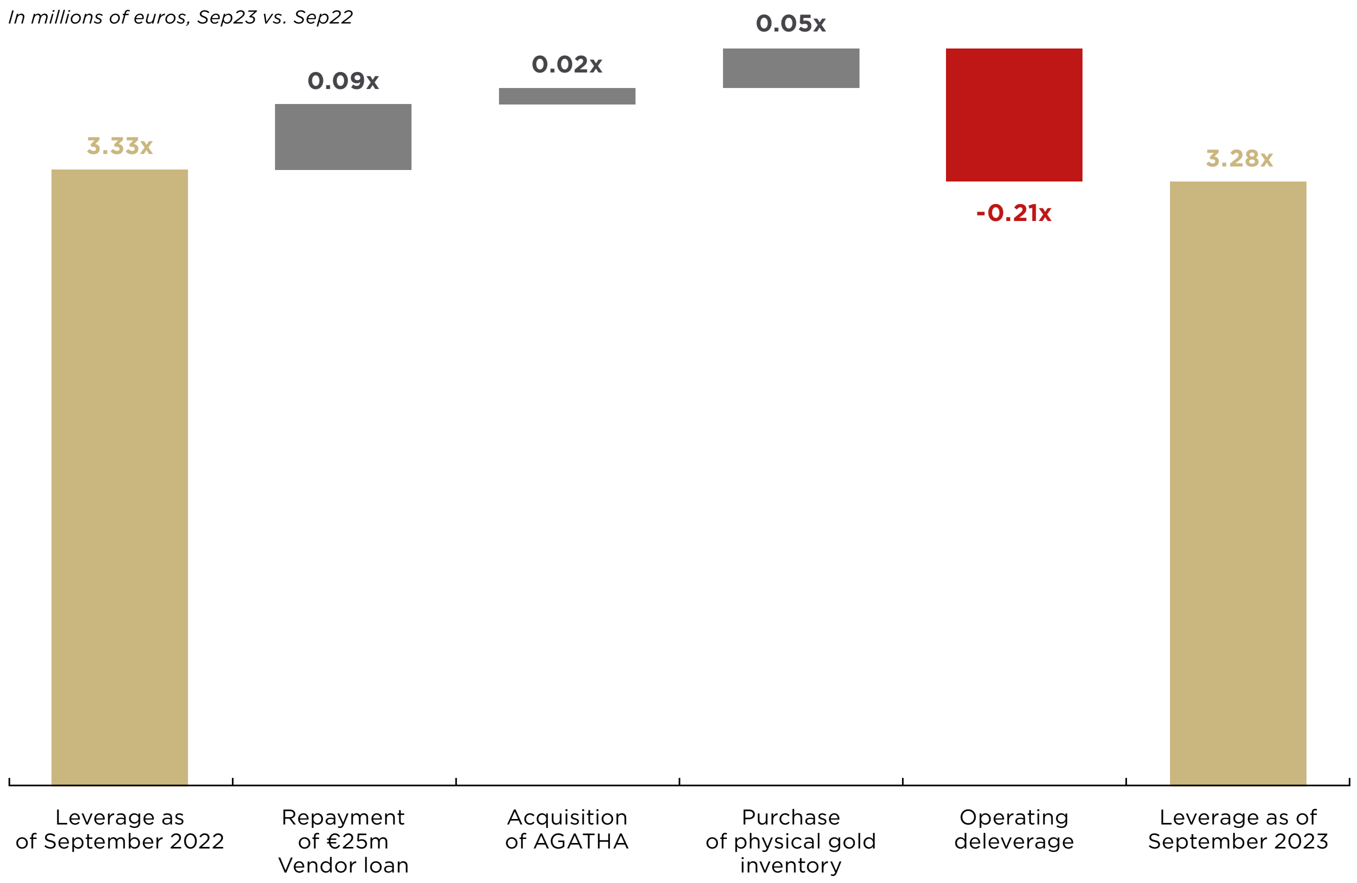
On February 26, 2021, Goldstory's acquisition of Thom Group was financed, for a total amount of €620 million, in part with the issuance of (i) €370 million aggregate principal amount of 5.375% senior secured notes due 2026 and (ii) €250 million aggregate principal amount of floating rate notes due 2026 (with a margin of EURIBOR plus 550bps) (collectively, the "Notes").

Net financial debt at Goldstory level for leverage calculation amounted to €(910.8) million as of September 30, 2023. This corresponds to a leverage of 3.28x, based on Adjusted EBITDA. Prior to the application of IFRS16, the net debt stood at €(637.3) million, resulting in a leverage ratio of 3.38x based on adjusted with EBITDA pre-IFRS16.

The revolving credit facility (RCF) line drawn for €22.0m as of September 30, 2022, was fully reimbursed by December 31, 2022 and drawn again for €30.0m as of September 30, 2023 (repaid in December 31, 2023). Other loans correspond mainly to state guaranteed loans ("PGE") granted to AGATHA during the Covid-19 pandemic for €4.6 million.

## Net financial debt bridge at Goldstory level since September 2022

*In millions of euros, Sep23 vs. Sep22*




## Dividends and Vendor Bonds at Altastory level

On 16 March 2023, Goldstory distributed €25 million which were used by Altastory to repurchase €25 million of Vendor bonds. The remaining Vendor bonds for a total of €47.9m (capital plus interests as of September 30, 2023) was purchased by Altamir, the Issuer's main shareholder, from the initial subscribers of the vendor bonds (Bridgepoint, Qualium Investment...).

# Risk factors

# Risk factors

**This annual report contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this annual report.**

## External risks

### Geopolitical risk

IMPACT VERY HIGH | LIKELYHOOD ALMOST CERTAIN

#### Risk description

Political evolution environment in some countries where THOM has established relationships (e.g. China)

#### Potential impacts on the Group

**Financial**

- Impact on products shipments (delay), interruption of commercial agreement (out of stock)
- Risk of duties creation or withholding

**Reputational**

- In case of continued production in a country not aligned with UN position

#### Implemented action plans

- Increase of activity in India / Vietnam versus China

#### Action plans in progress

**Reduction**

- Monitor Key Risk Indicators linked to volume by country, evaluate risk assessment rating (COFACE rating), delivery delay by areas, suppliers
- Sourcing production diversification via increase of activity in Europe versus Asia

**Avoidance**

- Deploy a Group business continuity plan including back-up factories, new countries of production for classical jewelry



RISK FACTORS    Low risk  Moderate risk  High risk  Very high risk

### Social or climate crisis

IMPACT VERY HIGH | LIKELYHOOD ALMOST CERTAIN

#### Risk description

Health or Social issues (financial crisis, health crisis, strike, social crisis, security issues), climate issues in countries where the group has established relationships (monsoon, floods in plants areas)

#### Potential impacts on the Group

**Financial**

- Delay or breach in procurement

**Reputational**

- In case of social issues

#### Implemented action plans

**Reduction**

- Develop activity in India/ Vietnam versus China: currently rationalizing supplier portfolio, leaving India for Thailand
- Demand SMETA 4 pillars & RJC certifications to suppliers: objective 100% of RJC COC and SMETA 4 Pillars by the end of FY30.

#### Action plans in progress

**Reduction & Transfer**

- Ensure that suppliers have business continuity plan to avoid risk of late deliveries via specific clause in agreements and audit business continuity plan actions
- Monitor social audit, safety audit, environmental audit via RJC and SMETA 4 pilars certifications
- Increase activity in Europe versus Asia
- Monitor social via RJC and SMETA 4 pillars certification & security aspects and/or implement BSCI/SA8000/ SEDEX/WRAP & fire /safety building audit: all shipments from not certified suppliers are blocked

**Avoidance**

- Prospect new countries of production with lower level of risk regarding social aspects, health, security
- Study the opportunity to integrate some key production

### Pandemic risks like Covid-19

IMPACT MODERATE | LIKELYHOOD POSSIBLE

#### Risk description

Sanitary crisis might disrupt the production and the supply chain, it might lead to stores closure (which would have an impact on the business activity) and it might impact employees' health

#### Potential impacts on the Group

**Financial**

- Freight perturbations and increase: out of stock in stores and use of air freight
- Loss of sales due to store closing or extra costs to maintain stores opened due to governmental decision
- Overcosts, stock-out and delivery delays

#### Implemented action plans

**Avoidance**

- Same specific plans as during COVID19 period (2020-2021): develop click & collect and ship from store, e-commerce increase (then partial stores' sales transfer), 320m$^2$ added in our warehouse
- Reinforce click & collect project in stores and social selling (Popsell)

#### Action plans in progress

**Reduction**

- Develop production back-up to avoid stock-out and delivery delays
- Create a crisis unit in charge to implement a business continuity plan and to limit overruns

# Strategic risks

## Retail model transformation

IMPACT MODERATE  LIKELYHOOD ALMOST CERTAIN

### Risk description

Business model transformation & competition's increase with significant impact on business/consumer's habit

### Potential impacts on the Group

**Financial**

- Loss of market share
- Loss of sales and margin

### Implemented action plans

**Reduction**

- Develop the affiliation model, as well as external growth (acquisition of Agatha, Trésor, Smizze) and downtown retail
- Participate in national and international shows related to retail business and pays close attention to the market

**Avoidance**

- Strengthen the affiliation organization by harmonizing procedures
- Develop a CSR and Quality policy to maintain a high-quality product range

### Action plans in progress

**Reduction**

- Join a retail association specialized in innovation, retail model trends and put in place a watch-out regarding market development, innovation and competitor performance

**Avoidance**

- Develop jewelery rental, secondhand products business on internet and external growth on luxury brands or Authorized Dealer (acquisition of Scooter)
- Continue to develop our store network in best in place locations





## Fail to achieve ESG responsabilities

IMPACT HIGH  LIKELYHOOD LIKELY

### Risk description

Enhanced governance, investors, consumers and employees' expectations regarding ESG might have a negative impact on the Group if the ESG topic is not adequately addressed as part of the strategic objectives

### Potential impacts on the Group

**Financial**

- Loss of funding and loss of sales, Class action after production or quality issue
- Absence of attractivity and difficulty to keep talent & decrease of reputation, bad buzz on ESG issue
- Pollution, Production accident, Social crisis in production with irremediable damages

### Implemented action plans

**Reduction**

- Agreement signed by providers including social compliance, ethics & 98% of suppliers with Best in Class certifications certificate
- Implementation of a CSR ROADMAP: creation of the roadmap RSE (convention 2023)
- Work with RJC and SMETA 4 pilars suppliers (goal: 100%)

**Avoidance**

- Launch of We Thom (green, ethics & people)

### Action plans in progress

**Reduction**

- Implementation of LED light in store (€2.5 million) in Monitor results for responsible buildings (fire, safety): no key performance indicator at the moment
- Monitor the traceability of raw materials: for the moment, only through RJC certification
- Obtain RJC certification for Thom finished products

# Financial risks

## Unfavorable conditions for debt financing

IMPACT LOW · LIKELYHOOD UNLIKELY

### Risk description

Unfavorable internal & external conditions that might have a negative impact
of the debt financing capacity:

- Degradation of bank rating of the company Covenants not respected regarding RCF
- Incomplete information to lenders, inadequate company representative insurance policy Absence of governance and inefficient organisation
- Delay regarding financial reporting

### Potential impacts on the Group

**Financial**

- Increase in financing costs
- Debt financing capacity reduced or stopped

**Reputation**

- Relation deteriorated with stockholders or lenders

### Implemented action plans

**Reduction & Avoidance**

- Governance: implementation of Audit, Control & Compliance function and CSR function
- Work on the improvement of credit ratings via the continuity of a prudent financial policy
- Ensure that covenants regarding board, committee, information, financial statements release are respected on a short-term / mid-term basis
- Risks in relation with obligations linked to indenture managed via assistance of lawyers

## Interest, currencies & gold hedging

IMPACT HIGH · LIKELYHOOD LIKELY

### Risk description

Volatility of interest at variable rate, foreign exchange rates and gold prices

### Potential impacts on the Group

**Financial**

- Financial losses linked to financial interest at variable rate (EURIBOR 3-month) in relation with our High Yield debt and our RCF, USD volatility & gold prices fluctuation

### Implemented action plans

**Reduction**

- USD hedging up to March 2025
- Gold physical stock and paper hedges covering our net exposure rolling over the next 12 months
- Euribor 3-month hedge, related to the floating rate senior secured notes (FRN) and to the RCF covering c. 90% of our total senior secured notes
- Purchases, procurement and IT must provide reliable predictive data to build cash forecast by currencies and for gold by country

### Action plans in progress

**Avoidance**

- Buy gold and products in EUR
- Push of gold buy back activity to increase the amount of gold purchased in our stores to reduce our net exposure on gold





## Significant leverage and obligations linked to our indebtedness

IMPACT LOW · LIKELYHOOD UNLIKELY

### Risk description

Unfavorable internal external conditions that might have a negative impact on the company financials:

- Significant leverage may make it difficult to operate our business
- Incur substantially more debt in the future
- Not able to generate sufficient cash to service our indebtedness
- Company is subject to covenants which limits our operating and financial flexibility

### Potential impacts on the Group

**Financial**

- Material adverse effect on our ability to meet our debt obligations

**Reputation**

- Relation deterioration with lenders

### Implemented action plans

**Reduction & Avoidance**

- Maintain a good profitability and cash generation of the Group
- Avoid any additional debt that the Group could not refinance in a mid-term future
- Ensure that covenants are respected

## Risk related to our capital structure

IMPACT LOW · LIKELYHOOD UNLIKELY

### Risk description

The Issuer and the Company being holding companies with limited business operations and owned by Altamir for 55% of the capital might represent a risk as follows:

- The Issuer and certain Guarantors are holding companies that have no revenue-generating operations of their own and will depend on cash from the operating companies of the Group to be able to make payments on the Notes
- Interests of our ultimate principal shareholders may be inconsistent with our lender's interests

### Potential impacts on the Group

**Financial**

- Debt financing reduced or stopped

**Reputation**

- Relation deterioration with shareholders or lenders

### Implemented action plans

**Reduction & Avoidance**

- Maintain a good profitability and cash generation of the Group
- Ensure that covenants regarding board, committee, information, financial statements release are respected on a short-term / mid-term basis in particular in respect to distributions outside of the Restricted Group
- Counterweight to the ultimate principal shareholder thanks to founders & managers having more than 15% shareholding rights
- Maintain the long and trustworthy relationship with our ultimate principal shareholders (being shareholder since 1998)

# Regulatory risks

## Data protection

IMPACT VERY HIGH — LIKELYHOOD LIKELY

### Risk description

General Data Protection Regulation (GDPR) policy partially in place

### Potential impacts on the Group

**Reputation**

- In the event of a regulatory violation, authorities have the right to publicly disclose the breaches

**Financial**

- Fine up to 4% turnover

### Implemented action plans

**Reduction**

- Recruitment of a Group Privacy leader and Data Protection Officer (DPO), in France, Benelux and a DPO in place in Italy
- External DPO in Germany and GDPR consulting with KPMG in France
- Information security system policy formalization
- Data protection policy formalization and operating mode including data subject right policy, privacy notice principles and privacy notice model
- Data breach management
- Creation & completion of the record of data processing activities and privacy impact assessment
- GDPR training & awareness and data retention matrix definition
- Steering committee with subsidiaries
- Update of the consent mode in store, implement an automatic purge process and secure the access to customers' data

## Fire, safety and electricity regulations

IMPACT HIGH — LIKELYHOOD LIKELY

### Risk description

Inadequate procedures regarding fire & safety and electricity

### Potential impacts on the Group

**Financial**

- Penal sanction and fines & cash compensation in case of accident

**Reputation**

- Image and social climate

**People**

- People hurt

### Implemented action plans

**Reduction / France & Belgium**

- Performance of professional risk assessment for each store and follow up by HR Put in place a prevention plan and a data base of risk audit in order to implement targeted actions
- Urgent matters are taken into account by Security and Risk department
- Put in place mandatory training and strong governance Professional risk audit in warehouse (Security/ Audit)
- Survey regarding building security and people during night hours

### Action plans in progress

**Reduction**

- Look into the opportunity of implementing a GMAO for the Group's entities

**Reduction Italy**

- Deploy the same procedures and governance as France & Belgium to ensure continuous up to date compliance regarding security





## Anti-bribery & corruption law (Sapin 2)

IMPACT VERY HIGH — LIKELYHOOD LIKELY

### Risk description

Inadequate anti-bribery & corruption policy

### Potential impacts on the Group

**Financial**

- Fines up to €1 million

**Reputation**

- Negative media publication creating a risk of reputational damage

### Implemented action plans

**Reduction**

- Code of conduct and ethics signed by each manager Alert warning framework in place and Group must communicate more on the alert warning framework
- Implement internal key control at accounting level
- Trainee program via THOM academy for employees exposed

### Action plans in on-going progress

**Reduction**

- Perform a risk mapping regarding fraud, corruption & bribery Implement a procedure of third-party valuation

## Customs clearance

IMPACT HIGH — LIKELYHOOD LIKELY

### Risk description

Absence of customs clearance due to inadequate procedures regarding punching

### Potential impacts on the Group

**Financial**

- Products blocked & fines up to 3 times the value of the improper products

### Implemented action plans

**Reduction / Group**

- Continue to update the procedure regarding CE marking, monitor the flow and keep a focus on watches
- Based on Group procedure secure flows between countries regarding final destination regulation (focus Belgium products)

**Reduction / France**

- Put in place a 'livre de police' for all the flow in the warehouse for precious metal
- Control that French suppliers are following rules and control direct deliveries suppliers (suppliers to stores)
- Watch out for CE must be done yearly by legal & given to quality
- Purchase & procurement department to inform punching department of new export country or if supplier delivers to different countries
- Identify and ensure that punching rules are applied in case of transfer intercompany
- Laser punching has been approved by customs (better productivity, reliability and less broken products after punching)

**Avoidance / Group**

- CE marking is already done in the product specification guide and follow by suppliers
- At pre-shipment and at sample level too the QC team check the punching on products (Asia, Europe)
- In France laser punching has been approved by customs (better productivity, reliability and less broken products after punching)

## Intellectual property

IMPACT HIGH | LIKELYHOOD LIKELY

### Risk description

THOM brands or products copied and used by another brand

Existing product inspiration owned by another brand

### Potential impacts on the Group

**Financial**

- Payment of damages & interest + stock destruction

**Reputational**

- Loss of customers and market
- Negative publicity about THOM

### Implemented action plans

**Reduction**

- Training of purchasers and product managers regarding the risk of copy or inspiration to ensure that buying files do not contain third party information
- Awareness of offer direction and sensibilisation by legal regarding risk of copy
- Specific clauses and/or disclaimers are already included in our agreements with providers

## ESG regulations

IMPACT HIGH | LIKELYHOOD LIKELY

### Risk description

Non respect of local ESG regulations or ESG claims

### Potential impacts on the Group

**Financial**

- Fines & blocking of products

**Reputational**

- Absence of attractivity and difficulty to keep talent & decrease of reputation, negative publicity on ESG issue

**Environment**

- Pollution, production accident, social crisis in production with irremediable damage

### Implemented action plans

**Avoidance**

- Governance: Creation of an ESG department in 2022 and an ESG committee
- No obligation regarding DPEF (declaration of extra- financial performance) in France

**Reduction**

- Implementation of ESG regulatory monitoring to ensure that all subjects are covered in each country
- ESG Roadmap finalized and being rolled out
- ESG country committee monitors ESG risks
- Implement Carbon footprint report

### Action plans in progress

**Reduction**

- Prepare the implementation of CSRD (Corporate Sustainability Reporting Directive – 2024)





## Quality regulations

IMPACT HIGH | LIKELYHOOD LIKELY

### Risk description

Non compliance with Reach, CE for watches

### Potential impacts on the Group

**Financial**

- Blocking of product by customs or local administration (ex. DGCCRF in France): out of stock
- Fines & penal sanction regarding ecotoxicology

**Reputational**

- Bad reputation (social media, press)

### Implemented action plans

**Reduction**

- Random controls are performed on products and factories by THOM quality
- Existing specifications regarding quality reviewed by quality department
- Existing procedures regarding REACH and quality department in Asia and monitoring of quality process (obtention of REACH certificate by reference from all suppliers since 2022)

### Action plans in progress

**Reduction**

- Monitor compliance to Reach and CE standards at Group quality department

## Social regulations non compliance

IMPACT HIGH | LIKELYHOOD LIKELY

### Risk description

Social regulation non compliance

Gender inequality, inequality in opportunities

### Potential impacts on the Group

**Reputational**

- Negative publicity: future employees, actual employees, press, social media

**Financial**

- Huge overcost if THOM doesn't reach legal obligation for example in term of people with disabilities (Change of law 2020)

### Implemented action plans

**Reduction**

- Launch of a roadmap for equality of opportunities: Communication and training regarding diversity Specific action plan for the integration of people with disabilities with a focus on recruitment and employee awarness
- Compliance with local regulations, strong commitments in our CSR plan (currently 94/100 gender equality index in France)

### Action plans in progress

**Reduction**

- Ensure that THOM reaches the legal obligations regarding people with disabilities
- Index gender equality in France must be monitored and maintained

## Tax regulations evolution

IMPACT **HIGH** LIKELYHOOD **LIKELY**

### Risk description

Non anticipation of tax regulations in production & retail countries

### Potential impacts on the Group

**Financial**

- Overcosts not anticipated (income tax, duties, VAT, GST in India, withholding)
- Penalties and fines

### Action plans in progress

**Reduction**

- Continuous legal tax local monitoring by each country to anticipate changes
- External monitoring for corporate / international tax evolution

## Respect of corporate law

IMPACT **HIGH** LIKELYHOOD **LIKELY**

### Risk description

Non compliance with local regulation

### Potential impacts on the Group

**Financial**

- Fines and overcost to implement quickly corrective actions
- Class actions and huge interruption of services

**Reputational**

- Penal condemnation

### Action plans in progress

**Reduction / Group**

- Monitor and anticipate legal risks including social by department managed by external lawyers
- Power of attorney for each key manager

## Dependency of the supplier

IMPACT **HIGH** LIKELYHOOD **LIKELY**

### Risk description

Sudden stop of commercial relationship with a dependent of a supplier

### Potential impacts on the Group

**Financial**

- Damages and interets for sudden breakdown

### Implemented action plans

**Reduction**

- Agreement with clause obliging supplier to declare dependency percentage
- Existence of a termination process for sudden stop considering legal notice period

### Action plans in progress

**Reduction**

- Implement a report to highlight the risk of dependence and continuity of business for the entire portfolio





## Gold buyback activity

IMPACT **HIGH** LIKELYHOOD **LIKELY**

### Risk description

Regulatory risks associated with non-compliance with gold buyback activity

### Potential impacts on the Group

**Financial**

- Fines in case of law non respect
- Loss of sales and hedging opportunities in case of change in regulation

**Reputational**

- Negative publicity due to insufficient control of source of gold purchased to our customers

### Implemented action plans

**Reduction / France & Benelux**

- Ensure via self-assessment that gold buyback procedures are applied
- Ensure legal monitoring and license renewal

**Reduction / Italy**

- Ensure via external consultant  that gold buyback procedures are applied
- Ensure that the communication with authorities works, track gold buyback activity via SLP

# Operational risks

## Crisis management

IMPACT HIGH | LIKELYHOOD MODERATE

### Risk description

Ability to be prepared for an unpredicted internal or external event which might have a significant impact on the Group business continuity, activity, image & reputation

Like logistics failure, freight failure, strike (corporate, logistic, store), external factor (climate, fire, terrorist attack), environmental ESG issue, social incident issue in production, quality products issue, customer notice on social media

### Potential impacts on the Group

**Financial**

- Substantial loss of sales

**Reputational**

- Reputation due to a negative publicity on media

### Action plans in progress

**Reduction / Group**

- Realize a yearly exercise of business continuity by activity to highligt strenghts and weaknesses to improve
- Ensure that insurance covers the potential losses
- Implement business continuity plan for logistics and for supply chain
- Redefine a crisis committee by subject: production & procurement, logistic, commerce, media and procedure to put crisis under control
- Work with a communication agency to manage the crisis by subject in order to define the way to react

## Risk management & internal control environment

IMPACT MODERATE | LIKELYHOOD LIKELY

### Risk description

Lack of knowledge of the risks. Insufficient procedures and controls in place

### Potential impacts on the Group

**Financial**

- Overcosts
- No preservation of assets

**Regulation**

- Non compliance
- Accounting principles not respected
- Non reliability of financial information

### Implemented action plans

**Reduction / Avoidance**

- Internal control and audit teams in place
- Yearly Group risk mapping
- Governance rules (audit committee, audit charter)

### Action plans in progress

**Reduction / Avoidance**

- Regular audits based on a 3 years plan
- Culture of control spread throughout the Group





## Fraud

IMPACT MODERATE | LIKELYHOOD LIKELY

### Risk description

Non detection of Fraud

### Potential impacts on the Group

**Financial**

- No preservation of assets
- Loss of cash and cash equivalent
- Loss of stock of raw materials or finished goods
- Overcosts of products or services)

### Implemented action plan

**Reduction**

- Store loss prevention tool to monitor fraud & internal control level

### Action plans in progress

**Reduction**

- Internal control department supervise procedures and perform store self assesment and track frauds
- Governance: Power of attorney for key managers and delegation of commitment

## Non detection of corruption

IMPACT MODERATE | LIKELYHOOD LIKELY

### Risk description

Unethical conducts related to granting or receiving advantages from external third parties (public authorities, suppliers, etc.) in order to influence a decision making

### Potential impacts on the Group

**Financial**

- No preservation of assets due to corruption
- Unnecessary product / stock / service

### Action plans in progress

**Reduction / Group**

- Compliance with anti-bribery laws: Codes for ethics and relations with third parties
- Internal control as fraud alert development, systematic call for tender or quotation, commitment delegation
- Governance: Power of attorney for key managers Alert system at Group level

## Cybersecurity

IMPACT HIGH | LIKELYHOOD LIKELY

### Risk description

Cyber attack that could lead to the blocking of information systems, with a potential impact on business continuity

### Potential impacts on the Group

**Financial**

- Payment of ransom, impossibility to operate, embezzlement of cash

**Reputational**

- Negative publicity due to data breach

### Implemented action plans

**Reduction**

- Management of Cybersecurity by a CISO
- Implement a roadmap based on a risk approach
- Compliance to data protection laws (GDPR)
- ISSP (Cybersecurity Policy)
- Seek best-in-class securing systems of data access points
- Awareness campaign to the employees
- Duplication of data in real time

**Transfer**

- SOC (security operation center): Continuous global monitoring by a third party

## IT continuity

IMPACT HIGH | LIKELYHOOD LIKELY

### Risk description

Ability to guarantee the continuity of activities in the event of unavailability of Information Systems

### Potential impacts on the Group

**Financial**

- Loss of sales due to IT dysfunction

**Reputational**

- Non continuity of business
- Late deliveries
- Loss of data

### Implemented action plans

**Avoidance**

- Maintenance contracts in place with an up-to-date response plan from the supplier
- Continue to ensure that Horizon ERP maintenance is under control

### Action plans in progress

**Reduction**

- Business continuity plans design in progress

## Technological transformation

IMPACT HIGH | LIKELYHOOD LIKELY

### Risk description

Fail in Technological transformation projects (e.g. Shine project)

### Potential impacts on the Group

**Financial**

- Financial losses
- Risk of business continuity
- Overcosts

**People**

- Impact of the change on employees

### Implemented action plans

**Reduction / Avoidance**

- Project committee including Comex members, dedicated internal team with strong expertise and knowledge of the Group for each field
- Support of a specialized consulting firm for the change management
- Regular external assessment of the project
- Full pilot on a limited perimeter (Germany) before going live

### Action plans in progress

**Reduction / Avoidance**

- Anticipate potential operational issues at go live with safety inventory and back ups
- Attention to the Segregation of Duties, interface between Warehouse Management system and SAP & procurement tool

## Transformation projects

IMPACT HIGH | LIKELYHOOD LIKELY

### Risk description

Fail in transformation projects

### Potential impacts on the Group

**Financial**

- Overcosts
- Missed opportunity

### Action plans in progress

**Avoidance**

- Regular Follow up of all projects at Comex level Project management for each project with a sponsor endorsing the responsibility
- On-going implementation of a Project Management tool, including workflows and follow-up

RISK FACTORS ● Low risk ● Moderate risk ● High risk ● Very high risk

## Physical safety of people

IMPACT MODERATE | LIKELYHOOD LIKELY

### Risk description

Injuries or death

### Potential impacts on the Group

**People**

- Employee injury or death
- Psychological damages after a hold-up, accident or harassment

**Financial**

- Indemnity to pay in case of negligence

**Regulation**

- Penal condemnation

**Reputation**

- Negative publicity

### Implemented action plans

**Reduction / Avoidance**

- Regular safety audits
- Internal Control of knowledge and respect of safety procedures
- Communication to employees Establishment of an alert unit for harassment
- Regular trainings (fire & safety)
- Work with staff representatives to improve work conditions in stores, HQ, warehouses

### Action plans in progress

**Reduction / Avoidance**

- Protection system and cash management (pick up or safe connected)

## Keys employees dependency

IMPACT MODERATE | LIKELYHOOD LIKELY

### Risk description

Loss of skills related to the departure of key people (including the absence of a succession plan) and to the lack of formalization of processes that do not allow for sharing of knowledge and expertise

### Potential impacts on the Group

**Financial**

- Overcosts
- Decrease in sales

**People**

- Loss of expertise, know-how and knowledge

### Implemented action plans

**Reduction**

- Long term incentives

**Avoidance**

- Identified key employees and set up of succession plans

## Talent attrition & retention

IMPACT MODERATE | LIKELYHOOD LIKELY

### Risk description

Risk of losses of attractiveness for talented people

### Potential impacts on the Group

**Financial**

- Loss of expertise, know-how and knowledge

**Reputational**

- Loss of attractiveness

### Implemented action plans

**Avoidance / Group**

- Work on the quality of life at work
- Smart working including balance pro / personal life (including parenthood), homeworking, promote equality of opportunities, health and disability of people integration, internal culture based on THOM values
- Develop & monitor HR dashboard (turnover, promotion, illness…) tool to measure employee feeling and needs
- Employer brand communication internally/externally (attract & keep)
- Work on employees' experience returns

## Commercial lease agreement risk

IMPACT LOW | LIKELYHOOD POSSIBLE

### Risk description

Risk of losing some strategic stores locations and not optimizing the monitoring of commercial leases

### Potential impacts on the Group

**Financial**

- Loss of sales
- Increase in leases and charges
- Increase in guarantees (potential cash trapped)

### Implemented action plans

**Reduction**

- Supervision of lease monitoring including Franchisee store by local real estate director
- Group tool to monitor leases and related charges implemented in France

### Action plans in progress

**Reduction**

- Roll out Group tool to all entities ocures

## Capex and Opex

IMPACT MODERATE | LIKELYHOOD LIKELY

### Risk description

Inflation on Opex and Capex

### Potential impacts on the Group

**Financial**

- Increase in costs

### Implemented action plans

**Reduction & Avoidance**

- Develop energy sobriety plans
- Increase competition among suppliers with systematic call for tenders at Group level
- Develop tools to increase our ability to pass through Opex & Capex increases to our customers notably through AI

### Action plans in progress

**Reduction & Avoidance**

- Recrutement of a purchaser dedicated to Capex & Overheads





## Sourcing capacity

IMPACT MODERATE | LIKELYHOOD LIKELY

### Risk description

Some suppliers could not be able to adapt their productions capacity to align to volumes growth, and their processes to answer the Group transformation (e.g. ERP migration) and requirement for certifications

### Potential impacts on the Group

**Financial**

- Loss of sales

### Implemented action plans

**Avoidance**

- Linked with Geopolitical risks
- Develop partnership with actual production suppliers to ensure production capacity development (help in the investments, put in place long term commitments)
- Study possibility to invest in production/integrate upstream margin

### Action plans in progress

- Find new suppliers to have back up or additional production capacity and transmit know-how (classical jewellery)

## Quality

IMPACT HIGH | LIKELYHOOD LIKELY

### Risk description

Risk of not meeting clients' expectations in terms of product quality

### Potential impacts on the Group

**Financial**

- High product return rate
- Loss of sales

**Reputational**

- Negative publicity
- Clients dissatisfaction

### Implemented action plans

**Reduction / Group**

- Ensure that products follow Group's specifications especially for new products
- Implementation of a product return policy without discussion except for obvious negligence or fraud Reporting of the cost of non-quality
- Investigate on returns (suppliers, type of product, root cause, type of issue)

### Action plans in progress

**Reduction / Group**

- Increase physical tests to ensure product are compliant with initial specifications

# Financial report

# Management's discussion and analysis of our financial condition and results of operations

*The following discussion and analysis of the Group's financial condition and results of operations is based upon the consolidated financial information of the Issuer (Goldstory SAS) and its subsidiaries and should be read in conjunction with the Audited Consolidated Financial Statements and the notes thereto included elsewhere in this Annual Report. The consolidated financial information of the Issuer has been prepared in accordance with IFRS. The Audited Consolidated Financial Statements have been audited by Deloitte & Associés (member of Deloitte Touche Tohmatsu Limited) and Aca Nexia (member of Nexia International), our statutory auditors. A free English translation of their audit report is included elsewhere in this Annual Report.*

*All references to "we," "us," "our" or the "Group" in the following discussion and analysis of the Group's financial condition and results of operations are to the Issuer and its subsidiaries on a consolidated basis unless otherwise indicated. Certain of the financial measures described below, such as Reported EBITDA, Adjusted EBITDA, gross margin and network sales, are not calculated in accordance with IFRS. Accordingly, these non-IFRS financial measures should not be considered as alternatives to IFRS financial measures to assess our operating performance. Our management uses these non-IFRS financial measures to assess our operating performance. In addition, we believe that certain of these non-IFRS financial measures are commonly used by investors. However, the non-IFRS financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.*

*The following discussion and analysis include forward-looking statements that reflect our plans, estimates and beliefs, which are based on assumptions we believe to be reasonable. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Annual Report, particularly in "Risk Factors".*

## About GOLDSTORY

We are a leading European jewelry retailer by number of stores, with a strong position in Europe in the affordable jewelry sector. Our product offering comprises primarily precious jewelry, complemented by watches and costume jewelry. We are active primarily in France and Italy, where we hold a leading market position in each national market. Our products are available through our network of 1,017 stores directly operated stores and 60 corners, including 543 stores and wedding fairs in France (including one store in Monaco) as well as 37 corners, 389 stores in Italy, 54 stores in Germany, 25 stores and wedding fairs in Belgium, 3 stores and 23 corners in Spain, 2 stores in China and 1 store in Luxembourg as of September 30, 2023, as well as 6 e-commerce platforms in France and Belgium (histoiredor.com and marc-orian.com, agatha.fr), Italy (stroilioro.com), Spain (agatha.es) and Germany (orovivo.de). We also have 38 affiliated partner stores in France (3 openings during the financial year ended September 30, 2023) as well as wholesale activity through our French subsidiary (Timeway France) and our Italian subsidiary (Timeway Italy).

We sell our products under our seven complementary main banners: Histoire d'Or (392 stores), Stroili (340 stores), Agatha (36 stores and 60 corners), Marc Orian (91 stores), TrésOr (68 stores), Orovivo (54 stores) and Franco Gioielli (36 stores).

## Accounting principles

We have prepared our Audited Consolidated Financial Statements in accordance IFRS and have applied IFRS 1 – First-time Adoption of International Financial Reporting Standards ("**IFRS 1**"), including certain exemptions required or permitted by IFRS 1, as discussed in Note 3 to the Audited Consolidated Financial Statements.

The prior financial reporting of the Group has been prepared in accordance with French GAAP. IFRS differs in certain respects from French GAAP. Certain of the significant differences between French GAAP and IFRS as they relate to the Group are described under *"Annex A: Summary of Certain Differences between IFRS and French GAAP"* and Note 3 to the Audited Consolidated Financial Statements.





## Factors Affecting Comparability of Our Audited Consolidated Financial Statements

The Issuer was incorporated on December 29, 2020 for the purpose of facilitating the 2021 Acquisition. Accordingly, the Audited Consolidated Financial Statements cover the financial year ended September 30, 2023 and the 20-month period from February 1, 2021 to September 30, 2022. To facilitate comparability with the financial information relating to the financial year ended September 30, 2023, the Audited Consolidated Financial Statements present certain information for both the audited 20-month period and the 12-month period ended September 30, 2022 (such 12-month period the "**LTM period ended September 30, 2022**"). This section compares the Group's financial results for the financial year ended September 30, 2023 with the Group's LTM period ended September 30, 2022.

On February 26, 2021, we acquired the jewelry brand Agatha in a 50/50 joint venture with the Renaissance Luxury Group. This joint venture was not consolidated as of September 30, 2022 due to the low significance of Agatha's results, compared to Group's results, and the delay in obtaining Agatha's accounts. On December 16, 2022, we purchased the remaining 50% shares of Agatha from Renaissance Luxury Group. The Group consolidated Agatha starting beginning October 1, 2022. Agatha's results therefore affect the comparability between the Group's financial results for the financial year ended September 30, 2023 with the Group's LTM period ended September 30, 2022. For the financial year ended September 30, 2023, Agatha's network sales amounted to €30.0 million.

## Factors Impacting Our Results of Operations

Our results of operations and the operating metrics discussed in this section have historically been, and may continue to be, affected by certain key factors set forth in another section of this Annual Report. See "*Risk Factors*".

## Key performance indicators

In evaluating our results of operations, we consider certain key financial and non-financial measures relating to the performance of our business. In addition to the key line items of our consolidated income statement prepared on the basis of IFRS, the principal financial and operational measures used to evaluate our performance include network sales, network sales by perimeter, e-commerce sales, e-commerce sales by perimeter, gross margin, gross margin by perimeter, like-for-like network sales, e-commerce sales and gross margin growth, network contribution, total network direct costs, Reported EBITDA and free cash flow conversion rate.

- **Network sales.** Network sales represents total revenue recognized in our stores located in France, Italy and Rest of the World, through our e-commerce platforms, to our affiliated partners and from our wholesale business. It excludes sales of precious metals and other services.
- **Like-for-like Network sales by perimeter.** Like-for-like Network sales by perimeter represents the apportionment of our like-for-like network sales among perimeters, including (i) geography, (ii) sales channels, and (iii) brand. *To improve the clarity of the presentation, when a change of perimeter takes place due to a conversion among brands, the perimeter reported for such store in a conversion year is also used as the perimeter reported for such store for the preceding year (regardless of what its brand was in the previous year).*
- **E-commerce sales.** E-commerce sales represents total revenue recognized through our e-commerce platforms (including our directly-operated websites and third-party digital platforms).
- **Like-for-like e-commerce sales by perimeter.** Like-for-like e-commerce sales by perimeter represents the apportionment of our like-for-like e-commerce sales among perimeters, including geography, and excluding change in perimeter.
- **Gross margin by perimeter.** Gross margin by perimeter represents the apportionment of our like-for-like gross margin among perimeters, including geography. *To improve the clarity of the presentation, when a change of perimeter takes place due to a conversion among brands, the perimeter reported for such store in a conversion year is also used as the perimeter reported for such store for the preceding year (regardless of what its brand was in the previous year).*
- **Like-for-like gross margin.** Like-for-like gross margin excludes gross margin from our affiliated partners, our wholesale business, the Agatha business and any directly operated stores / brands that opened or closed during either the LTM period ended September 30, 2022 or the financial year ended September 30, 2023 (i.e., only stores / brands open during the period from October 1, 2021 through September 30, 2023 are included), as well as any network sales adjustments from the customer loyalty program. We allocate certain income and expenses among perimeters such as rebates received from suppliers and packaging and transportation costs based on business assumptions.

- **Like-for-like network sales.** Like-for-like network sales excludes network sales from our affiliated partners, our wholesale business, the Agatha business and any directly operated stores / brands that opened or closed during either the LTM period ended September 30, 2022 or the financial year ended September 30, 2023 (i.e., only stores / brands open during the period from October 1, 2021 through September 30, 2023 are included), as well as any network sales adjustments from the customer loyalty program.
- **Like-for-like network sales growth, e-commerce sales growth and gross margin growth.** Like-for-like network sales growth consists of like-for-like network sales per perimeter in any given period compared with the corresponding financial period of the previous financial year, expressed as a percentage change between the two periods. Like-for-like e-commerce sales growth consists of like-for-like e-commerce sales per perimeter in any given period compared with the corresponding financial period of the previous financial year, expressed as a percentage change between the two periods. Like-for-like gross margin growth represents like-for-like gross margin per perimeter in any given period compared with the corresponding period of the previous financial year, expressed as a percentage change between the two periods.
- **Total network indirect costs.** Total network indirect costs represent the operational expenses (e.g., personnel costs, rent expenses and overheads) related to headquarters, logistics and strategic marketing, as well as profit sharing. Reported EBITDA represents Network contribution plus Indirect costs.
- **Network contribution.** Network contribution represents our gross margin less our total network direct costs.
- **Reported EBITDA.** Reported EBITDA is defined as profit (loss) for the period excluding (i) profit (loss) for the period attributable to non-controlling interests, (ii) income tax, (iii) net finance costs, (iv) depreciation, amortization and provisions, and (v) non-recurring income and expenses, corresponding to all items that are not directly related to our operations or core businesses and that are deemed by management to be non-recurring by their nature. Reported EBITDA is presented in Note 9 to our Audited Consolidated Financial Statements included elsewhere herein.
- **Adjusted EBITDA.** Adjusted EBITDA represents Reported EBITDA adjusted to (i) give pro forma effect to the actual or forecasted full-year profitability of 35 stores opened within the relevant period and (ii) exclude the impact of non-recurring subsidies and credit notes received by the Group, as compensation for operating losses incurred as a result of the COVID-19 pandemic in respect of prior years.
- **Free cash flow conversion rate.** Free cash flow conversion rate represents free cash flow divided by Reported EBITDA generated during the relevant period.

Certain key performance indicators above constitute non-IFRS measures that are not measures of performance under IFRS.

## Description of Key Income Statement Line Items

Below is a brief description of the composition of the key line items of our income statement.

- **Revenue.** Revenue represents total network sales (as described above) and other sales (including sales of precious metals and other services).
- **Cost of goods sold.** Cost of goods sold is our single largest cost item. It comprises the cost of finished goods, the purchase of gold bought from individuals (including in exchange for gift vouchers), raw materials consumption, rebates and discounts, customs, breakages and packaging costs.
- **Gross margin.** Gross margin represents the sum of our network sales, revenue from the sale of precious metals, proceeds from insurance for theft and rebates re-invoiced to our suppliers, net of our total cost of goods sold.
- **Other income.** Other income mainly represents government aid subsidies related to the COVID-19 pandemic and royalties received from our affiliated partners.
- **Personnel expenses.** Personnel expenses represents wages, salaries and pension of the employees located in our stores and in our headquarters and logistics centers. It includes the gross fixed amount due to our employees and the social contributions that must be paid by employers. Charges related to any legal profit-sharing schemes are also reported under this line item, as well as any bonus or variable remuneration paid to our employees, based mainly on sales results.
- **External expenses.** External expenses represents mainly our rental costs (i.e., for leases out of the scope of IFRS 16, mainly short-term leases and leases with variable component), maintenance costs, marketing and advertising costs, transport costs, professional fees, consultancy fees, communication costs, utilities and other supplies and bank fees mainly associated with payments from customers and taxes and duties including taxes other than on income such as taxes on salaries (mainly training taxes) and social construction tax (tax effort construction).





- **Allowance for depreciation, amortization, impairment and provisions.** Allowance for depreciation, amortization, impairment and provisions represents the depreciation and amortization of our fixed assets, the provisions for depreciation of our current assets (such as inventories and trade receivables) and the provisions for contingencies and liabilities. Reversals of provisions are also reported in this line item. This line item also includes depreciation of right-of-use assets, as per IFRS 16.
- **Other expenses.** Other expenses represents other operating expenses such as stamps, waste during transportation and membership contributions.
- **Recurring operating profit.** Recurring operating profit represents operating income before non-recurring operating income and expenses.
- **Other non-recurring operating income and expenses.** Other non-recurring operating income and expenses represents all items that are not directly related to our operations or core businesses, and that are considered by management as non-recurring by their nature.
- **Operating profit.** Operating profit represents operating revenue net of operating expenses described above, before cost of net financial debt, other financial income and expenses, and income tax expense.
- **Cost of net financial debt.** Cost of net financial debt mostly represents interest on Senior Secured bonds and revolving credit facility.
- **Other financial income and expenses.** Other financial income and expenses mainly represents interest on lease liabilities, the impact of gold hedging and foreign currency income and epxenses.
- **Income tax expense.** Income tax consists of income tax, including French CVAE, Italian IRAP, and deferred taxes.

## Results of Operations

### Financial year ended September 30, 2023 compared to the LTM period ended September 30, 2022

The table below sets forth certain line items from our income statement for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 (audited) | Variations in € million | Variations in % |
|---|---|---|---|---|
| Revenue | 932.4 | 1,011.8 | 79.3 | 8.5% |
| Cost of goods sold | (316.2) | (343.8) | (27.6) | 8.7% |
| Gross margin | 616.3 | 668.0 | 51.7 | 8.4% |
| Other income | 9.1 | 2.7 | (6.4) | (70.1%) |
| Personnel expenses | (233.4) | (254.2) | (20.8) | 8.9% |
| External expenses | (112.3) | (141.6) | (29.3) | 26.1% |
| Allowance for depreciation, amortization, impairment and provisions | (96.1) | (109.5) | (13.5) | 14.0% |
| Other expenses | (1.4) | (2.0) | (0.5) | 36.4% |
| Recurring operating profit | 182.2 | 163.4 | (18.8) | (10.3)% |
| Other non-recurring operating income | 1.3 | 1.6 | 0.4 | 31.6% |
| Other non-recurring operating expenses | (4.1) | (10.5) | (6.4) | 156.5% |
| Operating profit | 179.4 | 154.6 | (24.8) | (13.8)% |
| Cost of net financial debt | (38.3) | (41.3) | (3.0) | 7.8% |
| Other financial income and expenses | (25.7) | (24.7) | 1.0 | (3.8)% |
| Profit before tax | 115.3 | 88.5 | (26.8) | (23.2)% |
| Income tax expense | (40.6) | (44.1) | (3.5) | 8.6% |
| Profit for the period | 74.7 | 44.4 | (30.3) | (40.6)% |
| *Profit attributable to non-controlling interests* | *(0.2)* | *(0.3)* | *(0.1)* | *40.5%* |
| *Profit attributable to owners of the Issuer* | *74.9* | *44.7* | *(30.2)* | *(40.4)%* |

The table below sets forth our operating key performance indicators derived from the income statement, namely gross margin, network contribution and Reported EBITDA, for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Gross margin | 616.3 | 668.0 | 51.7 | 8.4% |
| Personnel expenses | (176.5) | (191.9) | (15.4) | 8.7% |
| Rent & charges | (4.5) | (17.1) | (12.6) | 280.0% |
| Marketing costs | (19.6) | (23.3) | (3.6) | 18.6% |
| Taxes | (7.4) | (8.6) | (1.2) | 15.7% |
| Overheads | (32.2) | (39.5) | (7.3) | 22.8% |
| Network direct costs | (240.2) | (280.3) | (40.1) | 16.7% |
| Network contribution | 376.0 | 387.7 | 11.6 | 3.1% |
| *As a % of network sales* | *42.5%* | *40.1%* | *n.a.* | *(2.4)b.p.* |
| Indirect costs | (97.8) | (114.7) | (16.9) | 17.3% |
| Reported EBITDA | 278.3 | 272.9 | (5.3) | (1.9)% |

Network contribution totaled €387.7 million in the financial year ended September 30, 2023, an increase of €11.6 million, or 3.1%, from €376.0 million in the LTM period ended September 30, 2022. As a percentage of network sales, the network contribution decreased by 2.4 basis points from 42.5% in the LTM period ended September 30, 2022 to 40.1% in the financial year ended September 30, 2023. This decrease was primarily due to the consolidation of Agatha in the financial year ending September 30, 2023, as Agatha's network contribution as a percentage of network sales was lower than the rest of the Group, as well as credit notes and subsidies of €11.4 million recorded in the LTM period ended September 30, 2022 in respect of COVID-19 related to financial year ended September 30, 2021 compared to €0.8 million recorded in the financial year ended September 30, 2023. Excluding the combination of those two effects, the network contribution as a percentage of network sales for the financial year ended September 30, 2023 would be higher than for the LTM period ended September 30, 2022, despite the increase of energy costs in the financial year ended September 30, 2023 compared to the LTM period ended September 30, 2022.

Total indirect costs totaled €114.7 million in the financial year ended September 30, 2023, an increase of €16.9 million, or 17.3%, from €97.8 million in the LTM period ended September 30, 2022. Such increase is mainly due to the inclusion of Agatha's indirect costs in our consolidated financial statements for the financial year ended September 30, 2023 as well as a general increase in indirect costs to support the increase of the activity.

