THOM GROUP

Simplified joint stock company

55, rue d'Amsterdam

75008 Paris

Statutory auditors' report on the consolidated financial statements

For the year ended 30 September 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company 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.

CERA

31 rue Henri Rochefort

75017 Paris

S.A.S. au capital de 100 000 €

353 091 879 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

THOM GROUP

Simplified joint stock company

55, rue d'Amsterdam

75008 Paris

Statutory auditors' report on the consolidated financial statements

For the year ended 30 September 2022

To the Sole Shareholder of THOM GROUP Company,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of THOM GROUP Company for the year ended 30 September 2022.

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 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 2021 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L. 823-9 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, brands and leasehold rights as described in Note 3-c), 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 French accounting principles, 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. 823-10-1 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, the 13 January 2023

The Statutory Auditors

French original signed by

CERA	Deloitte & Associés
Daniel BUCHOUX	Cécile REMY Jean Paul SEGURET

THOM GROUP S.A.S.

Consolidated Financial Statements

Fiscal year ended September 30, 2022

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1. Consolidated financial statements

a. Consolidated balance sheet

Assets	Notes	30/09/2022	30/09/2021
In €m			
Intangible assets	a.	648.7	645.8
o/w goodwill	*b.*	*363.0*	*367.6*
Property, plants and equipments	c.	67.9	68.9
Financial assets	d.	24.4	22.5
Securities under equity method		-	-
Fixed assets		**741.0**	**737.3**
Inventories	e.	260.3	216.4
Trade receivables and related accounts	f.	14.6	11.1
Other receivables and adjustment accounts	g.	209.1	74.0
Marketable securities	h.	0.0	-
Cash	h.	17.2	55.7
Current assets		**501.3**	**357.2**
Total assets		**1,242.2**	**1,094.5**

Equity and liabilities	Notes	30/09/2022	30/09/2021
In €m			
Share capital		365.6	365.6
Share premium		68.0	68.0
Consolidated reserves and net income		14.5	(43.1)
Currency translation reserves		0.1	0.0
Equity attributable to owners of the parent	**i.**	**448.2**	**390.5**
Non-controlling interests		**1.5**	**2.0**
Provisions	**j.**	**12.6**	**13.6**
Financial debts	k.	512.3	470.1
Trade payables and related accounts	l.	153.2	113.1
Other liabilities and adjustment accounts	m.	114.4	105.3
Current liabilities		**780.0**	**688.5**
Total liabilities		**1,242.2**	**1,094.5**

In accordance with ANC 2020-01 regulation:

- Goodwill is considered in « Intangible Assets »,
- Unrealized exchange losses and gains are maintained on the balance and are respectively accounted in « Other receivables and asset adjustment accounts » and in « Other liabilities and adjustment accounts»,
- Deferred tax assets and liabilities are presented in "Other receivables and prepayments" and "Other liabilities and prepayments" respectively.

The comparative column 30/09/2021 presented in the 30/09/2022 financial statements is amended accordingly.

b. Consolidated income statement

Income Statement	Notes	30/09/2022	30/09/2021
In €m			
Sales	a.	937.4	711.0
Other operating income	b.	9.6	17.9
Costs of goods sold	c.	(319.1)	(241.0)
Personnel expenses	d.	(232.6)	(173.8)
Other operating expenses	e.	(198.6)	(164.3)
Taxes and duties	f.	(9.5)	(8.0)
Allowance for depreciation, amortization and provisions	g.	(30.6)	(37.6)
Operating income before depreciation and amortization of goodwill		**156.5**	**104.3**
Goodwill - depreciation and amortization		-	-
Operating income after depreciation and amortization of goodwill		**156.5**	**104.3**
Financial income (expense)	i.	(30.6)	(49.9)
Non-recurring income (expense)	j.	3.9	(13.4)
Income tax	k	(40.7)	(15.6)
Net income of integrations entities		**89.1**	**25.4**
Share in result of equity-accounted entities		-	-
Net income of consolidated entities		**89.1**	**25.4**
Net income attributable to non-controlling interests		(0.2)	(0.0)
Net income attributable to owners of the parent		**89.4**	**25.4**

In accordance with ANC 2020-01 regulation, subtotals « Recurring income » and « Operating income » no longer exist. Subtotals « Operating income before depreciation and amortization of goodwill » and « Operating income after depreciation and amortization of goodwill » have been newly created.