### Revenue

The table below presents the detail of our revenue for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 (audited) | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Network sales | 884.9 | 966.7 | 81.8 | 9.2% |
| Sales of precious metals | 45.9 | 43.2 | (2.7) | (5.9)% |
| Other services | 1.6 | 1.9 | 0.2 | 14.5% |
| **Revenue** | **932.4** | **1,011.8** | **79.3** | **8.5%** |

Revenue amounted to €1,011.8 million in the financial year ended September 30, 2023, an increase of €79.3 million, or 8.5%, from €932.4 million in the LTM period ended September 30, 2022, mainly due to an increase of €81.8 million (or 9.2%) in network sales driven by targeted efforts to reinforce the Group's established brands during the financial year ended September 30, 2023, as well as the perimeter effect of opening new stores. These targeted efforts included new marketing campaigns for our Histoire d'Or and Stroili brands, developing broader product offerings across such brands and the deployment of a new store concept in Italy. Network sales generation in Italy was particularly robust in the financial year ended September 30, 2023. The increase recorded in network sales in the financial year ended September 30, 2023 was also driven by an increase in e-commerce sales on a like-for-like basis of €8.3 million, or 16.8% (compared with the LTM period ended September 30, 2022), resulting from increasing brand awareness coupled with generally increasing consumer appeal for e-commerce sales channels. In addition, the increase in network sales was also impacted by the inclusion of Agatha in our consolidated financial statements from October 1, 2022 and for which network sales in the financial year ended September 30, 2023 amounted to €30.0 million. Finally, sales of precious metals decreased by €2.7 million, or 5.9%, in the financial year ended September 30, 2023 as compared to the LTM period ended September 30, 2022. The sale of precious metals is primarily related to our hedging policy, and so the stability of gold prices in the last quarter of the financial year ended September 30, 2023 resulted in lower sales of gold.





### Network sales

The table below presents our network sales by activity for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Directly operated stores and corners | 806.1 | 852.2 | 46.1 | 5.7% |
| E-commerce | 49.4 | 57.7 | 8.3 | 16.8% |
| Customer loyalty program | (3.8) | (3.5) | 0.4 | (9.3)% |
| Total business-to-customer activity | 851.6 | 906.3 | 54.7 | 6.4% |
| Wholesale | 22.0 | 21.4 | (0.5) | (2.4)% |
| Affiliates | 11.1 | 8.8 | (2.3) | (20.7)% |
| Total business-to-business activity | 33.1 | 30.2 | (2.8) | (8.6)% |
| Agatha | - | 30.0 | 30.0 | n/a |
| Other incubating projects | 0.2 | 0.2 | (0.0) | (13.4)% |
| Total incubating projects activity | 0.2 | 30.1 | 29.9 | n/a |
| **Total network sales** | **884.9** | **966.7** | **81.8** | **9.2%** |

### Like-for-like network sales by perimeter—geography, brand and sales channel

The table below presents the detail of our like-for-like network sales by geographic perimeter for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Network sales France | 534.9 | 555.1 | 20.2 | 3.8% |
| Network sales Italy | 256.1 | 278.9 | 22.8 | 8.9% |
| Network sales Rest of the World | 51.0 | 57.2 | 6.3 | 12.3% |
| Total network sales on a like-for-like basis | 842.0 | 891.2 | 49.2 | 5.8% |
| Change in perimeter | 42.9 | 75.5 | 32.6 | 75.9% |
| **Network sales** | **884.9** | **966.7** | **81.8** | **9.2%** |

The table below presents the detail of our like-for-like network sales by sales channel perimeter for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Directly operated stores and corners | 792.6 | 833.6 | 40.9 | 5.2% |
| E-commerce | 49.4 | 57.7 | 8.3 | 16.8% |
| Total network sales on a like-for-like basis | 842.0 | 891.2 | 49.2 | 5.8% |
| Change in perimeter | 42.9 | 75.5 | 32.6 | 75.9% |
| **Network sales** | **884.9** | **966.7** | **81.8** | **9.2%** |

The table below presents the detail of our like-for-like network sales by brand perimeter for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Histoire d'Or | 476.0 | 500.8 | 24.8 | 5.2% |
| Stroili | 232.1 | 253.5 | 21.5 | 9.2% |
| Marc Orian | 71.2 | 70.2 | (1.0) | (1.4)% |
| Franco Gioielli | 16.7 | 17.1 | 0.5 | 2.7% |
| TrésOr | 20.6 | 20.9 | 0.3 | 1.5% |
| Orovivo | 25.5 | 28.7 | 3.2 | 12.6% |
| Total network sales on a like-for-like basis | 842.0 | 891.2 | 49.2 | 5.8% |
| Change in perimeter | 42.9 | 75.5 | 32.6 | 75.9% |
| **Network sales** | **884.9** | **966.7** | **81.8** | **9.2%** |

On a like-for-like basis, our network sales increased by €49.2 million, or 5.8%, to €891.2 million in the financial year ended September 30, 2023 compared to €842.0 million in the LTM period ended September 30, 2022. The like-for-like sales showed positive trends in almost every brand, due to the Group's strategy to limit price increases to secure volume growth, enhanced by a new national media campaign for Histoire d'Or, and the success of the new Stroili store concept in Italy.

The table below presents the detail for the change in perimeter for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Wholesale | 22.0 | 21.4 | (0.5) | (2.4)% |
| Agatha | - | 30.0 | 30.0 | n/a |
| Affiliates | 11.1 | 8.8 | (2.3) | (20.7)% |
| Customer loyalty program | (3.8) | (3.5) | 0.4 | (9.3)% |
| Store openings | 1.9 | 14.0 | 12.1 | n/a |
| Store closings | 11.5 | 4.6 | (6.9) | (60.2)% |
| Other incubating projects | 0.2 | 0.2 | (0.0) | (13.4)% |
| **Total change in perimeter** | **42.9** | **75.5** | **32.6** | **75.9%** |

In the financial year ended September 30, 2023, the change in perimeter increased by €32.6 million, or 75.9% to €75.5 million, from €42.9 million in the LTM period ended September 30, 2022. The increase is mainly due to the consolidation of Agatha, for €30.0 million, in the financial year ended September 30, 2023 (Agatha was not consolidated in the LTM period ended September 30, 2022). Additionally, we continued optimizing our store network footprint with the closing of unprofitable or low-profit stores and the opening of new stores in more profitable locations, resulting in higher network sales through other changes in perimeter. We opened 27 stores between October 1, 2022 and September 30, 2023 (as compared to nine stores in the LTM period ended September 30, 2022) and closed 25 stores during the same period (as compared to 23 stores in the LTM period ended September 30, 2022). Store closures during this period were concentrated in shopping centers and commercial developments outside of city center locations, while store openings were concentrated in shopping centers. Sales from stores opened during the financial year ended September 30, 2023 and the LTM period ended September 30, 2022 amounted to €14.0 million and €1.9 million, respectively, while sales from stores closed during the financial year ended September 30, 2023 and the LTM period ended September 30, 2022 amounted to €4.6 million and €11.5 million, respectively. The decrease in affiliates sales in the financial year ended September 30, 2023 compared to the LTM period ended September 30, 2022 was due to changes in supply pattern, as sales to affiliates were relatively higher in the last quarter of the LTM period ended September 30, 2022, as compared to the last quarter of the financial year ended September 30, 2023, as a result of a non-normative build of up stock at our affiliates in September 2022 in preparation for Christmas in 2022. Wholesales decreased by 2.4% in the year ended September 30, 2023 as compared to the LTM period ended September 30, 2022, primarily due to a difficult market for independent jewelers.

### Like-for-like e-commerce sales by perimeter

The table below presents the detail of our like-for-like e-commerce sales by geographic perimeter for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| E-commerce sales France | 41.6 | 47.7 | 6.2 | 14.8% |
| E-commerce sales Italy | 6.1 | 7.8 | 1.6 | 26.6% |
| E-commerce sales Rest of the World | 1.7 | 2.2 | 0.5 | 28.9% |
| Total e-commerce sales on a like-for-like basis | 49.4 | 57.7 | 8.3 | 16.8% |
| Change in perimeter | - | 5.4 | 5.4 | n.a. |
| **Total e-commerce sales** | **49.4** | **63.0** | **13.7** | **27.7%** |

In the financial year ended September 30, 2023, on a like-for-like basis, e-commerce sales amounted to €57.7 million, an increase of €8.3 million, or 16.8%, from €49.4 million in the LTM period ended September 30, 2022 driven by the migration of the Stroili e-commerce website to the Salesforce platform in Italy which we believe led to higher conversion of site visits to sales and targeted media campaigns for Histoire d'Or in France. In the financial year ended September 30, 2023, change in perimeter e-commerce sales amounted to €5.4 million and correspond to Agatha's sales on its websites in France and Spain.

### Quarterly network sales

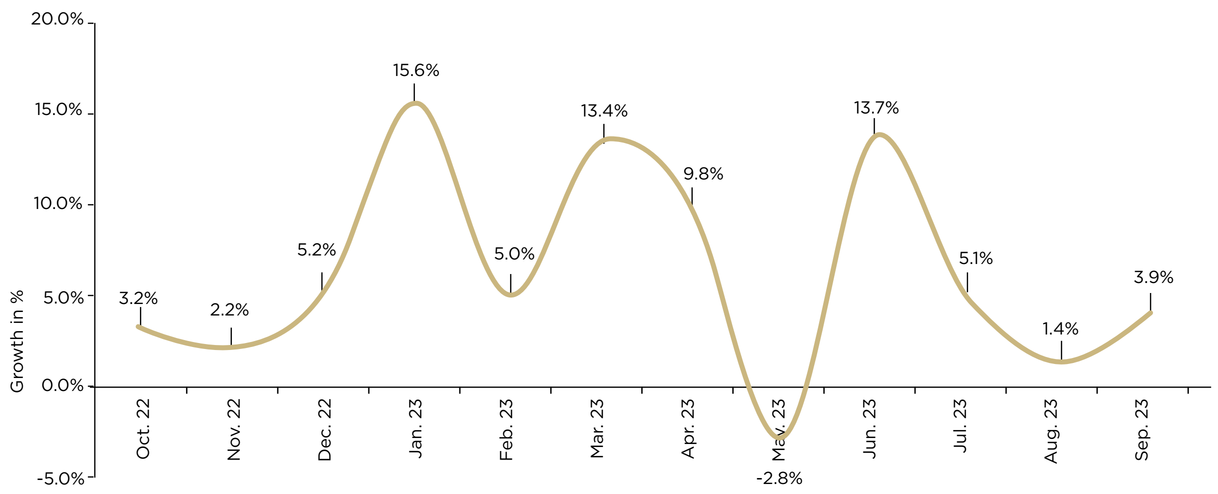
The table below presents our network sales on a quarterly basis for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022. Our business is seasonal, with network sales being the highest in Quarter 1 due to the Christmas season.

| *in € million* | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 |
|---|---|---|
| Quarter 1 (Oct-Dec) | 300.8 | 311.9 |
| Quarter 2 (Jan-Mar) | 176.5 | 196.9 |
| Quarter 3 (Apr-June) | 210.5 | 222.1 |
| Quarter 4 (July-Sep) | 200.9 | 209.3 |
| Agatha | - | 30.0 |
| Customer loyalty program | (3.8) | (3.5) |
| **Network sales** | **884.9** | **966.7** |

The table below presents our total network sales on a monthly basis for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| in € million | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 |
|---|---|---|
| October | 60.1 | 61.0 |
| November | 68.4 | 70.3 |
| December | 172.4 | 180.5 |
| January | 53.3 | 62.6 |
| February | 68.8 | 72.9 |
| March | 54.5 | 61.4 |
| April | 61.7 | 66.8 |
| May | 79.3 | 77.0 |
| June | 69.5 | 78.2 |
| July | 72.4 | 76.8 |
| August | 64.5 | 66.4 |
| September | 64.0 | 66.1 |
| Total network sales excl. Agatha and customer loyalty program | 888.7 | 940.2 |
| Agatha | - | 30.0 |
| Customer loyalty program | (3.8) | (3.5) |
| **Total network sales** | **884.9** | **966.7** |

The graph below presents the growth of our total like-for-like Network sales on a monthly basis for the financial year ended September 30, 2023 as compared to the same period in the prior year.

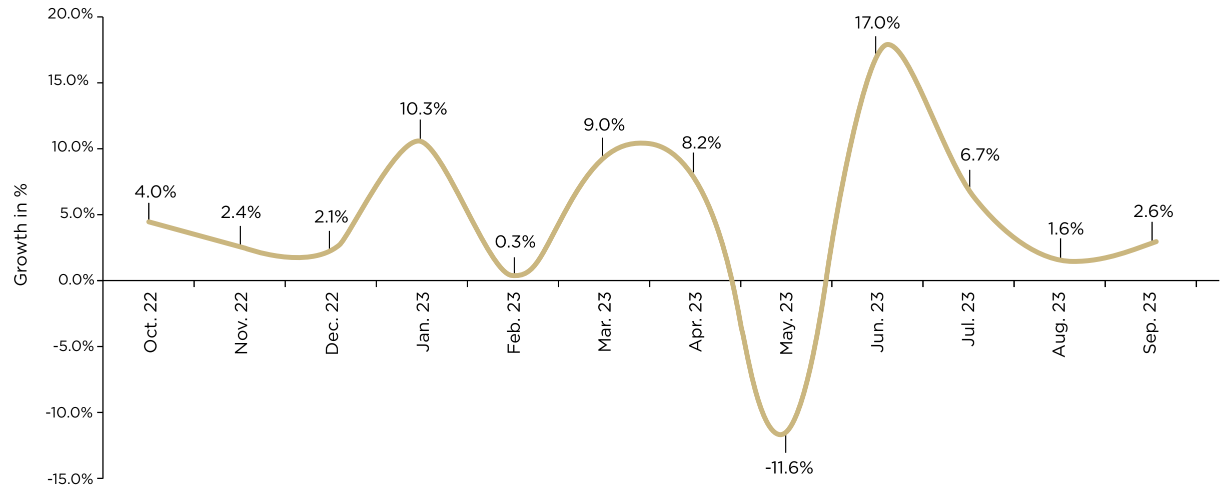



On a like-for-like basis, our network sales in each month in the financial year ended September 30, 2023 increased as compared to the corresponding month in the LTM period ended September 30, 2022, as a result of the embedded growth of stores and the increase in brand attractiveness, with the exception of the month of May. Mother's Day took place in June in 2023 as opposed to May in 2022. The combined network sales for the months of May and June 2023 increased by 3.5% as compared to the same period in 2022.



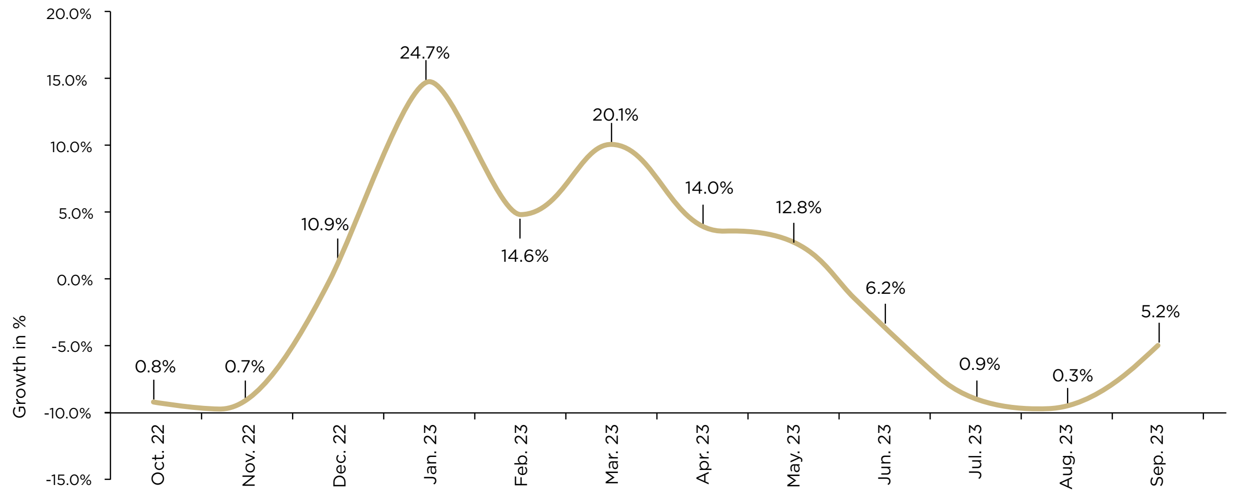


The graph below presents the growth of our total like-for-like Network sales in France on a monthly basis for the financial year ended September 30, 2023 as compared to the same period in the prior year.




In France, our like-for-like network sales recorded an overall increase over the financial year ended September 30, 2023, as compared with the LTM period ended September 30, 2022. Mother's Day took place in June in 2023 as opposed to May in 2022. The combined network sales for the months of May and June 2023 increased by 1.9% compared to the same period in 2022. Network sales in February 2023 were impacted by challenging results on Valentine's Day in 2023 due to our competitors offering strong discounts while we maintained our regular prices. Our like-for-like network sales in France in July 2023 were negatively impacted by stronger discounts from competitors over the summer months.

The graph below presents the growth of our total like-for-like Network sales in Italy on a monthly basis for the financial year ended September 30, 2023 as compared to the same period in the prior year.




In Italy, our network sales recorded an overall increase over the financial year ended September 30, 2023, as compared with the LTM period ended September 30, 2022, mainly due to the success of our new Stroili concept deployed in the financial year ended September 30, 2023. The low performance for the months of October and November 2022 was due to the lower level of discounts offered by Stroili, notably during "Black Friday", as compared to its competitors during the period.

### Cost of goods sold

The table below presents the detail of our cost of goods sold for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations in € million | Variations in % |
|---|---|---|---|---|
| Purchases of finished goods | (254.8) | (282.7) | (28.0) | 11.0% |
| Raw materials consumption | (61.4) | (61.0) | 0.3 | (0.6)% |
| **Cost of goods sold** | **(316.2)** | **(343.8)** | **(27.6)** | **8.7%** |

Cost of goods sold totaled €343.8 million in the financial year ended September 30, 2023, an increase of €27.6 million, or 8.7%, from €316.2 million in the LTM period ended September 30, 2022. This increase was mainly driven by an increase in network sales on a like-for-like basis recorded in Italy and France of €22.8 million and €20.2 million, respectively, as well as higher gold prices.

Furthermore, the Group hedged against fluctuations in the U.S. dollar/euro foreign exchange rate by entering into forwards and collars. As of September 30, 2023, we had entered into forwards in a notional amount of $71.7 million (61% of which had maturities of less than one year) and into collars in a notional amount of $35.3 million (89% of which had maturities of less than one year). As of September 30, 2022, we had entered into forwards in a notional amount of $35 million (29% of which had maturities of less than one year) and into collars in a notional amount of $83.3 million (62% of which had maturities of less than one year). Hedging resulted in a €1.2 million loss in the financial year ended September 30, 2023 and a €1.6 million gain in the LTM period ended September 30, 2022.

### Gross margin

The tables below present the detail of gross margin in value and as a percentage of network sales for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

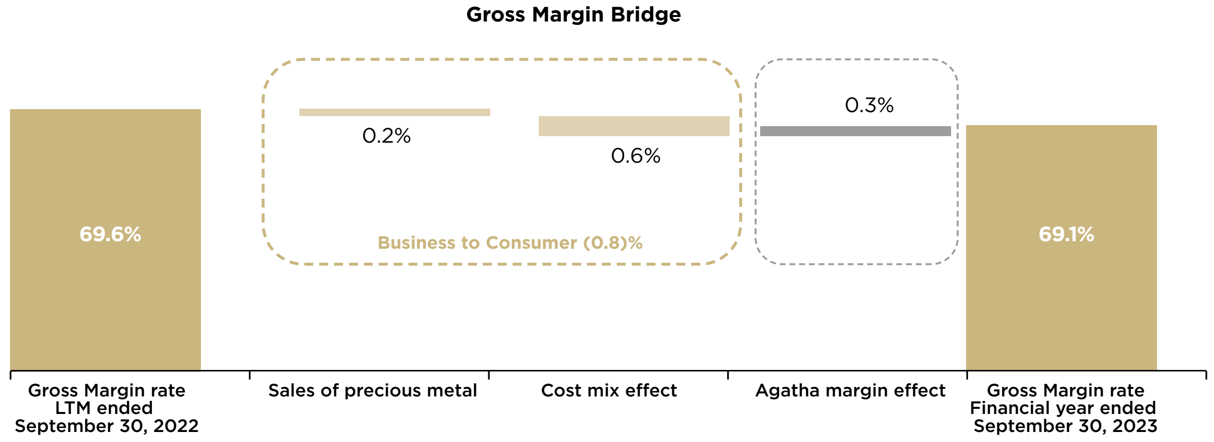
| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations in € million | Variations in % |
|---|---|---|---|---|
| Network sales | 884.9 | 966.7 | 81.8 | 9.2% |
| Sales of precious metals | 45.9 | 43.2 | (2.7) | (5.9)% |
| Other services | 1.6 | 1.9 | 0.2 | 14.5% |
| Revenue | 932.4 | 1,011.8 | 79.3 | 8.5% |
| Cost of goods sold | (316.2) | (343.8) | (27.6) | (8.7)% |
| **Gross margin** | **616.3** | **668.0** | **51.7** | **8.4%** |
| *As a % of network sales* | *69.6%* | *69.1%* | — | *(0.5)pp* |

Gross margin totaled €668.0 million in the financial year ended September 30, 2023, an increase of €51.7 million, or 8.4%, as compared to €616.3 million in the LTM period ended September 30, 2022. Our gross margin as a percentage of network sales was 69.1% in the financial year ended September 30, 2023, a decrease of 0.5 basis points when compared to 69.6% in the LTM period ended September 30, 2022, mainly due to the impact on our cost of goods sold of increases in manufacturing costs and an increase in the price of gold (which were not passed through to the customer), partly offset by a positive effect of the Agatha consolidation from October 1, 2022. Sales of precious metals decreased by €2.7 million, or 5.9%, for the financial year ended September 30, 2023 as compared to the LTM period ended September 30, 2022. The sale of precious metals is primarily related to our hedging policy, and so the stability of gold prices in the last quarter of the financial year ended September 30, 2023 resulted in lower sales of gold.





The bridge below sets forth the change in gross margin as a percentage of network sales between the LTM period ended September 30, 2022 and the financial year ended September 30, 2023.




### Gross margin by perimeter

The tables below present the detail of like-for-like gross margin in value and as a percentage of network sales by geographic perimeter for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

*Like-for-like gross margin by geographic perimeter in value*

| | LTM period ended September 30, 2022 in € million | Financial year ended September 30, 2023 in € million | Variations in € million | Variations in % |
|---|---|---|---|---|
| Gross margin France | 379.5 | 390.0 | 10.6 | 2.8% |
| Gross margin Italy | 178.5 | 192.8 | 14.3 | 8.0% |
| Gross margin Rest of the World | 35.4 | 39.1 | 3.7 | 10.4% |
| Total like-for-like basis | 593.4 | 621.9 | 28.5 | 4.8% |
| Change in perimeter | 22.9 | 46.1 | 23.2 | 101.3% |
| **Gross margin** | **616.3** | **668.0** | **51.7** | **8.4%** |

*Like-for-like gross margin by geographic perimeter in percentage*

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations in p.p |
|---|---|---|---|
| Gross margin France | 70.9% | 70.3% | (0.7) |
| Gross margin Italy | 69.7% | 69.1% | (0.6) |
| Gross margin Rest of the World | 69.4% | 68.2% | (1.2) |
| Total like-for-like basis | 70.5% | 69.8% | (0.7) |
| Change in perimeter | 53.4% | 61.0% | 7.7 |
| **Gross margin** | **69.6%** | **69.1%** | **(0.5)** |

In the financial year ended September 30, 2023, like-for-like gross margin totaled €621.9 million, an increase of €28.5 million, or 4.8%, from €593.4 million in the LTM period ended September 30, 2022. Our like-for-like gross margin as a percentage of like-for-like network sales was 69.8% in the financial year ended September 30, 2023 a reduction of 0.7 basis points from 70.5% in the LTM period ended September 30, 2022. This decrease in gross margin is mainly due to the impact on our cost of goods sold of increases in manufacturing costs and an increase in the price of gold (which were not passed through to customers).

The table below presents the gross margin for the items that we present as part of the total change in perimeter for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Wholesale | 8.8 | 7.1 | (1.7) | (19.2)% |
| Affiliates | 3.5 | 2.3 | (1.3) | (35.7)% |
| Agatha | - | 23.2 | 23.2 | n/a |
| Store openings | 1.3 | 9.6 | 8.4 | n/a |
| Store closings | 8.0 | 3.2 | (4.9) | (60.6)% |
| Reconciling items [(a)] | 1.2 | 0.7 | (0.5) | (42.5)% |
| **Total change in perimeter** | **22.9** | **46.1** | **23.2** | **101.3%** |

*(a) Reconciling items relate to IFRS adjustments (mainly customer loyalty program and hedging) as well as any difference between reporting accounts and consolidated financial statements (mainly reclassifications) not taken into account in our Like-for-like metrics*

In the financial year ended September 30, 2023, the change in perimeter for gross margin increased by €23.2 million, or 101.3% to €46.1 million, from €22.9 million in the LTM period ended September 30, 2022. The increase is mainly due to the consolidation of Agatha from October 1, 2022, as well as gross margin contribution from stores opened during the financial year ended September 30, 2023 and the LTM period ended September 30, 2022 amounting to €9.6 million and €1.3 million, respectively, and sales from stores closed during the financial year ended September 30, 2023 and the LTM period ended September 30, 2022 amounting to €3.2 million and €8.0 million, respectively.

### Quarterly Gross margin

The table below presents our gross margin on a quarterly basis for the financial year ended September 30, 2023, and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | LTM FY 2022 | FY 2023 |
|---|---|---|---|---|
| | | | As a % of quarterly Network sales | |
| Quarter 1 (Oct-Dec) | 210.4 | 216.0 | 69.9% | 69.3% |
| Quarter 2 (Jan-Mar) | 120.7 | 133.4 | 68.4% | 67.7% |
| Quarter 3 (Apr-June) | 143.3 | 152.6 | 68.1% | 68.7% |
| Quarter 4 (July-Sep) | 140.6 | 142.1 | 70.0% | 67.9% |
| Agatha | - | 23.2 | n/a | 77.2% |
| Reconciling items [(a)] | 1.2 | 0.7 | n/a | n/a |
| **Total Gross margin** | **616.3** | **668.0** | **69.6%** | **69.1%** |

*(a) Reconciling items relate to IFRS adjustments (mainly customer loyalty program and hedging) as well as any difference between reporting accounts and consolidated financial statements (mainly reclassifications) that are not part of our Like-for-like metrics.*

The table below presents our gross margin on a quarterly basis for the financial year ended September 30, 2023, and the LTM period ended September 30, 2022, as a percentage of total Gross Margin.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 |
|---|---|---|
| Quarter 1 (Oct-Dec) | 34.1% | 32.3% |
| Quarter 2 (Jan-Mar) | 19.6% | 20.0% |
| Quarter 3 (Apr-June) | 23.3% | 22.8% |
| Quarter 4 (July-Sep) | 22.8% | 21.3% |
| Agatha | - | 3.5% |
| Reconciling items [(a)] | 0.2% | 0.1% |
| **Total Gross margin** | **100.0%** | **100.0%** |

*(a) Reconciling items relate to IFRS adjustments (mainly customer loyalty program and hedging) as well as any difference between reporting accounts and consolidated financial statements (mainly reclassifications) that are not part of our Like-for-like metrics.*





### Half-year Gross Margin

The table below presents our gross margin on a half-yearly basis for the financial year ended September 30, 2023, and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | LTM FY 2022 | FY 2023 |
|---|---|---|---|---|
| | | | As a % of half-yearly Network sales | |
| Half-year 1 (Oct-Mar) | 331.1 | 349.4 | 69.4% | 68.7% |
| Half-year 2 (April-Sep) | 284.0 | 294.7 | 69.0% | 68.3% |
| Agatha | - | 23.2 | n/a | 77.2% |
| Reconciling items [(a)] | 1.2 | 0.7 | n/a | n/a |
| **Total Gross margin** | **616.3** | **668.0** | **69.6%** | **69.1%** |

*(a) Reconciling items relate to IFRS adjustments (mainly customer loyalty program and hedging) as well as any difference between reporting accounts and consolidated financial statements (mainly reclassifications) that are not part of our Like-for-like metrics.*

### Reported EBITDA

The table below presents the bridge from Reported EBITDA to profit for the period for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Profit for the period | 74.7 | 44.4 | (30.3) | (40.6)% |
| Income tax expense | (40.6) | (44.1) | (3.5) | 8.6% |
| Cost of net financial debt | (38.3) | (41.3) | (3.0) | 7.8% |
| Other financial income and expenses | (25.7) | (24.7) | (1.0) | (3.8)% |
| Depreciation, amortization and net provision | (96.1) | (109.5) | (13.5) | 14.0% |
| Other non-recurring operating expenses | (4.1) | (10.5) | (6.4) | 156.4% |
| Other non-recurring operating income | 1.3 | 1.6 | 0.4 | 31.6% |
| **Reported EBITDA** | **278.3** | **272.9** | **(5.3)** | **(1.9)%** |

In the financial year ended September 30, 2023, Reported EBITDA of €272.9 million compared to €278.3 million for the LTM period ended September 30, 2022 decreased by €5.3 million, or 1.9%, primarily as a result of (i) a €11.4 million one-off positive impact in the LTM period ended September 30, 2022 from subsidies and credit notes received by the Group in France and Germany following COVID-19 crisis, (ii) higher electricity prices, which averaged approximately €450.0 per Megawatt in France, Italy and Germany for the financial year ended September 30, 2023, compared to approximately €190.0 per Megawatt in the LTM period ended September 30, 2022, (iii) a negative impact of €1.4 million due to the consolidation of Agatha from October 1, 2022. This was partially offset by the increase of €49.2 million in the total network sales on a like-for-like basis, mainly due to the Group's strategy to limit price increases to secure volume growth despite an increase in the cost of goods sold, personnel expenses and energy costs.

### Other income

In the financial year ended September 30, 2023, other income totaled €2.7 million, a decrease of €6.4 million, or 70.1%, from €9.1 million in the LTM period ended September 30, 2022, due to a €5.3 million decrease in subsidies, as in the LTM period ended September 30, 2022 the Group received non-recurring subsidies, including €3.1 million received from the German government to support companies who suffered during the COVID-19 pandemic, and a €1.2 million decrease in services to affiliated partners (excluding advertising), partly offset by a €0.2 million increase of royalties from affiliated partners.

### Personnel expenses

In the financial year ended September 30, 2023, personnel expenses totaled €254.2 million, an increase of €20.8 million, or 8.9%, from €233.4 million in the LTM period ended September 30, 2022, mainly due to (i) the consolidation of Agatha from October 1, 2022, for which the personnel expenses amounted to

€12.5 million, and (ii) the combined effect of wage increases, a return to a normal level of staff expenses in the financial year ended September 30, 2023 (the LTM period ended September 30, 2022 still experienced lower personnel expenses due to the impact of the COVID-19 crisis and the resulting reduced staffing in stores) and higher bonuses in the financial year ended September 30, 2023 resulting from the strong results for the period, which together led to a €8.3 million increase of personnel expenses in the financial year ended September 30, 2023 compared to the LTM period ended September 30, 2022.

### External expenses

In the financial year ended September 30, 2023, external expenses totaled €141.6 million, an increase of €29.3 million, or 26.1% from €112.3 million in the LTM period ended September 30, 2022.

The increase of external expenses was mainly due to (i) the inclusion of Agatha in our consolidated financial statements for the financial year ended September 30, 2023, for which the external expenses amounted to €11.9 million, (ii) a €6.1 million one-off positive impact in the LTM period ended September 30, 2022 due to rent subsidies from the French government and landlord credit notes received by the Group following the COVID-19 crisis, and (iii) a €5.5 million increase in energy costs, (iv): €4.3 million increase in variable rents and rental charges driven by the increase in incorporated energy costs and (v) a €2.1 million increase in advertising costs.

For the financial year ended September 30, 2023, average electricity prices for the Group in France, Italy and Germany were approximately €450.0 per Megawatt, compared to approximately €190.0 per Megawatt in the LTM period ended September 30, 2022. We have entered into contracts to fix the price we pay for electricity in France, Italy and Germany in the financial yeats ending September, 30 2024 and 2025, under which we will pay fixed prices for energy in those periods. Under these contracts, in France, we will pay approximately €270.0 and €230.0 per Megawatt for the financial years ending September 30, 2024 and 2025, respectively, in Italy, we will pay approximately €280.0 per Megawatt for each of the financial years ending September 30, 2024 and 2025 and in Germany, we will pay approximately €240.0 per Megawatt for each of the financial years ending September 30, 2024 and 2025. As a result, if the price of energy in the financial years ending September 30, 2024 and 2025 is lower than the price fixed by such contracts over such periods, we will not benefit from such lower energy prices.

### Allowance for depreciation, amortization, impairment and provisions

Allowance for depreciation, amortization, impairment and provisions totaled €109.5 million in the financial year ended September 30, 2023, an increase of €13.5 million, or 14.0%, from €96.1 million in the LTM period ended September 30, 2022. During the financial year ended September 30, 2023, the €109.5 million depreciation, amortization and provisions were mainly composed of (i) €105.9 million in net depreciation and amortization of intangible assets, property, plant and equipment, and right-of-use assets and (ii) a €3.6 million provision for inventories.

Depreciation of right-of-use assets for the financial year ended September 30, 2023 and for the LTM period ended September 30, 2022 amounted to €77.2 million and €71.6 million, respectively, with the increase in the financial year ended September 30, 2023, as compared to the LTM period ended September 30, 2022, due to the integration of Agatha and new leases in Italy.

### Other expenses

In the financial year ended September 30, 2023, other expenses totaled €2.0 million, an increase of €0.5 million, or 36.4%, from €1.4 million in the LTM period ended September 30, 2022.

### Other non-recurring operating income

In the financial year ended September 30, 2023, other non-recurring operating income totaled €1.6 million, an increase of €0.4 million, or 31.6% from €1.3 million in the LTM period ended September 30, 2022.

Other non-recurring operating income for the financial year ended September 30, 2023 is composed of (i) €1.2 million regarding a net reversal of impairment on fixed assets at Stroili and (ii) €0.4 million of gains on asset disposals. Other non-recurring operating income for the LTM period ended September 30, 2022 is composed of (i) €0.5 million regarding a net reversal of impairment on fixed assets at Stroili and (ii) €0.6 million of reversal of an unused provision related to work on Sundays.





### Other non-recurring operating expenses

In the financial year ended September 30, 2023, other non-recurring operating expenses totaled €10.5 million, an increase of €6.4 million, or 156.5% from €4.1 million in the LTM period ended September 30, 2022.

Other non-recurring operating expenses for the financial year ended September 30, 2023 are mainly composed of (i) an arbitration settlement of €1.7 million in connection with a dispute regarding the use of the Agatha trademark with a former partner in China with whom Agatha collaborated prior to Agatha's acquisition by the Group, (ii) €1.9 million of pre-opening store expenses, (iii) €1.6 million of losses on asset disposals and (iv) €1.1 million of severance payments. Other non-recurring operating expenses for the LTM period ended September 30, 2022 are mainly composed of (i) €0.9 million of pre-opening store expenses, (ii) €1.2 million of losses on asset disposals and (iii) €0.8 million of severance payments.

### Cost of net financial debt

In the financial year ended September 30, 2023, cost of net financial debt totaled €41.3 million, an increase of €3.0 million, or 7.8% from €38.3 million in the LTM period ended September 30, 2022.

The increase in cost of net financial debt is mainly attributable to a €6.3 million increase in the Senior Secured Notes interest related to the increase of the rate on the floating notes and a €1.3 million increase in the interest expense relating to our Revolving Credit Facility, which was drawn for a longer time in the financial year ended September 30, 2023 compared to the LTM period ended September 30, 2022, partially offset by a €4.6 million hedge income from an interest rate mark-to-market derivative instrument. The Group has a EURIBOR hedge to hedge against increases in interest rates related to the Floating Rate Senior Secured Notes for a total notional amount of €188.0 million as of September 30, 2023, while the remaining amount of our indebtedness under the Floating Rate Senior Secured Notes and the Revolving Credit Facility is not covered by hedging. This includes €0.7 million of premium paid for such EURIBOR hedging contracts related to the Floating Rate Senior Secured Notes that have been recognized on our consolidated balance sheet and have been amortized over the duration of the contracts.

### Other financial income and expenses

In the financial year ended September 30, 2023, other financial income and expenses totaled €24.7 million, a decrease of €1.0 million, or 3.8% from €25.7 million in the LTM period ended September 30, 2022.

The decrease of our other financial expenses is mainly due to a €1.5 million decrease in foreign exchange loss (corresponding to a €1.0m increase of foreign currency exchange expenses, offset by a €2.6 million increase of foreign exchange income) and a €0.5 million decrease in interest expense attributable to lease liabilities, partly offset by a €1.0 million increase in other items of other financial income and expenses.

Total interest on lease liabilities for the financial year ended September 30, 2023 and for the LTM period ended September 30, 2022 amounted to €21.7 million and €22.3 million, respectively.

### Income tax

Income tax expense totaled €44.1 million in the financial year ended September 30, 2023, an increase of €3.5 million, or 8.6%, from €40.6 million in the LTM period ended September 30, 2022. The effective income tax rate was 49.9% and 35.2% for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022, respectively. Despite the decrease of the tax rate in France, the increase in effective tax rate for the financial year ended September 30, 2023 compared to the LTM period ended September 30, 2022 is mainly due to (i) the accounting of withholding tax of €4.4 million (see Note 1.2.3.5 of the Audited Consolidated Financial Statements) in the financial year ended September 30, 2023, (ii) the increase of unused tax loss recorded in the financial year ended September 30, 2023 compared to LTM period ended September 30, 2022 (the Issuer is not the head of the consolidated group for French tax purposes) and (iii) a decrease of deferred tax income, from €3.8 million for the LTM period ended September 30, 2022 to €0.3 million for the financial year ended September 30, 2023.

CVAE decreased by €1.2 million from €2.6 million, in the LTM period ended September 30, 2022 to €1.4 million in the financial year ended September 30, 2023. Such decrease is mainly due to the reduction by half of the CVAE rate as a consequence of the gradual elimination of the CVAE tax over two years. IRAP in Italy increased by €0.5 million in the financial year ended September 30, 2023, as compared to the LTM period ended September 30, 2022.

## Liquidity and Capital Resources

*Cash flow statement and Free Cash Flow*

Our Free Cash Flow is seasonal, with a peak in December after the Christmas season once we have recorded payment for our products sold, and a low point in September to November reflecting inventory build-up ahead of the Christmas season. The main drivers of the seasonality of our Free Cash Flow are Reported EBITDA, change in working capital (mainly trade payables and, to a lesser extent, inventories) and capital expenditure, consisting of openings capital expenditure, maintenance capital expenditure and refurbishment capital expenditure.

*Financial year ended September 30, 2023 compared to the LTM period ended September 30, 2022*

The following table summarizes our cash flow statement, including our Free Cash Flow, for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022. The table is directly derived from our Audited Consolidated Financial Statements included elsewhere in this Annual Report for the periods indicated.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Cash-flow from operating activities | | | | |
| Profit for the period | 74.7 | 44.4 | (30.3) | (40.6)% |
| *Adjustments for:* | | | | |
| Depreciation, amortization and provisions | 96.1 | 109.5 | 13.5 | 14.0% |
| Income tax expense | 40.6 | 44.1 | 3.5 | 8.6% |
| Net financial costs | 64.0 | 66.0 | 2.0 | 3.1% |
| Non-cash items from recurring operating income and expenses | (1.7) | 0.8 | 2.6 | n/a |
| Non-cash items from non-recurring operating income and expenses | (0.6) | 0.1 | 0.7 | n/a |
| Operating cash before changes in working capital and income tax | 273.1 | 265.0 | (8.1) | (3.0)% |
| Change in working capital | (2.6) | (32.3) | (29.7) | n/a |
| Income tax paid | (32.0) | (26.8) | 5.1 | (16.1)% |
| Net cash from / (used in) operating activities | 238.5 | 205.9 | (32.6) | (13.7)% |
| Acquisition of property, plant & equipment, intangible assets | (31.7) | (48.4) | (16.7) | 52.7% |
| Disposal of property, plant & equipment, intangible assets | 0.1 | 0.3 | 0.2 | 310.7% |
| Change in financial assets | 0.1 | (0.9) | (1.0) | n/a |
| Acquisition of subsidiary, net of cash acquired | (0.5) | (2.9) | (2.4) | 476.5% |
| Net cash from / (used in) investing activities | (32.0) | (51.9) | (19.8) | 61.9% |
| Free Cash Flow | 206.5 | 154.0 | (52.4) | (25.4)% |
| Free Cash Flow conversion rate | 74.2% | 56.4% | - | (17.8)pp |
| Dividends paid | (160.6) | (25.0) | 135.6 | (84.4)% |
| Repayment of leasing liability | (60.7) | (67.7) | (7.0) | 11.5% |
| Revolving credit facilities, net of repayment | 22.0 | 8.0 | (14.0) | (63.6)% |
| Interest paid on Senior Secured Notes | (33.8) | (35.2) | (1.4) | 4.1% |
| Interest paid on RCF | (0.9) | (2.1) | (1.2) | 133.6% |
| Interest paid on leasing liability | (22.3) | (21.7) | 0.5 | (2.3)% |
| Other interest paid | (0.4) | (0.2) | 0.2 | (51.5)% |
| Other cash flows used in financing activities | (2.9) | (1.1) | 1.8 | (60.7)% |
| Net cash from / (used in) financing activities | (259.5) | (145.0) | 114.5 | (44.1)% |
| Net increase / (decrease) in cash and cash equivalents | (53.0) | 9.0 | 62.1 | n/a |
| Net cash and cash equivalents at the beginning of the period | 58.8 | 5.7 | (53.0) | (90.3)% |
| Net cash and cash equivalents at the end of the period | 5.7 | 14.7 | 9.0 | 158.3% |





## Net cash from / (used in) operating activities

Net cash from operating activities totaled €205.9 million for the financial year ended September 30, 2023, a decrease of €32.6 million, or 13.7%, as compared to net cash from operating activities of €238.5 million in the LTM period ended September 30, 2022.

*Operating cash before changes in working capital and income tax*

Operating cash before changes in working capital and income tax totaled €265.0 million for the financial year ended September 30, 2023, a decrease of €8.1 million, or 3.0%, as compared to an operating cash before changes in working capital and income tax of €273.1 million in the LTM period ended September 30, 2022. This decrease was primarily due to the non-recurring payments received by the Group in the LTM period ended September 30, 2022 relating to (i) a €4.5 million credit for rent obligations received from landlords in France and Italy related to the COVID-19 lockdown periods during the LTM period ended September 30, 2022 (compared to none in the financial year ended September 30, 2023), (ii) a €3.8 million subsidy for real estate rent obligations received from the French government during the LTM period ended September 30, 2022 (compared to none in the financial year ended September 30, 2023) and (iii) a €3.1 million subsidy received from the German government to support companies who suffered during the COVID-19 pandemic in the LTM period ended September 30, 2022 (compared to none in the financial year ended September 30, 2023).

*Change in working capital*

The decrease in net cash from operating activities in the financial year ended September 30, 2023 as compared to the LTM period ended September 30, 2022 was also due to the negative impact of change in working capital of €32.3 million in the financial year ended September 30, 2023, as compared to a negative impact of change in working capital of €2.6 million in the LTM period ended September 30, 2022.

The following table summarize our working capital drivers for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022.

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| (Increase) / Decrease of inventories | (46.2) | (29.9) | 16.3 | (35.3)% |
| (Increase) / Decrease of trade receivables | (3.1) | 1.0 | 4.2 | (132.2)% |
| Increase / (Decrease) of trade payables (excluding capital expenditure trade payables) | 39.0 | (16.3) | (55.3) | (141.9)% |
| Change in Trade Working Capital[a] | (10.4) | (45.2) | (34.8) | 336.5% |
| Change in Non-Trade Working Capital | 7.7 | 12.9 | 5.2 | 67.2% |
| Change in Working Capital as per cash flow statement | (2.6) | (32.3) | (29.7) | 1,128.4% |

*(a) Trade Working Capital corresponds to inventories, trade receivables, less trade payables (excluding capital expenditure trade payables).*

Total change in working capital had a negative impact of €32.3 million in the financial year ended September 30, 2023 compared to a negative impact of €2.6 million in the LTM period ended September 30, 2022, primarily attribuable to an increase in inventories and a decrease in trade payables partly offset by a positive impact of the change in non-trade working capital.

In the financial year ended September 30, 2023, inventories increased by €29.9 million as compared to the LTM period ended September 30, 2022, driven by a gold inventory build-up in relation to our hedging strategy, which led to an increase of €15.6 million in physical gold inventory (including an opportunistic purchase of €14.3 million in June 2023), and an increase in finished goods inventory driven by the enhancement of our product range offer combined with an increase in activity.

In the financial year ended September 30, 2023, trade payables decreased by €16.3 million driven by (i) a €2.3 million payment of overdue rent invoices from the LTM period ended September 30, 2022 and (ii) the impact of inventory build up at the end of the LTM period ended September 30, 2022 (for which trade payables were paid at the beginning of the financial year ended September 30, 2023).

In the financial year ended September 30, 2023, the non-trade working capital had a positive cash impact of €12.9 million mainly related to higher personnel-related liabilities, whereas in the LTM period ended September 30, 2022, the positive impact of non-trade working capital was mainly due to the receipt of €10.0 million of COVID-19 subsidies.

*Income tax paid*

Our income tax payments decreased by €5.1 million to €26.8 million in the financial year ended September 30, 2023 as compared to the LTM period ended September 30, 2022, mainly driven by the decrease in taxable profit.

### Net cash from / (used in) investing activities

Net cash used in investing activities totaled €51.9 million for the financial year ended September 30, 2023, an increase of €19.8 million, or 61.9%, as compared to a net cash used in investing activities of €32.0 million in the LTM period ended September 30, 2022. This increase was mainly driven by the maintenance and refurbishment of our stores, as well as the opening of new stores.

We benefit from low maintenance capital expenditure requirements, which give us flexibility to maintain our free cash flow. We generally perform a full refurbishment of our mid to top contributive stores once every 12 to 15 years.

The following table provides the detail of our capital expenditure for the financial year ended September 30, 2023 and the LTM period ended September 30, 2022:

| | LTM period ended September 30, 2022 | Financial year ended September 30, 2023 | Variations | |
|---|---|---|---|---|
| | | | in € million | in % |
| Openings capital expenditure[a] | (3.4) | (6.3) | (2.9) | 87.2% |
| Maintenance capital expenditure[b] | (9.4) | (12.2) | (2.8) | 29.4% |
| Refurbishment capital expenditure[c] | (7.2) | (12.9) | (5.7) | 79.8% |
| Store capital expenditure | (19.9) | (31.4) | (11.4) | 57.3% |
| SAP and IT related projects[d] | (13.2) | (14.3) | (1.2) | 8.9% |
| Logistics | (0.4) | (0.4) | (0.0) | 8.6% |
| Other corporate capital expenditure | (3.7) | (3.4) | 0.3 | (8.5)% |
| Corporate capital expenditure | (17.2) | (18.1) | (0.9) | 5.1% |
| Change in capital expenditure working capital[e] | 5.5 | 1.1 | (4.4) | (80.1)% |
| Acquisition of property, plant & equipment and intangible assets (i.e. capital expenditure) | (31.7) | (48.4) | (16.7) | 52.8% |

*(a) Openings capital expenditure represents capital expenditures required to open new directly operated stores, plus leasehold right payments to former leaseholder following IFRS accounting standards, less amounts paid up-front by the landlord. The amount of expenses incurred prior to the commercial opening (pre-opening costs) are accounted for as other non-recurring operating expenses under IFRS.*
*(b) Maintenance capital expenditure represents capital expenditures to maintain over the long term the operating capacity of directly operated stores in their existing form without any concept improvement.*
*(c) Refurbishment capital expenditure represents capital expenditures to improve assets beyond their original benefit. Potential amounts paid up-front by the landlord to cover part of the refurbishment are accounted for as other incomes. The amount of expenses incurred during store closure (pre-opening costs) are accounted for as other non-recurring operating expenses under IFRS.*
*(d) SAP and IT related projects mainly refers to the Shine 2020 project to migrate our enterprise resource planning (ERP) to Systems Applications and Products (SAP) and overhaul our IT infrastructure. The initial phase of the migration was successfully implemented in Germany on October 1, 2020. We expect to complete the installation of upgraded systems in Germany in the first half of 2024. We are continuing to work on the migration in France, Italy and the Rest of the World, with completion expected by 2026. We have invested a significant amount of resources in connection with this migration and the management of SAP is done in-house.*
*(e) Change in capital expenditure working capital represents changes in trade payables related to investment.*

Total capital expenditure amounted to €48.4 million in the financial year ended September 30, 2023, an increase of €16.7 million, or 52.8%, as compared to €31.7 million in the LTM period ended September 30, 2022, primarily attributable to (i) a higher rate of store refurbishments following the COVID-19 pandemic, including a plan in Italy to renovate Stroili stores with the new store concept (62 Stroili stores refurbished in Italy in the financial year ended September 30, 2023 compared to 19 in the LTM period ended September 30, 2022) and (ii) an increase in expansion work (we opened 27 stores in the financial year ended September 30, 2023 compared to 9 stores in the LTM period ended September 30, 2022).

The negative impact of €2.9 million related to acquisition of subsidiary, net of cash acquired was mainly due to the consolidation of Agatha following the acquisition of its remaining shares by the Group in the financial year ended September 30, 2023.





### Free Cash Flow

Total free cash flow totaled €154.0 million in the financial year ended September 30, 2023, a decrease of €52.4 million, or 25.4%, from €206.5 million in the LTM period ended September 30, 2022. This decrease was mainly due to variations in net cash flows from operating activities and net cash flows used in investing activities, as discussed above.

### Net cash flows from / (used in) financing activities

Net cash used in financing activities totaled €145.0 million for the financial year ended September 30, 2023, a decrease of €114.5 million, or 44.1%, as compared to a net cash used in financing activities of €259.5 million in the LTM period ended September 30, 2022, mainly due to the €135.6 million decrease in dividends paid in the financial year ended September 30, 2023 (€25.0 million), as compared to the LTM period ended September 30, 2022 (€160.6 million). In the LTM period ended September 30, 2022, €60.0 million of the dividends paid were used for the partial repayment of the Topco vendor loans. For the financial year ended September 30, 2023, the €25.0 million dividend was used for the partial repayment of the Topco vendor loans.

### Off-Balance Sheet Arrangements

We are party to various customary off-balance sheet arrangements. As of September 30, 2023, they included:

- Bank guarantees (collateral security or guarantee on first demand) in favor of certain lessors and suppliers totaling €18.2 million, including €3.7 million in France, €12.1 million in Italy, €1.0 million in Belgium and €1.4 million in Germany.
- Corporate guarantee given by the Issuer to the COFACE (French credit insurance) on behalf of its subsidiaries for a total amount of € 6.0 million.
- Commitments received: As of September 30, 2023, the Group had a €90.0 million Revolving Credit Facility of which €60.0 million remains undrawn, as well as bank overdraft facilities for a total of €34.0 million of which €6.5 million was outstanding. All amounts outstanding under the Revolving Credit Facility and the overdraft facilities were repaid in full in December 2023.

### Contractual Obligations and Commercial Commitments

As of September 30, 2023, the commitments and payments that the Issuer and its subsidiaries are committed to make (excluding commitments to our suppliers), including under their debt instruments, are as set out in the table below. The information presented in the table below reflects management's estimates of the contractual maturities of their obligations. These maturities may differ significantly from the actual maturity of these obligations.

| | Expected cash payments falling due in the year ending September 30 | | | | | |
|---|---|---|---|---|---|---|
| *in € million* | Total | 2024 | 2025 | 2026 | 2027 | 2028 and thereafter |
| Senior Secured Notes[1] | 620.0 | - | - | 620 | - | - |
| Long-term leases included in other financial liabilities (undiscounted) | 334.6 | 89.9 | 70.9 | 61.2 | 49.2 | 63.4 |
| Bank overdrafts[2] | 6.5 | 6.5 | - | - | - | - |
| Other loans | 4.6 | 1.0 | 1.1 | 1.2 | 1.2 | 0.1 |
| Revolving Credit Facility[3] | 30.0 | 30.0 | - | - | - | - |
| **Total** | **995.7** | **127.4** | **72.0** | **2.4** | **50.4** | **63.5** |

*(1) The total amount of Senior Secured Notes does not include interest payments on the Senior Secured Notes.*
*(2) The bank overdrafts were repaid in full in December 2023.*
*(3) The Revolving Credit Facility have a total available commitment of €90 million and the Revolving Credit Facility has been repaid in full on December 27, 2023.*

### Qualitative and Quantitative Disclosures About Market Risks

We are exposed to market risk primarily due to changes in foreign currency exchange rates and, to a lesser extent, in commodity prices and interest rates. In certain situations, we seek to reduce earnings and cash flow volatility associated with fluctuations in foreign currency exchange rates and commodity prices by entering into financial arrangements to hedge against a portion of the risks associated with such volatility. We do not use derivatives for trading or speculative purposes.

### Foreign currency exchange rate risk

Our functional currency for sales and costs (other than cost of goods sold) is euro. We have limited foreign currency exposure, principally derived from purchases from certain suppliers which are conducted in U.S. dollars. Approximately 19.1% of our costs of goods sold were denominated in U.S. dollars in the financial year ended September 30, 2023. We have historically been able to pass on to final customers any foreign effect impact. We also hedge U.S. dollar foreign exchange rate risks via forwards and collars. As of September 30, 2023, $107.0 million in notional amount of forwards and collars with maturities between September 2023 and September 2024 were contracted. Historically, we hedge through forwards and collars nearly all of our anticipated purchases denominated in U.S. dollars for one year.

### Commodity price risk

We are subject to commodity price risk associated with changes in the prices of gold, silver and diamonds and, to a lesser extent, other precious and semi-precious stones, through our purchase of precious jewelry. Although we do not generally directly purchase the metals and other components of the jewelry we sell, price increases and availability of gold, silver, diamonds and other precious metals are reflected in the manufacturing and assembling prices that we pay to our suppliers. Variations in gold prices have a greater impact than variations in the prices of other commodities, as the proportion of the price of gold to the total price that we pay for a given piece of gold jewelry is much higher than the proportion of the price of the metals and other components used to the total price of other jewelry items. We adjust our activities through our gold repurchase and exchange program based on our hedging needs. In addition, we adjust our gold inventory (totaling 20,256 ounces or €36.7 million at the end of September 30, 2023) as a physical hedge against fluctuations in the price of gold. Our gold inventory is held by melters as well as at deposit-taking institutions, with a limited inventory held in our stores. In the financial year ended September 30, 2023, gold-based products accounted for 56.2% of our purchases by cost.

In addition, to hedge our exposure to fluctuations in the price of gold, we may also enter derivative financial instruments, such as synthetic swaps and calls, if the gold rate was to deteriorate.

### Interest rate risk

Euribor hedge, related to the Floating Rate Senior Secured Notes (FRN) and to the new RCF, refinanced in February 2021, for a total of €18.3 million as of September 30, 2022, is now at Goldstory S.A.S level, the 100% shareholder of Thom Group S.A.S. This includes €0.9 million of premium paid for caps and used hedging EURIBOR interest rates related to the FRN and RCF, that have been recognized on balance sheet and amortized over the duration of the contracts.

The majority of our cash and cash equivalents have generally been invested in fixed rate instruments such as short-term deposits or certificates of deposit.

### Credit and counterparty risk

Credit risk is the risk that one party to a financial liability will cause a loss for the other party by defaulting on its obligations. Our credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to suppliers or wholesale customers, including outstanding receivables and committed transactions. Sales to retail customers are made in cash, checks, gift cards or through third-party credit cards and debit cards.

### Liquidity risk

We closely monitor liquidity risk for the Group as a whole and for each of our subsidiaries by means of the implementation and regular review of the Group financial reporting procedures. We analyze the





contractual obligations relating to loans and borrowings in terms of interest payable and the Group commitments arising from the interest rate derivatives recognized under balance sheet assets and liabilities.

Expected future cash flows are calculated on the basis of the remaining contractual maturities of the associated financial liabilities. Future floating interest rate payments are set on the basis of the most recent coupon for the current period and on the basis of the rates applicable at the reporting date for cash flows relating to future dates. Net interest paid or received on swaps is determined in accordance with the same principles.

### Selected Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements requires management at the Group and division levels to use judgments, estimates and assumptions, including expectations of future events, which affect the reported amounts of certain financial statement line items.

These assessments and estimates are reviewed at each reporting date and the underlying assumptions are adjusted, where appropriate, based on actual results, experience and any other relevant factors given the economic circumstances. The effects of such adjustments are recognized when made.

The items reported in the Group's future consolidated financial statements may differ from current estimates due to changes in the assumptions made and economic circumstances at the reporting date.

The main assumptions relating to future events and other sources of estimation uncertainty at the reporting date that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are presented below.

### Impairment of non-financial assets

Goodwill and intangible assets arise in connection with acquisitions. We do not amortize goodwill and intangible assets with indefinite lives. Intangible assets with finite lives are amortized on a straight-line basis over the assets' respective useful lives. Goodwill is tested for impairment at least annually, at year-end. Goodwill is allocated to cash-generating units ("CGU") by region for impairment testing purposes. An impairment loss is recognized when the recoverable amount of a CGU is estimated to be less than its carrying amount. The recoverable amount of the CGU is the higher of its net selling price (fair value less costs to sell) or its value-in-use. Value-in-use is assessed based on estimated future cash flows discounted to their present value. The outcome of such an assessment is subjective, and the result sensitive to the assumed future cash-flows to be generated by the CGU or assets and discount rates applied in calculating the value-in-use. Any impairment arising is charged to the income statement tangible assets.

### Employee defined benefit plans

Defined benefit plans require the Group to provide agreed benefits to active and former employees and their dependents. The corresponding obligations are measured using the Projected Unit Credit Method by means of economic and demographic actuarial assumptions.

### Provisions

Provisions covers liabilities with an uncertain due date and of an uncertain amount, resulting from loyalty programs, litigation and other risks. A provision is recognized whenever we have a contractual, legal or implied obligation arising from a past event and when future cash disbursements can be reliably estimated. Liabilities resulting from restructuring plans are recognized when an obligation exists, the detailed plans are finalized and it is reasonably expected that they will be implemented.

### Taxes

Deferred tax assets relating to tax losses carried forward are recognized to the extent of the following two criteria: (i) the net amount of deferred tax liabilities for temporary differences and (ii) the probability that future taxable profit will be available against which the benefits of the tax losses can be utilized. To determine the amount of deferred tax assets to be recognized, management is required to estimate the amount and probability of future taxable profit.

# Description of certain related party transactions

In the course of our ordinary business activities, we regularly enter into agreements with or render services to related parties. In turn, such related parties may render services or deliver goods to us as part of their business. Purchase and supply agreements between subsidiaries and affiliated companies and with associated companies or shareholders of such associated companies are entered into on a regular basis within the ordinary course of business.

We believe that all transactions with affiliated companies and persons with which members of the Supervisory Board of Topco are affiliated are negotiated and conducted on a basis equivalent to that which would have been achievable on an arm's-length basis, and that the terms of these transactions are comparable to those currently contracted with unrelated third-party suppliers, manufacturers and service providers. In addition to the foregoing ordinary course transactions, we have also entered into the following transactions with related parties:

## Intercompany Loan

In connection with the 2021 Acquisition, the Issuer acquired (i) all convertible bonds (the "**CBs**") issued by Thom Group to certain Group entities (no longer existing) and (ii) certain preferred equity certificates (the "**PECs**") issued by certain Group entities (no longer existing) to Bridgepoint for a total purchase price of €199.9 million. Simultaneously, the CBs and PECs became payable and were ultimately converted into an intercompany loan for €199.9 million between the Issuer (as lender) and Thom Group (as borrower) (the "**Intercompany Loan**").

Following Thom Group's issuance of 1,347,081,185 class 4 preferred shares with a nominal value of €0.07 each to the Issuer on September 24, 2021, the intercompany loan was reduced by €175 million and as of September 30, 2023 there was €24.9 million aggregate principal amount outstanding under the Intercompany Loan.

## Contracts for the Provision of Advisory Services

In the ordinary course of business, on July 1, 2021 and July 1, 2017, we entered into contracts with Belmonte & Associés SPRL and Belmonte & Co. Limited, respectively, (for a period of one year, both renewable at the end of their terms) for advisory services pertaining to development strategies, sourcing and purchasing and supplier relationships. Eric Belmonte, the former Chairman of the supervisory board of Thom Group (the supervisory board of the Group prior to the 2021 Acquisition) and the current Chairman of the Supervisory Board of Topco, is a director of Belmonte & Associés SPRL and a manager of Belmonte & Co. Limited. The contract with Belmonte & Associés SPRL was amended and restated on October 19, 2020 and on April, 14, 2022.

On June 1, 2016, we entered into a contract with Chantrel Invest S.A.S. (as amended during the financial year ending September 30, 2021), for a period of one year, renewable at the end of its term, for the provision of advisory services to assist the Supervisory Board of Thom Group and chairmanship of the audit committee of the Supervisory Board. Jean-Pierre Chantrel, a member of the Supervisory Board of Topco and the Chairman of Thom Group, is the sole director of Chantrel Invest S.A.S.

On June 27, 2023, we entered into a contract with RPC S.A.S for services for a period of one year, renewable at the end of its term, with retroactive effect from August 1, 2022, for the provision of specific retail expertise services for Timeway France and Timeway Italy including advice on growth and development strategies, governance and mergers and acquisitions strategies. Romain Peninque, President of the Issuer, is the sole director of RPC S.A.S.

On June 27, 2023, we entered into a contract with FDA Conseil S.A.S. for a period of one year, renewable at the end of its term, with retroactive effect from February 24, 2023, for the provision of advisory services relating to the development of omnichannel distribution, governance of the Group's omnichannel organisation and digitalization. Flavien d'Audiffret, Chief Executive Officer of the Group, is the sole owner of FDA Conseil S.A.S.





# Related party bond purchases

## Public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

| Name | Jean Pierre Chantrel | Eric Belmonte | Maurice Tchenio |
|---|---|---|---|
| **Description of financial instrument, type of instrument** | Obligation GOLDSTORY 5.375% 21 - 01/03/26 | Obligation GOLDSTORY 5.375% 21 - 01/03/26 | Obligation GOLDSTORY 5.375% 21 - 01/03/26 |
| **Identification code** | XS2294854745 | XS2294854745 | XS2294854745 |
| **Type of transaction** | Purchase | Purchase | Purchase |
| **Position** | Chairman of the audit Committee and Shareholder | Chairman of the supervisory board and Shareholder | Vice-chairman of the supervisory board and Shareholder |
| **Transaction date** | 17/12/21 | 13/04/22 | 05/07/22 |
| **Price** | 102.1% | 99.7% | 87.3% |
| **Volume(s) (Quotities)** | **4 of €100,000** | **10 of €100,000** | **40 of €100,000** |
| **Transaction date** | 26/07/22 | 30/06/22 | 06/07/22 |
| **Price** | 92.7% | 85.4% | 86.8% |
| **Volume(s) (Quotities)** | **5 of €100,000** | **10 of €100,000** | **6 of €100,000** |
| **Transaction date** | 08/09/22 | | 31/08/22 |
| **Price** | 90.0% | | 90.5% |
| **Volume(s) (Quotities)** | **3 of €100,000** | | **50 of €100,000** |
| **Transaction date** | | | 01/09/22 |
| **Price** | | | 90.4% |
| **Volume(s) (Quotities)** | | | **60 of €100,000** |

# Description of certain indebtedness

**The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.**

## Revolving Credit Facility Agreement

### Overview and Structure

On January 23, 2021, the Issuer entered into a €90.0 million super senior revolving credit facility agreement (the "**Revolving Credit Facility Agreement**") with, inter alios, Midco, J.P. Morgan AG, BNP Paribas S.A., ING Bank N.V., acting through its French Branch, and Société Générale S.A., as mandated lead arrangers, J.P. Morgan Chase Bank N.A., Paris Branch, BNP Paribas S.A., ING Bank N.V., acting through its French Branch, and Société Générale S.A., as original lenders, J.P. Morgan AG as agent (the "**Agent**") and BNY Mellon Corporate Trustee Services Limited as security agent. The Company and certain other subsidiaries subsequently acceded to the Revolving Credit Facility Agreement as additional Guarantors.

The facility documented under the Revolving Credit Facility Agreement (the "**Revolving Credit Facility**") may be utilized by any current or future borrower (or by the Issuer on its behalf) under the Revolving Credit Facility Agreement in euro, U.S. dollars, pound sterling or any other readily available currency approved by all of the lenders. The facility may be utilized by the drawing of cash advances or the issue of letters of credit (by one or more lenders that has agreed to be an issuing bank) or by way of ancillary facilities. The Revolving Credit Facility may be applied towards financing or refinancing, directly or indirectly, the general corporate and working capital purposes of the Restricted Group (defined as the Issuer and its restricted subsidiaries), including to finance or refinance acquisitions, capital expenditures and investments.

The Revolving Credit Facility was available from and including February 26, 2021 and including the date falling one month prior to the date falling 54 months after February 26, 2021.

### Interest and Fees

Loans under the Revolving Credit Facility Agreement bear interest at rates per annum equal to EURIBOR or, for loans denominated in U.S. dollars, pound sterling or certain other currencies approved by the Agent, acting on the instructions of all the lenders, LIBOR, plus a margin of 3.50% per annum. The margin can be adjusted under certain conditions, including by reference to a leverage- based step-down mechanism.

Default interest will be calculated as an additional 1% per annum on the overdue amount.

A commitment fee in euro computed at the rate of 30% of the margin on each lender's commitment (minus its participation in any amounts drawn under the Revolving Credit Facility) accrued from February 26, 2021 and is payable by the Issuer.

The commitment fee is payable quarterly in arrears, on the last day of availability of the Revolving Credit Facility and on the cancelled amount of the relevant lender's commitment at the time the cancellation is effective.

The Issuer is also required to pay customary agency fees to the Agent and the security agent and an arrangement fee to the arrangers in connection with the Revolving Credit Facility.

### Repayments

Each advance will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date. All outstanding amounts under the Revolving Credit Facility will be repaid on the termination date, which is the date falling 54 months after February 26, 2021. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be reborrowed during the availability period of the facility, subject to certain conditions.

### Voluntary and Mandatory Prepayments

The Revolving Credit Facility Agreement allows for voluntary prepayments or permanent cancellations of the available commitments under the Revolving Credit Facility (subject to de minimis amounts). In addition, in the event of a Change of Control (defined to include among others, all instances of "Change of Control" under the Indenture) that constitutes a sale of all or substantially all of the assets of the Restricted Group, whether in a single transaction or a series of related transactions, the Revolving Credit Facility will be cancelled and all amounts outstanding under the Revolving Credit Facility Agreement will become immediately due and payable. Upon the occurrence of any other type of Change of Control, the Revolving Credit Facility Agreement permits each lender to require the mandatory prepayment of all amounts due to that lender.

### Guarantees

The Revolving Credit Facility is guaranteed by the same guarantors as the Notes. Additionally, the Issuer provides a senior guarantee of all amounts payable by the obligors to the finance parties under the Revolving Credit Facility Agreement as from the Acquisition Completion Date. The guarantee provided by the Company is capped at the amount of any drawdown proceeds loan made available by the Issuer or any other borrower to the Company or its subsidiaries.

The Revolving Credit Facility Agreement requires that the Issuer must ensure that at all times after the date falling 120 days after February 26, 2021 (subject to the Agreed Security Principles and applicable guarantee limitations) all Material Companies (which definition includes, among other things, any member of the Restricted Group that has earnings before interest, tax, depreciation and amortization representing 5% or more of consolidated EBITDA that is or becomes a member of the Restricted Group), all parent companies of Material Companies that are members of the Restricted Group (other than any parent company of the Issuer), all borrowers (and parent companies of a borrower that are members of the Restricted Group) and any member of the Restricted Group that is or becomes a borrower, an issuer or a guarantor in respect of any Senior Secured Notes or any other Senior Secured Notes Liabilities (each as defined in the Intercreditor Agreement) (and parent companies of each such entity that are members of the Restricted Group) are guarantors under the Revolving Credit Facility Agreement (in the case of any member of the Restricted Group that is or becomes a borrower, an issuer or a guarantor in respect of any Senior Secured Notes or any other Senior Secured Notes Liabilities, prior to or simultaneously with becoming guarantors in respect of such Senior Secured Notes or, as the case may be, such other Senior Secured Notes Liabilities) and grant such security as the Agent may require within the time period specified therein.

Furthermore, the Issuer will ensure that at all times (subject to the Agreed Security Principles and other exceptions contained in the Revolving Credit Facility Agreement) the Guarantors represent not less than 80% of consolidated EBITDA calculated by reference to the most recently delivered set of annual financial statements of the Issuer (subject to certain exceptions).

### Security

The Revolving Credit Facility is secured by the same collateral as the Notes. However, holders of the Notes will receive proceeds from enforcement of such collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Revolving Credit Facility and certain hedging obligations, have been repaid in full.

### Representations and Warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties (subject to certain exceptions and qualifications and with certain representations and warranties being repeated at specified times after the Acquisition Completion Date), including status, binding obligations, non-conflict with other obligations, power and authority, validity and admissibility in evidence, accounting reference date, governing law and enforcement, insolvency, no filing or stamp taxes, no default, no misleading information, financial statements, no proceedings pending or threatened, no breach of laws, environmental laws, taxation, security and indebtedness, ranking, good title to assets, shares and legal and beneficial ownership, intellectual property, group structure chart, U.S. margin regulations, center of main interests and establishments, pensions, holding companies, sanctions, anti-corruption laws and deduction of tax.

### Undertakings

The Revolving Credit Facility Agreement contains certain of the incurrence covenants and related definitions (with certain adjustments and exceptions) that will be set forth in the Indenture. In addition, the Revolving Credit Facility Agreement contains a springing financial covenant that will apply whenever the aggregate of all outstanding utilizations (excluding any utilizations by way of Letters of Credit (or bank guarantees) and any utilization of an Ancillary Facility other than, in each case, by way of cash drawing) made by the borrowers is greater than 40% of the total commitments available under the Revolving Credit Facility at that time (the "**Revolving Test Condition**") (see "— Financial Covenant").

The Revolving Credit Facility Agreement also contains a "notes purchase condition" covenant.

Subject to certain exceptions, the Issuer may not, and will procure that no other member of the Restricted Group will, repay, prepay, purchase, defease (or otherwise retire for value), redeem or otherwise directly or indirectly acquire the principal amount of any Senior Secured Notes (including the Notes) (or, in each case, any replacement or refinancing thereof as permitted under the Revolving Credit Facility Agreement from time to time) or offer to do so. The exceptions to such covenant include (among other things) payments that do not exceed 50% of the aggregate original principal amount of the Senior Secured Notes as of February 26, 2021 or, to the extent such payments exceed 50% of the aggregate original principal amount of Senior Secured Notes as of the Acquisition Completion Date (the "**notes purchase excess**"), where commitments under the Revolving Credit Facility are cancelled pro rata by the amount of the notes purchase excess.

The Revolving Credit Facility Agreement also requires certain members of the Restricted Group to observe certain affirmative and negative undertakings, including but not limited to undertakings relating to maintenance of guarantor coverage subject to the Agreed Security Principles, restrictive covenants, further assurances, maintenance of authorizations, compliance with laws, sanctions/ anti- corruption and certain U.S. Federal Reserve regulations, taxation, change of business, restrictions on holding companies, preservation of assets, acquisitions, *Pari Passu* ranking, insurance, pensions, access, intellectual property, no change of center of main interest, designation of unrestricted subsidiaries and center of main interests, environmental undertaking, note documents and super senior indebtedness.

The Revolving Credit Facility contains an information undertaking under which, among other things, the Issuer will be required to deliver to the Agent annual financial statements, quarterly financial statements, compliance certificates and an annual budget. The Revolving Credit Facility Agreement provides that the Issuer can satisfy its reporting obligations by delivering the corresponding consolidated financial reports of the Company or any parent entity of the Issuer, together with a concise description of any material differences that exist between the financial condition of the Issuer and that of the reporting entity selected by the Issuer.

## Financial Covenant

The Revolving Credit Facility Agreement requires the Issuer to ensure that the Consolidated Net Senior Secured Leverage Ratio (as defined in the Revolving Credit Facility Agreement) in respect of any 12-month period ending on the last day of each fiscal quarter from and including the first quarter date falling at least 6 months after February 26, 2021, shall not be greater than 7.2:1 if, on the last day of any fiscal quarter, the Revolving Test Condition is met at that time.

The Issuer is permitted to prevent or cure breaches of the financial covenant by, among other things, applying any cure amount (being amounts received by the Issuer in cash pursuant to any new equity or permitted shareholder loan) (an "**Equity Injection**") to, at the option of the Issuer, (i) increase consolidated EBITDA or reduce total net debt for the day immediately prior to the testing date and as relates to the EBITDA cure for the purposes of the three testing dates that immediately follow such testing date and as relates to the net debt cure for the purposes of the relevant immediately preceding quarter date or (ii) prepay the outstanding amount under the Revolving Credit Facility Agreement, in each case in accordance with the conditions set out therein. No more than three Equity Injections may be taken into account during the term of the Revolving Credit Facility and not in consecutive quarters.

## Events of Default

In addition, the Revolving Credit Facility Agreement contains, among others, events of default equivalent to those contained in the Indenture, plus the following events of default (subject in certain cases to customary grace periods, materiality thresholds and exceptions):

- non-payment;
- breach of the financial covenant (subject to equity injection rights);
- breach of other obligations;
- misrepresentation;
- cross-default on financial indebtedness (subject to a €30,000,000 threshold);
- occurrence of an event of default in relation to any Senior Secured Notes (including the Notes);
- cessation of business;
- unlawfulness and invalidity;
- breach of the terms of the Intercreditor Agreement by any member of the Restricted Group or Midco;
- audit qualification;
- expropriation;
- repudiation and rescission of agreements;
- litigation;
- the occurrence of an event or circumstance which has a material adverse effect; and
- minimum share capital requirement in respect of an Italian obligor.

The Revolving Credit Facility Agreement provides for a clean-up period with respect to any person or business that is the subject of an acquisition (including the Company and its subsidiaries in connection with the Acquisition). During any such clean-up period, subject to certain conditions and with the exception of certain matters relating to sanctions and anti-corruption laws, breaches of a representation or warranty, certain breaches of covenants and events that constitute a default or an event of default under the Revolving Credit Facility Agreement will be deemed not to have occurred. Clean-up periods will terminate on the date falling 120 days after the closing date of the applicable acquisition, including the Acquisition Completion Date in connection with the Acquisition.

## Governing Law

The Revolving Credit Facility Agreement is governed by and will be construed in accordance with English law, although certain covenants and certain events of default, which are included in the Revolving Credit Facility Agreement and largely replicate those contained in the Indenture, will be interpreted in accordance with New York law (without prejudice to the fact that the Revolving Credit Facility Agreement is governed by English law).

## Intercreditor Agreement

In connection with entering into the Revolving Credit Facility Agreement and the Indenture, the Issuer, Midco (the "**Parent**") and certain other subsidiaries of the Issuer and certain other entities entered into the Intercreditor Agreement to govern the relationships and relative priorities among: (i) the lenders under the Revolving Credit Facility (the "**Revolving Lenders**"); (ii) any persons that accede to the Intercreditor Agreement as counterparties to certain hedging agreements (the "**Hedge Counterparties**"); (iii) any Senior Secured Notes Trustee, on its own behalf and on behalf of the holders of Senior Secured Notes (as such term is defined in the Intercreditor Agreement) (the "**Senior Secured Noteholders**"); (iv) certain intragroup creditors and debtors; and (v) certain direct or indirect shareholders of the Issuer in respect of certain debt that the Issuer has incurred or may incur in the future (including any subordinated shareholder loans).

In this description: "**Debt Documents**" means each of:

- the Intercreditor Agreement;
- at the option of the Issuer, any master agreement, confirmation, schedule, spot or forward delivery foreign exchange contract or other agreement entered into by a Debtor and a Hedge Counterparty for the purposes of hedging any interest rate, foreign exchange or other exposures (the "**Hedging Agreements**");
- the Finance Documents (as defined under the Revolving Credit Facility Agreement) or, upon the final discharge of the Revolving Creditor Liabilities and if designated as a "Finance Document" or equivalent, each document relating to indebtedness permitted by the Debt Documents with the same priority and payment and security ranking as the Revolving Creditor Liabilities (the "**Revolving Facility Agreements**" and, together with the Finance Documents, the "**Revolving Facility Documents**");
- the Indenture and any other indenture, agreement, document or instrument pursuant to which the Senior Secured Notes are issued (or any guarantees therefore are given) in accordance with the Intercreditor Agreement (each, a "**Senior Secured Notes Indenture**"), any Transaction Security or guarantees for the benefit of the Senior Secured Notes Liabilities and the Intercreditor Agreement (the "**Senior Secured Notes Finance Documents**");
- the *Pari Passu* Debt Documents;
- any indenture, agreement, document or instrument pursuant to which the Senior Notes are issued (or any guarantees therefor are given) in accordance with the Intercreditor Agreement (a "**Senior Notes Indenture**"), any Transaction Security Documents (to the extent creating Senior Notes Shared Security) or guarantees for the benefit of the Senior Notes Liabilities and the Intercreditor Agreement (the **"Senior Notes Finance Documents**");
- any document entered into in connection with any Senior Notes Proceeds Loan (a "**Senior Notes Proceeds Loan Agreement**");
- the Transaction Security Documents and any other document entered into at any time by any of the Debtors or Security Providers (as the case may be) creating any guarantee, indemnity, security or other assurance against financial loss in favor of any of the Secured Parties as security for any of the secured obligations and any security granted by a member of the Group to the Secured Parties under any covenant for further assurance in any of such documents (collectively, the "**Security Documents**"); and
- any agreement evidencing the terms of the Intra-Group Liabilities or Subordinated Liabilities, (each capitalized term as defined below) and any other document designated as such by the Security Agent and the Issuer;
- "**Group**" refers to the Issuer and its restricted subsidiaries from time to time;
- "**Investment Instruments**" refers to shares of any class, warrants, loans, bonds or other equity or debt instruments (including preferred equity certificates and convertible preferred equity

certificates) issued by an entity (including, without limitation, any Senior Notes Proceeds Loan Agreement);

- "**Senior Notes Proceeds Loan**" means any loan made by a Senior Notes Issuer for the purposes of lending directly the proceeds of any Senior Notes (together with any additional or replacement loan);
- the Issuer and any other member of the Group that becomes a party to the Intercreditor Agreement as a Debtor is referred to as a "**Debtor**" and are collectively referred to as the "**Debtors**;" and
- the Parent and any person which becomes a party to the Intercreditor Agreement as a Security Provider is referred to as a "**Security Provider**" and are collectively referred to as the "**Security Providers**".

Unless defined elsewhere in this section, all capitalized terms are given the same definition as in the Intercreditor Agreement.

The Intercreditor Agreement sets forth:

- the relative ranking of certain indebtedness and liabilities or obligations of the Debtors and the Security Providers; provided that in respect of any Security Provider, any such liabilities or obligations will only be in connection with the granting of Security under the Debt Documents, other than to the extent that a Security Provider has expressly assumed any borrowing or guarantee liabilities;
- the relative ranking of certain security granted by the Debtors and the Security Providers;
- when payments can be made in respect of certain indebtedness and liabilities or obligations of the Debtors and the Security Providers; provided that in respect of any Security Provider, any such liabilities or obligations will only be in connection with the granting of Security under the Debt Documents, other than to the extent that a Security Provider has expressly assumed any borrowing or guarantee liabilities;
- when enforcement actions can be taken in respect of that indebtedness and liabilities or obligations;
- the terms pursuant to which that indebtedness and liabilities or obligations will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions; and
- when security and guarantees will be released to permit a sale or disposal of, or foreclosure in respect of, any assets subject to transaction security (such assets, the "**Charged Property**", such security, the "**Transaction Security**" and the documents creating or evidencing such security, the "**Transaction Security Documents**").

The Intercreditor Agreement contains provisions relating to future indebtedness that may be incurred by the Debtors (that is not subordinated in right of payment to any Super Senior Liabilities or Senior Secured Notes Liabilities (each as defined below)) in respect of any loan, credit or debt facility, notes, indenture or security which are permitted or not prohibited, under the terms of the Senior Secured Notes Finance Documents, the *Pari Passu* Debt Documents (as defined below) and the Revolving Facility Documents, to share in the Transaction Security with the rights and obligations of *Pari Passu* creditors as provided for in the Intercreditor Agreement (such indebtedness being the "***Pari Passu* Debt**", the creditors and creditor representatives in respect of such indebtedness being the "***Pari Passu* Creditors**", the liabilities or obligations of the Debtors and (only to the extent that they have expressly assumed any such liabilities or obligations) the Security Providers in respect of such indebtedness being the "***Pari Passu* Debt Liabilities**" and the documents under which such *Pari Passu* Debt is incurred being the "***Pari Passu* Debt Documents**"). The Intercreditor Agreement also contains provisions relating to senior notes (the "**Senior Notes**") which may be issued by (x) the Parent, (y) any other holding company of the Parent or (z) any Subsidiary of the direct holding company of the Parent that itself has no subsidiaries, is not a member of the Group and has no principal purpose other than to issue Senior Notes and activities related thereto; provided that such subsidiary will downstream any net proceeds of the issuance of the Senior Notes to the Company through the Parent by way of a Senior Notes Proceeds Loan or a Senior Notes Contribution (as defined below) (a "**Senior Notes Issuer**") (the trustee in respect of such Senior Notes being a "**Senior Notes Trustee**", on its own behalf and on behalf of the holders of the Senior Notes (the "**Senior Noteholders**")).

Unless expressly stated otherwise in the Intercreditor Agreement, in the event of a conflict between the terms of the Intercreditor Agreement and any other Debt Document, the provisions of the Intercreditor Agreement will prevail (save to the extent that to do so would result in or have the effect of any Debtor or member of the Group contravening any applicable law or regulation, or present a material risk of liability for any Debtor or member of the Group and/or its directors or officers, or give rise to a material risk of breach of fiduciary or statutory duties).

The Indenture provides that holders of the Notes, by accepting a Note, are deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement.

The following description is a summary of certain provisions that are included in the Intercreditor Agreement. It does not restate the Intercreditor Agreement and is subject to the detailed terms thereof and you are advised to read that document in its entirety because it, and not the discussion that follows, defines certain rights of the holders of the Notes.

## Ranking and Priority

The Intercreditor Agreement provides that (i) the liabilities of the Debtors, and (only to the extent that they have expressly assumed any liabilities or obligations subject to the terms of the Intercreditor Agreement) the Security Providers under or with respect to the Revolving Facility Documents (the "**Revolving Creditor Liabilities**"), (ii) the liabilities or obligations of the Debtors under the Hedging Agreements (the "**Hedging Liabilities**", provided that, where such Hedging Liabilities have been notified to the Security Agent by the Company in writing as Hedging Liabilities to be treated as "**Priority Hedging Liabilities**" for the purposes of the Intercreditor Agreement, such liabilities or obligations are "Priority Hedging Liabilities" and, together with the Revolving Creditor Liabilities, "**Super Senior Liabilities**" for the purposes of the Intercreditor Agreement, and all other Hedging Liabilities are "**Non-Priority Hedging Liabilities**" for the purposes of the Intercreditor Agreement), (iii) the liabilities or obligations of the Issuer, the other Debtors and (only to the extent that they have expressly assumed any liabilities or obligations other than in connection with the granting of Security under the Debt Documents) the Security Providers in respect of any Senior Secured Notes (the "**Senior Secured Notes Liabilities**"), (iv) the *Pari Passu* Debt Liabilities (together with the Senior Secured Notes Liabilities and the Non-Priority Hedging Liabilities, the "**Senior Secured Liabilities**"), (v) the liabilities or obligations of any Senior Notes Issuer and the other Debtors in respect of any Senior Notes (the "**Senior Notes Liabilities**", and the finance documents relating to such liabilities or obligations, the "**Senior Notes Finance Documents**"), (vi) the liabilities or obligations of the Debtors under guarantees (the "**Senior Notes Guarantees**") in respect of any Senior Notes (the "**Senior Notes Guarantee Liabilities**"), and (vii) certain other unsecured liabilities or obligations rank in right and priority of payment in the following order:

- (in respect of liabilities owed by the Debtors to the Primary Creditors (as defined below): first, the Revolving Creditor Liabilities, the Priority Hedging Liabilities, the Non-Priority Hedging Liabilities, the Senior Secured Notes Liabilities, the *Pari Passu* Debt Liabilities, the liabilities owed to the Security Agent, the Senior Secured Notes Trustee Amounts (as defined below), the *Pari Passu* Debt Representative Amounts (as defined below) and the Senior Notes Trustee Amounts (as defined below) *Pari Passu* and without any preference between them; and second, the Senior Notes Guarantee Liabilities *Pari Passu* between themselves and without any preference between them; and
- (in respect of liabilities owed by any Senior Notes Issuer to the Primary Creditors): *Pari Passu* and without any preference between each of the Revolving Creditor Liabilities, the Priority Hedging Liabilities, the Non-Priority Hedging Liabilities, the Senior Secured Notes Liabilities (including the Senior Secured Notes Trustee Amounts), the *Pari Passu* Debt Liabilities (including *Pari Passu* Debt Representative Amounts) and the Senior Notes Liabilities (including the Senior Notes Trustee Amounts).

The Transaction Security (to the extent it is expressed to secure the relevant liabilities) ranks and secures the following liabilities in the following order:

- first, the liabilities owed to the Security Agent, the liabilities owed to each trustee (a "**Senior Secured Notes Trustee**") in respect of Senior Secured Notes (the "**Senior Secured Notes Trustee Amounts**"), the liabilities owed to each creditor representative (a "***Pari Passu* Debt Representative**") in respect of *Pari Passu* Debt (the "***Pari Passu* Debt Representative Amounts**") and the liabilities owed to each trustee or agent (a "**Senior Notes Trustee**") in respect of Senior Notes (the "**Senior Notes Trustee Amounts**"), the Revolving Creditor Liabilities, the Priority Hedging Liabilities, the Senior Secured Notes Liabilities, the *Pari Passu* Debt Liabilities and the Non-Priority Hedging Liabilities *Pari Passu* and without any preference between them; and
- second (to the extent only of the Senior Notes Shared Security (as defined below)), the Senior Notes Liabilities (other than the Senior Notes Trustee Amounts),

and that in any event (irrespective of the manner in which such Transaction Security is constituted) all proceeds of the Transaction Security will be applied as described under "—*Application of Proceeds*" below.

In this section:

- any liabilities (but excluding any liabilities which are Senior Notes Liabilities or owed in respect of Secured Debt) owed by any member of the Group to the Parent or any other holding company of the Issuer or any other shareholder of the Issuer any affiliate thereof or (excluding, for the avoidance of doubt, any member of the Group) having acquired or subscribed for Shareholder Debt (being defined as the aggregate principal amount outstanding (including any capitalized interest thereon) from time to time under any instruments and agreements constituting (and all other instruments or agreements evidencing) bonds issued to Midco, any other holding company of the Issuer or any other shareholder of the Issuer or any Initial Investor (defined in a manner equivalent to "Initial Investor" under the Revolving Credit Facility Agreement) or in each case any Affiliate thereof (excluding, for the avoidance of doubt, any member of the Group), or shareholder loans granted by Midco, any other holding company of the Issuer or any other shareholder of the Issuer or any Initial Investor (defined in a manner equivalent to "Initial Investor" under the Revolving Credit Facility Agreement) or in each case any Affiliate thereof (excluding, for the avoidance of doubt, any member of the Group), incurred by the Issuer or any other member of the Group (the "**Shareholder Debt**")) (but excluding any Secured Party which would otherwise become a Subordinated Creditor as a result of a Foreclosure) (the "**Subordinated Creditors**") under any loan (including any Senior Notes Proceeds Loan) or any Investment Instrument or which are indebtedness or which are declared dividends or any other distribution (and including, for the avoidance of doubt, any other rights, actions or claims such Subordinated Creditor may have as a result of enforcement of security, or payment under the guarantee, it has granted) together with any of the following matters relating to or arising in respect of those liabilities and obligations:

(a) any refinancing (other than a refinancing in the ordinary course and not by reason of financial difficulties), novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any member of the Group of a payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings are referred to as (to the extent owed to any Subordinated Creditor) "**Subordinated Liabilities**" and

- any liabilities owed by any member of the Group which is a Debtor to any other member of the Group which is a creditor in respect of indebtedness of that first member of the Group and which is or becomes a party to the Intercreditor Agreement as an intra-group lender (the "**Intra-Group Lenders**") are referred to as "**Intra-Group Liabilities**."

Under the Intercreditor Agreement, all proceeds from enforcement of the Charged Property and certain other recoveries will be applied as provided under "*—Application of Proceeds*" below.

## Soulte

Notwithstanding the above, the expressions "**Hedging Liabilities**", "**Priority Hedging Liabilities**", "**Revolving Creditor Liabilities**", "**Senior Notes Liabilities**", "**Senior Secured Liabilities**" and "**Senior Secured Notes Liabilities**" will also encompass such liabilities which constitute Soulte from time to time subject to the payment waterfall described under *"—Application of Proceeds"* below.

For these purposes:

"**French Law Transaction Security**" means any Transaction Security created or expressed to be created under any French Law Transaction Security Document.

"**French Law Transaction Security Document**" means any Transaction Security Document which is governed by the laws of France.

"**Soulte**" means, in relation to any enforcement action occurring by way of Foreclosure, the amount by which the value of the shares or other securities appropriated, foreclosed or transferred pursuant to the Foreclosure with respect to shares or other securities pledged pursuant to any French Law Transaction Security Document (as determined in accordance with the relevant Transaction Security Document or any applicable law) exceeds the amount of the secured obligations secured under the corresponding French Law Transaction Security Document immediately prior to such Foreclosure occurring.

## New Money and Refinancing

The Intercreditor Agreement contemplates that, to the extent permitted by, and subject to compliance with the requirements of, the Intercreditor Agreement and the other Debt Documents:

- the Revolving Lenders may increase a Revolving Facility and make further advances under such Revolving Facility to members of the Group and each such advance or increased amount will be deemed to be made under the terms of the relevant Revolving Facility Agreement;
- the Issuer or any other member of the Group may issue Senior Secured Notes in addition to the Notes (whether under the Indenture or an additional indenture issuing Senior Secured Notes);
- a Debtor may incur *Pari Passu* Debt under a *Pari Passu* Debt Document;
- a Senior Notes Issuer may issue Senior Notes (under any Senior Notes Indenture); and
- any of the above liabilities may with the consent of the Issuer be refinanced or replaced in whole or in part,

and that any such additional, increased or refinanced liabilities will rank and be secured under the Intercreditor Agreement on a super senior basis, senior secured basis or (as applicable) senior basis as provided for under the Intercreditor Agreement.

The creditors in respect of Revolving Creditor Liabilities, Hedging Liabilities, Senior Secured Notes Liabilities, *Pari Passu* Debt Liabilities and Senior Notes Liabilities (together, the "**Secured Parties**") agree that if any Transaction Security over any asset under the applicable Transaction Security Documents is amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released to ensure that the additional, increased or refinanced liabilities described above (the "**Additional Secured Liabilities**") can be secured with the ranking contemplated as set out under "*—Ranking and Priority*" above, then the Security Agent is authorized to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release of the applicable Transaction Security Documents; provided that:

- if an event of default under a Revolving Facility (that is not to be refinanced or replaced in whole) is continuing at that time, the requisite consent under the Revolving Facility is obtained;
- immediately upon such release of Transaction Security, new Transaction Security will be provided in favor of the providers of such Additional Secured Liabilities and the existing Secured Creditors on terms substantially the same as the terms of the Transaction Security Documents released and subject to the same ranking as set out under "*—Ranking and Priority*" above; and
- contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of security of at least equivalent ranking over the same assets) which has the effect of releasing the relevant Transaction Security, the Issuer delivers to the Security Agent either (A) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Security Agent, confirming the solvency of the person granting such Transaction Security after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or release and retaking; (B) a certificate from the board of directors of the Issuer or Topco, at the Issuer's discretion, which certificate confirms the solvency of the person granting such Transaction Security, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or release and retaking; or (C) an opinion of counsel, in form and substance reasonably satisfactory to the Security Agent (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Transaction Security created under the Transaction Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken is valid and perfected Transaction Security not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Transaction Security was not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

Notwithstanding anything to the contrary in the Intercreditor Agreement, no Secured Party will be required to release any Transaction Security under the Transaction Security Documents where the release described above may result in such Secured Party incurring any hardening period risk in respect of any such Transaction Security if and to the extent that the relevant Ad*ditional Secured Lia*bilities can be secured by lower ranking security in favor of the Secured Parties and can have the ranking described under "*—Ranking and Priority*" above by virtue of the provisions of the Intercreditor Agreement.

## Permitted Payments

The Intercreditor Agreement permits, inter alia, payments to be made by the Debtors or the Security Providers (to the extent applicable) under any Revolving Facility, Hedging Agreements, Senior Secured Notes Indenture, *Pari Passu* Debt Documents and Senior Notes Indenture, in each case in accordance with the terms of the document creating or evidencing such liabilities; provided that, in the case of payments in respect of Senior Secured Notes and *Pari Passu* Debt, subject to compliance with the Notes Purchase Condition as defined under the Revolving Credit Facility Agreement. See "*Description of Certain Other Indebtedness—Revolving Credit Facility Agreement—Undertakings.*"

The Intercreditor Agreement also permits payments to be made from time to time to Intra-Group Lenders owed any Intra-Group Liabilities ("**Intra-Group Liabilities Payments**") if at the time of payment no acceleration event has occurred in respect of the Revolving Creditor Liabilities, the Senior Secured Notes Liabilities, the *Pari Passu* Debt Liabilities or the Senior Notes Liabilities (an "**Acceleration Event**"). The Intercreditor Agreement will permit Intra-Group Liabilities Payments if an Acceleration Event has occurred and is continuing and the Security Agent (acting on the instructions of the Instructing Group (as defined below)) has delivered written notice to the Issuer stating that no payments may be made in respect of the Intra-Group Liabilities, in each case: (i) prior to the date on which the Super Senior Liabilities, Senior Secured Liabilities and Senior Notes Liabilities are discharged in cash (the "**Final Discharge Date**"), with the consent of (1) the requisite majority of Revolving Lenders as provided under the Revolving Credit Facility Agreement (the "**Majority Revolving Lenders**"), the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s) or (2) if, at that time, the Security Agent is obliged to give effect to instructions from a majority of Senior Noteholders (the "**Majority Senior Notes Creditors**") as to the manner of enforcement of the Transaction Security as described under "*— Manner of Enforcement of Transaction Security*" below, the Majority Senior Notes Creditors; (ii) after the discharge date (the "**Secured Debt Discharge Date**") in respect of the Super Senior Liabilities and Senior Secured Liabilities (together the "**Secured Debt**") but prior to the discharge date in respect of the Senior Notes Liabilities (the "**Senior Notes Discharge Date**"), with the consent of the relevant Senior Notes Trustee(s); or (iii) if that payment is made solely to facilitate payment of the Super Senior Liabilities, Senior Secured Notes Liabilities, *Pari Passu* Debt Liabilities, Senior Secured Notes Trustee Amounts, Senior Notes Trustee Amounts, Senior Notes Liabilities or the liabilities owed by any Debtor under any Senior Notes Proceeds Loan (the "**Senior Notes Proceeds Loan Liabilities**") (in each case to the extent permitted by the Intercreditor Agreement to be paid).

Payments may be made in respect of Subordinated Liabilities if:

(i) the payment is permitted or not prohibited by the Revolving Facility Agreement, the Indenture, the *Pari Passu* Debt Documents and the Senior Notes Indenture, in each case prior to the corresponding discharge date;

(ii) the payment is of costs, commissions, taxes, consent fees and expenses incurred in respect of (or reasonably incidental to) the Senior Notes Proceeds Loan Agreements and that payment would, if it were a payment of Senior Notes Liabilities, constitute a permitted Senior Notes payment at that time;

(iii) prior to the Secured Debt Discharge Date, to the extent the relevant Senior Secured Documents or Super Senior Debt Documents prohibit such payment, the Majority Super Senior Creditors, the relevant Senior Secured Notes Trustee(s) and the relevant *Pari Passu* Debt Representative(s) consent to such payment being made; or

(iv) on or after the Secured Debt Discharge Date, the prior consent of the relevant Senior Notes Trustee(s) is obtained to the extent the relevant Senior Notes Finance Documents prohibit such payment;

provided that, notwithstanding the terms of clause (i) above, any payments in respect of Subordinated Liabilities permitted as per the terms of clause (i) above (to the extent made in order to service interest payments on any indebtedness incurred by any holding company of the Issuer under the form of Senior Notes, the net proceeds of which have been contributed to the Issuer by way of (x) issuance by the Issuer of any capital stock or contribution to the equity of the Issuer pursuant to which the net proceeds of Senior Notes are contributed to the Issuer (a "**Senior Notes Contribution**") or (y) a Senior Notes Proceeds Loan (as applicable)), or clause (ii) above, will be subject to the provisions described under "*—Issue of Senior Payment Stop Notice*" and under "*—Cure of Payment Stop: Senior Notes Creditors*" below, as if such payments were made in respect of Senior Notes Liabilities mutatis mutandis.