The comparative column 30/09/2021 presented in the 30/09/2022 financial statements is amended accordingly.

The reference to « Earnings per share » (basic and diluted) is now optional whereas it was compulsory according to the previous regulation CRC 99-02. Considering this information as insufficiently relevant for the reader of the financial statements, Thom Group did not raise this option.

c. Consolidated cash-flow statement

Cash-Flow statement	30/09/2022	30/09/2021	Var.
In €m			
EBITDA	**190.2**	**143.9**	**46.3**
Business Tax (CVAE) & Closed stores	(3.1)	(2.1)	(0.9)
Change in working capital	(4.3)	30.4	(34.7)
Income tax paid	(29.3)	(15.0)	(14.3)
Other non-recurring income (expenses)	6.1	(4.5)	10.7
Net cash flows from/ (used in) operating activities	**159.7**	**152.6**	**7.0**
Acquisition of property, plant & equipment, intangible assets	(39.3)	(27.6)	(11.7)
Disposal of property, plant & equipment, intangible assets	0.1	0.8	(0.7)
Change in receivables and payables on fixed assets	5.5	2.0	3.6
Net cash flows from/ (used in) investing activities	**(33.7)**	**(24.9)**	**(8.8)**
Free Cash Flow	**126.0**	**127.8**	**(1.8)**
Revolving credit facilities, Net of Repayment	22.0	(89.8)	111.8
Interests on loans and bonds	(0.0)	(15.5)	15.5
Interest paid on loans with Goldstory	(28.7)	(19.7)	(8.9)
Change in equity	-	(2.8)	2.8
Repayment of convertible bonds	-	175.0	(175.0)
Other interests paid	(0.2)	(0.9)	0.7
Other cash flows used in financing activities	(2.7)	(7.8)	5.1
Net cash flows (used in)/from financing activities	**(9.6)**	**38.4**	**(48.0)**
Net cash flows before specific projects	**116.4**	**166.2**	**(49.8)**
Change in Debt	-	(299.0)	299.0
Financing cost	-	(1.4)	1.4
FY21 refinancing and change in shareholders	**-**	**(300.4)**	**300.4**
Goldstory current account	(136.3)	-	(136.3)
Dividend paid to Goldstory	(30.1)	-	(30.1)
Agatha acquisition	-	(3.3)	3.3
Popsell acquisition	-	(1.9)	1.9
Change in equity	-	(2.0)	2.0
Specific events	**(166.4)**	**(7.2)**	**(10.4)**
Net increase / (decrease) in cash and cash equivalents	**(50.0)**	**(141.4)**	**91.3**
Cash and cash equivalents at the beginning of the period	**55.7**	**196.7**	**(141.0)**
Change in perimeter (Venson + Popsell)	**-**	**0.4**	**(0.4)**
Cash and cash equivalents at the end of the period	**5.7**	**55.7**	**(50.0)**
Change in cash	**(50.0)**	**(141.4)**	**91.3**

d. Reconciliation of operating income to EBITDA

Bridge from Operating Income to EBITDA	30/09/2022	30/09/2021	Var.
In €m			
Operating Income	**156.5**	**104.3**	**52.3**
Reversals of provisions	(17.7)	(18.8)	1.1
Depreciation, amortization and provisions	48.3	56.3	(8.0)
Business tax (CVAE)	2.6	2.0	0.7
Contribution of closed stores	0.4	0.1	0.3
EBITDA	**190.2**	**143.9**	**46.3**

2. Key events

The following consolidated financial statements cover the twelve-month period ended September 30, 2022.

a. Sales network

As of September 30, 2022, Thom Group S.A.S. ("Thom Group") operates, through its European subsidiaries, 980 stores (including 3 wedding fairs), as well as four e-commerce platforms. In addition, Agatha's network includes 36 stores and 65 corners across 4 countries in Europe, and 1 e-commerce platform (network not consolidated in group account's as of September 30, 2022). The group also has 35 affiliated stores, of which 7 openings during the fiscal year.