## Permitted Hedging Liabilities Payments

Subject to the conditions described below, the Debtors may make payments (whether in relation to a refinancing of any Hedging Liabilities or otherwise) to any Hedge Counterparty in respect of the Hedging Liabilities then due to that Hedge Counterparty under any Hedging Agreement in accordance with the terms of that Hedging Agreement provided that (i) no payment may be made to a Hedge Counterparty if any scheduled payment due from that Hedge Counterparty to such Debtor under a Hedging Agreement to which they are both party is due and unpaid unless the prior consent of the Majority Senior Secured Creditors is obtained; and (ii) nothing obliges a Hedge Counterparty to make a payment to a Debtor under a Hedging Agreement to which they are both party if any scheduled payment due from that Debtor to the Hedge Counterparty thereunder is due and unpaid, unless the taking or receipt of that payment is made as a result of a termination or close-out made by a Hedge Counterparty in accordance with and subject to the conditions set out in the paragraph below; provided further that, in both cases, following the occurrence of an Acceleration Event or an Insolvency Event, no member of the Group may make (and no Hedge Counterparty may receive) payments of the Hedging Liabilities except from recoveries distributed in accordance with the payment waterfall described under "*—Application of Proceeds*" below, other than any distribution or dividend out of any Debtor's unsecured assets (pro rata to each unsecured creditor's claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets.

To the extent it is able to do so under the relevant Hedging Agreement, a Hedge Counterparty may terminate or close-out in whole or in part any hedging transaction under a Hedging Agreement prior to its stated maturity: (i) if, prior to a Distress Event, the Issuer has certified to that Hedge Counterparty that that termination or close-out would not result in a breach of a Revolving Facility Agreement, any Senior Secured Notes Indenture, any *Pari Passu* Debt Document and/or any Senior Notes Indenture, as the context requires and/or any hedging or similar letter referred to in any such agreement (as applicable); (ii) to the extent necessary to comply with the obligation under the Intercreditor Agreement and the relevant Secured Debt Documents to reduce the aggregate of the notional amounts hedged by the relevant Debtors under the Hedging Agreements entered into in relation to floating interest rate exposures in respect of any revolving facility or letter of credit made available under a Revolving Facility Agreement (a "**Revolving Facility**"), Senior Secured Notes, *Pari Passu* Debt or Senior Notes; (iii) to the extent that the relevant Debtor's obligation to make the payment arises as a result of the operation of certain provisions relating to non-credit related close- outs under the Hedging Agreements including, inter alia, in relation to withholding tax, payments in the contractual currency, judgments and expenses; (iv) if a Distress Event has occurred; (v) if an Insolvency Event has occurred in relation to a Debtor which is party to that Hedging Agreement; (vi) with the consent of the Majority Revolving Lenders and Majority Senior Secured Creditors (as defined below); (vii) if such termination or close-out is made in accordance with the no-fault termination right provisions of the ISDA Benchmarks Supplement; (viii) upon the refinancing (in whole or in part) of liabilities related thereto; (ix) if the Hedge Counterparties cease to be secured under the Security Documents without their consent; or (x) if, and to the extent that, a hedging transaction under a Hedging Agreement constitutes an excluded swap obligation due to illegality under applicable rules and regulations.

## Permitted Senior Notes Payments

Any Debtors will or other members of the Group may only:

(a) prior to the Secured Debt Discharge Date, make payments directly or indirectly to the Senior Notes Creditors in respect of the Senior Notes Liabilities then due in accordance with the Senior Notes Finance Documents:

(i) if:

(A) the payment is of:

(I) any of the principal amount of the Senior Notes Liabilities which is either (1) not prohibited from being paid by the Revolving Facility Agreement (if the date of discharge of the Revolving Creditor Liabilities (the "**Revolving Facility Discharge Date**") has not occurred), the Senior Secured Notes Indenture pursuant to which the Senior Secured Notes are outstanding (if the date of discharge of the Senior Secured Notes Liabilities (the "**Senior Secured Notes Discharge Date**") has not occurred) or the *Pari Passu* Debt Documents pursuant to which *Pari Passu* Debt is outstanding (if the date of discharge of the *Pari Passu* Debt Liabilities (the "*Pari Passu* Debt **Discharge Date**") has not occurred) or (2) paid on or after the final maturity date of the Senior Notes Liabilities; or

(II) any other amount (including, without limitation, cash pay interest, default interest, fees and additional amounts) which is not an amount of principal or capitalized interest;

(B) no Senior Notes Payment Stop Notice (as defined below) is outstanding; and

(C) no payment default has occurred and is continuing (I) under the Revolving Credit Facility or Priority Hedging Liabilities or (II) in excess of €100,000 (or its equivalent in other currencies), under the Senior Secured Notes Finance Documents or *Pari Passu* Debt Documents (a "**Secured Debt Payment Default**"); or

(ii) if the Revolving Agent, the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s) give prior consent to that payment being made to the extent the relevant Debt Documents prohibit such payment from being made; or

(iii) if the payment is of a Senior Notes Trustee Amount; or

(iv) if the payment is of certain administrative costs relating to a Senior Notes Issuer and/or costs relating to the protection, preservation or enforcement of the Transaction Security; or

(v) if the payment is of costs, commissions, taxes (including gross-up amounts), consent fees and original issuance discount and upfront fees and expenses incurred in respect of (or reasonably incidental to) the Senior Notes Finance Documents (including in relation to any reporting or listing requirements under the Senior Notes Finance



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Documents); or

(vi) if the payment is of costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Senior Notes in compliance with the Intercreditor Agreement; and

(b) on or after the Secured Debt Discharge Date, make any payments to or with respect to the Senior Notes Creditors in respect of the Senior Notes Liabilities in accordance with the Senior Notes Finance Documents (including, for the avoidance of doubt, payment of principal).

## Issue of Senior Payment Stop Notice

(a) Until the Secured Debt Discharge Date, except with the prior consent of the Revolving Agent (if the Revolving Facility Discharge Date has not occurred), the Senior Secured Notes Trustee(s) (if the relevant Senior Secured Discharge Date has not occurred) and the *Pari Passu* Debt Representative(s) (if the relevant *Pari Passu* Debt Discharge Date has not occurred) and subject to the provisions of the Intercreditor Agreement which deal with the effects of an insolvency event, the Issuer will not make (and will procure that no other member of the Group will make), and no Senior Notes Creditor may receive from the Issuer or other member of the Group, any payment in respect of the Senior Notes which would otherwise be permitted as referred to above (a "**Permitted Senior Notes Payment**") (other than any referred to in (a)(ii) of "*—Permitted Senior Notes Payments*" above and any Senior Notes Trustee Amounts) if:

(i) a Secured Debt Payment Default is continuing; or

(ii) an event of default under any document or instrument creating or evidencing Secured Debt other than the Hedging Liabilities (a "**Secured Debt Event of Default**") (other than a Secured Debt Payment Default) is continuing, from the date which is one Business Day (as defined in the Revolving Credit Facility Agreement) after the date on which the Revolving Agent, any Senior Secured Notes Trustee or any *Pari Passu* Debt Representative (as the case may be) delivers a notice (a "**Senior Notes Payment Stop Notice**") specifying the event or circumstance in relation to that Secured Debt Event of Default to the Senior Notes Issuer(s), the Security Agent, the Revolving Agent, the Senior Secured Notes Trustee(s), the Senior Notes Trustee(s) and the *Pari Passu* Debt Representative(s) (in each case, as applicable) until the earliest of:

(A) the first Business Day falling 179 days after delivery of that Senior Notes Payment Stop Notice;

(B) in relation to payments of Senior Notes Liabilities, if a Senior Notes Standstill Period (as defined below) is in effect at any time after delivery of that Senior Notes Payment Stop Notice, the date on which that Senior Notes Standstill Period expires;

(C) the date on which the relevant Secured Debt Event of Default has been remedied or waived or, if the relevant Revolving Creditor Liabilities or Senior Secured Notes Liabilities have been accelerated, such acceleration has been rescinded, in accordance with the Revolving Credit Facility Agreement or the relevant Senior Secured Finance Documents (as applicable);

(D) the date on which each Revolving Agent, Senior Secured Notes Trustee(s) and *Pari Passu* Debt Representative(s) which delivered the relevant Senior Notes Payment Stop Notice delivers a notice to the Senior Notes Issuer(s), the Security Agent, the Revolving Agent(s), the Senior Secured Notes Trustee(s), the Senior Notes Trustee(s) and the *Pari Passu* Debt Representative(s) (in each case, as applicable) cancelling the Senior Notes Payment Stop Notice;

(E) the Secured Debt Discharge Date; and

(F) the date on which the Security Agent or a Senior Notes Trustee takes enforcement action permitted under the Intercreditor Agreement against a member of the Group; provided that such payment may only be made by the relevant member of the Group against which such enforcement action is taken.

(b) Unless the Senior Notes Trustee(s) waive this requirement:

(i) a new Senior Notes Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Notes Payment Stop Notice; and

(ii) no Senior Notes Payment Stop Notice may be delivered in reliance on a Secured Debt Event of Default more than 45 days after the date the Revolving Agent, each Senior Secured Notes Trustee and each *Pari Passu* Debt Representative received notice of that Secured Debt Event of Default.

(c) The Revolving Agent, the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s) may only serve one Senior Notes Payment Stop Notice with respect to the same event or set of circumstances. Subject as described in paragraph (b) above, this will not affect the right of the Revolving Agent or the Senior Secured Notes Trustee(s) or the *Pari Passu* Debt Representative(s) to issue a Senior Notes Payment Stop Notice in respect of any other event or set of circumstances.

(d) No Senior Notes Payment Stop Notice may be served by a Revolving Agent, a Senior Secured Notes Trustee or a *Pari Passu* Debt Representative in respect of a Secured Debt Event of Default which had been notified to the Revolving Agent, the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s), as relevant, at the time at which an earlier Senior Notes Payment Stop Notice was issued.

(e) For the avoidance of doubt, the provisions in the Intercreditor Agreement relating to a Senior Notes Payment Stop Notice:

(i) act as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due;

(ii) will not prevent the accrual or capitalization of interest (including default interest) in accordance with the Senior Notes Finance Documents;

(iii) will not prevent the payment of any Senior Notes Trustee Amounts and certain administrative costs relating to the Senior Notes Issuer(s); and

(iv) will not prevent the payment of audit fees, directors' fees, taxes and other proper and incidental expenses required to maintain existence.

## Cure of Payment Stop: Senior Notes Creditors

If:

(a) at any time following the issue of a Senior Notes Payment Stop Notice or the occurrence of a Secured Debt Payment Default, that Senior Notes Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Secured Debt Payment Default ceases to be continuing; and

(b) the relevant Debtor then promptly pays to the Senior Notes Creditors an amount equal to any payments which had accrued under the Senior Notes Finance Documents and which would have been Permitted Senior Notes Payments but for that Senior Notes Payment Stop Notice or Secured Debt Payment Default,

then any event of default which may have occurred as a result of that suspension of payments will be waived and any Senior Notes Enforcement Notice (as defined below) which may have been issued as a result of that event of default will be waived, in each case without any further action being required on the part of the Senior Notes Creditors.

## Restrictions on Enforcement by Senior Notes Finance Parties

Until the Secured Debt Discharge Date, except with the prior consent of or as required by an Instructing Group:

(a) none of the Senior Notes Trustee(s) (acting on behalf of themselves and the relevant Senior Noteholders) and the Security Agent (collectively, the "**Senior Notes Finance Parties**") will direct the Security Agent to enforce, or otherwise (to the extent applicable) require the enforcement of, any Transaction Security Documents; and

(b) no Senior Notes Finance Party will take or require the taking of any enforcement action in relation to the Senior Notes Guarantee Liabilities,

except as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" and under "*—Enforcement on Behalf of Senior Notes Finance Parties*" below.

## Permitted Senior Notes and Senior Notes Security Documents Enforcement

Except as provided under "*—Enforcement on Behalf of Senior Notes Finance Parties*" below, the restrictions described under "*—Restrictions on Enforcement by Senior Notes Finance Parties*" above do not apply in respect of (i) the Senior Notes Guarantee Liabilities or (ii) any security granted in favor of the Security Agent with respect to Investment Instruments issued by or, in the case of any loans, bonds or other liabilities, owing by, the Issuer under the Transaction Security Documents (the "**Senior Notes Shared Security**") (if any) which guarantee and/or secure Senior Notes Liabilities as permitted by the Intercreditor Agreement if:

(a) an event of default (a "**Senior Notes Event of Default**") under the Senior Notes is continuing (the "**Relevant Senior Notes Default**");

(b) the Revolving Agent, the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s) have received a written notice of the Relevant Senior Notes Default specifying the event or circumstance in relation to the Relevant Senior Notes Default from the relevant Senior Notes Trustee;

(c) a Senior Notes Standstill Period (as defined below) has elapsed; and

(d) the Relevant Senior Notes Default is continuing at the end of the relevant Senior Notes Standstill Period.

Promptly upon becoming aware of a Senior Notes Event of Default, the relevant Senior Notes Trustee(s) may by notice (a "**Senior Notes Enforcement Notice**") in writing notify the Revolving Agent, each Senior Secured Notes Trustee and each *Pari Passu* Debt Representative of the existence of such Senior Notes Event of Default.

## Senior Notes Standstill Period

In relation to a Relevant Senior Notes Default, a Senior Notes Standstill Period means the period beginning on the date (the "**Senior Notes Standstill Start Date**") the relevant Senior Notes Trustee(s) serves a Senior Notes Enforcement Notice on the Revolving Agent, each Senior Secured Notes Trustee and each *Pari Passu* Debt Representative in respect of such Relevant Senior Notes Default and ending on the earliest to occur of:

(a) the first Business Day falling 179 days after the Senior Notes Standstill Start Date (the "**Senior Notes Standstill Period**");

(b) the date the Secured Creditors take any enforcement action in relation to a particular Debtor or member of the Group that is a guarantor of any Senior Notes or Senior Notes Liabilities (a "Senior Notes Guarantor") or, as applicable, the Senior Notes Issuer(s); provided, however, that:

(i) if a Senior Notes Standstill Period ends as described in this section, the Senior Notes Finance Parties may only take the same enforcement action in relation to the Senior Notes Guarantor as the enforcement action taken by the Secured Creditors against such Senior Notes Guarantor and not against any other member of the Group; and

(ii) enforcement action for these purposes does not include action taken to preserve or protect any security as opposed to realize it;

(c) the date of an insolvency event (other than as a result of any action taken by any Senior Notes Finance Party) in relation to a particular Senior Notes Guarantor (or, as applicable, a Senior Notes Issuer) against whom enforcement action is to be taken;

(d) the expiry of any other Senior Notes Standstill Period outstanding at the date such first mentioned Senior Notes Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);

(e) the date on which the Revolving Agent, each Senior Secured Notes Trustee and each *Pari Passu* Debt Representative give their consent to the termination of the relevant Senior Notes Standstill Period; and

(f) a failure to pay the principal amount outstanding on the Senior Notes at the final stated maturity of the Senior Notes.

The Senior Notes Finance Parties may take enforcement action as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" above in relation to a Relevant Senior Notes Default even if, at the end of any relevant Senior Notes Standstill Period or at any later time, a further Senior Notes Standstill Period has begun as a result of any other Senior Notes Event of Default.

## Enforcement on Behalf of Senior Notes Finance Parties

(a) If the Security Agent has notified the Senior Notes Trustee(s) that it is taking steps to enforce security created pursuant to any Security Document over shares of a Senior Notes Guarantor, no Senior Notes Finance Party may take any action described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" above against that Senior Notes Guarantor or any of its Subsidiaries while the Security Agent (i) has requested instructions of an Instructing Group in relation to the enforcement of that security and the relevant instructions have not been given or (ii) is taking steps to enforce that security in accordance with the instructions of the Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

(b) If the Senior Notes Creditors are permitted to give instructions to the Security Agent to require the enforcement of the security constituted pursuant to any Security Document in accordance with the provisions of the Intercreditor Agreement described under this section, such enforcement action must require the realization of the relevant security by way of a sale or disposal conducted in compliance with the provisions of the Intercreditor Agreement described under "*—Conditions to Release—Senior Notes Protection*" below.

## Manner of Enforcement of Transaction Security

(a) The Security Agent may refrain from enforcing the Transaction Security or taking any other enforcement action unless instructed otherwise by either the Revolving Creditors and Hedge Counterparties in respect of Priority Hedging (collectively, the "**Super Senior Creditors**") together representing the requisite majority of more than 66.66% of the participations in the Super Senior Liabilities (the "**Majority Super Senior Creditors**") or the Senior Secured Notes Creditors, *Pari Passu* Creditors and Hedge Counterparties in respect of Non-Priority Hedging (collectively, the "**Senior Secured Creditors**" and together with the Super Senior Creditors, the "**Secured Creditors**") together representing the requisite majority of more than 50.1% of the participations in the Senior Secured Liabilities (the "**Majority Senior Secured Creditors**"), whichever at the relevant time is entitled to give instructions in accordance with the terms of the Intercreditor Agreement as described below (each an "**Instructing Group**," provided that, if such enforcement is on or after the Secured Debt Discharge Date, the Instructing Group will for these purposes be the Majority Senior Notes Creditors).





(b) Subject to the Transaction Security having become enforceable in accordance with its terms:

(i) subject to the enforcement decision requirements described below, an Instructing Group may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as it sees fit; provided that the instructions as to enforcement given by the Instructing Group are consistent with the Security Enforcement Principles (as defined below); or

(ii) to the extent permitted to enforce or to require the enforcement of the Senior Notes Shared Security prior to the Senior Notes Discharge Date as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" above and except as provided below, the Senior Notes Trustee(s) (acting on the instruction of the Majority Senior Notes Creditors) may give instructions to the Security Agent as to the enforcement of the Senior Notes Shared Security as they see fit.

(c) Prior to the Secured Debt Discharge Date:

(i) if the Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the Transaction Security; or

(ii) in the absence of instructions from the Instructing Group,

and, in each case, the Instructing Group has not required any Debtor or Security Provider to make a Distressed Disposal (as defined below), the Security Agent will give effect to any instructions to enforce the Senior Notes Shared Security which the Senior Notes Trustee(s) (acting on the instructions of the Majority Senior Notes Creditors) are then entitled to give to the Security Agent as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*."

(d) Notwithstanding the above, if at any time the Senior Notes Trustee(s) are then entitled to give the Security Agent instructions to enforce the Senior Notes Shared Security pursuant to paragraph (c) above and the Senior Notes Trustee(s) either gives such instruction or indicates any intention to give such instruction, then:

(i) the Instructing Group may give instructions to the Security Agent to enforce the Senior Notes Shared Security as the Instructing Group sees fit in lieu of any instructions to enforce given by the Senior Notes Trustee(s) as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" above; and

(ii) if the Instructing Group gives any instructions to enforce any Transaction Security over shares in a holding company of any member of the Group whose shares are subject to Transaction Security with respect to which any such enforcement instructions by a Senior Note(s) Trustee have already been given, the Security Agent may not act on such enforcement instructions from any Senior Notes Trustee(s) unless instructed to do so by the Instructing Group.

(e) No Secured Party will have any independent power to enforce, or to have recourse to any Transaction Security or to exercise any rights or powers arising under the Transaction Security Documents, except through the Security Agent.

If the Transaction Security is being enforced as described above, the Security Agent will enforce the Transaction Security in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as an Instructing Group (or, in the circumstances described in paragraph (c) above and subject to paragraph (d) above, the Senior Notes Trustee(s)) will instruct or, in the absence of any such instructions, as the Security Agent sees fit, in each case, so far as is consistent with the Security Enforcement Principles. For the avoidance of doubt, in the absence of instructions from an Instructing Group or the Senior Notes Trustee(s), the Security Agent will not be required to take any action.

## Enforcement Decisions with Respect to Enforcement of Transaction Security

(a) Prior to the Final Discharge Date and subject to the provisions of the Intercreditor Agreement described under (c) and (d) below, before the giving of any instructions to the Security Agent to enforce the Transaction Security as described under "*—Manner of Enforcement of Transaction Security*" above (and before either the Majority Super Senior Creditors or the Majority Senior Secured Creditors will be considered the Instructing Group), a Revolving Agent or representative for each of the Senior Secured Creditors will deliver a copy of its proposed enforcement instructions to the other representatives and the Security Agent (including instructions not to enforce) (the "Proposed Enforcement Instructions"). The Security Agent will as soon as reasonably practicable notify each of the representatives of the Super Senior Creditors and the Senior Secured Creditors upon receipt of such Proposed Enforcement Instructions.

(b) Prior to the Secured Debt Discharge Date and subject to paragraphs (c), (d) and (e) below, if the Security Agent has received any Proposed Enforcement Instructions, it will either enforce or refrain from enforcing the Transaction Security in accordance with the instructions of the Majority Senior Secured Creditors (and the Majority Senior Secured Creditors will be the Instructing Group for the purposes as described under "*—Manner of Enforcement of Transaction Security*" above and in each case, acting through their respective representative); provided that such instructions are consistent with the Security Enforcement Principles and failure to give instructions will be deemed to be an instruction not to take enforcement steps.

(c) In the event that:

(i) from the date that is three (3) months after the first Proposed Enforcement Instructions are delivered to the Security Agent, the Security Agent (acting on the instructions of the Majority Senior Secured Creditors) has not commenced the enforcement action or either (i) the method of enforcement of Transaction Security as determined by the Instructing Group or (ii) the appointment of a financial advisor by the Instructing Group to assist in such determination ("Relevant Enforcement Action") of the Transaction Security; or

(ii) the Super Senior Liabilities have not been fully discharged in cash within six (6) months of the date the first Proposed Enforcement Instructions were delivered to the Security Agent, then (with effect from the date of the earlier to occur of such events), the Majority Super Senior Creditors will become the Instructing Group for the purposes as described under "—*Manner of Enforcement of Transaction Security*" above.

(d) If at any time the Security Agent has not taken any Relevant Enforcement Action of the Transaction Security notwithstanding the Transaction Security having become enforceable in accordance with its terms, a representative acting on behalf of the Majority Super Senior Creditors or the Majority Senior Secured Creditors may at any time provide immediate instructions as to enforcement to the Security Agent notwithstanding any instructions given pursuant to paragraph (b) or (c) above, if the Majority Super Senior Creditors or the Majority Senior Secured Creditors determine in good faith (and notify the representatives of the other Super Senior Creditors and the Senior Secured Notes Creditors and the *Pari Passu* Creditors and the Security Agent) the delay in taking enforcement action of the Transaction Security could reasonably be expected to have a material adverse effect on:

(i) the Security Agent's ability to enforce the Transaction Security; or

(ii) the realization proceeds of any enforcement of the Transaction Security, and the Security Agent will act only with respect to the relevant asset or Debtor that is the subject of the determination set out in paragraphs (d)(i) or (d)(ii) above, in accordance with the first such notice of determination and instructions as to enforcement received by the Security Agent (provided in each case that such instructions are consistent with the Security Enforcement Principles).

(e) If at any time an insolvency event has occurred with respect to any Debtor (other than an insolvency event which is the direct result of any action taken by the Security Agent acting on the instructions of the Majority Super Senior Creditors or the Majority Senior Secured Creditors), the Security Agent will act, to the extent the Majority Super Senior Creditors have provided such instructions, in accordance with the instructions received from such Majority Super Senior Creditors; provided that in the event the Security Agent has previously received Proposed Enforcement Instructions from the representative for the Majority Senior Secured Creditors and has commenced Relevant Enforcement Action pursuant to such instructions, the Security Agent will continue to act in accordance with the instructions of the representative for the Majority Senior Secured Creditors until such time as the representatives for the Majority Super Senior Creditors issue enforcement instructions to the Security Agent and such instructions will override and supersede any such prior instructions given by the representative for the Majority Senior Secured Creditors.

(f) Other than where paragraph (d) or (e) above applies, if, prior to the Super Senior Discharge Date, the Majority Super Senior Creditors or the Majority Senior Secured Creditors (in each case acting reasonably) consider that the Security Agent is enforcing the security in a manner which is not consistent with the Security Enforcement Principles, the representatives for the Super Senior Creditors, the *Pari Passu* Debt Representatives or the Senior Secured Notes Trustee will give notice to the representatives for the other Super Senior Creditors, and the *Pari Passu* Debt Representatives and the Senior Secured Notes Trustee (as appropriate) after which the representatives for the other Super Senior Creditors, the *Pari Passu* Debt Representatives and the Senior Secured Notes Trustee will consult with the Security Agent for a period of 15 days (or such lesser period as the relevant representatives may agree) with a view to agreeing the manner of enforcement provided that such representatives will not be obliged to consult under this paragraph (f) more than once in relation to each enforcement action.

(g) After the Super Senior Discharge Date, the Security Agent will either enforce or refrain from enforcing the Transaction Security in accordance with the instructions provided by the Majority Senior Secured Creditors.

## Limitation on Enforcement of Subordinated Liabilities

Creditors in respect of the Subordinated Liabilities will not be permitted to take any enforcement action in respect of such liabilities prior to the Final Discharge Date or, in the case of any Senior Notes Proceeds Loan, prior to the Senior Secured Discharge Date (other than certain specific enforcement action relating to payment of the Subordinated Liabilities which at the time of such enforcement action would be permitted as described under "—*Permitted Payments*" above or, in respect of any Senior Notes Proceeds Loan Liabilities, enforcement actions which would be permitted to be taken by such person and against such person if such enforcement action were instead in respect of Senior Notes Liabilities (as if the Subordinated Creditor was a Senior Notes Creditor), unless, at such time, the Super Senior Creditors, the Senior Secured Creditors and the Senior Notes Creditors (the "Primary Creditors") are, or the Security Agent, is taking any enforcement action required by the Instructing Group or following an Acceleration Event); provided that, after the occurrence of an insolvency event in relation to a member of the Group, the Subordinated Creditors may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of such Subordinated Creditors in accordance with the terms of the Intercreditor Agreement) exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that entity's Subordinated Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that entity in respect of any Subordinated Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Subordinated Liabilities of that entity; or

(d) claim and prove in the liquidation of that entity for the Subordinated Liabilities owing to it.

## Limitation on Enforcement of Intra-Group Liabilities

The Intra-Group Lenders will not be permitted to take any enforcement action in respect of the Intra-Group Liabilities at any time prior to the Final Discharge Date (other than certain specific enforcement actions relating to payment of the Intra-Group Liabilities which at the time of such enforcement action would be permitted as described under "—*Permitted Payments*" above unless, at such time, an Instructing Group is taking enforcement action or following an Acceleration Event); provided that, after the occurrence of an insolvency event in relation to any member of the Group, each Intra-Group Lender may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra-Group Lender in accordance with the Intercreditor Agreement) exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that member of the Group's Intra-Group Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Intra-Group Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Intra-Group Liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for the Intra-Group Liabilities owing to it.

## Security Enforcement Principles

The Intercreditor Agreement provides for enforcement instructions in relation to the Transaction Security to be consistent with the following security enforcement principles (the "Security Enforcement Principles"):

(a) it will be the primary and overriding aim of any enforcement of the Transaction Security to achieve the objective of maximizing the recovery of the Secured Parties, to the extent consistent with (i) a prompt and expeditious enforcement of the Transaction Security (to the extent reasonably possible) and (ii) the rights and obligations of the Security Agent under the terms of the Intercreditor Agreement and under applicable law (the "Security Enforcement Objective");

(b) the Security Enforcement Principles may be amended, varied or waived with the prior written consent of the Majority Super Senior Creditors, the Majority Senior Secured Creditors, the Senior Secured Noteholders, the holders of each tranche of *Pari Passu* Debt and the Security Agent;

(c) except in the case of a Foreclosure, the Transaction Security will be enforced and other action as to enforcement will be taken such that either:

(i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the payment waterfall described under "—*Application of Proceeds*" below; or

(ii) (except in the case of any enforcement which is instructed by the Majority Super Senior Creditors) sufficient proceeds from enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the payment waterfall described under "—*Application of Proceeds*" below, the Super Senior Liabilities are repaid and discharged in full (unless the Majority Super Senior Creditors agree otherwise);

(d) any Exit Disposal (as defined below) may only be effected upon the instructions of an Instructing Group and in accordance with these Security Enforcement Principles as if such Exit Disposal was an enforcement of Transaction Security;

(e) the enforcement action must be prompt and expeditious, it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the timeframe for the realization of value from the enforcement of the Transaction Security or Distressed Disposal (as defined below) or Exit Disposal pursuant to enforcement will be determined by the Instructing Group; provided that it is consistent with the Security Enforcement Objective;

(f) on (i) a proposed enforcement of any of the Transaction Security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds

€5,000,000 (or its equivalent in other currencies) or (ii) a proposed enforcement of any of the Transaction Security over some or all of the shares in a member of the Group over which Transaction Security exists, which, in either case, is not being effected through a public auction, the Security Agent will if requested by the Majority Super Senior Creditors or the Majority Senior Secured Creditors, and at the expense of the Issuer (to the extent that financial advisers have not adopted a general policy of not providing such opinions), appoint a financial adviser to opine:

(i) that the consideration received for any disposal is fair from a financial point of view taking into account all relevant circumstances;

(ii) on the optimal method of enforcing the Transaction Security so as to achieve the Security Enforcement Principles and maximize the recovery of any such enforcement action; and

(iii) that such sale is otherwise in accordance with the Security Enforcement Objective, (the "Financial Adviser's Opinion"); provided that, if the Security Agent is unable to obtain an opinion from a financial adviser covering the matters set out under (ii) and (iii) above (and after considering making such modifications to the enforcement process as may be reasonably available and consistent with the Security Enforcement Principles to obtain such opinion), then an opinion covering paragraph (i) above will be sufficient to constitute a Financial Adviser's Opinion for the purposes of the Security Enforcement Principles;

(g) the Security Agent will be under no obligation to appoint a financial adviser or to seek the advice of a financial adviser, unless expressly required to do so by these Security Enforcement Principles or any other provision of the Intercreditor Agreement. Prior to making any appointment of a financial adviser, the Security Agent is entitled to ensure that cost cover (at a level it is satisfied with acting reasonably) has been provided;

(h) the Financial Adviser's Opinion (or any equivalent opinion obtained by the Security Agent in relation to any other enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Security Enforcement Objective has been met;

(i) in the absence of written notice from a creditor or group of creditors that are not part of the relevant Instructing Group that such creditor(s) object to any enforcement of the Transaction Security on the grounds that such enforcement action does not aim to achieve the Security Enforcement Objective, the Security Agent is entitled to assume that such enforcement of the Transaction Security is in accordance with the Security Enforcement Objective;

(j) if the Security Agent is unable to obtain a Financial Adviser's Opinion after attempting to do so (and after considering making such modifications to the enforcement process as may be reasonably available and consistent with the Security Enforcement Principles to obtain such opinion) because such opinions are not generally available in the market in such circumstances, it will notify the Revolving Agent and each representative in respect of the Senior Secured Notes Liabilities and *Pari Passu* Debt and may proceed to enforce the Transaction Security without needing to demonstrate (by way of a Financial Adviser's Opinion or otherwise) that such enforcement is aiming to achieve the Security Enforcement Objective; and

(k) if enforcement of any Transaction Security is conducted by way of a public auction or other competitive sales process specified in the Intercreditor Agreement, no financial adviser will be required to be appointed, and no Financial Adviser's Opinion will be required, in relation to such enforcement; provided that the Security Agent will be entitled (but not obliged) to appoint a financial adviser to provide such advice as the Security Agent deems appropriate in relation to such enforcement by way of public auction or other competitive sale process in accordance with the Intercreditor Agreement.

## Exercise of voting rights

Each Creditor (other than each Revolving Agent, each Senior Secured Notes Trustee, each *Pari Passu* Debt Representative and each Senior Notes Trustee) will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent.

## Payment of a Soulte

"**Foreclosed Asset**" means (i) any Charged Property foreclosed by the Secured Parties following a Foreclosure, (ii) (where such Charged Property includes shares in any company) any asset of such company(ies) or any subsidiary(ies) thereof, (iii) any asset of the type referred to in (i) or (ii) transferred to any Secured Parties SPV and/or (iv) any share of any Secured Parties SPV having acquired assets of the type referred to in (i) or (ii) above (including in the context of the enforcement of a Transaction Security Document by way of sale).

"**Foreclosed Assets Holders**" means the Secured Parties (or their affiliates) in their capacity as holders (directly or indirectly through a Secured Parties SPV) of Foreclosed Assets.

"**Foreclosure**" means the enforcement of any Transaction Security as a result of which the relevant Foreclosed Assets are owned either by Secured Parties (or any representative on their behalf) or a Secured Parties SPV following (a) an appropriation (including pursuant to a pacte commissoire or a private appropriation) by judicial foreclosure in favor of, or attribution to, Secured Parties (or any representative on their behalf) or a Secured Parties SPV, or (b) a disposal to a Secured Parties SPV (including a disposal made in the context of the enforcement of a Transaction Security Document by way of sale), in each case, in accordance with the relevant Transaction Security Documents.

"**Foreclosure Date**" means the first date on which a Foreclosure occurs.

"**Secured Parties SPV**" means a special purpose limited liability vehicle acquiring or holding Investment Instruments or Charged Property pursuant to a Foreclosure and whose share capital is held (directly or indirectly) by the Secured Parties or any affiliate(s) of any Secured Parties and which becomes party to the Intercreditor Agreement as a Secured Parties SPV.

If following any Foreclosure a Soulte is owed by the Secured Parties to any Debtor or Security Provider, that Debtor or Security Provider (as applicable) agrees that such Soulte will only become due and payable by the Secured Parties:

(a) where such Soulte arises in connection with the enforcement of any Transaction Security Document governed by French law, on the earlier of;

(i) the date which is 12 months after the date on which such Foreclosure occurs; and

(ii) the Final Discharge Date;

(b) Any payment of the Soulte under paragraph (a) above to any Debtor or Security Provider which will occur prior to the Final Discharge Date will be paid to a bank account of the relevant Debtor or Security Provider (as applicable) held with the Security Agent and pledged in a manner satisfactory to the Security Agent acting on behalf of the Secured Parties in favor of the Secured Parties as security for the secured obligations to be applied in the order of priority of the payment waterfall described under "—Application of Proceeds" below. This pledge agreement will include an irrevocable instruction from the relevant Debtor or Security Provider (as applicable) to make from such pledged bank accounts any payment required to be fulfilled under the Intercreditor Agreement or any other Debt Document.

(c) For the avoidance of doubt, the obligations of each Secured Party to pay its proportionate share of any Soulte are several and not joint.

## Exit Disposal

The taking of any steps towards making an Exit Disposal will be treated as the enforcement of Transaction Security for all purposes under the Intercreditor Agreement where "Exit Disposal" means, following a Foreclosure of certain Foreclosed Assets, a sale, disposal or transfer of: (a) such Foreclosed Assets, (b) any Investment Instrument issued by a Secured Parties SPV holding such Foreclosed Assets or (c) if the Foreclosed Assets consist of shares of any member of the Group, any assets held by such member of the Group or any subsidiary of it, in each case, to a person or persons which is not a member of the Group or a Secured Parties SPV.

## Turnover

The Intercreditor Agreement provides that if at any time prior to the Final Discharge Date, subject to certain exceptions, any Primary Creditor or Subordinated Party (each Intra-Group Lender and each Subordinated Creditor being collectively referred to as the "**Subordinated Parties**") (each a "**Creditor**") or Secured Parties SPV receives or recovers (in the case of a Super Senior Creditor or Senior Secured Creditor only in respect of the fourth paragraph below):

- any payment or distribution of, or on account of or in relation to, any liability owed by a member of the Group under the Debt Documents which is not a permitted payment under the

Intercreditor Agreement as described under "*—Permitted Payments*" above or made in accordance with the order of priority described under "*—Application of Proceeds*" below;

- (except with respect to certain *discharges by way of s*et-off occurring after an insolvency event in relation to a member of the Group, following which a Subordinated Party or Senior Notes Creditor benefitting from such set-off is required to pay to the Security Agent an amount equal to the amount set-off for application of such amount in accordance with the order of priority described under "*—Application of Proceeds*" below), any amount by way of set-off in respect of any liability owed by a member of the Group under the Debt Documents which does not give effect to a permitted payment under the Intercreditor Agreement as described under "*—Permitted Payments*" above;
- (notwithstanding the immediately preceding two paragraphs and except with respect to certain discharges by way of set-off described in the immediately preceding paragraph), any amount (i) on account of or in relation to any liability owed by a member of the Group under the Debt Documents after the occurrence of an Acceleration Event which is continuing (x) if prior to the Secured Debt Discharge Date, any of the agent under the Revolving Credit Facility (acting on the instructions of the Majority Revolving Lenders), a Senior Secured Notes Trustee (acting on behalf of the Senior Secured Noteholders) or a *Pari Passu* Debt Representative (acting on the instructions of the *Pari Passu* Debt Required Holders) declares by written notice to the Security Agent, each other creditor representative and the Issuer that a "Distress Event" has occurred or (y) if on or after the Secured Debt Discharge Date, a Senior Notes Trustee (acting on behalf of the Senior Noteholders) declares by written notice to the Security Agent, each other creditor representative and the Issuer that a "Distress Event" has occurred (each, a "Distress Event") or as a result of any other litigation or proceedings against a Debtor or Security Provider (other than after the occurrence of an insolvency event in respect of such Debtor or Security Provider), or (ii) by way of set-off in respect of any liability of a member of the Group under the Debt Documents after the occurrence of a Distress Event; in each case except in accordance with the order of priority described under "*—Application of Proceeds*" below;
- the proceeds of any enforcement of any Transaction Security, the proceeds of any Distressed Disposal or Exit Disposal or any Cash Proceeds, in each case except in accordance with the order of priority described under "*—Application of Proceeds*" below; or
- (except with respect to certain discharges by way of set-off described in the second paragraph of this section) any distribution in cash or in kind or payment of, or on account of or in relation to, any liability owed by a Debtor or Security Provider under the Debt Documents which is not in accordance with the order of priority described under "*—Application of Proceeds*" below and which is made as a result of, or after, the occurrence of an insolvency event in respect of such Debtor or Security Provider,

then that Creditor (or Secured Parties SPV as the case may be):

- in relation to receipts or recoveries not received or recovered by way of set-off, must hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- in relation to receipts and recoveries received or recovered by way of set-off, must promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

## Deferral of Subrogation Rights

If any liabilities owed by a member of the Group under the Debt Documents to the Secured Creditors ("**Secured Creditor Liabilities**") are wholly or partly paid out of any proceeds received in respect of or on account of the Senior Notes Liabilities owing to one or more Senior Notes Creditors, those Senior Notes Creditors will to that extent be subrogated to the Secured Creditor Liabilities so paid (and all securities and guarantees for those Secured Creditor Liabilities).

To the extent that a Senior Notes Creditor (a "**Subrogated Creditor**") is entitled to exercise rights of subrogation, each other Creditor (subject in each case to it being indemnified, secured and/or prefunded to its satisfaction against any resulting costs, expenses and liabilities) will give such assistance to enable such rights so to be exercised as such Subrogated Creditor may reasonably request.

No Creditor, Subordinated Party, Debtor or Security Provider will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor which ranks ahead of it in accordance with the priorities set out in the Intercreditor Agreement as described above under "*—Ranking and Priority*" until such time as all of the liabilities owing by a member of the Group under the Debt Documents to each prior ranking Creditor (or, in the case of any Debtor or Security Provider prior to the Final Discharge Date, owing to each Creditor) have been irrevocably paid in full.

No Subordinated Creditor will exercise any rights which it may have to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor until such time as all of the liabilities owing by a member of the Group under the Debt Documents to each Creditor (other than a Subordinated Creditor) have been irrevocably paid in full.

## Application of Proceeds

Subject to certain exceptions as set out therein, the Intercreditor Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to, inter alia, the turnover provisions of the Intercreditor Agreement as described under "*—Turnover*" above or in connection with the realization or enforcement of all or any part of the Transaction Security, a transaction in lieu of enforcement of Transaction Security or any other Distressed Disposal or Exit Disposal, or otherwise paid to the Security Agent under the terms of the Intercreditor Agreement pursuant to the provisions described below will be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of the Intercreditor Agreement) in the following order of priority:

- first, in payment or distribution to:

(a) the Security Agent (other than in respect of the parallel debt claims), any receiver or any delegate for application towards the discharge of any sums owing to any of them from any party to the Intercreditor Agreement;

(b) each Revolving Agent on its own behalf for application towards the discharge of the Revolving Agent liabilities (in accordance with the terms of the Revolving Facility Documents);

(c) each Senior Secured Notes Trustee on its own behalf for application towards the discharge of the Senior Secured Notes Trustee Amounts (in accordance with the Senior Secured Notes Finance Documents);

(d) each *Pari Passu* Debt Representative on its own behalf for application towards the discharge of *Pari Passu* Debt Representative Amounts (in accordance with the *Pari Passu* Debt Documents); and

(e) each Senior Notes Trustee on its own behalf for application towards the discharge of the Senior Notes Trustee Amounts (in accordance with the Senior Notes Finance Documents),

on a pro rata basis and ranking *Pari Passu* between (a), (b), (c), (d) and (e), and in the case of (b), (c), (d) and (e) above, including any such amounts arising in connection with any realization or enforcement of the Transaction Security or any other Distressed Disposal or Exit Disposal taken in accordance with the terms of the Intercreditor Agreement;

- second, in payment or distribution to the Secured Parties of all costs and expenses incurred by any of them in connection with any realization or enforcement of the Transaction Security, in each case taken in accordance with the terms of the Intercreditor Agreement;
- third, in payment to the Secured Parties of any Soulte paid or owed but not yet paid by the Secured Parties pursuant to the provisions of the Intercreditor Agreement as described under "*—Payment of a Soulte*" above;
- fourth, in payment or distribution to:

(a) each Revolving Agent on behalf of the arrangers under the Revolving Credit Facility (the "**Arrangers**") and the Revolving Lenders; and

(b) the Hedge Counterparties, for application towards:

(i) the liabilities of the Arrangers and the Revolving Creditor Liabilities (in accordance with the terms of the Revolving Facility Documents); and

(ii) the Priority Hedging Liabilities,

(other than amounts discharged pursuant to the third ranking item in this order of priority) on a pro rata basis and *Pari Passu* between paragraphs (i) and (ii) above;

- fifth, in payment or distribution to:

(a) each Senior Secured Notes Trustee on behalf of the Senior Secured Noteholders or, if there is no Senior Secured Notes Trustee acting on behalf of any relevant Senior Secured Noteholders, such Senior Secured Noteholders;

(b) each *Pari Passu* Debt Representative on behalf of *Pari Passu* Creditors or, if there is no *Pari Passu* Debt Representative acting on behalf of any relevant *Pari Passu* Creditors, such *Pari Passu* Creditors; and

(c) the Hedge Counterparties, for application towards:

(i) the Senior Secured Notes Liabilities owed to the Senior Secured Noteholders (in accordance with the terms of the Senior Secured Notes Finance Documents);

(ii) the *Pari Passu* Debt Liabilities owed to the *Pari Passu* Creditors (in accordance with the terms of the *Pari Passu* Debt Documents); and

(iii) the Non-Priority Hedging Liabilities,

(other than amounts discharged pursuant to the third ranking item in this order of priority) on a pro rata basis and *Pari Passu* between paragraphs (i) to (iii) above;

- sixth, to the extent paid out of enforcement proceeds resulting from the enforcement of the Senior Notes Shared Security, the Senior Notes Guarantees or proceeds from an Exit Disposal in relation to assets which were previously subject to the Senior Notes Shared Security, in payment or distribution to: each Senior Notes Trustee on behalf of the Senior Noteholders or, if there is no Senior Notes Trustee acting on behalf of any relevant Senior Noteholders, such Senior Noteholders for application towards the discharge of the Senior Notes Liabilities owed to the Senior Noteholders (other than amounts discharged pursuant to the third ranking item in this order of priority);
- seventh, once the Final Discharge Date has occurred, in payment to the relevant Debtors or Security Providers to which a Soulte, if any, is payable or has been paid and returned to the Security Agent by the relevant Debtors or Security Providers pursuant to the provisions of the Intercreditor Agreement as described under "*—Payment of a Soulte*" above, of such Soulte;
- eighth, if none of the Debtors is under any further actual or contingent liability under any Revolving Facility Document, Senior Secured Notes Finance Document, *Pari Passu* Debt Document or Senior Notes Finance Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and
- ninth, the balance, if any, in payment or distribution to the relevant Debtor or Security Provider entitled to receive it.

## Release of the Guarantees and the Security

### Distressed Disposals

The Intercreditor Agreement provides that in relation to the disposal of an asset of a member of the Group which is being effected: (x) at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable; (y) by enforcement, or simultaneously with the enforcement, of the Transaction Security; or (z) after the occurrence of a Distress Event by or on behalf of a Debtor or Security Provider to a person or persons which are not members of the Group (a "**Distressed Disposal**"), an Exit Disposal or a Foreclosure, the Security Agent is authorized to (i) release the Transaction Security or any other claim over the relevant asset; (ii) if the relevant asset consists of shares in the capital of a Debtor, to release that Debtor and any of its subsidiaries from all or any part of its liabilities in its capacity as a guarantor or a borrower (and certain other liabilities) under the Revolving Credit Facility, the Senior Secured Notes, the *Pari Passu* Debt and the Senior Notes and the other Debt Documents and to release any Transaction Security granted by that Debtor or any of its subsidiaries over any of its assets and to release any other claim of a Subordinated Creditor, an Intra-Group Lender or another Debtor or Security Provider over that Debtor's assets or over the assets of any of its subsidiaries; (iii) if the relevant asset consists of shares in the capital of a holding company of a Debtor, to release that holding company and any of its subsidiaries from all or any part of their liabilities in their capacity as a guarantor or a borrower (and certain other liabilities) under the Revolving Credit Facility, the Senior Secured Notes, the *Pari Passu* Debt, the Senior Notes and the other Debt Documents, and to release any Transaction Security granted by that holding company or any of its subsidiaries over any of its assets and to release any other claims of a Subordinated Creditor, an Intra-Group Lender or another Debtor over the assets of that holding company or any of its subsidiaries; (iv) if the relevant asset consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent decides to dispose of all or any part of the liabilities of that first Debtor (other than liabilities owed to any relevant representative of creditors or any arranger) or of a holding company or any subsidiaries of that first Debtor or holding company towards that first Debtor, on the basis that any transferee of those liabilities (the "**Transferee**") should not be treated as a secured party, the Transferee will not be treated as a secured party; (v) if the relevant asset consists of shares in the capital of a Debtor or holding company of a Debtor and the Security Agent decides to dispose of all or any part of the liabilities of that first Debtor (other than liabilities owed to any relevant representative of creditors or any arranger) or holding company or any subsidiaries of that first Debtor or holding company towards that first Debtor, on the basis that any transferee of those liabilities should be a secured party, execute and deliver or enter into any agreement to dispose of (A) all (and not part only) of the liabilities owed to the secured parties (other than to any representative of Senior Secured Creditors or any senior arranger) and (B) all or part of any other liabilities (other than liabilities owed to any representative of Senior Secured Creditors or any senior arranger) and the liabilities of any holding company or any subsidiaries of that first Debtor or holding company towards that first Debtor; on behalf of, in each case, the relevant creditors and Debtors; and (vi) if the relevant asset consists of shares in the capital of a Debtor or holding company of a Debtor (the "**Disposed Entity**") and the Security Agent decides to transfer (to the extent permitted by applicable law) to another Debtor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of (A) the Intra-Group Liabilities, (B) the liabilities of any holding company or any subsidiaries of that first Debtor or holding company towards that first Debtor or (C) the Subordinated Liabilities, execute and deliver or enter into any agreement to (x) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, liabilities or Subordinated Liabilities on behalf of the relevant Intra-Group Lenders, Debtors or, as the case may be, the Subordinated Creditor to which those obligations are owed and on behalf of the Debtors which owe those obligations and (y) to accept the transfer of all or part of the obligations in respect of those Intra- Group Liabilities, liabilities or Subordinated Liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities, liabilities or, as the case may be, Subordinated Liabilities are to be transferred.

The Security Agent must take reasonable care to obtain a fair market price in the prevailing market conditions and apply the proceeds of such disposal in accordance with "Application of Proceeds" above.

### Non-Distressed Disposals

In addition, if (a) a disposal relates to an asset of a Debtor, Security Provider or member of the Group, (b) subject to certification requirements, that disposal is permitted under or not prohibited by respectively (prior to the Revolving Facility Discharge Date) the Revolving Facility Documents, (prior to the Senior Secured Notes Discharge Date) the Senior Secured Notes Finance Documents or the Senior Secured Notes Trustee authorizes that release (prior to the *Pari Passu* Debt Discharge Date) the *Pari Passu* Debt Documents, and (prior to the Senior Notes Discharge Date) the Senior Notes Finance Documents or the Senior Notes Trustee authorizes that release and (c) that disposal is not a Distressed Disposal, the Security Agent is irrevocably authorized and obliged, at the cost of the relevant Debtor or Security Provider or the Issuer and without any consent, sanction, authority or further confirmation from any other party to the Intercreditor Agreement, (i) to release (or procure that any other relevant person releases) the Transaction Security or any other claim (relating to a Debt Document) over that asset, (ii) where that asset consists of shares in the capital of a Debtor, to release the Transaction Security or any other claim (relating to a Debt Document) over that Debtor's assets, and, to the extent that they are at such time being disposed of, the assets of any subsidiary of that Debtor and, to the extent that they are at such time being disposed of, the subsidiaries of that Debtor and their respective assets, and (iii) to execute and deliver or enter into any release of the Transaction Security or any claim described in (i) and (ii) above and issue any certificates of non-crystallization of any floating charge or any consent to dealing that the Security Agent (acting reasonably) considers to be necessary or desirable.