During the twelve-month period ended September 30, 2022, 9 stores were opened (vs. 12 stores opened over the same period last year) and 23 stores were closed (vs. 28 stores in the same period last year).

b. COVID-19 crisis

Closed stores evolution

During the twelve-month period ended September 30, 2022, the Group has not been significantly impacted by COVID-19 pandemic restrictions unlike in the twelve-month period ended September 30, 2021, when the Group's activity was impacted by the COVID-19 pandemic and the strict lockdown rules imposed in our main countries, which resulted in our stores being temporarily closed as follows:

- In France:

  In the twelve-month period ended September 30, 2021
  - From October 28 to November 28, 2020, the country was in full lockdown. All of our stores were closed.
  - From February 1, 2021, all stores located in shopping centers bigger than 20,000 sqm had to close (72% of our stores impacted).
  - From March 6, 2021, all stores located in shopping centers bigger than 10,000 sqm had to close as well, and from March 20, 2021 a regional lockdown in four French regions, including the Ile-de France area, was enforced, resulting in 80% of stores being closed in March 2021.
  - In addition, a 6 p.m. curfew was in place from January 16, 2021 until March 20, 2021, when it was pushed back to 7 p.m, impacting with a lesser impact our stores.
  - From April 3, 2021 until May 3, 2021, the country was in full lockdown, and stores remained closed until May 18, 2021.
  - From August 9, 2021, a health pass is introduced in France to access certain places (cinema, museums, amusement parks, restaurants, bars...). Access to certain shopping malls with a surface area of more than 20,000m2 was also limited 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 the period until the health pass was phased out in malls in September.

In the twelve-month period ended September 30, 2022

- No lockdown or stores closed related to COVID-19 related restrictions in France. However, France’s activity and stores organization were slightly impacted by COVID-19 cases among our employees which compelled the Group to close temporarily certain of its stores or to suffer from the lack of employees in some stores.

- In Italy

In the twelve-month period ended September 30, 2021

- From November 6 to December 3, 2020, all our stores were closed in several regions, including Northern Italy, where our footprint is most important. In other regions, stores were closed only during weekends. Since December 3, 2020, some stores that were fully closed reopened during weekdays but all remained closed on weekends, public holidays and on the eve of public holidays, resulting in 50% of our stores being closed in November 2020, and 39% in December 2020.
- In January and February 2021, stores remained closed over weekends and public holidays and were also fully closed depending on the “color” of the regions in which they were located (COVID19 pandemic-related restrictions vary from one region to another depending on the region’s classification as red, orange, yellow or white). From January 17 to January 24, 2021, Northern Italy, where most of our Italian stores are located, was in full lockdown. The measures resulted in 45% of our stores being closed in January 2021 and 26% in February 2021.
- From March 15 until March 31, 2021, almost 60% of our network was closed because the stores were located in a “red zone.”
- In April and May 2021, regional lockdowns were still in place in the various regions where infection rates were high. 49% of our store network was closed in April 2021 and 22% in May 2021.
- No further restrictions were imposed in June 2021.

In the twelve-month period ended September 30, 2022

- No specific restrictions were imposed in the nine-month period ended June 30, 2022.

- In Germany

In the twelve-month period ended September 30, 2021

- From December 16, 2020 (or, for some stores, December 14, 2020) through March 8, 2021, all stores were fully closed, resulting in a closure rate of 49% in December 2020 and 100% in January and February 2021.
- From March 2021, depending on the rates of infection in each länder and on local regulations, some shops were authorized to fully reopen, some only in Click&Meet and most stores had to remain closed, resulting in 71% of our network being closed in March 2021.
- In April and May 2021, many local and national regulations were still in place, resulting in 83% of our network being closed in April 2021 and 50% in May 2021.
- No further restrictions were imposed in June 2021.

In the twelve-month period ended September 30, 2022

- Stores' access was restricted to vaccinated or recovered customers (the "2G" rule) since November 2021 in some regions and since the December 8, 2021 for the remaining ones due to COVID-19 pandemic, until the end of January 2022. Vaccination rate in Germany is still low and the traffic in our stores was slowed down. Also, due to COVID-19, some shops were heavily impacted by absences of employees and sales assistants had to be replaced by people from other stores, when possible. Some stores were even running without a manager.
- From February 2022, most of the stores do not have a restricted access to vaccinated or recovered customers anymore.

In the twelve-month period September 30, 2022, the Group didn't face any COVID-19 related restrictions. The network has open 100% of the time, unlike 29% of the time in the twelve-month period ended September 30, 2021.

c. THOMtogether

As a part of the THOM*Together* project, the group has created in November 2021 an **Employee Shareholding Fund ("FCPE")** in which each employee, with a seniority of more than 3 months, can invest. The Group has offered to contribute to employees' investment up to 50% of €1,000.