Notwithstanding anything to the contrary in any Debt Document, (a) nothing in any Security Document will operate or be construed so as to prevent any transaction, matter or other step not prohibited by the terms of the Intercreditor Agreement or any Debt Financing Agreement (a "**Permitted Transaction**") and the Security Agent (on behalf of itself and the Secured Parties) agrees (and is irrevocably authorized and instructed to do so without any consent, sanction, authority or further confirmation from any party to the Intercreditor Agreement) that it will (at the request and cost of the relevant Debtor or Security Provider or the Issuer) promptly execute any release or other document and/or take such other action under or in relation to any Debt Document (or any asset subject or expressed to be subject to any Security Document) as is requested by the Issuer in order to complete, implement or facilitate a Permitted Transaction and (b) if any Post-Completion Liquidation or any Post- Completion Merger is implemented, any Security over any asset that would not survive as a result of the implementation of that Post-Completion Liquidation or Post-Completion Merger including without limitation any pledge over the financial securities issued by a Luxco, a Manco or the Company, as applicable, will be automatically released without the need for any formal release or any approval of the Security Agent.

## Conditions to Release—Senior Notes Protection

If before the Senior Notes Discharge Date:

(a) a Distressed Disposal is being effected such that the Senior Notes Guarantees and Senior Notes Shared Security will be released as described under "*—Distressed Disposals*" above; or

(b) an Exit Disposal in respect of assets which were Charged Property under Senior Notes Shared Security, or which were owned by a Senior Notes Guarantor, is being effected after the Senior Notes Guarantees and Senior Notes Shared Security have been released as described under "*—Distressed Disposals*" above following a Foreclosure, it is a further condition to any such release or disposal that either (1) the relevant Senior Notes Trustee has approved the release and/or the disposal or (2) where such shares or assets are sold or disposed of:

(i) the proceeds of such sale or disposal are in cash (or substantially in cash);

(ii) all claims of the Primary Creditors against any member of the Group and any subsidiary of that member of the Group whose shares that are owned by a Debtor are pledged in favor of the Primary Creditors are sold or disposed of pursuant to such Distressed Disposal or such Exit Disposal, are unconditionally released and discharged concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the Security Documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale; provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):

(A) the Instructing Group determines acting reasonably and in good faith that the Secured Creditors (taken as a whole) will recover more than if such claim was released or discharged; and

(B) the representative(s) in respect of the Instructing Group serve a notice on the Security Agent notifying the Security Agent of the same, in which case the Security Agent will be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and

(iii) such sale or disposal is made:

(A) pursuant to a public auction or other competitive sale process specified in the Intercreditor Agreement; or

(B) where a financial adviser confirms that the sale, disposal or transfer price is fair from a financial point of view after taking into account all relevant circumstances, although there will be no obligation to postpone any such sale, disposal or transfer in order to achieve a higher price.

## Amendment

Subject to certain exceptions and usual disenfranchisement provisions, the Intercreditor Agreement provides that it may only be amended with the consent of the Issuer, the Majority Revolving Lenders, the requisite majority of *Pari Passu* Creditors, each Senior Secured Notes Trustee (acting in accordance with the terms of the applicable Senior Secured Notes Indenture), each Senior Notes Trustee (acting in accordance with the terms of the applicable Senior Notes Indenture) and the Security Agent; provided that to the extent an amendment, waiver or consent only affects one class of any such Primary Creditor, and such amendment, waiver or consent could not reasonably be expected to materially and adversely affect the interests of the other classes of Primary Creditors, only written agreement from the affected class (or in each case, the relevant creditor representative acting on their behalf) unless (i) such amendments are made to cure defects or omissions, resolve ambiguities or inconsistencies or reflect changes of a minor, technical or administrative nature or as otherwise prescribed by the relevant Debt Documents or (ii) such amendments are made to meet the requirements of any person proposing to act as a creditor representative which are customary for persons acting in such capacity and would not have a material adverse effect on the other parties to the Intercreditor Agreement, in each case, which amendments may be made by the Issuer and the Security Agent. No amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on or withdraw or reduce the rights of any party to the Intercreditor Agreement without its prior consent other than, in the case of a Primary Creditor, in a way which affects or would affect Primary Creditors of that party's class generally or, in the case of a Debtor, to the extent consented to by the Issuer.

An amendment or waiver to the Intercreditor Agreement that relates to, inter alia, certain of the matters described under "*—Manner of Enforcement of Transaction Security*" or "*— Security Enforcement Principles*" or to the Security Enforcement Principles may be made by the Majority Super Senior Creditors and the Majority Senior Secured Creditors acting through the relevant representative.

The Security Agent may amend the terms of, waive any of the requirements of, or grant consents under, any of the Transaction Security Documents acting on the instructions of each representative of creditors that are secured by the relevant Transaction Security Documents, with the consent of the Issuer, unless provided otherwise under the relevant documents.

## Option to purchase: Senior Secured Notes Creditors and *Pari Passu* Creditors

After a Distress Event (and until the date which is the earlier of (i) a Foreclosure occurring in respect of Investment Instruments issued by the Issuer and (ii) a public auction or competitive sale process specified in the Intercreditor Agreement occurring in respect of Investment Instruments issued by the Issuer), by giving not less than 10 days' prior notice to the Security Agent, the Senior Secured Noteholders and *Pari Passu* Creditors will have the right to acquire or procure that a nominee (or nominees) acquires by way of transfer all (but not part only) of the rights, benefits and obligations in respect of Revolving Creditor Liabilities and the Hedging Liabilities constituting Priority Hedging.

Any such purchase will be on terms which will include, without limitation, payment in full of an amount equal to all (but not part) of the Revolving Creditor Liabilities and Hedging Liabilities constituting Priority Hedging then outstanding, including certain costs and expenses of the Revolving Creditors and Hedge Counterparties; after the transfer, no Revolving Creditor or Hedge Counterparty will be under any actual or contingent liability to any Debtor under the relevant Debt Documents; the acquiring entities indemnify each Revolving Creditor and Hedge Counterparty for any actual or alleged obligation to repay or claw-back any amount received by such Revolving Creditor or Hedge Counterparty; the relevant transfer will be without recourse to, or warranty from, any Revolving Creditor or Hedge Counterparty, save for certain representations relating to corporate power and authority to effect the transfer as set out in the Intercreditor Agreement; and the Senior Notes Creditors have not exercised their rights described below in "*—Option to Purchase: Senior Notes Creditors*," or, having exercised such rights, have failed to complete the acquisition of the relevant Senior Secured Liabilities and Super Senior Liabilities as described below in "*—Option to Purchase: Senior Notes Creditors*."

## Option to Purchase: Senior Notes Creditors

After a Distress Event (and until the earlier of Foreclosure or a public auction or competitive sale process specified in the Intercreditor Agreement, in each case in respect of Investment Instruments issued by the Issuer) by giving not less than 10 days' prior notice to the Security Agent, the Senior Notes Creditors will have the right to acquire or procure that a nominee (or nominees) acquires by way of transfer all (but not part only) of the rights, benefits and obligations in respect of Revolving Creditor Liabilities, the Hedging Liabilities, the Senior Secured Notes Liabilities and the *Pari Passu* Debt Liabilities.

Any such purchase will be on terms which will include, without limitation, payment in full of an amount equal to all (but not part) of the relevant liabilities then outstanding, including certain costs and expenses of the Revolving Creditors, Hedge Counterparties, Senior Secured Noteholders and *Pari Passu* Creditors; after the transfer, no Revolving Creditor, Hedge Counterparty, Senior Secured Noteholder or *Pari Passu* Creditor will be under any actual or contingent liability to any Debtor under the relevant Debt Documents; the acquiring entities indemnify each relevant transferring Creditor for any actual or alleged obligation to repay or claw-back any amount received by such transferring Creditor; and the relevant transfer will be without recourse to, or warranty from, any transferring Creditor, save for certain representations relating to corporate power and authority to effect the transfer as set out in the Intercreditor Agreement.

## Other provisions

The Intercreditor Agreement also includes provisions relating to:

- redistribution of amounts;
- protection and appointment provisions relating to the trustees and agents;
- equalization;
- guarantees in respect of hedging agreements;
- accession and resignation of parties; and
- parallel debt claims.

## Termination

The Intercreditor Agreement will terminate on the date the Security Agent is reasonably satisfied that (i) all liabilities owed by a member of the Group under the Debt Documents (other than the Subordinated Liabilities) have been discharged in full in cash or (ii) there are no cash proceeds or recoveries whatsoever which may be turned over to it and applied by it in accordance with the provisions of the Intercreditor Agreement.

## Governing Law

The Intercreditor Agreement is governed by English law.

## Vendor Bonds

On February 26, 2021, Topco issued €110.0 million in aggregate principal amount of bonds to the Bridgepoint Affiliate and Qualium Investissement. Interest on the bonds is payable annually, in kind or in cash at Topco's election. The bonds will bear interest at a rate of 10.0% per annum until the fourth anniversary of February 26, 2021. Thereafter, the bonds will bear interest at a rate of 10.0% per annum with respect to any interest period for which interest is paid in cash, and 10.5% per annum with respect to any interest period for which interest is paid in kind.

The bonds will mature on the date falling six (6) years after the Acquisition Completion Date. They are non-callable for a period of three (3) years and six (6) months following February 26, 2021. The bonds will be subject to mandatory prepayment in the event of a Change of Control (as defined in the Indenture).

The bonds are unsecured and structurally subordinated to the Notes. The terms of the bonds also provide that the Bridgepoint Affiliate and Qualium Investissement agree that the bonds are subordinated to the redemption in full of the Notes. Bridgepoint, via an affiliate acting as agent under the bonds, has the right to be consulted with respect to any renegotiation of the terms, or refinancing, of the Notes.

Under the terms of the bonds, Topco agreed not to make any distribution of dividend before the bonds are redeemed in full. On June 30, 2022, Topco, Bridgepoint Affiliate and Qualium Investissement agreed to amend the terms of the bonds to provide that a total shareholder distribution of €125 million will be permitted in exchange for an undertaking by Topco to repurchase a total of €60 million in aggregate value, including principal amount and accrued interest, of its bonds. Topco fulfilled its undertaking and repurchased €10 million of its bonds on June 30, 2022 and the remaining €50 million on August 30, 2022.

€100 million shareholder distribution was performed on June 30, 2022. The remaining €25 million may be distributed during the fiscal year ended September 30, 2023, but the Board has not decided it yet.

# Senior Secured Notes

Capitalized terms set forth in this section have the meanings given to such terms and used in the Indenture.

## Overview

Goldstory S.A.S. issued €250,000,000 aggregate principal amount of floating rate senior secured notes due 2026 and €370,000,000 aggregate principal amount of 5.375% fixed rate senior secured notes due 2026 under the Indenture dated as of February 4, 2021 among, inter alios, itself, Mstory S.A.S., the Trustee and the Security Agent.

## Ranking

The Notes are the general senior obligations of the Issuer, are guaranteed on a senior basis by the Notes Guarantors, are secured as set forth below under “Security”, rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes, rank *Pari Passu* in right of payment with any existing and future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes, including obligations under the Revolving Credit Facility and certain Hedging Obligations, are effectively subordinated to any existing and future indebtedness of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness, and are structurally subordinated to any existing and future indebtedness of Subsidiaries of the Issuer that are not Notes Guarantors, including obligations owed to trade creditors.

## Interest Rates, Payment Dates and Maturity

Interest on the Fixed Rate Notes accrues at a rate of 5.375% per annum. Interest on the Fixed Rate Notes is payable in cash semi-annually in arrears on each March 1 and September 1.

Interest on the Floating Rate Notes accrues at a rate per annum, reset quarterly, equal to the sum of (i) three-month EURIBOR (and, if that rate is less than zero, EURIBOR is deemed to be zero) plus (ii) 5.500% per annum. Interest on the Floating Rate Notes is payable in cash quarterly in arrears on each March 1, June 1, September 1 and December 1.

The Notes will mature on March 1, 2026.

## Notes Guarantees

The Notes are guaranteed by each Notes Guarantor. Each Notes Guarantee is a general senior obligation of the relevant Notes Guarantor, is secured as set forth below under “Security”, ranks senior in right of payment to any existing and future indebtedness of such Notes Guarantor that is expressly subordinated in right of payment to its Notes Guarantee, rank *Pari Passu* in right of payment with any existing and future indebtedness of such Notes Guarantor that is not subordinated in right of payment to its Notes Guarantee, including obligations under the Revolving Credit Facility and certain Hedging Obligations, is effectively subordinated to any existing and future indebtedness of such Notes Guarantor that is secured by property or assets that do not secure its Notes Guarantee, to the extent of the value of the property and assets securing such indebtedness, and is structurally subordinated to any existing and future indebtedness of subsidiaries of such Notes Guarantor that are not Notes Guarantors.

The obligations of the Notes Guarantors are contractually limited under the Notes Guarantees to reflect limitations under applicable law. In particular, the Notes Guarantee granted by the Company is limited to an amount equal to the sum from time to time of the outstanding amounts under the Proceeds Loans, up to an expected maximum amount of €421 million. The Notes Guarantee granted by THOM is limited to an amount equal to the sum from time to time of the outstanding amounts under intercompany loans from the Company to THOM existing as of February 26, 2021, up to an expected maximum amount of €163.6 million. The Notes Guarantee granted by Stroili is limited to an amount equal to the sum from time to time of the outstanding amounts under the intercompany loans from THOM to Stroili existing as of February 26, 2021, up to an expected maximum amount of €124.6 million. In certain cases, these limitations may apply to the Notes Guarantees, but not to the applicable Notes Guarantors’ obligations under other debt, including the Revolving Credit Facility.

## Security

The Notes and the Notes Guarantees are secured by first-ranking security interests (or security interests treated as such pursuant to the terms of the Intercreditor Agreement), subject to applicable limitations set out in the Indenture, over: (i) the shares of the Issuer held by Midco; (ii) certain future intercompany loan receivables owed to Midco by the Issuer; (iii) the shares of the Company held by the Issuer; (iv) the bank account of the Issuer; (v) certain intercompany loan receivables owed to the Issuer by any other member of the Group; (vi) the shares of THOM held by the Company; (vii) the material bank accounts of the Company; (viii) certain intercompany loan receivables owed to the Company by any other member of the Group; (ix) the material bank accounts of THOM; (x) certain intercompany loan receivables owed to THOM by any other member of the Group; (xi) the intellectual property rights held by THOM over the Histoire d’Or and Marc Orian trademarks (such pledge having been registered only under French law at the Institut National de la Propriété Industrielle and at the European Union Intellectual Property Office); (xii) the shares of Stroili held by THOM; (xiii) material bank accounts of Stroili; and (xiv) certain intercompany loan receivables owed to Stroili by any other member of the Group, along with obligations under the Revolving Credit Facility and certain Hedging Obligations. However, pursuant to the Intercreditor Agreement, Holders of the Notes will receive proceeds from enforcement of the Collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Revolving Credit Facility and certain Hedging Obligations, have been repaid in full.

## Optional Redemption and Change of Control

### Floating Rate Notes

On and after March 1, 2022, the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days’ notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on March 1 of the years indicated below:

| Year | Redemption Price |
|---|---|
| 2022 | 101.000% |
| 2023 and thereafter | 100.000% |

### Fixed Rate Notes

Except as described below, the Fixed Rate Notes are not redeemable until March 1, 2023.

On and after March 1, 2023, the Issuer may redeem all or, from time to time, part of the Fixed

Rate Notes upon not less than 10 nor more than 60 days’ notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on March 1 of the years indicated below:

| Year | Redemption Price |
|---|---|
| 2023 | 102.6875% |
| 2024 | 101.3438% |
| 2025 and thereafter | 100.0000% |

Prior to March 1, 2023, the Issuer may on any one or more occasions redeem up to 40% of the

original aggregate principal amount of the Fixed Rate Notes (including the aggregate principal amount of any Additional Fixed Rate Notes), upon not less than 10 nor more than 60 days’ notice, with funds in an aggregate amount not exceeding the Net Cash Proceeds of one or more Equity Offerings at a redemption price of 105.375% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), subject to certain conditions.

In addition, at any time prior to March 1, 2023, the Issuer may redeem all or, from time to time,

part of the Fixed Rate Notes upon not less than 10 nor more than 60 days’ notice at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Upon the occurrence of certain change of control events, each Holder of Notes may require the Issuer to repurchase all or any part (equal to €100,000 or an integral multiple of €1,000 in excess thereof) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase.

If the Issuer sells assets, under certain circumstances, the Issuer is required to make an offer to purchase the Notes at 100% of the outstanding principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the date of purchase, with the excess proceeds from such asset sale.

If certain changes in the law (or in its interpretation) of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes in whole, but not in part, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

## Covenants

The Indenture, among other things, restricts the ability of the Issuer and certain of its subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuer or its Restricted Subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Issuer or any of its Restricted Subsidiaries;
- sell, lease or transfer certain assets including stock of Restricted Subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities;
- impair the security interests for the benefit of holders of the Notes;
- take certain actions with regard to the Proceeds Loans; and
- in the case of Midco and the Issuer, own certain debt and equity of their indirect Subsidiaries.

## Events of Default

The Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the Notes, certain failures to perform or observe any other obligation under the Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of the Issuer, any Notes Guarantor or certain Restricted Subsidiaries or groups of Restricted Subsidiaries. The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the Notes.





# Statutory auditors' report on the consolidated financial statements

## For the year ended 30 September 2023

### GOLDSTORY

Simplified joint stock company
55, rue d'Amsterdam
75008 Paris

This is a translation into English of the statutory auditors' report on the consolidated statements of GOLDSTORY issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

**Aca Nexia**
31 rue Henri Rochefort
75017 Paris
S.A.S. au capital de 640 000 €
331 057 406 RCS Paris
Société de Commissariat aux Comptes inscrite à la Compagnie Régionale de Paris

**Deloitte & Associés**
6, place de la Pyramide
92908 Paris-La Défense Cedex
S.A.S. au capital de 2 188 160 €
572 028 041 RCS Nanterre
Société de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles et du Centre

To the Sole Shareholder of GOLDSTORY Company,

## Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of GOLDSTORY Company for the year ended 30 September 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 30 September 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## Basis for Opinion

### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the “Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements” section of our report.

### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 October 2022 to the date of our report.

## Justification of Assessments

In accordance with the requirements of Articles L. 821-53 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

As part of our assessment of the accounting rules and principles followed by your company with regard to the valuation of goodwill and brands as described in Notes 10, 11 and 14, we have assessed the approach taken by your Company. A second step was to assess the data and assumptions on which these valuations are based and to verify that the notes to the consolidated accounts provide appropriate information.





## Specific Verifications

We have also performed in accordance with professional standards applicable in France the specific verifications required by law and regulations of the information pertaining to the Group presented in the management report of the President.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

## Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation

Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Paris and Paris-La Défense, January, 24 2024

The Statutory Auditors

***French original signed by***

| Aca Nexia | Deloitte & Associés | |
|---|---|---|
| Daniel BUCHOUX | Cécile REMY | Jean-Charles DUSSART |





# GOLDSTORY IFRS Consolidated Financial Statements

## For the financial year ended 30 September 2023

# I. Balance sheet

| Assets | Notes | 30/09/2023 | 30/09/2022 |
|---|---|---|---|
| *In €m* | | | |
| Goodwill | 10. | 387.2 | 384.9 |
| Other intangible assets | 11. | 357.6 | 342.3 |
| Property, plant and equipment | 12. | 76.0 | 65.7 |
| Right-of-use assets | 13.1. | 352.9 | 350.1 |
| Other non-current assets | 15. | 25.1 | 24.4 |
| Non-current derivative instruments - Assets | 20. | 5.5 | 22.1 |
| Deferred tax assets | 8.2. | 16.7 | 17.4 |
| Non-current assets | | 1,221.0 | 1,206.8 |
| Inventories | 16. | 292.2 | 262.1 |
| Trade receivables | 17. | 14.4 | 14.2 |
| Current tax assets | 8. | 11.5 | 7.9 |
| Other current assets | 17. | 55.0 | 53.0 |
| Current derivative instruments - Assets | 20. | 15.6 | 6.4 |
| Cash and cash equivalents | 21.5. | 21.2 | 17.2 |
| Current assets | | 410.0 | 360.7 |
| **Total assets** | | **1,630.9** | **1,567.6** |

| Equity and liabilities | Notes | 30/09/2023 | 30/09/2022 |
|---|---|---|---|
| *In €m* | | | |
| Share capital | 19.1. | 3.6 | 3.6 |
| Share premium | 19.1. | 186.6 | 195.7 |
| Consolidated reserves | | 71.7 | 17.6 |
| Translation reserves | | 0.5 | 0.1 |
| Net profit (loss) for the period | | 44.7 | 74.5 |
| Equity attributable to owners of the company | | 307.1 | 291.4 |
| Non-controlling interests | | 3.0 | 3.3 |
| Total equity | | 310.1 | 294.7 |
| Non-current financial liabilities | 21.1. | 605.3 | 601.7 |
| Non-current lease liabilities | 13.2. | 203.8 | 200.5 |
| Post-employment benefits | 6.4.2. | 3.9 | 3.6 |
| Non-current provisions | 22. | 2.3 | 2.7 |
| Other non-current liabilities | 18. | 26.4 | 9.0 |
| Deferred tax liabilities | 8.2. | 49.3 | 48.9 |
| Non-current liabilities | | 891.0 | 866.4 |
| Current financial liabilities | 21.1. | 49.5 | 41.0 |
| Current lease liabilities | 13.2. | 70.6 | 65.0 |
| Current provisions | 22. | 4.4 | - |
| Trade payables | 18. | 136.6 | 149.5 |
| Current tax liabilities | 8. | 12.7 | 8.1 |
| Other current liabilities | 18. | 154.1 | 140.3 |
| Current derivative instruments - Liabilities | 20. | 1.9 | 2.5 |
| Current liabilities | | 429.8 | 406.4 |
| **Total equity and liabilities** | | **1,630.9** | **1,567.6** |





# II. Income statement

| Income statement | Notes | 2022/2023<br>01/10/22 - 30/09/23 12 months | 2021/2022<br>01/02/21 - 30/09/22 20 months* |
|---|---|---|---|
| *In €m* | | | |
| Revenue | 6.2. | 1,011.8 | 1,316.1 |
| Cost of goods sold | 6.4.1. | (343.8) | (457.8) |
| Gross margin | | 668.0 | 858.3 |
| Other income | 6.3. | 2.7 | 22.7 |
| Personnel expenses | 6.4.2. | (254.2) | (331.9) |
| External expenses | 6.4.3. | (141.6) | (162.2) |
| Allowance for depreciation, amortisation, impairment and provisions | 6.4.4. | (109.5) | (147.2) |
| Other expenses | | (2.0) | (2.9) |
| Recurring operating profit | | 163.4 | 236.9 |
| Other non-recurring operating income | 6.4.5. | 1.6 | 1.9 |
| Other non-recurring operating expenses | 6.4.5. | (10.5) | (9.8) |
| Operating profit | | 154.6 | 229.0 |
| Cost of net financial debt | 7. | (41.3) | (71.0) |
| Other financial income and expenses | 7. | (24.7) | (33.8) |
| Profit before tax | | 88.5 | 124.2 |
| Income tax expense | 8.1. | (44.1) | (50.0) |
| Profit (loss) for the period | | 44.4 | 74.2 |
| *Profit attributable to:* | | | |
| *Owners of the Company* | | *44.7* | *74.5* |
| *Non-controlling interests* | | *(0.3)* | *(0.3)* |

# III. Other comprehensive income

| Other comprehensive income | Notes | 2022/2023<br>01/10/22 - 30/09/23 12 months | 2021/2022<br>01/02/21 - 30/09/22 20 months** |
|---|---|---|---|
| *In €m* | | | |
| Profit for the period | | 44.4 | 74.2 |
| Remeasurements of post-employment benefits | 6.4.2. | (0.1) | 0.2 |
| Related tax | | 0.0 | (0.1) |
| Items that will not be reclassified to profit or loss | | (0.1) | 0.1 |
| Translation reserves | | 0.4 | 0.1 |
| Cash flow hedges | | (5.9) | 23.3 |
| Related tax | | 1.5 | (5.9) |
| Items that will be reclassified subsequently to profit or loss | | (3.9) | 17.5 |
| **Total other comprehensive income** | | **40.4** | **91.8** |
| *Attributable to:* | | | |
| *Owners of the Company* | | *(4.0)* | *17.6* |
| *Non-controlling interests* | | - | - |

** See split of 20 months net income in 8 months and 12 months in note 6.1.1.*
*** See split of 20 months net income in 8 months and 12 months in note 6.1.2.*

# IV. Consolidated statement of changes in equity

| Statement of changes in equity | Share capital | Share premium | Consolidated reserves | Translation reserves | Profit (loss) attributable to owners of the Company | Equity attributable to owners of the Company | Equity attributable to non-controlling interests | Shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **Shareholders' equity as of 1 February 2021** | - | - | | | | - | | - |
| **Total comprehensive income for the period** | | | | | | | | |
| Profit (loss) for the period | | | | | 74.5 | 74.5 | (0.3) | 74.2 |
| Other comprehensive income | | | 17.6 | 0.1 | | 17.7 | | 17.7 |
| Total comprehensive income for the period | - | - | 17.6 | 0.1 | 74.5 | 92.2 | (0.3) | 91.9 |
| **Contributions from owners and distributions to owners of the Company** | | | | | | | | |
| Capital increase (cash) | 2.9 | 121.2 | | | | 124.1 | 3.5 | 127.6 |
| Capital increase (contribution in kind) | 0.7 | 235.1 | | | | 235.8 | | 235.8 |
| Dividends | | (160.6) | | | | (160.6) | | (160.6) |
| Total contributions from owners and distributions to owners of the Company | 3.6 | 195.7 | - | - | - | 199.3 | 3.5 | 202.9 |
| **Shareholders' equity as of 30 September 2022** | **3.6** | **195.7** | **17.6** | **0.1** | **74.5** | **291.5** | **3.3** | **294.7** |
| **Total comprehensive income for the period** | | | | | | | | |
| Profit (loss) for the period | | | | | 44.7 | 44.7 | (0.3) | 44.4 |
| Other comprehensive income | | | (4.4) | 0.4 | | (4.0) | | (4.0) |
| Total comprehensive income for the period | - | - | (4.4) | 0.4 | 44.7 | 40.7 | (0.3) | 40.4 |
| **Contributions from owners and distributions to owners of the Company** | | | | | | | | |
| Profit appropriation | | | 74.5 | | (74.5) | - | | - |
| Dividends | | (9.1) | (15.9) | | | (25.0) | | (25.0) |
| Total contributions from owners and distributions to owners of the Company | - | (9.1) | 58.6 | - | (74.5) | (25.0) | - | (25.0) |
| **Shareholders' equity as of 30 September 2023** | **3.6** | **186.6** | **71.8** | **0.5** | **44.7** | **307.1** | **3.0** | **310.1** |





# V. Consolidated statement of cash flows

| Cash-Flow statement | Notes | 2022/2023<br>01/10/22 - 30/09/23 12 months | 2021/2022<br>01/02/21 - 30/09/22 20 months*** |
|---|---|---|---|
| *In €m* | | | |
| Cash-flow from operating activities | | | |
| Profit (loss) for the period | | 44.4 | 74.2 |
| Adjustments for: | | | |
| Allowance for depreciation, amortisation, impairment and provisions | 6.4.4. | 109.5 | 147.2 |
| Income tax expense | 8.1. | 44.1 | 50.0 |
| Net finance costs | 7. | 66.0 | 104.8 |
| Non-cash items from recurring operating income and expenses | | 0.8 | (3.0) |
| Non-cash items from non-recurring operating income and expenses | | 0.1 | (0.6) |
| Operating cash before changes in working capital and income tax paid | | 265.0 | 372.5 |
| Change in working capital requirements | 6.5. | (32.3) | (4.9) |
| Income tax paid | | (26.8) | (46.7) |
| Net cash from operating activities | | 205.9 | 321.0 |
| Acquisition of property, plant & equipment and intangible assets | | (48.4) | (47.2) |
| Disposal of property, plant & equipment and intangible assets | | 0.3 | 0.4 |
| Acquisition of financial assets | | (0.9) | (0.8) |
| Acquisition of subsidiaries, net of cash acquired | | (2.9) | (97.5) |
| Net cash used in investing activities | | (51.9) | (145.2) |
| Proceeds from issue of share capital | | - | 124.1 |
| Dividends paid | | (25.0) | (160.6) |
| Proceeds from issue of bonds | 21.1. | - | 601.7 |
| Repayment of Term loan B | 21.1. | - | (566.4) |
| Repayment of lease liabilities | 21.1. | (67.7) | (97.5) |
| Revolving credit facilities, net of repayment | 21.1. | 8.0 | 22.0 |
| Interest paid on Senior Secured Notes | | (35.2) | (53.5) |
| Interest paid on RCF | | (2.1) | (1.9) |
| Interest paid on Term Loan B | | - | (1.1) |
| Interest paid on lease liabilities | | (21.7) | (31.9) |
| Other interest paid | | (0.2) | (1.5) |
| Other cash flows used in financing activities | | (1.1) | (3.5) |
| Net cash from/ (used in) financing activities | | (145.0) | (170.1) |
| **Net increase / (decrease) in cash and cash equivalents** | | **9.0** | **5.7** |
| | | | |
| Cash and cash equivalents at the beginning of the period | 21.5. | 5.7 | - |
| Cash and cash equivalents at the end of the period | 21.5. | 14.7 | 5.7 |
| **Change in cash** | | **9.0** | **5.7** |

*** *See split of 20 months net income in 8 months and 12 months in note 6.1.3.*

# VI. Notes to the consolidated financial statements

CONTENTS







# 1. Presentation of the Group

## 1.1 Reporting entity

The consolidated financial statements of Goldstory SAS (hereinafter referred to as "the Company") comprise the financial statements of the Company and its subsidiaries (together referred to as "the Group"). Goldstory SAS is a limited liability company (*Société par Actions Simplifiée*) incorporated in France. Goldstory SAS owns all Thom Group SAS shares.

Thom is the market leader in affordable jewellery in Europe. The Group today operates in seven countries. At 30 September 2023, it had a large portfolio of multichannel brands and directly operated 1,017 stores, 60 corners and six e-commerce platforms.

## 1.2 Significant events

### 1.2.1 Acquisition of Thom Group SAS by Altamir through Goldstory SAS

#### 1.2.1.1. Acquisition (see paragraph 5.2.1)

On 24 January 2021, following the formal discussions and consultation required under French law regarding the Acquisition by Altamir of Thom Group SAS, Altamir and Bridgepoint, indirect shareholders of Thom Group SAS, signed a Letter of Intent. Under the terms of the LOI, Bridgepoint granted Goldstory SAS (the "Issuer" – subsidiary indirectly owned by Altamir) an exclusivity period, and Goldstory SAS granted Bridgepoint put options on shares held directly or indirectly in Thom Group SAS.

The Acquisition was finalised on 26 February 2021. Three companies Altastory SAS, Mstory SAS and Goldstory SAS were created in connection with the Acquisition. Altastory wholly owns Mstory, which wholly owns Goldstory. At the Acquisition date, Goldstory ultimately held the shares issued by Thom Group SAS to finance the Acquisition and transaction as a whole.

Altamir and its affiliates, certain members of Management and the co-investors now directly or indirectly hold 100% of the outstanding issued shares and voting rights of Thom Group SAS. The transaction amounted to €514.7 million, €316.2 million of which corresponds to the share purchase price and €197.2 million to the repayment of convertible bonds. Of the €197.2 million, €136.3 million were contributed in cash and the remaining €60.6 million were contributed in shares.

#### 1.2.1.2. Transaction uses and resources

The Issuer obtained the financing required for the transaction, which amounted to approximately €1,109.0 million, through High Yield debt (€620.0 million), a capital contribution (€360.0 million) and available cash from Thom Group (approx. €129.0 million):

**Capital contribution**

At the Acquisition date, (i) Altamir and its affiliates, certain members of Management and the co-investors made direct and indirect contributions in cash and in kind, for an aggregate €250.0 million and (ii) a vendor loan was granted by Bridgepoint and Qualium Investissement (retiring shareholders) for an aggregate €110.0 million maturing in February 2025, with interest capitalised annually (currently represented by simple bonds issued by Altastory SAS and subscribed by Bridgepoint and Qualium Investissement).

**Refinancing**

In order to finance the Acquisition and refinance the existing debt of Thom Group SAS and its subsidiaries ("Term Loan B") of €565.0 million, taken out by Thom Group SAS on 7 August 2017 (the "Existing Debt"), Goldstory:

- issued high yield notes governed by New York State law for an aggregate principal amount of €620 million on 4 February 2021. The senior secured notes, which mature on 1 March 2026, comprise a series of fixed rate notes of €370 million, bearing interest at 5.375% ("Fixed Rate Notes") and a series of floating rate notes of €250.0 million, bearing interest at Euribor plus 550 basis points (the "Floating Rate Notes"), collectively referred to as the "Notes". To date, the Notes are guaranteed by Thom Group SAS, Thom SAS and Stroili Oro S.p.A., up to the amount of the proceeds from the issuance of the Notes received by each through intercompany loans;
- obtained a super senior Revolving Credit Facility on 23 January 2021 for a principal amount of €90.0 million (the "Revolving Credit Facility") maturing on 1 September 2025, and governed by English law (with

some clauses interpreted in accordance with the law of the State of New York). A revolving credit line was set up for the borrowers as well as an intercreditor agreement dated 4 February 2021 (the "Intercreditor Agreement"). The Intercreditor Agreement, the Bond Documents and the Revolving Credit Agreement are collectively referred to as the "Financing Documents".

In connection with the Acquisition, Thom Group SAS, Thom S.A.S and Stroili Oro S.p.A. signed the Financing Documents and a certain number of guarantees were granted to the lenders' agent, including pledges of financial securities accounts and intercompany receivables.

### 1.2.2 Major events of the reporting period ended 30 September 2022

#### 1.2.2.1. Covid-19

**Store closures**

In the period ended 30 September 2022, the Group's business activity was heavily impacted by the Covid-19 pandemic and the resulting strict lockdown rules and restrictions in the main countries where the Group operates. As a result, our stores were temporarily closed as follows:

- **France**
  - From 1 February 2021, all stores located in shopping malls of more than 20,000 sq. m. had to close (72% of our stores impacted).
  - From 6 March 2021, all stores located in shopping malls of more than 10,000 sq. m. also had to close, and from 20 March 2021, a regional lockdown in four French regions, including the Ile-de-France, was enforced, resulting in 80% of our stores being closed in March 2021.
  - From 3 April to 3 May 2021, the country was in full lockdown, and stores remained closed until 18 May 2021.
  - From 9 August 2021, a health pass was introduced in France to gain access to certain places such as cinemas, museums, amusement parks, restaurants and bars. Access to certain shopping malls with a surface area over 20,000 sq. m. was also restricted to people with a health pass in areas where the infection rate was higher than 200 cases per 100,000 inhabitants. Store traffic dropped by an average of 10% over this period, until the health pass was phased out in malls in September.
  - From October 2021 to September 2022, there were no restrictions or store closures due to the Covid-19 pandemic in France. However, cases of Covid among our employees (mainly in January and February 2022) slightly impacted business activity and store management in France, leading the Group to temporarily close certain stores or deal with understaffing.
- **Italy**
  - In March 2021, stores were closed over the weekends and public holidays. However, in highly restricted regions (so-called "red" and "orange" regions), stores remained closed all week. Covid-19 restrictions varied from one region to another depending on the infection rate, and a colour classification was introduced (red, orange, yellow or white). The measures resulted in approximately 60% of our stores being closed in March 2021 and 26% in February 2021.
  - In April and May 2021, regional restrictions and lockdowns were still in force in regions where the infection rate remained high, leading to 49% of our stores being closed in April 2021 and 22% in May 2021.
  - No further restrictions have been imposed since June 2021.
- **Germany**
  - Until 8 March 2021, all stores remained closed.
  - From March 2021, depending on the infection rate in each administrative district (länder) and on local regulations, some stores were authorised to fully reopen and some only in Click&Meet mode. However, most stores (71% of our German network) remained fully closed in March 2021.
  - In April and May 2021, many local and national regulations were still in force, leading to 83% of our stores being closed in April 2021 and 50% in May 2021.
  - There were no further restrictions between June 2021 and October 2021.
  - Access to stores was restricted to people who had been vaccinated or had recovered from Covid as of November 2021 in some administrative districts and as of 8 December in the entire country, until end-January 2022. The vaccination rate in Germany was still low, leading to slower traffic in our stores. Some stores were heavily understaffed as a result of employees contracting Covid.
  - No further restrictions have been imposed since February 2022.





The network was closed 10% of the time between 26 February 2021 and 30 September 2022 as follows, depending on the country:

| *As a %* | March 2021 | April 2021 | May 2021 | From June 2021 to September 2022 | From March 2021 to September 2022 |
|---|---|---|---|---|---|
| France | 80% | 99% | 58% | 0% | 13% |
| Italy | 60% | 49% | 22% | 0% | 7% |
| Germany | 71% | 83% | 50% | 0% | 11% |
| Belgium | 15% | 4% | 0% | 0% | 1% |
| **Group** | **70%** | **75%** | **42%** | **0%** | **10%** |

**Impact on business activity**

During the Covid-19 pandemic, the Group's business activity was heavily affected by the full or partial closure of stores at certain times. The employees concerned, as well as certain staff members at the registered office, were placed on partial furlough. Partial employment compensation for the period from March to May 2021 in France amounted to €5.9 million. The Group's stores have successfully reopened since mid-May 2021. The Group was able to use e-commerce in the periods when stores were inaccessible or access was restricted. The launch of the new Salesforce platform has enabled the Group to increase its e-commerce capacity in France.

**Profitability preserved due to the "Covid Plan"**

Measures ("Covid Plan") were taken in the first wave of the pandemic and remained in force, such as:

- a strict health protocol implemented in our stores, our logistics centres and our head offices in cooperation with employee representatives in order to ensure our employees' health and safety.
- the roll-out of a cost savings plan to adjust the cost structure to the reduction in business activity (OpEx and CapEx). This plan is accompanied by a cash management plan in cooperation with our suppliers (review of the purchase schedule in particular).
- requests for Covid-related aid for which Group companies were eligible (including the subsidy for fixed costs and the solidarity fund that enabled Thom SAS to receive grants of €10.0 million and €0.4 million, respectively, in France, €0.2 million for solidarity fund for Venson Paris (renamed Timeway France SAS); and €3.1 million in Germany).
- various share capital increase transactions and a corresponding decrease in the Group's bond debt.

Due to the Covid Plan, the Group was able to limit the economic impact of the health crisis and maintain profitability.

#### 1.2.2.2. Grants and government aid

**Subsidy for fixed costs (France)**

Under the French government's subsidy for fixed costs for companies hard hit by the Covid-19 pandemic, Thom SAS obtained €10.0 million, paid in October 2021. The proceeds were recognised under other operating income.

**Solidarity fund (France)**

The group received €0.4 million (THOM SAS) and €0.2 million (Venson Paris) from solidarity fund implemented by the French government.

**Subsidy for lease expenses (France)**

Following Ministerial Decree no. 2021-1488 dated 16 November 2021, Thom SAS received a €3.8 million subsidy from the French government for lease expenses not covered by the subsidy for fixed costs. This amount was classified as a reduction in other operating expenses.

**Government aid (Germany)**

On 30 June 2022, Orovivo GmbH received a Covid-related grant of €3.1 million from the German government. The proceeds were recognised under other operating income.

#### 1.2.2.3. Network development

At 30 September 2022, through its European subsidiaries, Thom Group operated 980 points of sale (including three wedding and bridal trade shows), and four merchant websites. The Agatha network comprises 36 stores and 65 corners in four European countries, and two merchant websites (unconsolidated scope in the Group's financial statements for the period ended 30 September 2022). The Group also has 35 partner stores, including seven opened in the reporting period.

In the 19-month period ended 30 September 2022 (acquisition of Thom Group by Goldstory on 26 February 2021), 15 stores were opened and 37 points of sale closed.

#### 1.2.2.4. Corporate mutual fund scheme (FCPE)

In November 2021, the Group set up the THOMtogether corporate mutual fund (FCPE) in which all employees with over 3 months' seniority could invest. The Group matches 50% of employees' investments up to €1,000.

The shares were transferred to employees on 31 December 2021. Almost 400 employees contributed to the fund.

#### 1.2.2.5. Repayment of share premium

On 30 June 2022, the Supervisory Board approved the repayment of €110.6 million in additional paid-in capital from Goldstory to Mstory.

On 30 August 2022, the Supervisory Board approved another repayment of additional paid-in capital from Goldstory of €50.0 million to Mstory.

#### 1.2.2.6. Employee transfer

Fifteen Management and service function employees were transferred from Thom Group SAS to Goldstory SAS as of 1 July 2021.

#### 1.2.2.7. Creation and acquisition of companies

**Agatha**

On 26 February 2021, Thom SAS and Renaissance Luxury Group, through its subsidiary Altesse, to took over the jewellery brand Agatha at the Bobigny Commercial Court, each holding 50% of the shares.

**Popsell**

On 3 March 2021, Thom Group created NewCo Sell Platform SAS.

On 11 June 2021, the Group acquired a 65% stake in Popsell through NewCo Sell Platform. The Company is developing a social selling platform that will enable Thom Group to develop a new distribution channel.

**Venson Paris (renamed Timeway France SAS)**

On 31 August 2021, Thom Trade SAS (renamed Timeway SAS) purchased 100% of Venson Paris (renamed Timeway France SAS) shares in order to develop its wholesale business.

### 1.2.3 Major events of the reporting period ended 30 September 2023

#### 1.2.3.1. Network developments

At 30 September 2023, Thom Group operated, through its European subsidiaries, 1,017 directly operated stores (including one wedding and bridal trade show), 60 corners and six merchant websites. The growth of the network since 30 September 2022 is mainly due to the acquisition on 16 December 2022 of the Agatha network. The latter comprises 34 stores, 60 corners, two merchant websites in France and Spain, as well as two directly operated stores in China, plus a distribution network with third-party e-commerce platforms, including Tmall and TikTok. The Group also has 38 partner stores in France, including three that were opened in the reporting period.

In the reporting period ended 30 September 2023, 27 stores were opened (compared with 9 in the twelve months preceding 30 September 2022) and 25 points of sale were closed (compared with 28 in the twelve months preceding 30 September 2022).





#### 1.2.3.2. Corporate mutual fund scheme (FCPE)

In April 2023, the Group set up a second corporate mutual fund (FCPE) in which all employees with over three months' seniority could invest. The Group matched employees' investments in the scheme up to €300. The initiative was a success: 20% of employees (over 1,200 people) contributed to the scheme with an average investment per person of €1,000. The investors became indirect shareholders of the Group.

The shares were transferred to employees on 26 June 2023.

#### 1.2.3.3. Creation and acquisition of companies

**Agatha**

On 16 December 2022, Goldstory SAS, through its subsidiary Thom, acquired the remaining 50% stake in Agatha from Renaissance Luxury Group.

The initial 50% stake in Agatha was acquired on 26 February 2021 when the Group and Renaissance Luxury Group, through its subsidiary Altesse, were appointed by the Bobigny Commercial Court to take over the Agatha jewellery brand through a 50/50 joint venture.

**Be Maad**

On 29 September 2023, Goldstory SAS, through its subsidiary Thom Group, acquired 51% of Be Maad shares for €1,059 thousand. As the company is not significant, Be Maad was not included in the Group's consolidated financial statements at 30 September 2023.

**New subsidiaries**

In connection with the future development of the Group's business activities, new subsidiaries were created at the end of September 2023. At the moment, these companies do not have their own business operations and were not included in the Group's consolidated financial statements at 30 September 2023.

The subsidiaries, which are fully-owned by Thom Group, are: Thom Fashion, New Co 1 Thom Fashion, New Co 2 Thom Fashion.

#### 1.2.3.4. Increase in Management's shareholding

On 31 December 2022, the management companies Ring 1, Ring 2, Ring 3 and Ring 4 merged with Altastory SAS, the parent company of Goldstory SAS.

Consequently, managerial ownership increased to 21.9% at 31 December 2022 (compared with 15.0% before the transaction) through the conversion of preference shares issued by Altastory SAS into ordinary shares. The transaction reflects the strong relationship of trust between shareholders and Management as well as the Group's remarkable performance over the last few years.

#### 1.2.3.5. Withholding tax on proceeds from the loan with Stroili (Thom)

Following a tax audit at Stroili, the Italian tax authorities called into question the interest paid by Stroili to Thom in connection with an intercompany loan for which no withholding tax was applied.

Following discussions with the Italian tax authorities, an agreement has been reached limiting to a 10% withholding tax corresponding to interest paid for reporting periods 2017 to 2022. Stroili invoiced the amount of withholding tax and late payment interest to Thom in 2023. Late payment interest (€150 thousand) was recognised as an expense and considered non-deductible for tax purposes at Thom. For the withholding tax portion amounting to €4,422 thousand, Thom submitted an amicable claim to the French tax authorities based on double taxation agreements. However, the liability has been provisioned as a precaution in income tax expense, a provision which is not deducted for tax purposes.

#### 1.2.3.6. Continuation of strategic projects

**SFCC**

The Salesforce project, initiated in the first quarter of 2018 to design a new platform for all of the Group's e-commerce websites, was deployed for our French brands Marc Orian and Histoire d'Or in reporting period 2020, and for our German brand Orovivo in 2021. The migration of the Italian platform took place in October 2022.

### SHINE

The "Shine 2020" project, now renamed "Shine" (ERP change to SAP and redesign of the Group's IT infrastructure), initiated in the first quarter of calendar year 2018, was launched in Germany, and partly in France, on 1 October 2020. At 30 September 2022, the core model deployed was considered operational, leading to the capitalisation in the reporting period closed on 30 September 2023 of assets relating to the development of the core model (batch 1). As of the second quarter of 2023, the development and design of additional functions were launched to enhance the core model with complete functional coverage.

The Group expects these two projects to require significant internal and external resources until completion. Certain employees work full-time on the project in a specific Shine project area. Those who have left an operating position vacant to work on the project have been replaced.

#### 1.2.3.7. Repayment of share premiums

On 16 March 2023, the Supervisory Board approved the repayment of a €9.1 million share premium from Goldstory to Mstory, as well as a dividend distribution of €15.9 million.

#### 1.2.3.8. Buying physical gold stock

On June 26, 2023, the Group acquired a stock of physical gold worth €14.3 million from SAAMP as part of its strategy of hedging its future gold purchases.

# 2. Basis of preparation of the consolidated financial statements

## 2.1 Statement of compliance and accounting standards

The consolidated financial statements of Goldstory have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as approved and endorsed by the European Union and whose application was mandatory as at 30 September 2023. Comparative disclosures have been presented for the 20-month period ended 30 September 2022.

The Group has prepared the consolidated financial statements of Goldstory SAS on a voluntary basis, as the statutory consolidation is carried out at the level of Altastory SAS, the ultimate parent company of the Group.

These consolidated financial statements are the first consolidated financial statements prepared by the Company in accordance with IFRS, with 1 February 2021 as the transition date. The Group has applied IFRS 1 "First-time Adoption of International Financial Reporting Standards".

The impact of first-time adoption of IFRS compared with the consolidated financial statements prepared previously and voluntarily by the Group under French GAAP is presented in Note 3.

The amendments and interpretations applied to prepare the consolidated financial statements are those mandatory for reporting periods beginning on or after 1 October 2022. In accordance with IFRS 1, these standards, amendments and interpretations are applied with effect from February 1, 2021.

The consolidated financial statements for the reporting period ended 30 September 2023 have been prepared under the responsibility of the Chairman who approved them on 24 January 2024.

The term IFRS refers not only to International Financial Reporting Standards, but also to International Accounting Standards (IAS) and the interpretations issued by the Standard Interpretations Committee (SIC) and the IFRS Interpretations Committee (IFRIC). The main accounting policies used to prepare the consolidated financial statements are presented below.

The reporting period covers 12 months, from 1 October 2022 to 30 September 2023. The prior period from 1 February 2021 to 30 September 2022 covers a period of 20 months including an activity period of 19 months starting from the business combination on 26 February 2021. The financial statements are therefore not comparable (cf.6.1).



FINANCIAL REPORT

### Standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) adopted by the European Union, which the Group has elected not to apply early although early application is permitted

Several new standards and amendments adopted by the European Union will become mandatory for reporting periods beginning after 1 October 2022, and may be applied early.

These new standards and amendments were not applied when the consolidated financial statements were prepared.