Shares have been transferred to employees on December 31, 2021. Almost 400 employees have contributed to the shareholding fund.

d. Incorporation of new companies

Agatha

On February 26, 2021, the Group and Renaissance Luxury Group, via its subsidiary ALTESSE, were appointed by the Bobigny Commercial Court for the takeover of the jewelry brand AGATHA, in a 50/50 joint venture. The share transfer agreement has been signed during the fiscal year 2022.

Other group companies with the same business activities have not acquired, during the period, any other financial participation.

e. Merger

On March 28, 2022, Jools, wholly owned subsidiary of Thom S.A.S., has been merged in its parent entity, with retro-active date, for accounting and tax purposes, on October 1st, 2021. Both companies are simplified joint-stock company (SAS) whose registered office is located at 55 rue d'Amsterdam 75008 Paris.

f. Tax group

From October 1, 2021, THOM GROUP (parent of the previous tax group), THOM, THOM TRADE, JOOLS (until the merger in THOM) and VENSON companies have integrated the new tax group headed by ALTASTORY and including, among others, GOLDSTORY, THOM GROUP's direct shareholder, since the refinancing and acquisition on February 26, 2021.

g. Subsidy and government aid

French solidarity fund subsidy (France)

French solidarity fund subsidy implemented by French government to help companies suffering from the COVID-19 pandemic, enabled THOM S.A.S to obtain a subsidy for a total of €10.0 million which has been paid in October 2021. The subsidy was accrued in group accounts as of September 30, 2021 and payment was accounted for in fiscal year ended September 30, 2022.

Subsidy for real estate rents (France)

Following Ministerial Decree n° 2021-1488 dated November 16, 2021, Thom S.A.S. has received in March 2022 from the French government a subsidy for real estate rents for a €3.8 million, for the part not covered by the Fixed Cost Subsidy received in 2021. This has been classified as extraordinary income in group's consolidated accounts for the part already covered by negotiation with the landlords, that is, 1.6 million euros.

Government aid (Germany)

On June 30, 2022, OroVivo GmbH received from the German government a €3.1 million aid related to 2021 Covid-19 pandemic. This has been classified as extraordinary income in group's consolidated accounts.

h. Strategic projects

The « Salesforce » project, initiated in the first quarter of calendar year 2018 to design a new platform for all of the Group's e-commerce websites, was deployed with respect to our French brands Marc Orian and Histoire d'Or in FY20 and to our German brand, OroVivo in FY21. The project team remains actively engaged on the migration of the Italian platform planned for October 18, 2022.

The « Shine 2020 » project (ERP change to SAP and redesign of Group IT infrastructure), initiated in the first quarter of calendar year 2018, was launched in Germany as of October 1, 2020. The migration date for the France-Benelux and Italy scopes are not yet fixed.

We expect the projects mentioned above to continue to require significant internal and external resources until their completion. Certain employees have been fully dedicated to the project and isolated in a dedicated space. These people, some of whom have left an operational position, have been replaced.

3. Accounting policies and measurement methods

a. Accounting policies

Thom Group's consolidated financial statements have been prepared in accordance with ANC 2020-01 (French Accounting Regulation Authority) of March 6, 2020 related to consolidated accounts, which applies for the first time prospectively to transactions and contracts occurring after January 1, 2021.

ANC 2020-01 regulation, open to fiscal years from January 1, 2021, unify, abrogate and replace the three previous main regulation related to consolidated accounts, including CRC 99-02 for commercial compagnies and public enterprises.

The main impacts related to the change in accounting principles for the Group relate to presentation items as listed below:

- Goodwill
- Deferred taxes
- Profit and loss statement

b. Consolidation methods

Legal consolidation of the group is at Altastory S.A.S. level. The group prepares, on a voluntary basis, its consolidated accounts at Thom Group S.A.S. level for financial communication purposes.

All of Thom Group's subsidiaries are fully consolidated.

The full consolidation method is applied to all subsidiaries over which the parent company exercises exclusive control. Exclusive control is presumed to exist when the parent company holds, either directly or indirectly, the majority of voting rights or appoints the majority of the members of the governing bodies of the subsidiary for two successive financial years or exercises dominant influence by virtue of a contract or clauses in the articles of association.