The primary new standards and amendments are set out below. The Group does not expect them to have a significant impact on its consolidated financial statements:

- IFRS 17 – Insurance Contracts, including amendments issued on 25 June 2020.
- Amendments to IFRS 17 - First-time adoption of IFRS 17 and IFRS 9 - Comparative information;
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies;
- Amendments to IAS 8 – Definition of Accounting Estimates;
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

### Standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) adopted or not yet adopted by the European Union and that may not be applied early

Several new standards and amendments adopted or not yet adopted by the European Union will become mandatory for reporting periods beginning after 1 October 2022, but may not be applied early.

The primary new standards and amendments are set out below. The Group does not expect them to have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements;
- Amendments to IAS 21 – Lack of Exchangeability;
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules.

Pillar Two (15% global minimum tax) is expected to come into force for several countries, including France, for reporting periods beginning on or after 31 December 2023. In France, Pilar Two's provisions have been transposed in French law through the 2024 Finance Act and it will come into force for reporting periods beginning on or after 31 December 2023. For Goldstory, Pillar Two will therefore be applicable from the reporting period beginning on 1 October 2024 and ending on 30 September 2025. The Group is concerned by the implementation of the scheme and has begun examining its exposure to Pillar Two. In accordance with the amendments to IAS 12 published by the IASB in May 2023, no deferred tax relating to Pillar Two is or will be recognised.

## 2.2 Functional and presentation currency

The consolidated financial statements are presented in euros, which is the Company's functional currency. All financial data is rounded to the nearest million euros, with one decimal place, unless otherwise specified.

Amounts rounded to the nearest million with one decimal place may, in certain cases, result in non-significant differences in the totals and sub-totals presented in the financial statements.

The financial statements of subsidiaries with a functional currency that differs from the presentation currency are translated into euros at the reporting date:

- Assets and liabilities are translated using the exchange rate effective at the reporting date;
- Income statement and cash flow line items are translated using the average exchange rate for the reporting period, except in the event of significant fluctuations.

Foreign currency translation differences are recognised as other comprehensive income in the foreign currency translation reserve under equity.

The exchange rates used were as follows (1 EUR to CNY, 1 EUR to INR or 1 EUR to HKD):

| Financial year | Currency | Average rate | Closing rate |
|---|---|---|---|
| 30/09/2022 | CNY | 7.0943 | 6.9368 |
| | EUR | 1.0000 | 1.0000 |
| | HKD | 8.4837 | 7.6521 |
| | INR | 83.1764 | 79.4250 |
| 30/09/2023 | CNY | 7.5304 | 7.7352 |
| | EUR | 1.0000 | 1.0000 |
| | HKD | 8.3613 | 8.2959 |
| | INR | 87.8990 | 88.0165 |

## 2.3 Use of estimates and judgements

The preparation of the consolidated financial statements requires Management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, income, expenses and disclosures in the notes. Estimates and underlying assumptions are reviewed on a regular basis to ensure that they are reasonable given the Group's history, the economic environment and available information. Actual results may differ from these estimates. Major sources of uncertainty arising from estimates may result in material adjustments to the amounts of assets and liabilities recognised in the subsequent reporting period. In addition to making estimates, Management has to use judgement when selecting and/or applying the most suitable accounting treatment for certain transactions and business activities and the associated implementation arrangements.

The following judgements had the most significant impact on the amounts recognised in the consolidated financial statements:

- Determining lease terms in accordance with IFRS 16 (Note 13): determining whether the Group is reasonably certain to exercise its option to extend or terminate leases.
- Qualifying contracts as Software-as-a-Service arrangements and identifying the type of costs incurred in performing Software-as-a-Service arrangements qualified as service contracts in order to determine their accounting treatment (Note 3.3.6).

The main estimates made by Management when preparing the consolidated financial statements were as follows:

- Determining the recoverable value of goodwill, brands and non-current non-financial assets (Note 14);
- Determining the fair value of assets and liabilities assumed as part of the purchase price allocation process (see note 5.2);
- Recoverability of deferred tax assets (Note 8);
- Measurement of provisions (Note 22);
- Determining the actuarial assumptions used to calculate defined benefit obligations (Note 6.4.2).



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## 2.4 Measurement principles

The consolidated financial statements have been prepared on a historical cost basis except for certain assets and liabilities that are measured at fair value in accordance with IFRS.

**ACCOUNTING PRINCIPLES**

Fair value is defined as the price that would be received for an asset or paid for the transfer of a liability in an arm's length transaction at the measurement date.

The inputs used to measure the fair value of financial and non-financial assets and liabilities are prioritised according to the following three categories:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable either directly or indirectly (including market-corroborated data);
- Level 3 inputs are unobservable inputs and are used when relevant observable inputs are not available.

## 2.5 Climate risk

Implementation of the Group's strategy, particularly measures relating to the supply chain, manufacturing, and shipping, and initiatives to foster a circular economy and preserve natural resources, impact some of the Group's operating performance indicators to a certain degree. They may result in an increase in manufacturing costs, shipping costs, training costs and changes in the useful lives and residual values of certain assets. However, these impacts are not currently significant for the Group. With regard to other business plan items such as revenue, growth objectives and the discount rate, the financial impact of climate risk is not deemed to be significant. As the long-term risks attached to climate continue to evolve, the management will continue to assess this risk against its judgments and estimate.

# 3. Impact of first-time adoption of IFRS

The Group has examined the practical expedients and exemptions provided for under IFRS 1 and:

- has not had to determine how to account for business combinations before the date of transition to IFRS as the Company was created on 29 December 2020 and the first business combination took place on 26 February 2021, which is after 1 February 2021, the date of transition to IFRS;
- has not had to determine whether or not to forego the option to use fair value as deemed cost at the date of transition to IFRS for property, plant and equipment, intangible assets or right-of-use assets, as almost all of the latter recorded in the balance sheet were recognised in connection with the business combination that took place on 26 February 2021.

At the date of transition to IFRS on 1 February 2021, the foreign currency translation reserve was nil.

At 1 February 2021, Goldstory Group comprised Goldstory S.A.S. alone. The financial statements of Goldstory SA only included share capital and cash at that date. There are no differences between the French GAAP and IFRS financial statements for Goldstory Group at 1 February 2021.

## 3.1 Reconciliation of French GAAP and IFRS consolidated balance sheets at 30 September 2022

| Assets | French GAAP 30/09/2022 | IAS 1 – Presentation of the financial statements (reclassifications) | IFRS 16 – Leases | IFRS 15 – Loyalty programmes | IFRS 9 – Financial liabilities net of transaction costs | IFRS 9 - Derivative financial instruments/IAS 21 – Unrealised foreign exchange gains | IAS 38 – SaaS implementation costs | IFRS 3 – Transaction costs | IAS 19 – Retirement and similar benefits | IAS 12 – Deferred tax liabilities on brands recognised in connection with the takeover of Thom Group | IFRIC 21 – Levies | IFRS 30/09/2022 | Assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *In €m* | | | | | | | | | | | | | *In €m* |
| Intangible assets | 759.4 | (759.4) | | | | | | | | | | | |
| o/w goodwill | 321.7 | (321.7) | | | | | | | | | | | |
| | | 321.7 | (0.4) | 15.0 | | 2.1 | 2.1 | (2.5) | 0.9 | 46.0 | | 384.9 | Goodwill |
| | | 437.7 | (90.5) | | | | (4.9) | | | | | 342.3 | Other intangible assets |
| Property, plants and equipments | 67.9 | | (2.3) | | | | | | | | | 65.7 | Property, plant and equipment |
| | | | 350.1 | | | | | | | | | 350.1 | Right-of-use assets |
| Financial assets | 24.4 | | | | | | | | | | | 24.4 | Other non-current assets |
| | | | | | | 21.5 | | | | | | 22.1 | Non-current derivative instruments - Assets |
| | | (2.1) | 3.7 | 6.8 | 0.4 | 0.4 | 0.6 | (0.0) | 0.3 | 7.2 | | 17.4 | Deferred tax assets |
| Fixed assets | 851.8 | (2.1) | 260.7 | 21.8 | 0.4 | 24.0 | (2.2) | (2.5) | 1.2 | 53.3 | - | 1,206.8 | Non-current assets |
| Inventories | 260.1 | | | | | 1.9 | | | | | | 262.1 | Inventories |
| Trade receivables and related accounts | 14.2 | | | | | | | | | | | 14.2 | Trade receivables |
| | | 7.9 | | | | | | | | | | 7.9 | Current tax assets |
| Other receivables and asset adjustement accounts | 93.0 | (22.0) | (6.0) | | (14.6) | | 2.7 | | | | | 53.0 | Other current assets |
| | | | | | | 6.4 | | | | | | 6.4 | Current derivative instruments - Assets |
| Marketable securities | 0.0 | (0.0) | | | | | | | | | | | |
| Cash | 18.1 | 0.0 | | | | (0.8) | | | | | | 17.2 | Cash and cash equivalents |
| Current assets | 385.4 | (14.1) | (6.0) | - | (14.6) | 7.4 | 2.7 | - | - | - | - | 360.7 | Current assets |
| **Total assets** | **1,237.1** | **(16.2)** | **254.7** | **21.8** | **(14.2)** | **31.5** | **0.5** | **(2.5)** | **1.2** | **53.3** | **-** | **1,567.6** | **Total assets** |
| **Equity and liabilities** | **30.09.2022** | | | | | | | | | | | | **Equity and liabilities** |
| *In €m* | | | | | | | | | | | | | *In €m* |
| | | | | | | | | | | | | | Equity |
| Share capital | 3.6 | | | | | | | | | | | 3.6 | - Share capital |
| Share premium | 195.7 | | | | | | | | | | | 195.7 | - Share premium |
| Consolidated reserves and net income | 88.6 | (88.6) | | | | 17.4 | | 0.0 | 0.1 | | 0.0 | 17.6 | - Consolidated reserves |
| Currency translation reserves | 0.1 | | | | | | | | | | | 0.1 | - Translation reserves |
| | | 88.6 | (10.2) | (4.6) | (1.2) | 2.9 | 0.5 | (2.5) | 0.1 | | 0.6 | 74.5 | - Net profit (loss) for the period |
| Equity attributable to owners of the parent | 288.0 | - | (10.2) | (4.6) | (1.2) | 20.3 | 0.5 | (2.5) | 0.2 | - | 0.6 | 291.4 | Equity attributable to owners of the company |
| Non-controlling interests | 3.3 | | | | | | | | | | | 3.3 | Non-controlling interests |
| | | | | | | | | | | | | 294.7 | Total equity |
| | | 620.0 | | | (18.3) | | | | | | | 601.7 | Non-current financial liabilities |
| | | | 200.7 | | | | | | | | | 200.7 | Non-current lease labilities |
| | | 2.4 | | | | | | | 1.2 | | | 3.6 | Post-employment benefits |
| | | 12.5 | | (9.6) | | | | | (0.2) | | | 2.6 | Non-current provisions |
| | | 9.0 | | | | | | | | | | 9.0 | Other non-current liabilities |
| | | (11.1) | | | | 6.7 | | | | 53.3 | | 48.9 | Deferred tax liabilities |
| | | 632.8 | 200.7 | -9.6 | -18.3 | 6.7 | 0.0 | 0.0 | 1.0 | 53.3 | 0.0 | 866.6 | Non-current liabilities |
| | | 35.6 | | | 5.3 | 0.1 | | | | | | 41.0 | Current financial liabilities |
| | | | 64.9 | | | | | | | | | 64.9 | Current lease liabilities |
| Provisions | 12.6 | (12.6) | | | | | | | | | | - | Current provisions |
| Other financial liabilities | 666.2 | (665.5) | (0.7) | | | | | | | | | | |
| Trade payables and related accounts | 147.6 | | (0.0) | | | 1.9 | | | | | | 149.5 | Trade payables |
| | | 8.1 | | | | | | | | | | 8.1 | Current tax liabilities |
| Other liabilities and adjustement accounts | 119.5 | (14.6) | | 36.0 | | | | | | | (0.6) | 140.3 | Other current liabilities |
| | | | | | | 2.5 | | | | | | 2.5 | Current derivative instruments - Liabilities |
| Liabilities | 933.3 | (649.0) | 64.1 | 36.0 | 5.3 | 4.5 | - | - | - | - | (0.6) | 406.3 | Current liabilities |
| **Total liabilities** | **1,237.1** | **(16.2)** | **254.7** | **21.8** | **(14.2)** | **31.5** | **0.5** | **(2.5)** | **1.2** | **53.3** | **(0.0)** | **1,567.6** | **Total liabilities** |

## 3.2 Reconciliation of French GAAP and IFRS consolidated income statements between 1 February 2021 and 30 September 2022 (20 months)

| Income Statement Normes françaises | French GAAP 30/09/2022 20 months | IAS 1 – Presentation of the financial statements (reclassifications) | IFRS 16 – Leases | IFRS 15 – Loyalty programmes | IFRS 9 – Financial liabilities net of transaction costs | IFRS 9 - Derivative financial instruments/ IAS 21 – Unrealised foreign exchange gains | IAS 38 – SaaS implementation costs | IFRS 3 – Transaction costs | IAS 19 – Retirement and similar benefits | IAS 12 – French value-added business tax (CVAE) analysed as income tax | IFRIC 21 – Levies | IFRS 30/09/2022 20 months | Income Statement Normes IFRS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *In €m* | | | | | | | | | | | | | *In €m* |
| Sales | 1,325.4 | (1.6) | | (7.7) | | | | | | | | 1,316.1 | Revenue |
| | | (459.4) | | | | 1.7 | | | | | | (457.8) | Costs of goods sold |
| | | (461.1) | - | (7.7) | - | 1.7 | - | - | - | - | - | 858.3 | Gross profit |
| Other operating income | 23.2 | (0.6) | | | | | | | | | | 22.7 | Other income |
| Costs of goods sold | (461.8) | 461.8 | | | | | | | | | | | |
| Personnel expenses | (335.6) | 3.7 | | | | | | | 0.0 | | | (331.9) | Personnel expenses |
| Other operating expenses | (288.0) | (5.9) | 129.1 | | | | (1.6) | | | 3.6 | 0.6 | (162.2) | External expenses |
| Taxes and duties | (14.2) | 14.2 | | | | | | | | | | | |
| Allowance for depreciation, amortization and provisions | (42.6) | (0.8) | (111.1) | 1.5 | 3.7 | | 2.3 | | | | | (147.2) | Allowance for depreciation, amortisation, impairment and provisions |
| | | (2.9) | | | | | | | | | | (2.9) | Other expenses |
| Operating income before depreciation and amortization of goodwill | 206.4 | 8.5 | 18.0 | (6.2) | 3.7 | 1.7 | 0.6 | - | 0.0 | 3.6 | 0.6 | 236.9 | Recurring operating profit |
| Goodwill - depreciation and amortization | - | | | | | | | | | | | | |
| | | 1.9 | 0.0 | | | | | | | | | 1.9 | Other non-recurring operating income |
| | | (6.3) | | | | | | (3.5) | | | | (9.8) | Other non-recurring operating expenses |
| Operating income after depreciation and amortization of goodwill | 206.4 | 4.1 | 18.0 | (6.2) | 3.7 | 1.7 | 0.6 | (3.5) | 0.0 | 3.6 | 0.6 | 229.0 | Operating profit |
| | | (65.7) | | | (5.3) | | | | | | | (71.0) | Cost of net financial debt |
| Financial income (expense) | (65.4) | 60.8 | (31.9) | | | 2.8 | | | (0.1) | | | (33.8) | Other financial income and expenses |
| Non-recurring income (expense) | (0.8) | 0.8 | | | | | | | | | | | |
| Income tax | (51.9) | 51.9 | | | | | | | | | | | |
| Net income of integrations entities | 88.3 | 51.9 | (13.9) | (6.2) | (1.7) | 4.4 | 0.6 | (3.5) | (0.0) | 3.6 | 0.6 | 124.2 | Profit before tax |
| Share in result of equity-accounted entities | - | | | | | | | | | | | - | |
| | | (51.9) | 3.7 | 1.6 | 0.4 | (1.1) | (0.2) | 0.9 | 0.1 | (3.6) | | (50.0) | Income tax expense |
| Net income of consolidated entities | 88.3 | (0.0) | (10.2) | (4.6) | (1.2) | 3.3 | 0.5 | (2.5) | 0.1 | - | 0.6 | 74.2 | Profit (loss) for the period |
| Net income attribuable to non-controlling interests | - | | | | | | | | | | | - | |
| **Net income attribuable to owners of the parent** | **88.3** | **(0.0)** | **(10.2)** | **(4.6)** | **(1.2)** | **3.3** | **0.5** | **(2.5)** | **0.1** | **-** | **0.6** | **74.2** | **Profit for the period** |

## 3.3 Description of the main IFRS restatements

### 3.3.1 IAS 1 – Presentation of the financial statements (reclassifications)

Items in the financial statements have been reclassified in accordance with the presentation required under IFRS.

The main balance sheet reclassifications were as follows:

- Classification of assets and liabilities as current and non-current;
- Separate presentation of tax receivables and payables and deferred tax assets and liabilities;
- Reclassification of leaseholds and finance lease assets and liabilities as right-of-use assets and lease liabilities, in accordance with IFRS 16 "Leases";
- Reclassification of the special profit-sharing reserve from financial liabilities to payroll liabilities.

The main income statement reclassifications were as follows:

- Classification of non-recurring income (expense) in accordance with French GAAP under the appropriate income statement items depending on the type of income or expense;
- Reallocation of capitalised production and expense transfers, by deducting them from the relevant expense items, i.e. cost of goods sold, personnel expenses and other operating expenses;
- Reallocation of used provision reversals by deducting them from the relevant expense items;
- Reallocation of marketing expenses invoiced to suppliers from other sales, by deducting them from the cost of goods sold.

### 3.3.2 IFRS 16 – Leases

Under IFRS 16 "Leases", a single accounting model is used for all leases, excluding exemptions, involving the recognition of:

- a right-of-use asset representing the right to use the underlying asset over the lease term;
- a lease liability representing the obligation to make lease payments.

Right-of-use assets are depreciated on a straight-line basis over the lease term applied in accordance with IFRS 16. The lease liability is recognised using the effective interest method.

Leaseholds recognised under French GAAP have been reclassified as right-of-use assets. Leaseholds protected by law, for example in France, were recognised under intangible assets under French GAAP. Leaseholds not protected by law, for example in Italy and Germany, were classified under goodwill. Leaseholds protected by law reflect the residual value of the right-of-use assets and, consequently, are not depreciated. If the legal protection of such leaseholds is not deemed sufficient, they are depreciated in the same way as the rest of the right-of-use asset.

### 3.3.3 IFRS 15 – Loyalty programmes

In accordance with IFRS 15, sales of products or services where customers earn loyalty points must systematically result in the recognition of deferred income corresponding to the value of customers' rights to obtain goods or services free of charge or at preferential rates in the future. Under French GAAP, the rights and privileges granted upon the initial sale resulted in the recognition of a provision covering the probable cost of these rights.

### 3.3.4 IFRS 9 – Financial liabilities net of transaction costs

In accordance with IFRS 9 "Financial Instruments", transaction costs are deducted from financial liabilities and allocated over the term of the loan using the effective interest method. Under French GAAP, transaction costs are capitalised and amortised on a straight-line basis over the term of the loan.





### 3.3.5 IFRS 9 - Derivative financial instruments

In accordance with IFRS 9, financial instruments are measured at fair value. After initial recognition, derivatives are measured at fair value and changes in their fair value are classified differently depending on whether or not they qualify for hedge accounting in accordance with IFRS 9:

- Instruments held for trading: Derivatives meet the definition of held for trading, unless they are part of a designated hedging relationship. They are recognised at fair value through profit or loss. Changes in fair value and accrued interest or interest due are recognised under financial income or expense.
- Hedging instruments: Instruments that meet the criteria required under IFRS 9 are classified as cash flow hedges. The effective portion of changes in fair value of derivatives that qualify as hedging instruments is recognised in other comprehensive income and released to profit or loss if the hedged item affects profit or loss. The ineffective portion of changes in value (time value of options, the forward point component of forward contracts) is accounted for as a "hedging cost" (recognised on the balance sheet as an offsetting entry to other comprehensive income, and released to profit or loss depending on the type of hedged item).

Under French GAAP, derivative instruments were recorded as off-balance sheet items. Premiums paid on options were recognised on the balance sheet and amortised on a straight-line basis over the hedge term.

### 3.3.6 IAS 38 – SaaS implementation costs

Costs incurred to implement Software as a Service (SaaS) arrangements that are capitalised as intangible assets under French GAAP are recorded under prepaid expenses or intangible assets depending on their type.

Implementation costs for "distinct" services that do not modify or enhance the functionalities of the software accessible to the Group (configuration, customisation, data migration, training, testing, etc.) are expensed as incurred.

Services that are "not distinct" from access to the software primarily include customisation of the software by modifying the existing software code or writing new code in an SaaS arrangement. The result of customisation is to modify or enhance the functionalities of the software accessible to the Group. Implementation costs for services that are "not distinct" are recognised under prepaid expenses and expensed over the term of the contract.

Costs incurred to create additional, identifiable code that is distinct from the software in an SaaS arrangement controlled by the Group, such as expenditure to adapt existing on-site applications to enable them to interact with the SaaS applications, are recognised under intangible assets.

### 3.3.7 IFRS 3 – Transaction costs

In accordance with IFRS 3 "Business Combinations", transaction costs are expensed in the period they are incurred. Under French GAAP, they were included in the acquisition cost net of tax.

### 3.3.8 IAS 19 – Retirement and similar benefits

Retirement and similar benefits are recognised under liabilities in IFRS. These obligations were not provisioned in the French GAAP consolidated financial statements, but disclosures were provided in the notes.

### 3.3.9 IAS 12 – French value-added business tax (CVAE) analysed as income tax

The Group classifies French value-added business tax (CVAE) as income tax, which resulted in the following:

- In the balance sheet, reclassifying CVAE receivables from 'other current assets' to 'tax receivables', and CVAE payables from 'other current liabilities' to 'current tax liabilities';
- In the income statement, reclassifying CVAE-related expenses for each period from 'taxes other than income tax' to 'income tax'.

### 3.3.10 IAS 12 – Deferred tax liabilities on brands recognised in connection with the takeover of Thom Group

In accordance with IAS 12 "Income Taxes", deferred tax liabilities relating to the acquired brands were recognised in connection with the takeover of Thom Group. As the acquired brands are unamortised intangible assets recognised on the date that control of Thom Group was obtained, and as it was deemed that the brands could not be sold separately from the entity, no deferred tax liabilities were recognised in the consolidated financial statements under French GAAP.

### 3.3.11 IFRIC 21 – Levies

IFRIC 21 requires levies to be expensed in the period the obligating event that triggers the liability to pay them occurs. This method is used to account for French social solidarity tax (C3S). In the French GAAP consolidated financial statements, C3S was provisioned when the base on which it is calculated was recognised in profit and loss.

### 3.3.12 IAS 21 – Unrealised foreign exchange gains

Unrealised foreign exchange gains are recognised in the income statement under IFRS and on the balance sheet under French GAAP.

# 4. Operating segments

**ACCOUNTING PRINCIPLES**

**Definition of operating segments**

In accordance with IFRS 8 "Operating segments", segment information is prepared on the basis of the internal management data used to analyse performance and allocate resources by the chief operating decision-maker, a role shared by the Group's Chairman and Chief Executive Officer.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Each operating segment is regularly reviewed and the operating income of each segment regularly analysed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

## 4.1 Basis of segmentation

The Group's operating segments correspond to the following geographic areas/business activities:

- France (excluding Agatha);
- Italy;
- RoE (Rest of Europe);
- Timeway (products under license);
- Agatha.

Segmentation reflects the Group's managerial organisation and the internal reporting information submitted to the chief operating decision maker. Internal reporting information is used to assess operating segment performance, based primarily on revenue and EBITDA indicators.

## 4.2 Segment information

Information on each operating segment is presented below:

| | 2022/2023 (12 months) | | | | | |
|---|---|---|---|---|---|---|
| | France | Italy | RoE | Timeway | Agatha | Total |
| *In €m* | | | | | | |
| Total revenue before inter/intra segment revenue | 601.3 | 316.8 | 60.2 | 28.3 | 30.6 | 1,037.1 |
| Inter-segment revenue | (14.0) | (3.7) | (0.6) | (6.2) | (0.6) | (25.0) |
| Intra-segment revenue | (0.3) | - | - | (0.0) | (0.1) | (0.4) |
| Revenue | 587.0 | 313.1 | 59.6 | 22.1 | 30.0 | 1,011.8 |
| EBITDA | 172.1 | 88.4 | 13.9 | (0.0) | (1.4) | 272.9 |
| Segment investments - Other intangible assets | 11.0 | 1.7 | 0.0 | 0.3 | 0.1 | 13.1 |
| Segment investments - Property, plant and equipment | 11.9 | 16.3 | 3.0 | 1.1 | 0.6 | 32.9 |
| Segment investments | 22.8 | 18.0 | 3.0 | 1.4 | 0.8 | 46.0 |
| Inventories | 154.5 | 98.9 | 18.9 | 14.8 | 5.0 | 292.2 |

| | 2021/2022 (20 months) | | | | | |
|---|---|---|---|---|---|---|
| | France | Italy | RoE | Timeway | Agatha | Total |
| *In €m* | | | | | | |
| Total revenue before inter/intra segment revenue | 819.7 | 422.3 | 74.8 | 36.2 | - | 1,353.0 |
| Inter-segment revenue | (17.5) | (8.5) | (1.2) | (9.2) | - | (36.4) |
| Intra-segment revenue | (0.4) | - | - | (0.1) | - | (0.5) |
| Revenue | 801.8 | 413.8 | 73.6 | 26.9 | - | 1,316.1 |
| EBITDA | 254.1 | 110.8 | 18.4 | 0.8 | - | 384.0 |
| Segment investments - Other intangible assets | 13.8 | 2.6 | 0.0 | 0.1 | - | 16.4 |
| Segment investments - Property, plant and equipment | 13.7 | 12.9 | 3.8 | 2.0 | - | 32.4 |
| Segment investments | 27.5 | 15.5 | 3.8 | 2.0 | - | 48.8 |
| Inventories | 137.2 | 94.8 | 18.3 | 11.8 | - | 262.1 |

# 5. Consolidation method and scope

**ACCOUNTING PRINCIPLES**

**Consolidation principles**

The consolidated financial statements include the assets and liabilities, profit or loss and cash flows of the Company and its subsidiaries. Intercompany balances and transactions are eliminated when preparing the consolidated financial statements.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Equity interests acquired in these entities are consolidated on the date that control is transferred to the Group and are deconsolidated when control ceases.



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## 5.1 List of consolidated companies

Entities included in the consolidation scope under full consolidation method are as follows:

| Scope of consolidation | | 30/09/2023 | | 30/09/2022 | |
|---|---|---|---|---|---|
| **Company** | **Country** | **Interest %** | **Consolidation Method** | **Interest %** | **Consolidation Method** |
| Goldstory | France | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Thom Group | France | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Thom | France | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Histoire d'Or Monaco | Monaco | 99.94% | Full Consolidation | 99.94% | Full Consolidation |
| Histoire d'Or Belgium | Belgium | 99.99% | Full Consolidation | 99.99% | Full Consolidation |
| Histoire d'Or - Joalharia e Relojoarl (*) | Portugal | | | 100.00% | Full Consolidation |
| Thom Asia | Hong-Kong | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Thom India | India | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Thom Nederland (*) | Netherlands | | | 100.00% | Full Consolidation |
| OroVivo | Germany | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Stroili Oro | Italy | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Thom Up (*) | France | | | 100.00% | Full Consolidation |
| Histoire d'Or Luxembourg | Luxembourg | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Jools (*) | France | | | 100.00% | Full Consolidation |
| Thom Trade | France | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Thom Trade Italy | Italy | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Venson Paris | France | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| Duo Mu Jewellery (China) | China | 100.00% | Full Consolidation | 100.00% | Full Consolidation |
| NewCo Sell Platform | France | 65.03% | Full Consolidation | 65.03% | Full Consolidation |
| Popsell | France | 65.03% | Full Consolidation | 65.03% | Full Consolidation |
| Agatha (**) | France | 100.00% | Full Consolidation | | |
| Agatha Spain (**) | Spain | 100.00% | Full Consolidation | | |
| Agatha Asia (**) | Hong-Kong | 100.00% | Full Consolidation | | |
| RLC China (**) | China | 100.00% | Full Consolidation | | |
| Agatha Shanghai Distribution (**) | China | 100.00% | Full Consolidation | | |
| Financière Goldfinger 1 (*) | France | | | 100.00% | Full Consolidation |
| Financière Goldfinger 3 (*) | France | | | 100.00% | Full Consolidation |
| European Jewellers 1 (*) | France | | | 100.00% | Full Consolidation |
| European Jewellers 2 (*) | France | | | 100.00% | Full Consolidation |
| Financière Goldfinger 3 (*) | France | | | 100.00% | Full Consolidation |
| Financière Goldfinger 5 (*) | France | | | 100.00% | Full Consolidation |

*(*) entity entered and liquidated/merged during the year ended 30/09/22*
*(**) entity entered during fiscal year ended 30/09/23*





## 5.2 Changes in consolidation scope

**ACCOUNTING PRINCIPLES**

**Business combinations**

Business combinations are recognised in accordance with IFRS 3 "Business Combinations", using the acquisition method.

Goodwill corresponds to:

- the fair value of the consideration transferred, plus;
- the amount of any non-controlling interest in the acquiree, plus;
- in a business combination achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree; less
- the net of the acquisition-date amounts (generally at fair value) of identifiable assets acquired and liabilities assumed.

If the difference is negative, it is immediately recognised as a gain on a bargain purchase in profit or loss.

The consideration transferred is measured at fair value, which corresponds to the sum of the acquisition-date fair values of the assets acquired, liabilities assumed or incurred and equity instruments issued in exchange for control of the acquiree. If the consideration transferred by the Company in a business combination is subject to a contingent consideration arrangement, the contingent consideration is measured at fair value. Subsequent changes in fair value of the contingent consideration corresponding to debt instruments are recorded in profit or loss.

Acquisition costs are expensed as incurred as directly attribuable transaction costs. They are presented under other non-recurring operating expenses.

At the acquisition date, the Group recognises the individual identifiable assets acquired and liabilities assumed (identifiable net assets) of the subsidiaries, on the basis of their relative fair values at the date of purchase (barring exceptions). The assets and liabilities recognised may be adjusted over a maximum period of 12 months as of the acquisition date to reflect new information obtained on facts and circumstances that existed at the acquisition date.

### 5.2.1 Acquisition of Thom Group

On 26 February 2021, Goldstory SAS acquired all Thom Group SAS shares.

#### 5.2.1.1. Consideration transferred

The transaction financing arrangements are presented in Note 1.2.1.

The table below presents the breakdown by type of the fair value at the acquisition date of the consideration transferred.

| Thom Group | |
|---|---|
| **Consideration transferred** | |
| *In m€* | |
| Cash | 121.7 |
| Convertible bonds repayment | 194.6 |
| **Total consideration transferred** | **316.3** |

#### 5.2.1.2. Acquisition-related costs

The Group incurred acquisition-related costs in the form of lawyers' and due diligence fees amounting to €3.3 million. This amount was recognised under other non-recurring operating expenses.

#### 5.2.1.3. Identifiable assets acquired and liabilities assumed

The table below presents the amounts of assets acquired and liabilities assumed recognised at the acquisition date:

| Assets | 26/02/2021 |
|---|---|
| *In €m* | |
| Other intangible assets | 310.0 |
| Property, plant and equipment | 71.1 |
| Right-of-use assets | 429.3 |
| Other non-current assets | 19.1 |
| Non-current derivative instruments - Assets | 0.5 |
| Deferred tax assets | 53.7 |
| Non-current assets | 883.8 |
| Inventories | 224.8 |
| Trade receivables | 19.8 |
| Current tax assets | 9.0 |
| Other current assets | 31.9 |
| Current derivative instruments - Assets | 0.1 |
| Cash and cash equivalents | 187.9 |
| Current assets | 473.4 |
| **Total assets** | **1,357.3** |

| Equity and liabilities | 26/02/2021 |
|---|---|
| *In €m* | |
| Equity | |
| Share capital | 372.4 |
| Share premium | 2.7 |
| Consolidated reserves | (471.7) |
| Translation reserves | (0.0) |
| Net profit (loss) for the period | 33.7 |
| Equity attribuable to owners of the company | (62.9) |
| Non-controlling interests | 0.0 |
| Total equity | (62.9) |
| Non-current financial liabilities | 756.3 |
| Non-current lease liabilities | 243.1 |
| Post-employment benefits | 9.0 |
| Non-current provisions | 7.2 |
| Deferred tax liabilities | 89.3 |
| Non-current liabilities | 1 105.0 |
| Current financial liabilities | 11.3 |
| Current lease liabilities | 65.4 |
| Current provisions | 8.1 |
| Trade payables | 129.0 |
| Current tax liabilities | 6.6 |
| Other current liabilities | 91.4 |
| Current derivative instruments - Liabilities | 3.3 |
| Current liabilities | 315.2 |
| **Total equity and liabilities** | **1,357.3** |





Brands were measured based on royalty income discounted to infinity. Using this method, brand value is calculated by discounting theoretical royalty streams net of tax and other costs incurred to maintain the brand. In this way, it is possible to determine the amounts that the owner of the brand may receive every year over the period in which the brand is operated by a third party, depending on the revenue progression rate, which itself depends on the market outlook and the royalty rate.

#### 5.2.1.4. Goodwill

Goodwill resulting from the acquisition was calculated as follows:

| *In m€* | Thom Group |
|---|---|
| Consideration transferred | 316.3 |
| Acquisition date fair value of net assets acquired | (62.9) |
| **Goodwill** | **379.2** |

## 5.2.2 Acquisition of Popsell

The Group created the holding company NewCo Sell Platform SAS in June 2021, in which it holds a 65.03% stake. The remaining equity interests are held by .becoming. In June 2021, NewCo Sell Platform SAS acquired 100% of Popsell SAS shares. The Group has elected to recognise this acquisition at the level of the holding company NewCo Sell Platform SAS.

#### 5.2.2.1. Consideration transferred

The table below presents the breakdown by type of the fair value at the acquisition date of the consideration transferred.

| Popsell | |
|---|---|
| **Consideration transferred** | |
| *In m€* | |
| Cash | 5.1 |
| **Total consideration transferred** | **5.1** |

#### 5.2.2.2. Acquisition-related costs

The Group incurred acquisition-related costs in the form of lawyers' and due diligence fees amounting to €0.1 million. This amount was recognised under other non-recurring operating expenses.

#### 5.2.2.3. Identifiable assets acquired and liabilities assumed

The table below presents the amounts of assets acquired and liabilities assumed recognised at the acquisition date:

| Assets | 11/06/2021 |
|---|---|
| *In m€* | |
| Other intangible assets | 0.5 |
| Property, plant and equipment | 0.0 |
| Non-current assets | 0.5 |
| Trade receivables | 0.0 |
| Other current assets | 0.0 |
| Cash and cash equivalents | (0.0) |
| Current assets | 0.0 |
| **Total assets** | **0.5** |

| Equity and liabilities | 11/06/2021 |
| --- | --- |
| *In m€* | |
| Equity | |
| Share capital | 0.0 |
| Share premium | 0.9 |
| Consolidated reserves | (1.3) |
| Equity attribuable to owners of the company | (0.4) |
| Non-controlling interests | - |
| Total equity | (0.4) |
| Non-current financial liabilities | 0.0 |
| Non-current liabilities | 0.0 |
| Current financial liabilities | 0.7 |
| Trade payables | 0.0 |
| Other current liabilities | 0.2 |
| Current liabilities | 0.9 |
| **Total equity and liabilities** | **0.5** |

#### 5.2.2.4. Goodwill

Goodwill resulting from the acquisition was calculated as follows:

| *In m€* | Popsell |
| --- | --- |
| Consideration transferred | 5.1 |
| Acquisition date fair value of net assets acquired | (0.4) |
| **Goodwill** | **5.5** |

### 5.2.3 Acquisition of Venson Paris (renamed Timeway France)

On 1 September 2021, the Group acquired Venson Paris SAS (which has since been renamed Timeway France SAS).

#### 5.2.3.1. Consideration transferred

The table below presents the breakdown by type of the fair value at the acquisition date of the consideration transferred.

| Venson Paris | |
| --- | --- |
| **Consideration transferred** | |
| *In m€* | |
| Cash | 1.5 |
| **Total consideration transferred** | **1.5** |

#### 5.2.3.2. Acquisition-related costs

The Group incurred acquisition-related costs in the form of lawyers' and due diligence fees amounting to €0.05 million. This amount was recognised under other non-recurring operating expenses.





#### 5.2.3.3. Identifiable assets acquired and liabilities assumed

The table below presents the amounts of assets acquired and liabilities assumed recognised at the acquisition date:

| Assets | 11/06/2021 |
| --- | --- |
| *In m€* | |
| Other intangible assets | 0.0 |
| Property, plant and equipment | 0.1 |
| Right-of-use assets | 0.7 |
| Other non-current assets | 0.0 |
| Deferred tax assets | 0.0 |
| Non-current assets | 0.8 |
| Inventories | 1.1 |
| Trade receivables | 1.6 |
| Other current assets | 1.5 |
| Cash and cash equivalents | 0.4 |
| Current assets | 4.6 |
| **Total assets** | **5.4** |

| Equity and liabilities | 11/06/2021 |
| --- | --- |
| *In m€* | |
| Equity | |
| Share capital | 0.1 |
| Consolidated reserves | 1.1 |
| Equity attribuable to owners of the company | 1.2 |
| Non-controlling interests | - |
| Total equity | 1.2 |
| Non-current lease liabilities | 0.5 |
| Post-employment benefits | 0.3 |
| Non-current provisions | 0.1 |
| Non-current liabilities | 0.9 |
| Current financial liabilities | 0.7 |
| Current lease liabilities | 0.1 |
| Trade payables | 1.8 |
| Other current liabilities | 0.6 |
| Current liabilities | 3.3 |
| **Total equity and liabilities** | **5.4** |

#### 5.2.3.4. Goodwill

Goodwill resulting from the acquisition was calculated as follows:

| *In m€* | Venson Paris |
| --- | --- |
| Consideration transferred | 1.5 |
| Acquisition date fair value of net assets acquired | 1.2 |
| **Goodwill** | **0.2** |

### 5.2.4 Acquisition of Agatha

On 16 December 2022, Goldstory SAS, via its subsidiary Thom SAS, acquired the remaining 50% of Agatha shares from Renaissance Luxury Group. Agatha has been fully consolidated in the Group's accounts since October 1, 2022.

#### 5.2.4.1. Consideration transferred

The table below presents the breakdown by type of the fair value at the acquisition date of the consideration transferred.

| Agatha | |
|---|---|
| **Consideration transferred** | |
| *In m€* | |
| Cash | 7.0 |
| **Total consideration transferred** | **7.0** |

#### 5.2.4.2. Acquisition-related costs

The Group incurred acquisition-related costs in the form of lawyers' and due diligence fees amounting to €0.6 million. This amount was recognised under other non-recurring operating expenses.

#### 5.2.4.3. Identifiable assets acquired and liabilities assumed

The table below presents the amounts of assets acquired and liabilities assumed recognised at the acquisition date:

| Assets | 11/06/2021 |
|---|---|
| *In m€* | |
| Other intangible assets | 8.8 |
| Property, plant and equipment | 0.5 |
| Right-of-use assets | 8.9 |
| Other non-current assets | 3.5 |
| Deferred tax assets | 0.1 |
| Non-current assets | 21.9 |
| Inventories | 3.9 |
| Trade receivables | 2.2 |
| Current tax assets | 0.1 |
| Other current assets | 1.8 |
| Cash and cash equivalents | 3.4 |
| Current assets | 11.4 |
| **Total assets** | **33.3** |





| Equity and liabilities | 11/06/2021 |
|---|---|
| *In m€* | |
| Equity | |
| Share capital | 4.8 |
| Share premium | 2.2 |
| Consolidated reserves | (2.3) |
| Equity attribuable to owners of the company | 4.7 |
| Non-controlling interests | - |
| Total equity | 4.7 |
| Non-current financial liabilities | 4.6 |
| Non-current lease liabilities | 6.4 |
| Post-employment benefits | 0.1 |
| Deferred tax liabilities | 1.9 |
| Non-current liabilities | 13.0 |
| Current financial liabilities | 4.2 |
| Current lease liabilities | 2.2 |
| Trade payables | 6.6 |
| Other current liabilities | 2.6 |
| Current liabilities | 15.6 |
| **Total equity and liabilities** | **33.3** |

#### 5.2.4.4. Goodwill

Goodwill resulting from the acquisition was calculated as follows:

| *In m€* | Agatha |
|---|---|
| Consideration transferred | 7.0 |
| Acquisition date fair value of net assets acquired | 4.7 |
| **Goodwill** | **2.3** |

## 6. Operating income and cash flows

### 6.1 Split of the statement of comprehensive income and cash flow statement for the 20-month period into two statements of comprehensive income and two cash flow statements for the 8-month and 12-month periods

The Group's financial year ending 30 September 2022 has a duration of 20 months, while the Group's financial year ending 30 September 2023 has a duration of 12 months.

For better comparability, the statement of comprehensive income and the statement of cash flows for the 20-month financial year ending 30 September 2022 have been split as well as in the notes to the financial statements over the two periods below:

- An 8-month period beginning 1 February 2021 and ending 30 September 2021
- A 12-month period beginning 1 October 2021 and ending 30 September 2022.

## 6.1.1 Income statement

| Income statement | Notes | 2022/2023<br>01/10/22 - 30/09/23<br>12 months | 2021/2022<br>01/10/21 - 30/09/22<br>12 months | 01/02/21 - 30/09/21<br>8 months | 01/02/21 - 30/09/22<br>20 months |
|---|---|---|---|---|---|
| *In €m* | | | | | |
| Revenue | 6.2. | 1,011.8 | 932.4 | 383.7 | 1,316.1 |
| Cost of goods sold | 6.4.1. | (343.8) | (316.2) | (141.6) | (457.8) |
| Gross margin | | 668.0 | 616.3 | 242.0 | 858.3 |
| Other income | 6.3. | 2.7 | 9.1 | 13.6 | 22.7 |
| Personnel expenses | 6.4.2. | (254.2) | (233.4) | (98.5) | (331.9) |
| External expenses | 6.4.3. | (141.6) | (112.3) | (49.9) | (162.2) |
| Allowance for depreciation, amortisation, impairment and provisions | 6.4.4. | (109.5) | (96.1) | (51.1) | (147.2) |
| Other expenses | | (2.0) | (1.4) | (1.4) | (2.9) |
| Recurring operating profit | | 163.4 | 182.2 | 54.7 | 236.9 |
| Other non-recurring operating income | 6.4.5. | 1.6 | 1.3 | 0.6 | 1.9 |
| Other non-recurring operating expenses | 6.4.5. | (10.5) | (4.1) | (5.7) | (9.8) |
| Operating profit | | 154.6 | 179.4 | 49.6 | 229.0 |
| Cost of net financial debt | 7. | (41.3) | (38.3) | (32.7) | (71.0) |
| Other financial income and expenses | 7. | (24.7) | (25.7) | (8.0) | (33.8) |
| Profit before tax | | 88.5 | 115.3 | 8.9 | 124.2 |
| Income tax expense | 8.1. | (44.1) | (40.6) | (9.4) | (50.0) |
| Profit (loss) for the period | | 44.4 | 74.7 | (0.5) | 74.2 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 44.7 | 74.9 | (0.4) | 74.5 |
| Non-controlling interests | | (0.3) | (0.2) | (0.1) | (0.3) |

## 6.1.2 Other comprehensive income

| Income statement | Notes | 2022/2023<br>01/10/22 - 30/09/23<br>12 months | 2021/2022<br>01/10/21 - 30/09/22<br>12 months | 01/02/21 - 30/09/21<br>8 months | 01/02/21 - 30/09/22<br>20 months |
|---|---|---|---|---|---|
| *In €m* | | | | | |
| Profit (loss) for the period | | 44.4 | 74.7 | (0.5) | 74.2 |
| Remeasurements of post-employment benefits | 6.4.2. | (0.1) | 0.6 | (0.4) | 0.2 |
| Related tax | | 0.0 | (0.2) | 0.1 | (0.1) |
| Items that will not be reclassified to profit or loss | | (0.1) | 0.4 | (0.3) | 0.1 |
| Translation reserves | | 0.4 | 0.0 | 0.0 | 0.1 |
| Cash flow hedges | | (5.9) | 22.3 | 1.0 | 23.3 |
| Related tax | | 1.5 | (5.7) | (0.2) | (5.9) |
| Items that will be reclassified subsequently to profit or loss | | (3.9) | 16.6 | 0.9 | 17.5 |
| **Total other comprehensive income** | **8.1.** | **40.4** | **91.7** | **0.1** | **91.8** |
| *Attribuable to:* | | | | | |
| *Owners of the Company* | | *(4.0)* | *17.0* | *0.6* | *17.6* |
| *Non-controlling interests* | | *-* | *-* | *-* | *-* |





## 6.1.3 Cash flow statement

| Cash-flow statement | Notes | 2022/2023<br>01/10/22 - 30/09/23<br>12 months | 2021/2022<br>01/10/21 - 30/09/22<br>12 months | 01/02/21 - 30/09/21<br>8 months | 01/02/21 - 30/09/22<br>20 months |
|---|---|---|---|---|---|
| *In €m* | | | | | |
| Cash-flow from operating activities | | | | | |
| Profit (loss) for the period | | 44.4 | 74.7 | (0.5) | 74.2 |
| Adjustments for: | | | | | |
| Allowance for depreciation, amortisation, impairment and provisions | 6.4.4. | 109.5 | 96.1 | 51.1 | 147.2 |
| Income tax expense | 8.1. | 44.1 | 40.6 | 9.4 | 50.0 |
| Net finance costs | 7. | 66.0 | 64.0 | 40.8 | 104.8 |
| Non-cash items from recurring operating income and expenses | | 0.8 | (1.7) | (1.2) | (3.0) |
| Non-cash items from non-recurring operating income and expenses | | 0.1 | (0.6) | (0.1) | (0.6) |
| Operating cash before changes in working capital and income tax paid | | 265.0 | 273.1 | 99.4 | 372.5 |
| Change in working capital requirements | 6.5. | (32.3) | (2.6) | (2.2) | (4.9) |
| Income tax paid | | (26.8) | (32.0) | (14.7) | (46.7) |
| Net cash from operating activities | | 205.9 | 238.5 | 82.5 | 321.0 |
| Acquisition of property, plant & equipment and intangible assets | | (48.4) | (31.7) | (15.5) | (47.2) |
| Disposal of property, plant & equipment and intangible assets | | 0.3 | 0.1 | 0.3 | 0.4 |
| Acquisition of financial assets | | (0.9) | 0.1 | (0.9) | (0.8) |
| Acquisition of subsidiaries, net of cash acquired | | (2.9) | (0.5) | (97.0) | (97.5) |
| Net cash used in investing activities | | (51.9) | (32.0) | (113.2) | (145.2) |
| Proceeds from issue of share capital | | - | - | 124.1 | 124.1 |
| Dividends paid | | (25.0) | (160.6) | - | (160.6) |
| Proceeds from issue of bonds | 21.1. | - | - | 601.7 | 601.7 |
| Repayment of Term loan B | 21.1. | - | - | (566.4) | (566.4) |
| Repayment of lease liabilities | 21.1. | (67.7) | (60.7) | (36.8) | (97.5) |
| Revolving credit facilities, net of repayment | 21.1. | 8.0 | 22.0 | - | 22.0 |
| Interest paid on Senior Secured Notes | | (35.2) | (33.8) | (19.6) | (53.5) |
| Interest paid on RCF | | (2.1) | (0.9) | (1.1) | (1.9) |
| Interest paid on Term Loan B | | - | - | (1.1) | (1.1) |
| Interest paid on lease liabilities | | (21.7) | (22.3) | (9.6) | (31.9) |
| Other interest paid | | (0.2) | (0.4) | (1.1) | (1.5) |
| Other cash flows used in financing activities | | (1.1) | (2.9) | (0.6) | (3.5) |
| Net cash from/ (used in) financing activities | | (145.0) | (259.5) | 89.4 | (170.1) |
| **Net increase / (decrease) in cash and cash equivalents** | | **9.0** | **(53.0)** | **58.8** | **5.7** |
| Cash and cash equivalents at the beginning of the period | 21.5. | 5.7 | 58.8 | - | - |
| Cash and cash equivalents at the end of the period | 21.5. | 14.7 | 5.7 | 58.8 | 5.7 |
| **Change in cash** | | **9.0** | **(53.0)** | **58.8** | **5.7** |

## 6.2 Revenue

**ACCOUNTING PRINCIPLES**

Revenue includes operating revenue and other sales.

**Operating revenue**

Operating revenue corresponds to in-store and online jewellery sales, as well as sales to affiliated stores and independent stores (wholesale business through Timeway).

The Group recognises revenue when it transfers control of the related asset to the customer. Control is deemed to be transferred at the time of delivery when the customer accepts and takes possession of the asset.

In the case of in-store sales, revenue is recognised at the time of sale or upon subsequent delivery to the customer if the product was not immediately available in-store. Retail sales are generally paid for in cash or by credit or debit card.