On February 26, 2021, the Group and Renaissance Luxury Group, via its subsidiary ALTESSE, were appointed by the Bobigny Commercial Court for the takeover of the jewelry brand AGATHA. This joint venture, 50/50 between Thom SAS and Altesse, is not consolidated as of September 30, 2022, considering the low significance of Agatha's results compared to group's results and the delay in obtaining Agatha's accounts.

c. Measurement methods

Intangible Assets

Goodwill

Goodwill is disclosed as a part of "Intangible Assets". In application with the previous CRC 99-02 regulation, goodwill was previously disclosed on a separate line "Goodwill". The comparative column 30/09/2021 presented in the 30/09/2022 financial statements is amended accordingly.

“Goodwill depreciation and amortization” are now disclosed between “Operating income before depreciation and amortization of goodwill” and “Operating income after depreciation and amortization of goodwill”. The comparative column 30/09/2021 presented in the 30/09/2022 financial statements is amended accordingly.

Upon initial consolidation of a newly acquired company, identifiable assets acquired, and liabilities assumed are re-measured and recorded at fair value. In the particular case of Thom Group, the net book values of business goodwill, leasehold rights, brands and, to a lesser extent, inventories and property, plant and equipment were adjusted to be accounted for at fair value.

The excess of the securities purchase price (net of acquisition costs) over the fair value of identifiable assets acquired and liabilities assumed at the acquisition date is recognized as goodwill.

In accordance with §2110 of CRC Regulation No. 2005-10, analysis and expert assessments may be carried out as necessary and goodwill may be adjusted accordingly within a period ending at the end of the financial year following the year of acquisition. Nevertheless, at the end of the year of acquisition, a temporary assessment must be performed for items whose estimate is sufficiently reliable.

Goodwill is recorded at cost less accumulated impairment losses. Impairment losses cannot be reversed.

In accordance with order No. 2015-900 of 23 July 2015 and with regulation No. 2015-903 of 23 July 2015 - ANC No. 2015-07 Regulation (Consolidated accounts) that apply to financial years starting on or after January 1, 2016, the Group has qualified the utilization period of goodwill as unlimited. Consequently, no goodwill amortization has been recorded since October 1, 2016.

Goodwill is subject to an annual impairment test based on the Group’s operational split into Cash Generating Units (CGUs). The annual impairment testing consists in determining the recoverable value of the CGUs to which the goodwill is allocated and comparing them with the net book value of the assets concerned. The recoverable value of a CGU is determined based on its fair market value or value-in-use. The fair market value is determined based on the 2-year average EBITDA, restated by a Covid adjustment, for which the methodology is documented in the Offering Memorandum for the €620 million Notes dated Avril 4, 2021, and multiplied by a transaction multiple, which reflects the acquisition value of the THOM Group in 2010 and of the current market multiple (method combining comparable transactions and comparable stock market multiples). Value-in-use is obtained via the Discounted Cash Flows method (DCF).

Brands

Brands are valued by discounting forecast royalties to perpetuity. This approach equates a brand’s value with the present value of theoretical royalties, net of tax and costs incurred in maintaining the brand. As such, royalties required to be paid for a brand’s use can be determined based on sales growth rates, which in turn depend on market outlook and royalty rates.

Only brands that are commercially viable have been valued.

Considering that the Group’s brands represent indefinite-life intangible assets, they are not amortized but are subject to an annual impairment test.

Leasehold rights

Only the portion of business goodwill that is subject to legal protection is recorded under leasehold rights. Any residual amount is recognized under goodwill.

Legally-protected leasehold rights are not amortized. This is the case in France where the lessee of a commercial lease is entitled to an almost unlimited number of lease renewals. Consequently, the useful life of leasehold rights is undefined and indefinite.

Leasehold rights are subject to an impairment test. The required impairment is the difference between the net book value in the consolidated accounts and the fair market value determined from the valuations carried out by experts.

Leasehold rights related to stores abroad are not considered to have enough legal protection to be recognized under intangible assets. Consequently, the full amount paid is recorded under goodwill.

Other intangible assets

Software is recognized at cost and amortized over periods ranging from one to five years, depending on its useful life.

Property, plant and equipment

Property, plant and equipment are measured at cost. Depreciation is calculated based on the estimated useful lives of different categories of assets, in accordance with the legislation in force (straight-line method).