On the e-commerce websites, sales are recognised when the product is delivered to the customer. Transactions are generally settled by credit or debit card, cheque, other payment card or electronic payments.

Sales to affiliated stores are recognised upon delivery of the merchandise to the latter.

**Other sales**

Other sales include sales of precious metals bought back through the network or smelters and resold. The Group buys back gold in-store: the customer can choose to be paid either by gift voucher or in cash. Revenue is recognised at the sales price in force at the time of sale.

**Customer loyalty programmes**

The Group has set up a loyalty card system in which customers receive a discount after five purchases at Histoire d'Or and Marc Orian. The discount equals 10% of the total purchase amount and may only be used against future purchases.

Income from the sale of merchandise is allocated to the loyalty programme and the other sales components. The amount allocated to the loyalty programme is deferred and recognised as revenue when the Group meets its discount obligations under the programme or when customers' loyalty points expire.

**Other items**

Sales are measured at the fair value of the consideration received or receivable in exchange for goods or services, excluding VAT and net of discounts granted to customers. They are based on the invoiced price.

The invoiced price does not include variable amounts requiring the use of estimates.

The Group has established partnerships with companies specialised in consumer credit to enable Group customers to pay in instalments. However, contracts with customers do not include a financing component as the use of consumer credit has no impact on the Group, i.e. the sales price remains identical whether or not customers use consumer credit to help finance a purchase.

Customers may return items purchased in-store and online. Where applicable, the Group recognises a liability for future refunds and an asset for the items it expects to recover.





### 6.2.1 Breakdown of revenue

| | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| **Sales** | **01/10/22 - 30/09/23 12 months** | **01/10/21 - 30/09/22 12 months** | **01/02/21 - 30/09/21 8 months** | **01/02/21 - 30/09/22 20 months** |
| *In €m* | | | | |
| France | 610.4 | 546.3 | 204.0 | 750.2 |
| Foreign | 346.5 | 326.8 | 150.3 | 477.1 |
| Sales to affiliates | 9.8 | 11.8 | 2.8 | 14.7 |
| Network sales | 966.7 | 884.9 | 357.1 | 1,242.0 |
| Sales of precious metals | 43.2 | 45.9 | 26.0 | 71.9 |
| Supplier invoices | 0.0 | 0.1 | - | 0.1 |
| Logistics and purchasing services invoicing | 0.4 | 0.4 | 0.2 | 0.6 |
| Other revenue | 1.4 | 1.1 | 0.3 | 1.4 |
| Others | 45.1 | 47.5 | 26.5 | 74.1 |
| **Total revenue** | **1,011.8** | **932.4** | **383.7** | **1,316.1** |

## 6.3 Other income

**ACCOUNTING PRINCIPLES**

Other operating income includes government grants, which are initially recognised as deferred income at fair value, if there is reasonable assurance that they will be received and the Group will comply with the conditions attached to them.

Investment grants are recognised as other operating income on a systematic basis over the useful life of the asset.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs that the grants are intended to cover, unless the conditions for obtaining the grant are only met after the related expenses have been recognised. In this case, the grant is only recognised once the conditions for obtaining it are met.

| | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| **Other income** | **01/10/22 - 30/09/23 12 months** | **01/10/21 - 30/09/22 12 months** | **01/02/21 - 30/09/21 8 months** | **01/02/21 - 30/09/22 20 months** |
| *In €m* | | | | |
| Partner royalties | 1.3 | 1.1 | 0.4 | 1.5 |
| State aid for the Covid-19 crisis | - | 5.3 | 10.6 | 15.9 |
| Other | 1.4 | 2.6 | 2.7 | 5.3 |
| **Total other income** | **2.7** | **9.1** | **13.6** | **22.7** |

Change in the "Other" category of other income above comprises a €1.2 million decrease in services to affiliated partners (excluding advertising), partially offset by a €0.2 million increase in royalties paid by affiliated partners.

## 6.4 Operating expenses

### 6.4.1 Cost of goods sold

| Cost of goods sold | 2022/2023<br>01/10/22 - 30/09/23 12 months | 2021/2022<br>01/10/21 - 30/09/22 12 months | 2021/2022<br>01/02/21 - 30/09/21 8 months | 2021/2022<br>01/02/21 - 30/09/22 20 months |
|---|---|---|---|---|
| *In €m* | | | | |
| Purchase of raw materials | (72.7) | (55.3) | (36.7) | (92.0) |
| Change in inventories - raw materials | 11.7 | (6.1) | 8.3 | 2.2 |
| COGS - Raw materials | (61.0) | (61.4) | (28.4) | (89.8) |
| Purchase of merchandise | (300.9) | (307.0) | (89.3) | (396.4) |
| Change in inventories - merchandise | 18.2 | 52.3 | (23.9) | 28.4 |
| COGS - Merchandise | (282.7) | (254.8) | (113.3) | (368.0) |
| **Total cost of goods sold** | **(343.8)** | **(316.2)** | **(141.6)** | **(457.8)** |

### 6.4.2 Personnel expenses

**ACCOUNTING PRINCIPLES**

**Short-term employee benefits**

Short-term employee benefits are expensed when the corresponding service is rendered. A liability is recognised for the amount that the Group expects to pay if it has a present legal or constructive obligation to make such payments as a result of past events and if a reliable estimate of the obligation can be made.

**Defined benefit plans**

Defined benefit plans refer to plans under which an entity has a legal or constructive obligation for a fixed amount or level of benefits. Consequently, the Group bears the risk in the medium and long term.

These plans are reflected in the financial statements, with the service cost presented in the income statement and statement of other comprehensive income.

Actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions are recognised in "Other comprehensive income" and are not released to profit or loss. Paste service costs are recognised immediately in profit or loss.

**Defined contribution plans**

Defined contribution plans are those for which the Group's obligation is limited to the payment of a contribution, without any commitment regarding the level of benefits provided.

Contributions paid under defined contribution plans are expensed as incurred.

#### Plans applicable to the Group

Upon retirement, the Group's employees in France receive a lump-sum payment in accordance with the watch and jewellery retail collective bargaining agreement. It is a defined benefit plan.

In Italy, the employee benefits scheme (*Trattamento di fine Rapporto*) is based on a mandatory employer's contribution of 7.4% of gross salary. The related expense and liability are recorded in the Group's income statement and balance sheet, respectively. A portion of this obligation may be allocated to pension funds. Membership of these pension funds is voluntary. The contribution is shared between the employee and employer.

In Germany, retirement benefit obligations are based on a mandatory employer's contribution of 9.3% of gross salary. The related expense and liability are recorded in the Group's income statement and balance sheet, respectively.





The actuarial assumptions used to determine the provision for retirement benefit obligations by country are presented below:

| 30/09/2023 | France | Italy | Germany |
|---|---|---|---|
| Discount rate | 4.06% | 4.39% | 1.81% |
| Turnover/exit rate | 9.58% | 7% | 0% |
| Mortality table | INSEE 2013-2015 | RG48 | Heubeck mortality tables 2018 |
| Future salary growth | 2.50% | 3.23% | 1.0% |
| Retirement age | 62-65 | 100% if OSM conditions fulfilled | 65-66 |

| 30/09/2022 | France | Italy | Germany |
|---|---|---|---|
| Discount rate | 3.74% | 4.23% | 1.78% |
| Turnover/exit rate | 10.07% | 7% | 0% |
| Mortality table | INSEE 2013-2015 | RG48 | Heubeck mortality tables 2018 |
| Future salary growth | 2.50% | 3.23% | 1.0% |
| Retirement age | 62-65 | 100% if OSM conditions fulfilled | 63-66 |

| 28/02/2021 | France | Italy | Germany |
|---|---|---|---|
| Discount rate | 0.69% | 0.85% | 2.42% |
| Turnover/exit rate | 10.51% | 7% | 0% |
| Mortality table | INSEE 2013-2015 | RG48 | Heubeck mortality tables 2018 |
| Future salary growth | 2.50% | 2.40% | 1.0% |
| Retirement age | 65 | 100% if OSM conditions fulfilled | 63-64 |

Changes in retirement benefit obligations were as follows:

| Post-employee benefits | 2022/2023<br>THOM | Timeway France SAS | THOM group | Goldstory | Stroili | Timeway italy SRL | Agatha | OROVIVO | Total |
|---|---|---|---|---|---|---|---|---|---|
| *In €m* | | | | | | | | | |
| Net obligations as of 1 October 2022 | 0.7 | 0.2 | 0.4 | - | 2.0 | - | - | 0.2 | 3.6 |
| Newly consolidated | - | - | - | - | - | - | 0.1 | - | 0.1 |
| Current service cost | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | 0.1 |
| Interest cost (income) | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | - | - | - | 0.1 |
| Benefits paid | - | - | - | - | (0.1) | - | - | - | (0.2) |
| Actuarial loss (gain) | 0.3 | (0.1) | (0.2) | - | - | - | - | - | 0.1 |
| **Net obligations as of 30 September 2023** | **1.2** | **0.1** | **0.3** | **0,.0** | **2.0** | **0.0** | **0.1** | **0.2** | **3.9** |

| Post-employee benefits | 2021/2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | THOM | Timeway France SAS | THOM group | Goldstory | Stroili | Timeway italy SRL | Agatha | OROVIVO | Total |
| *In €m* | | | | | | | | | |
| Net obligations as of 1 February 2021 | - | - | - | - | - | - | - | - | - |
| Newly consolidated | 0.9 | 0.3 | 0.5 | - | 2.2 | - | - | 0.2 | 4.0 |
| Current service cost | 0.1 | 0.0 | 0.1 | 0.1 | - | 0.0 | - | - | 0.3 |
| Interest cost (income) | 0.0 | 0.0 | 0.0 | 0;0 | 0.0 | - | - | - | 0.1 |
| Benefits paid | (0.1) | - | - | - | (0.5) | - | - | - | (0.5) |
| Actuarial loss (gain) | (0.1) | (0.1) | (0.2) | (0.1) | 0.3 | - | - | - | (0.2) |
| **Net obligations as of 30 September 2022** | **0.7** | **0.2** | **0.4** | **0.0** | **2.0** | **0.0** | **-** | **0.2** | **3.6** |

| Personnel expenses | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| | 01/10/22 - 30/09/23 12 months | 01/10/21 - 30/09/22 12 months | 01/02/21 - 30/09/21 8 months | 01/02/21 - 30/09/22 20 months |
| *In €m* | | | | |
| Wages and salaries | 185.9 | 165.0 | 72.4 | 237.5 |
| Social security contributions | (57.8) | (55.9) | (22.4) | (78.3) |
| Employee profit-sharing | (10.3) | (12.3) | (3.5) | (15.8) |
| Post-employment benefit plans | (0.1) | (0.1) | (0.1) | (0.3) |
| **Total personnel expenses** | **(254.2)** | **(233.4)** | **(98.5)** | **(331.9)** |

The Group at the close of the last two reporting periods were as follows:

- 6,024 employees for the fiscal year ending on 30 September 2023
- 4,983 employees for the fiscal year ending on 30 September 2022

### 6.4.3 External expenses

| External expenses | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| | 01/10/22 - 30/09/23 12 months | 01/10/21 - 30/09/22 12 months | 01/02/21 - 30/09/21 8 months | 01/02/21 - 30/09/22 20 months |
| *In €m* | | | | |
| Utilities and other supplies | (15.7) | (10.5) | (2.3) | (12.8) |
| Real property leases | (1.5) | 2.6 | (0.5) | 2.0 |
| Expenses related to real property leases | (13.7) | (12.9) | (5.7) | (18.7) |
| Advertising | (32.8) | (27.8) | (10.1) | (37.9) |
| Transport | (9.9) | (8.7) | (4.6) | (13.3) |
| Insurance | (1.6) | (1.8) | (1.0) | (2.8) |
| Maintenance | (6.1) | (5.6) | (2.5) | (8.2) |
| Consultancy fees | (17.4) | (12.5) | (5.4) | (17.9) |
| Bank fees | (4.2) | (3.7) | (1.4) | (5.2) |
| Information system and technology | (8.3) | (6.7) | (3.2) | (9.8) |
| Telecommunication and network expenses | (4.1) | (3.9) | (2.1) | (6.0) |
| Travel, accommodation and courtesy costs | (6.0) | (4.2) | (1.1) | (5.3) |
| Other | (12.1) | (9.6) | (6.3) | (16.0) |
| Regional levy on French companies (CFE) | (1.5) | (1.2) | (0.8) | (2.0) |
| Payroll-related taxes | (3.2) | (3.0) | (1.4) | (4.4) |
| Taxes on commercial premises | (1.1) | (0.9) | (0.4) | (1.3) |
| Levy on French companies to fund social security (CSS) | (1.0) | (0.8) | 0.0 | (0.8) |
| Other taxes and duties | (1.4) | (0.9) | (0.9) | (1.8) |
| **Total external expenses** | **(141.6)** | **(112.3)** | **(49.9)** | **(162.2)** |





### 6.4.4 Allowances for amortisation, depreciation, impairment and provisions (net)

| Allowance for depreciation, amortisation, impairment and provisions | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| | 01/10/22 - 30/09/23 12 months | 01/10/21 - 30/09/22 12 months | 01/02/21 - 30/09/21 8 months | 01/02/21 - 30/09/22 20 months |
| *In €m* | | | | |
| Allowance for depreciation and amortisation of PPE, intangible assets | (106.0) | (96.2) | (58.0) | (154.1) |
| Inventories impairment | (10.2) | (7.4) | (3.6) | (11.1) |
| Trade receivables impairment | (0.1) | (0.1) | (0.2) | (0.4) |
| Allowance for provisions | (0.2) | (0.3) | (0.5) | (0.8) |
| Allowance for depreciation, amortisation, impairment and provisions | (116.5) | (104.1) | (62.3) | (166.4) |
| Reversal of depreciation and amortisation of PPE, intangible assets | 0.1 | 0.1 | 0.3 | 0.4 |
| Reversal of inventories impairment | 6.6 | 6.8 | 8.2 | 14.9 |
| Reversal of provisions | 0.3 | 1.2 | 2.7 | 3.9 |
| Reversal for depreciation, amortisation, impairment and provisions | 6.9 | 8.1 | 11.2 | 19.2 |
| **Total allowance of tangible and intagible assets depreciation and amortisation** | **(109.5)** | **(96.0)** | **(51.1)** | **(147.2)** |

### 6.4.5 Non-recurring operating income and expenses

**ACCOUNTING PRINCIPLES**

Unusual and material items in the consolidated financial statements are presented separately in operating income under other non-recurring operating income and expenses. This line item primarily includes:

- transaction costs relating to changes in consolidation scope, expensed as incurred in accordance with IFRS 3 "Business Combinations";
- costs relating to restructuring plans; and
- impairment of non-current assets primarily recognised following impairment tests on cash generating units and goodwill.

| Other non-recurring operating income and expenses | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| | 01/10/22 - 30/09/23 12 months | 01/10/21 - 30/09/22 12 months | 01/02/21 - 30/09/21 8 months | 01/02/21 - 30/09/22 20 months |
| *In €m* | | | | |
| Proceeds from disposal of assets | 0.5 | 0.1 | 0.2 | 0.3 |
| Other income | 1.1 | 1.2 | 0.4 | 1.6 |
| Other non-recurring operating income | 1.6 | 1.3 | 0.6 | 1.9 |
| Pre-opening expenses | (1.9) | (0.9) | (0.6) | (1.5) |
| Net book values of disposed assets | (1.6) | (1.2) | (0.9) | (2.0) |
| Allowance for provisions | (7.0) | (2.0) | (4.2) | (6.2) |
| Other non-recurring operating expenses | (10.5) | (4.1) | (5.7) | (9.8) |
| **Total other non-recurring operating income and expenses** | **(8.9)** | **(2.8)** | **(5.0)** | **(7.9)** |

Pre-opening expenses, totalling (1.9) million euros for the year ended 30 September 2023 (12 months) and (1.5) millions euros for the year ended 30 September 2022 (20 months), present costs incurred in preparation for the opening of stores or during renovation projects that involve an extended closure of sales outlets.

Other expenses of (7.0) million euros as of 30 September 2023 (12 months) mainly comprise:

- (2.0) million euros allocated for indemnities related to legal disputes, including (1.7) million euros for the settlement of a dispute with the former Chinese partner with whom Agatha collaborated in China prior to the Group's acquisition of Agatha in February 2021. This amount includes indemnities paid and associated legal fees. The resolution of this dispute through arbitration end the financial risk associated with Agatha's previous association with its former partner; (1.2) million euros for various restructuring and acquisition projects;
- (1.1) million euros designated for severance payment in connection with the departure of key personnel;
- (1.0) million euro attributed to legal fees arising from the examination of a tax issue in Italy;
- (1.7) million euro allocated for other operating expenses for events not related to the company's ordinary activities.

Other expenses of (6.2) million euros as of 30 September 2022 (20 months) mainly comprise:

- acquisitions costs relating mainly to the acquisitions of Thom group for (3.3) millions and Popsell for (0.1) million euro;
- (1.5) million euros earmarked for various restructuring and acquisition projects;
- (1.0) million euros designated for severance payment in connection with the departure of key personnel;
- (0.3) million euro allocated for other operating expenses for events not related to the company's ordinary activities.

## 6.5 Cash Flows – change in working capital

The change in working capital was as follows:

| | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| **Working capital requirements** | **01/10/22 - 30/09/23 12 months** | **01/10/21 - 30/09/22 12 months** | **01/02/21 - 30/09/21 8 months** | **01/02/21 - 30/09/22 20 months** |
| *In €m* | | | | |
| Change in inventories | (29.9) | (46.2) | 14.0 | (32.2) |
| Change in trade receivables | 1.0 | (3.1) | (0.8) | (4.0) |
| Change in other assets | 3.5 | 4.0 | (14.7) | (10.7) |
| Change in trade payables | (16.3) | 39.0 | (19.7) | 19.3 |
| Change in other liabilities | 9.4 | 3.8 | 19.0 | 22.8 |
| **Change in working capital requirements** | **(32.3)** | **(2.6)** | **(2.2)** | **(4.9)** |





# 7. Net financial income (expense)

**ACCOUNTING PRINCIPLES**

Net financial income (expense) primarily includes interest on bank loans, recognised using the effective interest method. Application of the effective interest method involves amortising, using actuarial assumptions, items included in the carrying amount of the financial instrument (commissions and spreads paid and received, transaction costs, premiums and discounts) over the expected useful life of the instrument.

It also includes interest expenses on lease liabilities determined in accordance with IFRS 16 for all leases (barring exemptions).

Transactions denominated in a foreign currency are translated into the functional currencies of Group companies using the exchange rate effective at the transaction date. Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate effective at the reporting date. Non-monetary items measured at historical cost, denominated in a foreign currency, are translated using the exchange rate effective at the transaction date. The resulting foreign exchange differences are generally recognised under net financial income (expense) and included in foreign exchange gains and losses.

Foreign exchange gains and losses on payables and receivables denominated in a foreign currency are classified as financial income or expense.

Net financial income (expense) includes changes in the fair value of derivatives, as explained in Note 20.

Net financial income (expense) breaks down as follows:

| | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| **Financial income and expenses** | **01/10/22 - 30/09/23 12 months** | **01/10/21 - 30/09/22 12 months** | **01/02/21 - 30/09/21 8 months** | **01/02/21 - 30/09/22 20 months** |
| *In €m* | | | | |
| Interest on Senior Secured Notes ("High Yield") | (38.8) | (37.2) | (24.3) | (61.4) |
| Interest on bank loan and Revolving Credit Facility | (2.4) | (1.2) | (1.3) | (2.5) |
| Costs relating to 2021 refinancing | - | - | (7.2) | (7.2) |
| Other | - | 0.0 | 0.0 | 0.1 |
| Cost of net financial debt | (41.3) | (38.3) | (32.7) | (71.0) |
| Foreign currency exchange | 4.3 | 1.7 | 1.0 | 2.7 |
| Other | 0.2 | 0.1 | 2.6 | 2.7 |
| Other financial income | 4.5 | 1.8 | 3.6 | 5.4 |
| IFRS 16 expenses | (21.7) | (22.3) | (9.6) | (31.9) |
| Foreign currency exchange | (4.6) | (3.6) | (0.7) | (4.2) |
| Financial expenses for customer deferred payments | (1.0) | (0.9) | (0.3) | (1.2) |
| Other | (1.8) | (0.8) | (1.1) | (1.8) |
| Other financial expenses | (29.2) | (27.5) | (11.6) | (39.1) |
| **Financial income (expense)** | **(66.0)** | **(64.0)** | **(40.8)** | **(104.8)** |

# 8. Income tax

**ACCOUNTING PRINCIPLES**

Income tax expense comprises current and deferred tax. Income tax expense is calculated using tax rates enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

French value-added business tax (Cotisation sur la Valeur Ajoutée des Entreprises (CVAE)) is deemed by the Group to meet the definition of income tax.

Current and deferred tax are recognised in profit or loss, unless they relate to items recognised in other comprehensive income or directly in equity. If current or deferred tax results from the initial recognition of a business combination, the tax impact is included in the recognition of the business combination.

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes (barring exceptions).

The impact on deferred tax assets and liabilities of a change in tax rates and tax legislation is generally recognised under tax income/expense in the period in which the change is substantively enacted. Deferred tax assets and liabilities are measured using the tax rates expected for the period in which the assets are used or the liabilities settled, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax credits, tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilised. Future taxable profit is measured based on the reversal of taxable temporary differences. If the amount of temporary differences is not sufficient to recognise a deferred tax asset in full, future taxable profit, net of the reversal of temporary differences, is measured based on the business plan of each Group subsidiary. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that taxable profit will be realised. The reductions are reversed if the probability of future taxable profit increases.

Unrecognised deferred tax assets are remeasured at each reporting date and recognised if it becomes probable that future taxable profit will be available against which they can be utilised.

**MANAGEMENT ESTIMATES AND ASSUMPTIONS**

Management's judgement is necessary to determine to what extent tax losses may be recovered by the Group, giving rise to the recognition of a deferred tax asset. To evaluate the recognition of deferred tax assets, Management assesses whether or not it is probable that they will be utilised. Deferred tax assets will be utilised if sufficient taxable profit net of the reversal of temporary differences will be available in the periods when the temporary differences become deductible. Estimates of taxable profit and use of tax loss carry-forwards are made on the basis of budget forecasts, the mid-term (5-year) business plan and additional forecasts when required.





## 8.1 Income tax

| | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| **Income tax expense** | **01/10/22 - 30/09/23 12 months** | **01/10/21 - 30/09/22 12 months** | **01/02/21 - 30/09/21 8 months** | **01/02/21 - 30/09/22 20 months** |
| *In €m* | | | | |
| Current income tax | (43.0) | (41.8) | (8.6) | (50.4) |
| French value-added business tax (CVAE) | (1.4) | (2.6) | (1.0) | (3.6) |
| Deferred tax | 0.3 | 3.8 | 0.3 | 4.0 |
| **Total income tax expense** | **(44.1)** | **(40.6)** | **(9.4)** | **(50.0)** |

## 8.2 Analysis of deferred taxes

### 8.2.1 Analysis at 30 September 2023

| Deferred tax assets | Opening | Change in scope | Change | Closing |
|---|---|---|---|---|
| *In €m* | | | | |
| Tax loss carried forward | - | - | - | - |
| Non-deductible financial interests carried forward | 0.1 | - | 0.0 | 0.1 |
| Employee profit-sharing | 2.9 | - | (0.5) | 2.4 |
| Leashold rights | 2.0 | - | (0.4) | 1.6 |
| Hedging instruments | 2.7 | - | (1.6) | 1.1 |
| Amortisation, depreciation and provisions | 3.7 | - | 0.0 | 3.7 |
| Fair value of assets | 1.8 | - | (0.7) | 1.1 |
| Provision for loyalty program | 7.0 | - | 0.4 | 7.4 |
| Trademarks depreciation | 7.2 | - | 0.4 | 7.6 |
| Employee benefits | 0.3 | - | 0.1 | 0.4 |
| SaaS implementation costs | 0.6 | - | (0.1) | 0.5 |
| Lease contracts | 3.7 | - | 1.7 | 5.4 |
| Borrowings at amortized cost | 0.4 | - | (0.0) | 0.4 |
| Other temporary differences | 0.8 | 0.1 | (0.7) | 0.1 |
| Netting of deferred tax assets and liabilities by tax jurisdiction | (15.9) | - | 0.7 | (15.2) |
| **Total Deferred tax assets** | **17.4** | **0.1** | **(0.7)** | **16.7** |

| Deferred tax liabilities | Opening | Change in scope | Change | Closing |
|---|---|---|---|---|
| *In €m* | | | | |
| Lease contracts | 0.4 | - | (0.0) | 0.4 |
| Revaluation of leashold rights | 4.2 | - | (0.5) | 3.8 |
| Revaluation of trademarks | 53.3 | 2.2 | - | 55.4 |
| Borrowings at amortized cost | - | - | 0.1 | 0.1 |
| Hedging instruments | 6.7 | - | (1.8) | 4.9 |
| Other temporary differences | 0.2 | - | (0.2) | 0.0 |
| Netting of deferred tax assets and liabilities by tax jurisdiction | (15.9) | - | 0.7 | (15.2) |
| **Total Deferred tax liabilities** | **48.9** | **2.2** | **(1.7)** | **49.3** |

### 8.2.2 Analysis at 30 September 2022

| Deferred tax assets | Opening | Change in scope | Change | Closing |
|---|---|---|---|---|
| *In €m* | | | | |
| Tax loss carried forward | - | 0.4 | (0.4) | - |
| Non-deductible financial interests carried forward | - | 2.8 | (2.7) | 0.1 |
| Employee profit-sharing | - | 0.8 | 2.1 | 2.9 |
| Leashold rights | - | 2.9 | (0.9) | 2.0 |
| Hedging instruments | - | 3.1 | (0.4) | 2.7 |
| Amortisation, depreciation and provisions | - | 5.1 | (1.5) | 3.7 |
| Fair value of assets | - | 1.5 | 0.3 | 1.8 |
| Provision for loyalty program | - | 5.2 | 1.8 | 7.0 |
| Trademarks depreciation | - | 7.2 | - | 7.2 |
| Employee benefits | - | (0.2) | 0.5 | 0.3 |
| SaaS implementation costs | - | (0.5) | 1.1 | 0.6 |
| Lease contracts | - | - | 3.7 | 3.7 |
| Borrowings at amortized cost | - | - | 0.4 | 0.4 |
| Other temporary differences | - | 2.3 | (1.5) | 0.8 |
| Netting of deferred tax assets and liabilities by tax jurisdiction | - | (0.6) | (15.3) | (15.9) |
| **Total Deferred tax assets** | **-** | **30.1** | **(12.7)** | **17.4** |

| Deferred tax liabilities | Opening | Change in scope | Change | Closing |
|---|---|---|---|---|
| *In €m* | | | | |
| Lease contracts | - | 0.4 | 0.0 | 0.4 |
| Revaluation of leashold rights | - | 4.1 | 0.2 | 4.2 |
| Revaluation of trademarks | - | 53.3 | - | 53.3 |
| Hedging instruments | - | - | 6.7 | 6.7 |
| Other temporary differences | - | 0.1 | 0.1 | 0.2 |
| Netting of deferred tax assets and liabilities by tax jurisdiction | - | (0.6) | (15.3) | (15.9) |
| **Total Deferred tax liabilities** | **-** | **57.2** | **(8.4)** | **48.9** |





## 8.3 Reconciliation of the effective and theoretical tax rates

| Tax proof | 2022/2023<br>01/10/22 - 30/09/23<br>12 months | 2021/2022<br>01/02/21 - 30/09/22<br>20 months |
|---|---|---|
| *In €m* | | |
| Profit before tax | 88.5 | 124.2 |
| Theoretical tax rate in France | 25.83% | 28.4% |
| Theoretical tax expense expected | (22.9) | (35.3) |
| Tax rate differential on foreign profit (loss) | 1.0 | 2.5 |
| Tax rate differential on French profit (loss) | (1.5) | (0.5) |
| Non-deductible financial expenses in France | - | (0.3) |
| Impairment of tax losses and/or losses not recognised | (8.0) | (10.1) |
| Impact of tax consolidation with Altastory | (3.0) | (3.9) |
| IRAP | (2.7) | (2.4) |
| French value-added business tax (CVAE) | (1.1) | (2.6) |
| Tax credit for previous years | - | 3.6 |
| Fiscal provision | (3.3) | - |
| Other | (2.7) | (0.9) |
| **Effective tax** | **(44.1)** | **(50.0)** |

## 8.4 Unrecognised deferred tax assets

The amount of deferred tax assets not recognized by the Group stands at €15.6 million at 30 September 2022 and €17.8 million at 30 September 2023, taking into account the outlook for future taxable profits estimated by management.

At 30 September 2023, unrecognized deferred tax assets break down as follows by company:

- Orovivo AG: €11.2 million
- Timeway France SAS: €3.4 million
- Popsell SAS: €0.9 million
- Agatha SAS: €2.3 million
- Agatha Spain S.L.: €0.04 million

Following the refusal of the Italian tax authorities, the tax losses carried forward from Histoire d'Or Srl have not been capitalized in Stroili Oro S.p.A. (potential tax savings of €3.8 million). The Group is no longer in a position to appeal this decision, but will look into other ways of recovering this tax loss.

## 8.5 Tax consolidation

Since 30 September 2022, Altastory SAS, shareholder of Goldstory SAS through Mstory SAS, benefits from a tax consolidation regime as defined by Article 223 A of the French General Tax Code, with the following subsidiaries:

- Mstory SAS
- Goldstory SAS
- Thom Group SAS
- Thom SAS
- Timeway SAS
- Timeway France SAS

Altastory SAS is liable to the French Treasury for the tax calculated on the sum of taxable income for consolidated companies.

Agatha SAS, NewCo Sell Platform SAS, Popsell SAS and foreign companies are excluded from the Group's tax consolidation scope.

## 9. EBITDA

EBITDA is the main performance indicator monitored by Management:

| | 2022/2023 | 2021/2022 | | |
|---|---|---|---|---|
| **Reconciliation with operating profit** | **01/10/22 - 30/09/23 12 months** | **01/10/21 - 30/09/22 12 months** | **01/02/21 - 30/09/21 8 months** | **01/02/21 - 30/09/22 20 months** |
| *In €m* | | | | |
| Operating profit | 163.4 | 182.2 | 54.7 | 236.9 |
| Allowance for depreciation, amortisation, impairment and provisions | 109.5 | 96.1 | 51.1 | 147.2 |
| **EBITDA** | **272.9** | **278.3** | **105.8** | **384.0** |

## 10. Goodwill

**ACCOUNTING PRINCIPLES**

At the acquisition date, goodwill is measured in accordance with accounting standards applicable to business combinations, as described in Note 5.2.

Goodwill is not amortised but is tested for impairment at each reporting date, or whenever there is an indication of impairment as a result of events or a change in circumstances.

Goodwill impairment cannot be reversed. The methods used by the Group to perform impairment tests are described in Note 14.



| **Goodwill** | **Opening 01/10/2022** | **Change in scope** | **Acquisition** | **Disposal** | **Closing 30/09/2023** |
|---|---|---|---|---|---|
| *In €m* | | | | | |
| Gross | | | | | |
| France | 313.7 | - | - | - | 313.7 |
| Italy | 31.2 | - | - | - | 31.2 |
| RoE | 39.7 | - | - | - | 39.7 |
| Timeway | 0.2 | - | - | - | 0.2 |
| Agatha | - | 2.3 | - | - | 2.3 |
| Goodwill, gross | 384.9 | 2.3 | - | - | 387.2 |
| Impairment | | | | | |
| France | - | - | - | - | - |
| Italy | - | - | - | - | - |
| Belgium / Luxembourg | - | - | - | - | - |
| Timeway | - | - | - | - | - |
| Agatha | - | - | - | - | - |
| Impairment | - | - | - | - | - |
| Net | | | | | |
| France | 313.7 | - | - | - | 313.7 |
| Italy | 31.2 | - | - | - | 31.2 |
| RoE | 39.7 | - | - | - | 39.7 |
| Timeway | 0.2 | - | - | - | 0.2 |
| Agatha | - | 2.3 | - | - | 2.3 |
| **Goodwill, net** | **384.9** | **2.3** | **-** | **-** | **387.2** |

| **Goodwill** | **Opening 01/02/2021** | **Change in scope** | **Acquisition** | **Disposal** | **Closing 30/09/2022** |
|---|---|---|---|---|---|
| *In €m* | | | | | |
| Gross | | | | | |
| France | - | 313.7 | - | - | 313.7 |
| Italy | - | 31.2 | - | - | 31.2 |
| RoE | - | 39.7 | - | - | 39.7 |
| Timeway | - | 0.2 | - | - | 0.2 |
| Goodwill, gross | - | 384.9 | - | - | 384.9 |
| Impairment | | | | | |
| France | - | - | - | - | - |
| Italy | - | - | - | - | - |
| RoE | - | - | - | - | - |
| Timeway | - | - | - | - | - |
| Impairment | - | - | - | - | - |
| Net | | | | | |
| France | - | 313.7 | - | - | 313.7 |
| Italy | - | 31.2 | - | - | 31.2 |
| RoE | - | 39.7 | - | - | 39.7 |
| Timeway | - | 0.2 | - | - | 0.2 |
| **Goodwill, net** | **-** | **384.9** | **-** | **-** | **384.9** |

# 11. Other intangible assets

**ACCOUNTING PRINCIPLES**

Other intangible assets primarily relate to:

- software,
- brands.

They are initially recognised:

- at acquisition cost, in the event of acquisition;
- at their fair value at the date control is obtained, in the event of business combinations; or
- at production cost for the Group, if they are produced internally (for software only, as brands generated internally are not recognised).

Intangible assets are recognised in the balance sheet at their initial cost, less accumulated amortisation and impairment losses.

The useful lives and amortisation schedule for intangible assets are as follows:

- software solutions: straight-line 1 to 5 years

Brands are analysed as assets with an indefinite useful life, and therefore are not amortised. However, they are tested for impairment at each reporting date, or whenever there is an indication of impairment as a result of events or a change in circumstances.

| Other intangible assets | Opening 01/10/2022 | Change in scope | Increase | Decrease | Reclassification | Closing 30/09/2023 |
|---|---|---|---|---|---|---|
| *In €m* | | | | | | |
| Gross | | | | | | |
| Brands | 302.8 | 8.0 | 0.3 | - | 0.0 | 311.1 |
| Software | 21.2 | 0.1 | 0.7 | - | 29.6 | 51.5 |
| Other | 0.1 | - | 0.1 | - | 0.5 | 0.7 |
| Intangible assets in progress | 35.3 | 0.7 | 12.1 | (0.3) | (30.1) | 17.7 |
| Other intangible assets, gross | 359.5 | 8.8 | 13.1 | (0.3) | (0.0) | 381.1 |
| Accumulated depreciation and impairment losses | | | | | | |
| Brands | (0.3) | - | - | - | - | (0.3) |
| Software | (16.7) | (0.1) | (6.0) | - | - | (22.8) |
| Other | (0.1) | - | (0.2) | - | - | (0.3) |
| Intangible assets in progress | - | - | - | - | - | - |
| Accumulated depreciation and impairment losses | (17.1) | (0.1) | (6.2) | - | - | (23.4) |
| Net | | | | | | |
| Brands | 302.5 | 8.0 | 0.3 | - | 0.0 | 310.8 |
| Software | 4.4 | - | (5.3) | - | 29.6 | 28.7 |
| Other | - | - | (0.1) | - | 0.5 | 0.4 |
| Intangible assets in progress | 35.3 | 0.7 | 12.1 | (0.3) | (30.1) | 17.7 |
| **Other intangible assets, net** | **342.3** | **8.7** | **6.9** | **(0.3)** | **(0.0)** | **357.6** |





| Other intangible assets | Opening 01/10/2021 | Change in scope | Increase | Decrease | Reclassification | Closing 30/09/2022 |
|---|---|---|---|---|---|---|
| *In €m* | | | | | | |
| Gross | | | | | | |
| Brands | - | 302.8 | - | - | - | 302.8 |
| Software | - | 17.6 | 3.9 | (0.3) | - | 21.2 |
| Other | - | 0.3 | - | (0.1) | - | 0.1 |
| Intangible assets in progress | - | 23.8 | 12.5 | (1.0) | - | 35.3 |
| Gross intangible assets | - | 344.5 | 16.4 | (1.4) | - | 359.5 |
| Accumulated depreciation and impairment losses | | | | | | |
| Brands | - | (0.3) | (0.1) | - | - | (0.3) |
| Software | - | (14.2) | (2.6) | 0.1 | - | (16.7) |
| Other | - | (0.2) | - | 0.1 | - | (0.1) |
| Intangible assets in progress | - | - | - | - | - | - |
| Accumulated depreciation and impairment losses | - | (14.7) | (2.6) | 0.2 | - | (17.1) |
| Net | | | | | | |
| Brands | - | 302.5 | - | - | - | 302.5 |
| Software | - | 2.4 | 2.3 | (0.3) | - | 4.4 |
| Other | - | - | - | - | - | 0.0 |
| Intangible assets in progress | - | 23.8 | 12.5 | (1.0) | - | 35.3 |
| **Other intangible assets, net** | **-** | **328.7** | **14.8** | **(1.2)** | **-** | **342.3** |

Trademark value per operating segment is:

| Trademarks | | Opening 01/10/2022 | Change in scope | Acquisition | Disposal | Closing 30/09/2023 |
|---|---|---|---|---|---|---|
| *In €m* | | | | | | |
| **Gross** | | | | | | |
| France | Histoire d'Or | 185.7 | - | - | - | 185.7 |
| France | Marc Orian | 13.6 | - | - | - | 13.6 |
| France | Autres | 0.2 | - | - | - | 0.2 |
| Italy | Stroili | 1.1 | - | - | - | 1.1 |
| Italy | Franco Gioelli | 94.1 | - | - | - | 94.1 |
| Italy | Domain name - Italy | 0.6 | - | - | - | 0.6 |
| RoE | Oro Vivo | 7.7 | - | - | - | 7.7 |
| Timeway | Clyda | - | - | 0.2 | - | 0.2 |
| Timeway | Scooter | - | - | 0.1 | - | 0.1 |
| Agatha | Agatha | - | 8.0 | - | - | 8.0 |
| Trademarks, gross | | 302.9 | 8.0 | 0.3 | - | 311.1 |
| **Impairment** | | | | | | |
| Italy | Domain name - Italy | (0.3) | - | - | - | (0.3) |
| Germany | Oro Vivo | (0.0) | - | - | - | (0.0) |
| Impairment | | (0.3) | - | - | - | (0.3) |
| **Net** | | | | | | |
| France | Histoire d'Or | 185.7 | - | - | - | 185.7 |
| France | Marc Orian | 13.6 | - | - | - | 13.6 |
| France | Autres | 0.2 | - | - | - | 0.2 |
| Italy | Stroili | 1.1 | - | - | - | 1.1 |
| Italy | Franco Gioelli | 94.1 | - | - | - | 94.1 |
| Italy | Domain name - Italy | 0.3 | - | - | - | 0.3 |
| RoE | Oro Vivo | 7.7 | - | - | - | 7.7 |
| Timeway | Clyda | - | - | 0.2 | - | 0.2 |
| Timeway | Scooter | - | - | 0.1 | - | 0.1 |
| Agatha | Agatha | - | 8.0 | - | - | 8.0 |
| **Total trademarks** | | **302.5** | **8.0** | **0.3** | **-** | **310.8** |





| Trademarks | | Opening 01/02/2021 | Change in scope | Acquisition | Disposal | Closing 30/09/2022 |
|---|---|---|---|---|---|---|
| *In €m* | | | | | | |
| **Gross** | | | | | | |
| France | Histoire d'Or | - | 185.7 | - | - | 185.7 |
| France | Marc Orian | - | 13.6 | - | - | 13.6 |
| France | Autres | - | 0.2 | - | - | 0.2 |
| Italy | Stroili | - | 1.1 | - | - | 1.1 |
| Italy | Franco Gioelli | - | 94.1 | - | - | 94.1 |
| Italy | Domain name - Italy | - | 0.6 | - | - | 0.6 |
| RoE | Oro Vivo | - | 7.7 | - | - | 7.7 |
| Trademarks, gross | | - | 302.9 | - | - | 302.9 |
| **Impairment** | | | | | | |
| Italy | Domain name - Italy | - | (0.3) | - | - | (0.3) |
| RoE | Oro Vivo | - | (0.0) | - | - | (0.0) |
| Impairment | | - | (0.3) | - | - | (0.3) |
| **Net** | | | | | | |
| France | Histoire d'Or | - | 185.7 | - | - | 185.7 |
| France | Marc Orian | - | 13.6 | - | - | 13.6 |
| France | Autres | - | 0.2 | - | - | 0.2 |
| Italy | Stroili | - | 1.1 | - | - | 1.1 |
| Italy | Franco Gioelli | - | 94.1 | - | - | 94.1 |
| Italy | Domain name - Italy | - | 0.3 | - | - | 0.3 |
| RoE | Oro Vivo | - | 7.7 | - | - | 7.7 |
| **Total trademarks** | | **0** | **302.6** | **-** | **-** | **302.6** |

# 12. Property, plant and equipment

**ACCOUNTING PRINCIPLES**

Property, plant and equipment are recognised at historical cost less accumulated depreciation and impairment. The cost includes ancillary expenses directly attributable to the acquisition.

Property, plant and equipment other than land are depreciated using the component approach, on a straight-line basis over the following useful lives:

- building fixtures: 5 to 7 years
- sales equipment: 3 years
- office equipment: 3 years
- office furniture: 10 years
- IT equipment: 3 years
- tooling: 5 years

| Property, plant and equipment (PPE) | Opening 01/10/2022 | Change in scope | Increase | Decrease | Reclassification | Closing 30/09/2023 |
|---|---|---|---|---|---|---|
| *In €m* | | | | | | |
| Gross | | | | | | |
| Buildings | 0.3 | - | 0.3 | - | - | 0.6 |
| Technical facilities, plant and equipment | 14.5 | 0.2 | 1.5 | (0.2) | 0.2 | 16.2 |
| General facilities | 306.2 | 1.7 | 26.9 | (16.8) | 5.8 | 323.9 |
| PPE in progress | 4.7 | 0.1 | 4.2 | - | (6.0) | 3.0 |
| Property, plant and equipment, gross | 325.7 | 2.0 | 32.9 | (17.0) | 0.0 | 343.7 |
| Accumulated depreciation and impairment losses | | | | | | |
| Buildings | (0.2) | - | - | - | - | (0.1) |
| Technical facilities, plant and equipment | (11.8) | (0.1) | (1.5) | 0.1 | - | (13.3) |
| General facilities | (248.2) | (1.4) | (21.0) | 16.3 | - | (254.3) |
| PPE in progress | - | - | - | - | - | - |
| Accumulated depreciation and impairment losses | (260.1) | (1.5) | (22.6) | 16.3 | - | (267.7) |
| Net | | | | | | |
| Buildings | 0.2 | - | 0.3 | - | - | 0.5 |
| Technical facilities, plant and equipment | 2.7 | 0.1 | - | - | 0.2 | 2.9 |
| General facilities | 58.0 | 0.3 | 5.9 | (0.6) | 5.8 | 69.6 |
| PPE in progress | 4.7 | 0.1 | 4.2 | - | (6.0) | 3.0 |
| **Property, plant and equipment, net** | **65.6** | **0.5** | **10.4** | **(0.6)** | **0.0** | **75.9** |

| Property, plant and equipment (PPE) | Opening 01/10/2021 | Change in scope | Increase | Decrease | Reclassification | Closing 30/09/2022 |
|---|---|---|---|---|---|---|
| *In €m* | | | | | | |
| Gross | | | | | | |
| Buildings | - | 0.2 | 0.1 | - | - | 0.3 |
| Technical facilities, plant and equipment | - | 11.7 | 2.1 | (0.3) | 0.9 | 14.5 |
| General facilities | - | 288.6 | 21.9 | (10.7) | 6.3 | 306.2 |
| PPE in progress | - | 3.7 | 8.2 | - | (7.3) | 4.7 |
| Property, plant and equipment, gross | - | 304.3 | 32.4 | (11.0) | 0.0 | 325.7 |
| Accumulated depreciation and impairment losses | | | | | | |
| Buildings | - | (0.1) | - | - | - | (0.1) |
| Technical facilities, plant and equipment | - | (9.6) | (2.3) | 0.3 | (0.3) | (11.8) |
| General facilities | - | (223.5) | (35.5) | 10.5 | 0.3 | (248.2) |
| PPE in progress | - | - | - | - | - | - |
| Accumulated depreciation and impairment losses | - | (233.1) | (37.8) | 10.8 | (0.0) | (260.1) |
| Net | | | | | | |
| Buildings | - | 0.1 | 0.1 | - | - | 0.2 |
| Technical facilities, plant and equipment | - | 2.2 | (0.2) | - | 0.7 | 2.7 |
| General facilities | - | 65.1 | (13.6) | (0.1) | 6.6 | 58.0 |
| PPE in progress | - | 3.7 | 8.2 | - | (7.3) | 4.7 |
| **Property, plant and equipment, net** | **-** | **71.2** | **(5.4)** | **(0.1)** | **(0.0)** | **65.6** |





# 13. Leases

### ACCOUNTING PRINCIPLES

In accordance with IFRS 16, a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the commencement date.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of assets with a value of less than USD 5,000 and short-term leases with a term of one year or less. The Group recognises the lease payments associated with the leases as an expense on a straight-line basis over the lease term. The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, and any initial direct costs incurred by the lessee such as payment to prior tenants for leaseholds.

The right-of-use asset is subsequently depreciated on a straight-line basis over the lease term, unless the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In the latter case, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset, determined on the same basis as for property, plant and equipment. The right-of-use asset is also regularly written down if there are indications of impairment, or adjusted for any remeasurement of the lease liability.

As mentioned above, leaseholds are included in right-of-use assets. The leasehold portion of the right-of-use asset is not amortised if leaseholds are legally protected, as is the case in France where commercial lessees are legally entitled to an almost unlimited number of lease renewals. Consequently, a leasehold reflects the residual value of the right-of-use asset.

The value of leaseholds is tested for impairment. An impairment loss is recognised if the carrying amount in the consolidated financial statements is above the market value determined by expert appraisal.

The legal protection granted to stores outside France was not deemed sufficient to qualify the leasehold portion of right-of-use assets. The full amount paid for these leaseholds is therefore depreciated in the same way as the rest of the right-of-use asset.

The lease liability is initially measured at the present value of the lease payments due and not paid at the commencement date. The discount rate used corresponds to the lessee's incremental borrowing rate based on terms and not maturities.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is then increased to reflect interest on the lease liability and reduced to reflect the lease payments made.

It is remeasured to reflect any lease modifications resulting from a change in an index or a rate used to determine future lease payments or the Group's reassessment of the probability of exercising a purchase, termination or renewal option.

The Group's main leases relate to real estate and vehicles.

### MANAGEMENT ESTIMATES AND ASSUMPTIONS

The judgement of management in cooperation with operating staff is necessary to determine the dates the leases end, based on termination or renewal options provided for in certain property leases. The contract end date is determined according to the characteristics of the contract and the performance of the stores.

## 13.1 Right-of-use assets

| Right-of-use assets | Opening 01/10/2022 | Change in scope | Increase | Decrease | Termination of contract | Others | Closing 30/09/2023 |
|---|---|---|---|---|---|---|---|
| *In €m* | | | | | | | |
| Gross | | | | | | | |
| Buildings | 454.6 | 9.0 | 75.9 | (0.2) | (13.3) | - | 526.0 |
| Vehicles | 1.4 | 0.0 | 0.1 | - | (0.4) | - | 1.2 |
| Technical installations, industrial equipment and machinery | 1.2 | - | 0.1 | - | - | - | 1.3 |
| Other property, plant and equipment | 9.5 | - | 0.6 | (0.8) | - | - | 9.3 |
| Right-of-use assets, gross | 466.8 | 9.0 | 76.7 | (1.0) | (13.6) | - | 537.8 |
| Accumulated depreciation and provisions | | | | | | | |
| Buildings | (107.7) | (0.0) | (76.1) | - | 6.9 | 0.8 | (176.1) |
| Vehicles | (0.6) | - | (0.5) | - | 0.4 | - | (0.7) |
| Technical installations, idus-trial equipment and machinery | (0.8) | - | (0.3) | - | - | - | (1.2) |
| Other property, plant and equipment | (7.5) | - | (0.2) | 0.8 | - | - | (7.0) |
| Accumulated depreciation and provisions | (116.6) | (0.0) | (77.2) | 0.8 | 7.3 | 0.8 | (185.0) |
| Net | | | | | | | |
| Buildings | 346.9 | 9.0 | (0.2) | 0.3 | (6.8) | 0.8 | 349.9 |
| Vehicles | 0.8 | 0.0 | (0.3) | - | - | - | 0.5 |
| Technical installations, idus-trial equipment and machinery | 0.4 | - | (0.3) | - | - | - | 0.1 |
| Other property, plant and equipment | 2.0 | - | 0.4 | (0.1) | - | - | 2.4 |
| **Right-of-use assets, net** | **350.1** | **9.0** | **(0.4)** | **0.2** | **(6.8)** | **0.8** | **352.9** |





| Right-of-use assets | Opening 01/10/2021 | Change in scope | Increase | Decrease | Termination of contract | Others | Closing 30/09/2022 |
|---|---|---|---|---|---|---|---|
| *In €m* | | | | | | | |
| Gross | | | | | | | |
| Buildings | - | 404.6 | 63.9 | (0.4) | (13.5) | - | 454.6 |
| Vehicles | - | 0.7 | 0.7 | - | - | - | 1.4 |
| Technical installations, industrial equipment and machinery | - | 1.1 | 0.1 | - | - | - | 1.2 |
| Other property, plant and equipment | - | 9.6 | 0.2 | (0.3) | - | - | 9.5 |
| Right-of-use assets, gross | - | 416.0 | 64.9 | (0.7) | - | 0.0 | 466.8 |
| Accumulated depreciation and provisions | | | | | | | |
| Buildings | - | 0.0 | (112.2) | - | 4.5 | - | (107.7) |
| Vehicles | - | - | (0.6) | - | - | - | (0.6) |
| Technical installations, idus-trial equipment and machinery | - | (0.3) | (0.5) | - | - | - | (0.8) |
| Other property, plant and equipment | - | (7.4) | (0.4) | 0.3 | - | - | (7.5) |
| Accumulated depreciation and provisions | - | (7.7) | (113.7) | 0.3 | - | (0.0) | (116.6) |
| Net | | | | | | | |
| Buildings | - | 404.6 | (48.3) | (0.4) | (8.9) | - | 346.9 |
| Vehicles | - | 0.7 | 0.1 | - | - | - | 0.8 |
| Technical installations, idus-trial equipment and machinery | - | 0.8 | (0.4) | - | - | - | 0.4 |
| Other property, plant and equipment | - | 2.2 | (0.2) | 0.0 | - | - | 2.0 |
| **Right-of-use assets, net** | **-** | **408.3** | **(48.8)** | **(0.4)** | **-** | **0.0** | **350.1** |

## 13.2 Lease liabilities

The change in lease liabilities breaks down as follows:

| Current and non-current lease liabilities | | Lease liabilities |
|---|---|---|
| *In €m* | | |
| At 1 February 2021 | | - |
| Non-current liabilities | | - |
| Current liabilities | | - |
| | Scope changes | 308.5 |
| | Increases | 19.1 |
| | Repayment | (46.7) |
| | Decreases | - |
| At 30 September 2021 | | 280.9 |
| Non-current liabilities | | 215.7 |
| Current liabilities | | 65.1 |
| | Scope changes | - |
| | Increases | 77.3 |
| | Repayment | (83.5) |
| | Decreases | (9.1) |
| At 30 September 2022 | | 265.6 |
| Non-current liabilities | | 200.5 |
| Current liabilities | | 65.0 |
| | Scope changes | 8.4 |
| | Increases | 96.8 |
| | Repayment | (89.9) |
| | Decreases | (6.4) |
| At 30 September 2023 | | 274.4 |
| Non-current liabilities | | 203.8 |
| Current liabilities | | 70.6 |

Lease liabilities break down by maturity as follows:

| Lease liabilities | Less than one year | 1 to 5 years | More than 5 years | 30/09/2023 |
|---|---|---|---|---|
| *In €m* | | | | |
| Non-current lease liabilities | - | 179.3 | 24.5 | 203.8 |
| Current lease liabilities | 70.6 | - | - | 70.6 |
| **Total lease liabilities** | **70.6** | **179.3** | **24.5** | **274.4** |

| Lease liabilities | Less than one year | 1 to 5 years | More than 5 years | 30/09/2022 |
|---|---|---|---|---|
| *In €m* | | | | |
| Non-current lease liabilities | - | 171.0 | 29.5 | 200.5 |
| Current lease liabilities | 65.0 | - | - | 65.0 |
| **Total lease liabilities** | **65.0** | **171.0** | **29.5** | **265.6** |





## 13.3 Lease exemptions and other effects

The lease expense on leases exempt under IFRS 16 is as follows:

- €0.06 million for the 12-month period ended 30 September 2023;
- €1.1 million for the 20-month period ended 30 September 2022.

Variable lease expenses excluded from the IFRS 16 restatement are as follows:

- €2.9 million for the 12-month period ended 30 September 2023;
- €3.3 million for the 20-month period ended 30 September 2022.

The amount of covid-19 subsidies and rent reductions deducted from the lease expense is as follows:

- €1.5 million for the 12-month period ended 30 September 2023;
- €6.7 million for athe 20-month period ended 30 September 2022.

# 14. Impairment of goodwill and non-current assets

### ACCOUNTING PRINCIPLES

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

If indications of impairment are identified, i.e. events or changes in circumstances that may have an impact on the recoverable amount of assets, IAS 36 “Impairment of Assets” requires an impairment test to be performed to ensure that the net carrying amount of depreciable property, plant and equipment and intangible assets does not exceed their recoverable amount. For goodwill, brands and other intangible assets with an indefinite useful life or which have not yet been put into service, the impairment test must be carried out once a year, or more frequently if indications of impairment are identified.

The recoverable amount of assets is tested by comparing their carrying amount with the higher of their fair value less costs to sell and their value in use. The value in use of an item of property, plant and equipment or an intangible asset is based on the value of the estimated future cash flows arising from its use, determined using a discount rate net of tax, and integrating the risks associated with the performance of the asset under test.

If it is impossible to estimate cash flows independently for a particular asset, it is advisable to identify the cash-generating unit to which this asset belongs and to which it is possible to associate future cash flows that can be determined objectively and independently of those generated by other operating units. Cash-generating units have been identified on the basis of the Group’s organisational and operational architecture.

If the impairment test reveals that an asset is impaired, its carrying amount is reduced to its recoverable amount by recognizing an impairment loss in the income statement. If the factors that gave rise to the impairment no longer exist, the carrying amount of the asset (or cash-generating unit), with the exception of goodwill, is increased to the level resulting from the estimate of its recoverable amount, but without exceeding the net book value that the asset would have had if the impairment had not been recognized.

Any reversal of an impairment loss is recognized in the income statement.

### MANAGEMENT ESTIMATES AND ASSUMPTIONS

The assumptions, judgements and estimates on which impairment tests are based are the main assumptions used to estimate recoverable amounts when calculating value in use (discount rate, perpetual growth rate, expected cash flows) based on an assessment of the economic and financial environment.

The Group has defined different types of CGU and groups of CGUs for the purposes of impairment testing its property, plant and equipment, intangible assets and goodwill: France, Italy, Rest of Europe, Timeway and Agatha.

Initially, the assets of each boutique are tested, on the basis of its specific geographical customer base, and the tangible and intangible assets specific to the boutique, and impairment tests are carried out at this level in the first stage.

Goodwill and brands are tested for impairment in a second stage, at CGU level. Goodwill is not amortized, but is tested for impairment whenever an indication of impairment is identified, and at least once a year. Indications of impairment of goodwill include, in particular, significant adverse changes of a lasting nature affecting economic conditions or the assumptions and objectives formulated at the date of acquisition.

The annual test consists of determining the recoverable value of the groups of CGUs to which the assets relates, and comparing it with the net book value of the assets concerned. The recoverable amount is the higher of market value and value in use. Market value is determined on the basis of a multiple applied to average EBITDA over 2 years. Value in use is obtained using the discounted cash flow (DCF) method. When the net carrying amount exceeds its recoverable amount, an impairment loss is recognized firstly on goodwill, and then, if necessary, on the other items tested. Impairment losses are recognized in the income statement (under "Other expenses").

Impairment losses on goodwill cannot be reversed.

## 14.1 Results of impairment tests

### 14.1.1 Point of sale tests

A point of sale impairment test must be carried out at least once a year and, whenever there is indication of impairment. The criteria for impairment are a decrease in sales and/or a decrease in profitability and/or a decrease in the marketability of the point of sale. The recoverable amount of each point of sale is determined using the discounted cash flow method (DCF). These DCFs are based on the Budget by point of sale and the business plan by CGU approved by the Supervisory Board, and are used to calculate the value in use at the balance sheet date.

To calculate the value in use, future cash flows are discounted using a weighted average cost of capital (WACC) of 10.4%.

### 14.1.2 Testing of CGUs

IAS 36 requires an impairment test to be performed annually for each CGU or group of CGUs to which the goodwill has been allocated.

As recommended by IAS 36, each CGU or group of CGUs to which goodwill is thus allocated must represent, within the entity, the lowest level at which goodwill is monitored for internal management purposes and must not be larger than a segment determined under IFRS 8 "Operating Segments", before grouping.

The level of analysis at which the Group assesses the recoverable amount of goodwill corresponds to the operational breakdown used by management to monitor business, i.e. France, Italy, the rest of Europe, the wholesale division (Timeway) and Agatha. This level of goodwill test is based on both organisational and strategic criteria.





The Group called upon an independent appraiser to determine the discount rate and the long-term growth rate differentiated by country (weighting of these rates by country, based on the geographical presence of groups such as Timeway and Agatha).

The following table presents the discount and long-term growth rates used for each CGU group:

| | Discount rate 2023 | Perpetual growth rate 2023 | Discount rate 2022 | Perpetual growth rate 2022 |
|---|---|---|---|---|
| France | 10.4% | 1.1% | 10.6% | 1.5% |
| Italy | 11.4% | 2.0% | 11.3% | 2.0% |
| RoE | 10.1% | 1.9% | 10.3% | 0.1% |
| Timeway | 10.9% | 1.5% | 10.9% | 1.7% |
| Agatha | 10.4% | 1.1% | n.a. | n.a. |

Following the impairment tests carried out in 2023, the Group did not recognise any additional impairments.

#### Sensitivity to changes in the discount rate

The carrying amount of the CGUs would remain lower than the recoverable amount if the discount rate were respectively 10.9%, 11.9%, 10.6%, 11.4% and 10.9% (i.e. the discount rate used of 10.4% for France, 11.4% for Italy, 10.1% for the Rest of Europe, 10.9% for Timeway and 10.4% for Agatha, increased by 50 basis points).

#### Sensitivity to perpetual growth rate variations

The carrying amount of the CGUs would remain lower than the recoverable amount if the perpetual growth rate were 0.6%, 1.5%, 1.4%, 1.0% and 0.6% (i.e. the perpetual growth rate used of 1.1% for France, 2.0% for Italy, 1.9% for the Rest of Europe, 1.5% for Timeway and 1.1% for Agatha, reduced by 50 basis points).

#### Sensitivity to the final year EBITDA rate

The carrying amount of the France, Italy, Rest of Europe, Timeway and Agatha CGUs would remain lower than the recoverable amount if the final year EBITDA rate were 0.5% lower than that used for each of the CGUs.

# 15. Other non-current assets

| Other non-current assets | Opening 01/10/2022 | Change in scope | Increase | Decrease | Closing 30/09/2023 |
|---|---|---|---|---|---|
| *In €m* | | | | | |
| Non-consolidated investments and related receivables | 2.1 | - | - | (0.2) | 1.9 |
| Loans granted to employees | 0.1 | - | 9.7 | (9.7) | 0.1 |
| Security deposits | 22.3 | 0.6 | 5.8 | (5.6) | 23.2 |
| Other non-current assets, gross | 24.4 | 0.6 | 15.6 | (15.5) | 25.1 |
| Impairment losses | - | - | - | - | - |
| **Other non-current assets, net** | **24.4** | **0.6** | **15.6** | **(15.5)** | **25.1** |

| Other non-current assets | Opening 01/02/2021 | Change in scope | Increase | Decrease | Closing 30/09/2022 |
|---|---|---|---|---|---|
| *In €m* | | | | | |
| Non-consolidated investments and related receivables | - | 0.7 | 1.3 | (0.0) | 2.1 |
| Loans granted to employees | - | 0.1 | 0.1 | (0.1) | 0.1 |
| Security deposits | - | 15.7 | 9.5 | (3.0) | 22.3 |
| Other non-current assets, gross | - | 16.5 | 11.0 | (3.1) | 24.4 |
| Impairment losses | - | - | - | - | - |
| **Other non-current assets, net** | **-** | **16.5** | **11.0** | **(3.1)** | **24.4** |

# 16. Inventories

**ACCOUNTING PRINCIPLES**

Inventories are measured at actual acquisition cost if they are tracked on a unit basis (such as all jewellery and watches sold by the Group), and at weighted average cost when tracked on a reference basis (such as spare parts, batteries, etc.). Actual cost and weighted average cost include discounts and rebates granted by suppliers, and the cost of gold hedges and US dollar hedges (on the date of disbursement).

Impairment is recognised by comparing losses from defective products during the year to inventories at the previous year-end. The loss rate thus calculated is applied to year-end inventories by age bracket, after deducting reinvoicing to suppliers and/or the recovery value of gold products. The proportion of inventory in each age bracket is also tested, and impaired items in the oldest inventory bracket (as a percentage of total inventory) are written off.

Impairment is recognised for inventories of raw materials when their market price falls below their purchase price.

| Inventories | 30/09/2023 | 30/09/2022 |
|---|---|---|
| *In €m* | | |
| Gross | | |
| Raw materials and packaging inventories | 43.9 | 31.8 |
| Merchandise | 264.5 | 242.7 |
| Inventories, gross | 308.4 | 274.5 |
| Impairment losses | | |
| Raw materials and packaging inventories | (0.4) | (0.1) |
| Merchandise | (15.9) | (12.3) |
| Impairment losses on inventories | (16.3) | (12.4) |
| Net | | |
| Raw materials and packaging inventories | 43.6 | 31.7 |
| Merchandise | 243.7 | 228.4 |
| **Inventories and work-in-progress, net** | **292.2** | **262.1** |

Inventories of raw materials mainly comprise gold inventories amounting to €36.7 million at 30 September 2023 (compared with €24.9 million at 30 September 2022 and €33.2 million at 30 September 2021). Gold inventories are measured at actual acquisition cost which is lower than the recoverable amount determined by market fixings as of 30 September 2023. The remainder mainly comprises packaging and inventories of other metals, such as silver.





The Group has a policy to optimise hedging costs by prioritising physical gold storage over the purchase of market options (customers can deposit gold at stores in exchange for cash or purchase vouchers).

Inventories of goods are mainly in stores. Inventories usually reached a high on 30 September since the Group built up anticipation inventory and safety stock to mitigate any logistical problems ahead of the holiday season and ensure that products would be available in-store.

Inventories of merchandise are written down by comparing losses from defective and unsold products during the reporting period with inventories at the end of the previous reporting period. Further to this impairment, inventory is tested by age bracket. Inventories of raw materials are written down on the basis of gold price fluctuations. The provision for impairment is low when expressed as a percentage of gross inventory, reflecting the Group's policy of streamlining inventory by carefully selecting and writing off items (5.3% at 30 September 2023, 4.5% at 30 September 2022).

# 17. Trade receivables and other current assets

**ACCOUNTING PRINCIPLES**

As trade receivables are generally due within one year, they are initially measured at their nominal value, and subsequently at amortised cost using the effective interest method, net of any impairment losses.

If applicable, a provision for impairment is recognised when their fair value falls below the carrying amount. The trade receivables impairment policy complies with the expected loss model under IFRS 9, and is based particularly on an analysis of outstanding receivables and the age of trade receivables.

## 17.1 Trade receivables

| Trade receivables | 30/09/2023 | 30/09/2022 |
|---|---|---|
| *In €m* | | |
| Trade receivables, gross | 14.9 | 14.7 |
| Impairment losses | (0.5) | (0.5) |
| **Trade receivables, net** | **14.4** | **14.2** |

## 17.2 Other current assets

| Other current assets | 30/09/2023 | 30/09/2022 |
|---|---|---|
| *In €m* | | |
| Advances and deposits paid on orders | 2.5 | 3.2 |
| Credit notes from suppliers | 14.3 | 5.9 |
| Insurance receivables | 1.0 | 0.3 |
| Employee-related receivables | 0.5 | 0.3 |
| VAT | 17.6 | 20.1 |
| Other | 4.6 | 10.4 |
| Other current assets, gross | 40.6 | 40.2 |
| Prepaid expenses | 14.4 | 12.8 |
| **Other current assets, net** | **55.0** | **53.0** |

# 18. Trade payables and other current liabilities

**ACCOUNTING PRINCIPLES**

Trade payables and other current liabilities are initially recognised at fair value, then at amortised cost using the effective interest method. Trade payables, other current liabilities and accrued expenses are generally due within one year. Consequently, their nominal amounts are close to their fair value.

## 18.1 Trade payables

| Trade payables | 30/09/2023 | 30/09/2022 |
|---|---|---|
| *In €m* | | |
| Lease payables | 2.7 | 5.4 |
| Trade payables | 69.5 | 82.6 |
| Other payables | 13.2 | 10.8 |
| Accrued expenses | 51.2 | 50.8 |
| **Total trade payables** | **136.6** | **149.5** |

## 18.2 Other current and non-current liabilities

| Other current liabilities | 30/09/2023 | 30/09/2022 |
|---|---|---|
| *In €m* | | |
| Payroll liabilities | 34.0 | 31.5 |
| Social security contributions | 20.9 | 18.6 |
| Employee profit-sharing | 11.6 | 12.4 |
| VAT | 15.1 | 13.8 |
| Other taxes and duties | 7.8 | 3.7 |
| Payroll & tax payables | 89.4 | 79.9 |
| Fixed asset payables | 14.4 | 13.6 |
| Advances and deposits received on orders | | |
| Other | 2.9 | 2.2 |
| Other miscellaneous liabilities | 9.2 | 9.0 |
| Prepaid income | 41.1 | 37.8 |
| **Total other current liabilities** | **154.1** | **140.3** |

| Other non-current liabilities | 30/09/2023 | 30/09/2022 |
|---|---|---|
| *In €m* | | |
| Tax consolidation current-account (Altastory) | 26.4 | 9.0 |
| **Total other non-current liabilities** | **26.4** | **9.0** |





# 19. Equity

## 19.1 Share capital and additional share premium

Changes in the number of shares, share capital and additional paid-in capital were as follows:

| | Number of shares | Nominal value (in €) | Share premium (in €) | Total (in €) |
|---|---|---|---|---|
| On 1 February 2021 | 1,000 | 10 | 990 | 1,000 |
| Capital increase (on February 26, 2021) | 359 879 999 | 3,598,800 | 356,281,199 | 359,879,999 |
| Dividends paid | | | (160,573,726) | (160,573,726) |
| On 30 September 2022 | 359,880,999 | 3,598,810 | 195,708,463 | 199,307,273 |
| Dividends paid | | | (9,092,586) | (9,092,586) |
| On 30 September 2023 | 359,880,999 | 3,598,810 | 186,615,877 | 190,214,687 |

**Financial capital management policy**

The Group implements a stringent, prudent financial capital management policy to ensure satisfactory returns for shareholders.

## 19.2 Other omprehensive income

**ACCOUNTING PRINCIPLES**

The Group recognises the following items in other comprehensive income:

- foreign currency translation differences from the consolidation of Group companies whose functional currency is different from the presentation currency;
- the effects of actuarial gains and losses on post-employment benefits;
- changes in the value of interest rate derivatives, foreign exchange derivatives and gold-indexed derivatives qualified as cash flow hedges.

# 20. Financial instruments – fair value and risk management

**ACCOUNTING PRINCIPLES**

**Recognition and initial measurement**

The Group initially recognises debt instruments and trade receivables on the date that they are originated. All other financial assets and liabilities are initially recognised on the transaction date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset (except for trade receivables that do not contain a significant financing component) or financial liability is initially measured at fair value plus or less, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not contain a significant financing component are initially measured at their sales price.

**Classification and subsequent measurement**

Financial assets

At initial recognition, financial assets are classified as measured at amortised cost, fair value through other comprehensive income – debt instruments, fair value through other comprehensive income – equity instruments, or fair value through profit or loss.

Financial assets are not reclassified following initial recognition, unless the Group changes its business model for managing the financial assets. Where applicable, all financial assets concerned are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortised cost if both of the following conditions are met and if it is not designated at fair value through profit or loss:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and;
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met and if it is not designated at fair value through profit or loss:

- the debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- the contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Except for derivatives that qualify as hedging instruments, all financial assets that are not classified as measured at amortised cost or fair value through other comprehensive income as previously described are measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified as a financial liability at fair value through profit or loss if it is classified as held for trading, whether it is a derivative or designated as held for trading at initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains or losses are recognised in profit or loss, net of interest expenses. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Gains or losses resulting from derecognition are recognised in profit or loss.

The Group does not hold any financial liabilities recognised at fair value through profit or loss.

**Derecognition**

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the contractual rights to receive the cash flows of the financial asset in a transaction in which:
  - it transfers substantially all the risks and rewards of ownership of the financial asset, or
  - it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

  The Group has not entered into any transactions in which it transfers assets recognised in its balance sheet.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires. The Group also derecognises a financial liability when the terms of the financial liability are modified and the cash flows from the modified financial liability are substantially different. In this case, a new financial liability is recognised at fair value under the modified terms.

**Derivatives classified as hedging instruments**

Derivatives are initially measured at fair value. After initial recognition, derivatives are subsequently measured at fair value and changes are classified differently depending on whether or not the derivatives are hedging instruments as defined in IFRS 9.





Trading derivatives are not classified as hedging instruments in the financial statements. Changes to their fair value are recognised in net financial income or expense.

The Group designates some derivatives as hedging instruments to hedge its exposure to variable cash flows from highly probable planned transactions. Hedge accounting applies if the hedging relationship is documented from inception and the hedge effectiveness is demonstrated (the value of the hedging instrument and hedged item vary inversely in relation to a given risk, the hedged risk).

When a derivative is designated a cash flow hedge, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedged item from inception of the hedge. The portion accumulated in other comprehensive income is released to profit or loss when the hedged item affects profit or loss. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in financial income or expense.

In the case of options, only the intrinsic value is qualified as a hedge, while the time value is qualified as the “hedging cost”. Changes in the fair value of the option’s time value are recognised in other comprehensive income. The time value at the date the hedge is qualified is amortised in profit or loss over the periods during which the hedged expected cash flows affect profit or loss. The amount accumulated in the hedging reserve (effective portion and hedging cost) is reclassified to profit or loss in the period or periods during which the hedged expected cash flows affect profit or loss.

Foreign currency forwards qualify as hedges based on their spot rate. The forward component (forward points) qualifies as the “hedging cost”. Changes in the fair value of the forward component are recognised in other comprehensive income, and released to profit or loss at the same time as the hedged item affects income, or included in the cost of the asset when the hedged item results in the recognition of a non-financial asset.

When the hedge no longer meets hedge accounting criteria or the hedging instrument matures or is sold, cancelled or exercised, the Group discontinues hedge accounting prospectively. When the Group discontinues hedge accounting for a given cash flow hedge, the amount accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the period or periods during which the hedged expected cash flows affect profit or loss.

If the hedged future cash flows are no longer likely to arise, the amounts accumulated in the cash flow hedge reserve are immediately reclassified to profit or loss.

## 20.1 Accounting classifications and fair values

All of the Group's financial assets and liabilities are measured at amortised cost, with the exception of cash and cash equivalents, derivatives recognised at fair value through profit or loss, and derivatives classified as hedging instruments that are recognised at fair value through other comprehensive income.

| | | Carrying amount | | | Fair value | |
|---|---|---|---|---|---|---|
| **30/09/2023** | **Note** | **Fair value - hedging instruments** | **Financial assets and liabilities at amortized cost** | **Total** | **Fair value** | **Total** |
| *In m€* | | | | | | |
| Financial assets measured at fair value | | | | | | |
| Interest rate swaps used for hedging | | 16.3 | - | 16.3 | 16.3 | 16.3 |
| Forward exchange currency contracts used for hedging | | 4.5 | - | 4.5 | 4.5 | 4.5 |
| Forward exchange gold contracts used for hedging | | 0.3 | - | 0.3 | 0.3 | 0.3 |
| **Total** | | **21.1** | **-** | **21.1** | **21.1** | **21.1** |
| Financial assets not measured at fair value | | | | | | |
| Trade receivables | 17. | - | 14.4 | 14.4 | 14.4 | 14.4 |
| Cash and cash equivalents | 21.5. | - | 21.2 | 21.2 | 21.2 | 21.2 |
| **Total** | | **-** | **35.6** | **35.6** | **35.6** | **35.6** |
| Financial liabilities measured at fair value | | | | | | |
| Forward exchange currency contracts used for hedging | | 0.5 | - | 0.5 | 0.5 | 0.5 |
| Forward exchange gold contracts used for hedging | | 1.4 | - | 1.4 | 1.4 | 1.4 |
| **Total** | | **1.9** | **-** | **1.9** | **1.9** | **1.9** |
| Financial liabilities not measured at fair value | | | | | | |
| Bank overdrafts | 21.5. | - | 6.5 | 6.5 | 6.5 | 6.5 |
| Bank loans | 21.1. | - | 34.2 | 34.2 | 34.2 | 34.2 |
| Convertible bonds | 21.1. | - | 614.1 | 614.1 | 589.0 | 589.0 |
| Trade payables | 18. | - | 136.6 | 136.6 | 136.6 | 136.6 |
| **Total** | | **-** | **791.4** | **791.4** | **766.3** | **766.3** |





| | | Carrying amount | | | Fair value | |
|---|---|---|---|---|---|---|
| **30/09/2022** | **Note** | **Fair value - hedging instruments** | **Financial assets and liabilities at amortized cost** | **Total** | **Fair value** | **Total** |
| *In m€* | | | | | | |
| Financial assets measured at fair value | | | | | | |
| Interest rate swaps used for hedging | | 17.6 | - | 17.6 | 17.6 | 17.6 |
| Forward exchange currency contracts used for hedging | | 9.7 | - | 9.7 | 9.7 | 9.7 |
| Forward exchange gold contracts used for hedging | | 1.1 | - | 1.1 | 1.1 | 1.1 |
| **Total** | | **28.4** | **-** | **28.4** | **28.4** | **28.4** |
| Financial assets not measured at fair value | | | | | | |
| Trade receivables | 17. | - | 14.2 | 14.2 | 14.2 | 14.2 |
| Cash and cash equivalents | 21.5. | - | 17.2 | 17.2 | 17.2 | 17.2 |
| **Total** | | **-** | **31.4** | **31.4** | **31.4** | **31.4** |
| Financial liabilities measured at fair value | | | | | | |
| Forward exchange gold contracts used for hedging | | 2.5 | - | 2.5 | 2.5 | 2.5 |
| **Total** | | **2.5** | **-** | **2.5** | **2.5** | **2.5** |
| Financial liabilities not measured at fair value | | | | | | |
| Bank overdrafts | 21.5. | - | 11.5 | 11.5 | 11.5 | 11.5 |
| Bank loans | 21.1. | - | 21.2 | 21.2 | 21.2 | 21.2 |
| Convertible bonds | 21.1. | - | 610.0 | 610.0 | 580.2 | 580.2 |
| Trade payables | 18. | - | 149.5 | 149.5 | 149.5 | 149.5 |
| **Total** | | **-** | **792.3** | **792.3** | **762.5** | **762.5** |

## 20.2 Financial risk management

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk thresholds and controls, and to monitor risks and compliance with predetermined thresholds. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

As part of its business activities, the Group has exposure to the following risks:

- liquidity risk;
- interest rate risk;
- credit risk;
- currency risk;
- commodity price risk.

### 20.2.1 Liquidity risk

The Group closely monitors its liquidity risk as a whole and for each of its subsidiaries by means of the implementation and regular review of the Group's financial reporting procedures. The Group analyses the contractual obligations relating to loans and borrowings in terms of interest payable and the Group's commitments arising from the interest rate derivatives recognised under balance sheet assets and liabilities.

Expected future cash flows are calculated based on the remaining contractual maturities of the associated financial liabilities. Future floating interest rate payments are determined based on the most recent coupon for the current period and on the basis of the rates applicable at the reporting date for cash flows relating to future dates. Net interest paid or received on swaps is determined in accordance with the same principles.

### 20.2.2 Interest rate risk

The Group is exposed to interest rate risk on drawdowns under the Revolving Credit Facility and, as a result, may seek to partially hedge this interest rate risk by entering into future hedging arrangements, including floating-to-fixed rate swaps.

Additionally, the Group is exposed to interest rate risk on the Floating Rate Notes and it hedges this exposure by entering into derivative financial instruments.

The majority of the Group's cash and cash equivalents have generally been invested in fixed rate instruments such as short-term deposits or certificates of deposit.

### 20.2.3 Credit risk

Credit risk is the risk that one party to a financial liability will cause a loss for the other party by defaulting on its obligations. The credit risk of the Group arises from the Group's cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to suppliers or wholesale customers, including outstanding receivables and committed transactions. Sales to retail customers are made in cash, checks or through third-party credit cards and debit cards.

### 20.2.4 Currency risk

The functional currency for sales and costs (other than cost of goods sold) of the Group is the euro. The Group has limited foreign currency exposure, principally derived from purchases from certain suppliers which are conducted in US dollars. Approximately 19.1% of our costs of goods sold were denominated in US dollars in the financial year ended 30 September 2023. The Group has historically been able to pass on to final customers any foreign currency impact. The Group also hedged US dollar foreign exchange rate risks via forwards and collars. As of 30 September 2023, contracts with a notional amount of U.S.$107 million, including €71.7 million of forwards and €35.3 million of collars, with maturities between September 2023 and September 2024 were contracted. Historically, the Group hedges through forwards and collars nearly all of our anticipated purchases denominated in U.S. dollars for one year.

### 20.2.5 Commodity price risk

The Group is subjected to commodity price risk associated with changes in the prices of gold, silver and diamonds and, to a lesser extent, other precious and semi-precious stones, through the Group's purchase of precious jewellery. Although the Group does not generally directly purchase the metals and other components of the jewellery it sells, price increases and availability of gold, silver, diamonds and other precious metals are reflected in the manufacturing and assembling prices that the Group pays to its suppliers. Variations in gold prices have a greater impact than variations in the prices of other commodities, as the proportion of the price of gold to the total price that the Group pays for a given piece of gold jewellery is much higher than the proportion of the price of the metals and other components used to the total price of other jewellery items.

The Group adjusts its activities through its gold repurchase and exchange programme based on its hedging needs. In addition, the Group adjusts its gold inventory (totalling 20,256 ounces or €36.7 million at 30 September 2023) as a physical hedge against fluctuations in the price of gold. In the financial year ended 30 September 2023, gold-based products accounted for 56.2% of our purchases by cost.

Furthermore, to hedge the Group's exposure to fluctuations in the price of gold, the Group may also enter into derivative financial instruments, such as synthetic swaps and calls, if the gold rate was to deteriorate.

# 21. Loans and borrowings

## 21.1 Net financial debt

Net financial debt refers to all financial liabilities, less cash and cash equivalents. The following table presents changes in net financial debt.





Changes in accrued interest are included under changes in the financial year:

| Net financial debt | | Cash transactions | | | Non-cash transactions | | | |
|---|---|---|---|---|---|---|---|---|
| *In €m* | **Opening 01/10/2022** | **Increase** | **Reimbursment / interests paid** | **Change in the financial year** | **Scope changes** | **Increase** | **Termination of contract** | **Closing 30/09/2023** |
| Bank loan - RCF (revolving credit facility) | 21.2 | 30.0 | (24.1) | - | - | 2.4 | - | 29.6 |
| Bonds | 610.0 | - | (35.2) | 0.5 | - | 38.8 | - | 614.1 |
| Lease liabilities | 265.6 | - | (89.9) | - | 8.4 | 96.8 | (6.3) | 274.4 |
| Other financial debt ("PGE") | - | - | - | - | 4.6 | - | - | 4.6 |
| Bank overdrafts | 11.5 | - | - | (5.0) | - | - | - | 6.5 |
| Gross liabilities | 908.3 | 30.0 | (149.1) | (4.6) | 12.9 | 138.0 | (6.3) | 929.2 |
| Total cash and cash equivalents | 17.2 | | | 4.0 | - | | | 21.2 |
| Net financial debt | 891.1 | 30.0 | (149.1) | (8.5) | 12.9 | 138.0 | (6.3) | 908.0 |
| *Non-current financial liabilities* | *601.7* | | | | | | | *605.3* |
| *Non-current lease liabilities* | *200.5* | | | | | | | *203.8* |
| *Current financial liabilities* | *41.0* | | | | | | | *49.5* |
| *Current lease liabilities* | *65.0* | | | | | | | *70.6* |

| Net financial debt | | Cash transactions | | | Non-cash transactions | | | |
|---|---|---|---|---|---|---|---|---|
| *In €m* | **Opening 01/02/2021** | **Increase** | **Reimbursment / interests paid** | **Change in the financial year** | **Scope changes** | **Increase** | **Termination of contract** | **Closing 30/09/2022** |
| Bank loan - RCF (revolving credit facility) | - | 22.0 | (3.8) | - | 2.7 | 0.3 | - | 21.2 |
| Bonds | - | 601.7 | (53.2) | 0.1 | - | 61.4 | - | 610.0 |
| Lease liabilities | - | 0.0 | (130.2) | - | 308.5 | 96.4 | (9.1) | 265.6 |
| Other financial liabilities | - | - | (565.7) | - | 565.7 | - | - | 0.0 |
| Bank overdrafts | - | - | - | 11.5 | - | - | - | 11.5 |
| Gross liabilities | - | 623.8 | (753.0) | 11.6 | 876.9 | 158.2 | (9.1) | 908.3 |
| Total cash and cash equivalents | 0.9 | - | - | (42.4) | 58.8 | - | - | 17.2 |
| Net financial debt | (0.9) | 623.8 | (753.0) | 54.0 | 818.2 | 158.2 | (9.1) | 891.1 |
| *Non-current financial liabilities* | *0.0* | | | | | | | *601.7* |
| *Non-current lease liabilities* | *0.0* | | | | | | | *200.5* |
| *Current financial liabilities* | *0.0* | | | | | | | *41.0* |
| *Current lease liabilities* | *0.0* | | | | | | | *65.0* |

## 21.2 Gross financial debt

| Net financial debt | 30/09/2023 | | 30/09/2022 | |
|---|---|---|---|---|
| *In €m* | Current | Non-current | Current | Non-current |
| Bonds - gross | - | 620.0 | - | 620.0 |
| Accrued interests on bonds | 3.0 | - | 2.8 | - |
| Transaction costs on bonds | 9.4 | (18.3) | 5.4 | (18.3) |
| Bonds | 12.4 | 601.7 | 8.3 | 601.7 |
| Lease liabilities | 67.5 | 203.8 | 61.9 | 200.5 |
| Accrued interests on lease liabilities | 3.1 | - | 3.2 | - |
| Lease liabilities | 70.6 | 203.8 | 65.0 | 200.5 |
| Bank loan - RCF (revolving credit facility) - gross | 30.0 | - | 22.0 | - |
| Accrued interests on RCF | 0.2 | - | 0.1 | - |
| Transaction costs on RCF | (0.6) | - | (0.9) | - |
| Bank loan - RCF (revolving credit facility) | 29.6 | - | 21.2 | - |
| Other financial liabilities, Current | 1.0 | 3.6 | - | 0.0 |
| Bank overdrafts | 6.5 | - | 11.5 | - |
| **Gross financial debt** | **120.1** | **809.1** | **106.1** | **802.3** |

In accordance with IFRS 9 "Financial instruments":

- €18.3 million of issuance costs relating to the €620 million bond issue are deducted from financial debt and spread over the term of the loan using the effective interest rate method;
- Issuance costs relating to the RCF loan (credit facility) are deducted from financial debt in an amount of €0.6 million at 30 September 2023 and €0.9 million at 30 September 2022. These costs are amortized on a straight-line basis over the term of the RCF loan. The corresponding expense is recognized in cost of net financial debt.

## 21.3 Group debt structure

The interest rates of the financial liabilities portfolio break down as follows:

| Financial debt | 30/09/2023 | | |
|---|---|---|---|
| *In €m* | Total | Fixed rate | Floating rate |
| Bonds - gross | 620.0 | 370.0 | 250.0 |
| Accrued interests on bonds | 3.0 | 1.7 | 1.3 |
| Transaction costs on bonds | (8.9) | (5.6) | (3.3) |
| Bonds | 614.1 | 366.0 | 248.1 |
| Lease liabilities | 271.3 | 271.3 | - |
| Accrued interests on lease liabilities | 3.1 | 3.1 | - |
| Lease liabilities | 274.4 | 274.4 | - |
| Bank loan - RCF (revolving credit facility) - gross | 30.0 | - | 30.0 |
| Accrued interests on RCF | 0.2 | - | 0.2 |
| Transaction costs on RCF | (0.6) | - | (0.6) |
| Bank loan - RCF (revolving credit facility) | 29.6 | - | 29.6 |
| Other financial liabilities | 4.6 | 4.6 | - |
| Bank overdrafts | 6.5 | 6.5 | - |
| **Total debt, gross** | **929.2** | **651.5** | **277.7** |





| Financial debt | 30/09/2022 | | |
|---|---|---|---|
| *In €m* | Total | Fixed rate | Floating rate |
| Bonds - gross | 620.0 | 370.0 | 250.0 |
| Accrued interests on bonds | 2.8 | 1.7 | 1.2 |
| Transaction costs on bonds | (12.8) | (7.7) | (5.1) |
| Bonds | 610.0 | 363.9 | 246.0 |
| Lease liabilities | 262.4 | 262.4 | - |
| Accrued interests on lease liabilities | 3.2 | 3.2 | - |
| Lease liabilities | 265.6 | 265.6 | - |
| Bank loan - RCF (revolving credit facility) - gross | 22.0 | - | 22.0 |
| Accrued interests on RCF | 0.1 | - | 0.1 |
| Transaction costs on RCF | (0.9) | - | (0.9) |
| Bank loan - RCF (revolving credit facility) | 21.2 | - | 21.2 |
| Other financial liabilities | 0.0 | - | - |
| Bank overdrafts | 11.5 | 11.5 | - |
| **Total debt, gross** | **908.3** | **641.0** | **267.3** |

## 21.4 Maturities of liabilities

The maturities of the Group's liabilities break down as follows:

| Gross debt<br>*In €m* | Accounting value at 30/09/2023 | Less than one year | 1 to 5 years | More than 5 years | Transaction costs restatement |
|---|---|---|---|---|---|
| Principal | 601.7 | - | 620.0 | - | (18.3) |
| Accrued interest | 12.4 | 3.0 | - | - | 9.4 |
| Senior Secured Notes ("High Yield Debt") | 614.1 | 3.0 | 620.0 | - | (8.9) |
| RCF | 29.4 | 30.0 | - | - | (0.6) |
| Other financial debt ("PGE") | 4.6 | 1.0 | 3.6 | - | - |
| Accrued interest on RCF | 0.2 | 0.2 | - | - | - |
| Bank loans | 34.3 | 31.2 | 3.6 | - | (0.6) |
| Non-current lease liabilities | 203.8 | - | 179.3 | 24.5 | - |
| Current lease liabilities | 70.6 | 70.6 | - | - | - |
| Lease liabilities | 274.4 | 70.6 | 179.3 | 24.5 | - |
| Bank overdrafts | 6.5 | 6.5 | - | - | - |
| **Total gross debt** | **929.2** | **111.3** | **802.9** | **24.5** | **(9.5)** |

Gross debt

| In €m | Accounting value at 30/09/2022 | Less than one year | 1 to 5 years | More than 5 years | Transaction costs restatement |
|---|---|---|---|---|---|
| Principal | 601.7 | - | 620.0 | - | (18.3) |
| Accrued interest | 8.3 | 2.8 | - | - | 5.4 |
| Senior Secured Notes ("High Yield Debt") | 610.0 | 2.8 | 620.0 | - | (12.8) |
| RCF | 21.1 | 22.0 | - | - | (0.9) |
| Accrued interest on RCF | 0.1 | 0.1 | - | - | - |
| Bank loans | 21.2 | 22.1 | - | - | (0.9) |
| Non-current lease liabilities | 200.5 | - | 171.0 | 29.5 | - |
| Current lease liabilities | 65.0 | 65.0 | - | - | - |
| Lease liabilities | 265.6 | 65.0 | 171.0 | 29.5 | - |
| Bank overdrafts | 11.5 | 11.5 | - | - | - |
| **Total gross debt** | **908.3** | **101.5** | **820.5** | **29.5** | **(13.7)** |

## 21.5 Cash and cash equivalents

**ACCOUNTING PRINCIPLES**

Cash and cash equivalents comprise cash, less bank overdrafts.

Cash & cash equivalents

| In €m | 30/09/2023 | 30/09/2022 |
|---|---|---|
| Cash & cash equivalents | 21.2 | 17.2 |
| Cash and cash equivalents - assets | 21.2 | 17.2 |
| Bank overdrafts | 6.5 | 11.5 |
| Cash and cash equivalents - liabilities | 6.5 | 11.5 |
| **Total net cash** | **14.7** | **5.7** |





# 22. Provisions

**ACCOUNTING PRINCIPLES**

A provision is recognised if (i) as a result of a past event, the Group has a present legal or constructive obligation, (ii) that can be estimated reliably, and (iii) it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions mainly reflect obligations relating to labour disputes and commercial, tax and other litigation.

Provisions whose timing can be estimated reliably are discounted.

Where it is not probable that a present obligation exists, the Group discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities that are assumed following a business combination are recognised at their fair value at the acquisition date.

**MANAGEMENT ESTIMATES AND ASSUMPTIONS**

Estimates mainly relate to the measurement of liabilities and contingent liabilities, including provisions for litigation.

Changes in provisions for the financial periods ended 30 September 2022 and 2023 break down as follows:

Provisions

| In €m | Opening 01/10/2022 | Increase | Reversals used | Reversals unused | Reclass. | Closing 30/09/2023 |
|---|---|---|---|---|---|---|
| Labour disputes | 0.7 | 0.0 | (0.2) | (0.1) | - | 0.5 |
| Commercial, tax and other litigation | 2.0 | 4.5 | (0.2) | (0.2) | 0.0 | 6.2 |
| **Total Provisions** | **2.7** | **4.6** | **(0.3)** | **(0.2)** | **0.0** | **6.7** |

Provisions

| In €m | Opening 01/02/2021 | Increase | Reversals used | Reversals unused | Reclass. | Closing 30/09/2022 |
|---|---|---|---|---|---|---|
| Labour disputes | - | 0.3 | (0.8) | (0.5) | - | 0.7 |
| Commercial, tax and other litigation | - | 0.5 | (0.4) | (3.6) | (0.0) | 2.0 |
| **Total Provisions** | **-** | **0.8** | **(1.2)** | **(4.1)** | **(0.0)** | **2.7** |

For the 2023 financial year, the €4.5 million increase in provisions for commercial, tax and other litigation includes €4.2 million in provisions relating to the Stroili Oro S.p.A. tax audit (see note 1.2.3.5).

# 23. Other information

## 23.1 Off-balance sheet commitments

| Off balance sheet commitments | Entity | 30/09/2023 | 30/09/2022 |
|---|---|---|---|
| *In €m* | | | |
| Commitments given | | | |
| Corporate sureties | Goldstory SAS | 6 | 6 |
| Bank sureties | Thom Group SAS | 0.6 | 0.8 |
| Bank sureties | Thom SAS | 2.9 | 2.2 |
| Bank Guarantees | Histoire d'Or Belgium | 1 | 1 |
| Bank Guarantees | Stroili Oro S.p.A. | 12.1 | 11.6 |
| Bank Guarantees | Orovivo AG | 1.4 | 1 |
| Bank Guarantees | Agatha SAS | 0.2 | 0 |
| **Total commitments given** | | **24.2** | **22.6** |
| Received commitments | | | |
| Loan - RCF (credit facility) | | 60 | 68 |
| Other bank facilities | | 34 | 31 |
| **Total commitments received** | | **94** | **99** |

### Covenants

According to terms of the RCF (Revolving Credit Facilities), contracted 26 February 2021, Thom Group must respect a debt ratio (Net financial debt/ Reported BITDA) which must be maintained below 7.2x. A reduction in the Group's debt (financial leverage) gives rise to a contractual margin bonus (minimum 2.75%).

### Pledges

The pledges listed below are given on behalf of the lenders of the bonds and on behalf of the banks for the new super senior revolving credit facility.

- Pledge of Thom Group S.A.S. shares held by Goldstory S.A.S.;
- Pledge of Goldstory S.A.S.'s main bank accounts;
- Pledge on certain receivables exceeding a predefined threshold, and arising from intra-group loans and current accounts between Goldstory S.A.S. and other Group subsidiaries;
- Pledge of Thom S.A.S. shares held by Thom Group S.A.S.;
- Pledge of Thom Group S.A.S.'s main bank accounts;
- Pledge on certain receivables exceeding a predefined threshold, and arising from intra-group loans and current accounts between Thom Group S.A.S. and other Group subsidiaries;
- Pledge of Stroili Oro S.p.A. shares held by Thom S.A.S.;
- Pledge of Thom S.A.S.'s main bank accounts;
- Pledge on certain receivables exceeding a predefined threshold, and arising from intra-group loans and current accounts between Thom S.A.S. and other Group subsidiaries;
- Pledge of Thom S.A.S. trademarks of significant value (Histoire d'Or and Marc Orian);
- Pledge of Stroili Oro S.p.A.'s main bank accounts;
- Pledge on certain receivables exceeding a predefined threshold, and arising from intra-group loans and current accounts between Stroili Oro S.p.A. and other Group subsidiaries.





## 23.2 Statutory Audit Fees

The Group's statutory audit fees amounted to €1.3 million for the financial year ended 30 September 2023 (compared with €1 million for the financial period ended 30 September 2022), and break down as follows:

| Statutory auditor's fees | 30/09/2022 (12 months) | | | 30/09/2022 (20 months) | | |
|---|---|---|---|---|---|---|
| *In €m* | Deloitte* | Aca-Nexia | Other | Deloitte* | Aca-Nexia | Other |
| Statutory audit of individual and consolidated financial statements | 0.4 | 0.2 | 0.4 | 0.5 | 0.2 | 0.2 |
| *Thom Group SAS* | *0.0* | *0.0* | - | *0.0* | *0.0* | - |
| *Fully consolidated subsidiaries* | *0.4* | *0.2* | *0.4* | *0.5* | *0.2* | *0.2* |
| Non-audit services | 0.1 | - | 0.1 | 0.1 | 0.0 | 0.0 |
| **Total** | **0.6** | **0.2** | **0.5** | **0.6** | **0.2** | **0.2** |

** including Deloitte Italy*

## 23.3 Subsequent events

No significant subsequent events occurred between 30 September 2023 and the closing date for the financial statements.

# 24. Related parties

## 24.1 Transactions

The Group's related parties include the shareholders of the Company, companies with a controlling interest in the Group and the main members of the Group's management and supervisory bodies (and their immediate family members).

In the course of our ordinary business activities, the Group regularly enters into agreements with or render services to related parties. In turn, such related parties may render services or deliver goods to us as part of their business. Purchase and supply agreements between subsidiaries and affiliated companies and with associated companies or shareholders of such associated companies are entered into on a regular basis within the ordinary course of business.

### Transactions with members of the Group's management and supervisory bodies

Certain members of the Group's management or supervisory bodies and their families or close friends are also members of other companies which they control or over which they have significant influence. Some of these companies have provided services to the Group over the 2023 financial year for an amount of expense as shown below:

- RPC S.A.S, managed by Romain Peninque: 72 thousand euros
- FDA Conseil S.A.S., managed by Flavien d'Audiffret: 18 thousand euros

No transactions were recorded with members of the Group's management and supervisory bodies or their close relations through other companies over which they exercise control or significant influence in fiscal 2022.

### Transactions with Altastory

The Group has a tax consolidation current account with Altastory SAS, head of the tax consolidation group, with a balance of 25.7 million euros at 30 September 2023 and 9 million euros at 30 September 2022.

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#### Transactions with Belmonte & Associés SPRL and Belmonte & Co. Limited

The Group has signed contracts with Belmonte & Associés SPRL and Belmonte & Co. Limited for advisory services pertaining to development strategies, sourcing and purchasing and supplier relationships. Eric Belmonte, the former Chairman of the supervisory board of Thom Group (the supervisory board of the Group prior to the 2021 Acquisition) and the current Chairman of the Supervisory Board of Altastory, is a director of Belmonte & Associés SPRL and a manager of Belmonte & Co. Limited. Transactions between the Group and Belmonte & Associés SPRL and Belmonte & Co. Limited represent an expense of €0.7 million for the 2023 financial year and €0.6 million for the 2022 financial period.

## 24.2 Key Management Personnel: compensation of members of the supervisory and management bodies

#### Attendance fees

Some members of the Supervisory Board are paid by attendances fees. The total gross amount of attendance fees due for the 2022 financial year by Altastory and its subsidiaries to all members of the Supervisory Board was €82 thousands compared to €117 thousands for the fiscal period 2022.

#### Compensation and benefits granted to key management personnel

The total compensation paid to the members of the Executive Committee and the Group President, in respect of their duties within the Group is €5.6 million for fiscal period 2022 and €4 million for fiscal period 2023.

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