Estimated useful lives are as follows:

- Fixtures and fittings: 5 to 7 years
- Sales equipment: 3 years
- Office equipment: 3 years
- Office furniture: 10 years
- IT equipment: 3 years
- Machinery: 5 years

Fixed assets held under finance leases are recognized in the consolidated financial statements as if they had been acquired through financing. The assets are recorded under fixed assets on the balance sheet and depreciated according to their expected useful lives. The lease obligations are recognized under financial debt. Lease rentals are split between debt repayments and financial interest.

Financial assets

Non-consolidated investments are recorded at cost. An impairment is recognized if their fair value falls below their purchase price.

Guarantee deposits granted to lessors are recorded under other financial assets on the consolidated balance sheet.

Inventories

Inventories are valued at actual acquisition costs when monitored on a unit basis and are valued under the weighted average cost method when monitored by reference. Actual cost and weighted average cost are both net of rebates as well as gold and US-dollar hedging costs (recorded when incurred).

Inventory depreciation is recorded based on losses observed on defective products during the fiscal year compared to the opening balance. The loss rates thus calculated, after deductions of re-invoicing to suppliers and / or the melting value of gold products, are applied to inventories at closing, according to their ageing. The weight of the stocks by age is also tested, the change in inventories of the highest age group (as a % of the total stock) is depreciated at 100%.

Depreciation of raw materials is recorded when the market price is lower than the purchase price.

Trade receivables and related accounts

Trade receivables are recorded at their nominal value. A provision for depreciation is recognized when their recoverable value is lower than their net book value. Recoverable value is measured based on the overdue amounts and the age of the receivables.

Prepaid expenses

Prepaid expenses mainly include rents, insurance premiums and leasehold rights. Lease rights paid to lessors when opening new stores in shopping centers are recognized in the income statement over the duration of the lease.

Loan-issuance fees, bond discounts and bond premiums

Loan issuance fees are capitalized and amortized on a straight-line basis over the loan duration, not on a prorate basis, according to ANC 2020-01 regulation.

When bonds are issued above par, the premium is recorded as a liability and progressively recognized as a financial income over the bond duration.

When bonds are issued below par, the premium is recorded as an asset and progressively recognized as a financial expense over the bond duration.

Marketable securities

Marketable securities are recognized at cost. An impairment is recognized when their market value falls below their acquisition cost.

Deferred tax

Deferred tax assets are now always disclosed in “Other receivables and adjustment accounts”’. In application with previous CRC 99-02 regulation, this was disclosed on a separate line “Deferred Tax Assets”. The comparative column 30/09/2021 presented in the 30/09/2022 financial statements is amended accordingly.

Deferred tax liabilities are now always disclosed in “Other liabilities and adjustment accounts”’. In application with previous CRC 99-02 regulation, this was disclosed on a separate line “Deferred Tax Liabilities”. The comparative column 30/09/2021 presented in the 30/09/2022 financial statements is amended accordingly.

Deferred taxes are recorded according to the liability method on the temporary differences between the carrying amount and tax base of assets and liabilities. Deferred taxes are measured using the enacted tax rates at the closing date expected to apply to taxable income when the temporary differences are expected to reverse. Deferred tax assets are recognized for tax loss carryforwards, but they are impaired if their recovery is not likely.

Provisions for risks and charges

Provisions for risks and charges are recognized for probable outflows of resources to third parties, without any benefit in return for the Group. They are estimated based on the most probable assumptions at the reporting date.

In April 2001, the Group launched a loyalty card scheme, which entitles customers to a voucher after five purchases. The voucher amounts to 10% of the total amount paid for the five purchases and can only be used for subsequent purchases.

In compliance with Opinion no. 2004-E issued on 13 October 2004 by the French National Accounting Board, the Group recognizes provisions for customers’ vested rights from first purchase and loyalty card issuance. Vested rights are calculated from the issuance date of the loyalty card, based on the estimated probability that a voucher will be issued and used, and using the average value of vouchers adjusted to cost price.

Foreign currency transactions

They mainly relate to purchases in foreign currencies. These purchases are initially recorded at the actual spot rate at the time the transaction is made. Foreign currency gains or losses generated by the hedging instruments implemented by the Group are then included in the costs of goods purchased.

Unrealized forex gains and losses (assets and liabilities) are maintained on the balance sheet and respectively disclosed in “Other receivables and adjustment accounts” and “Other liabilities and adjustment accounts”. Application of ANC 2020-01 being prospective, comparative column for 30/09/21 wasn’t amended.

Post-employment benefits

At retirement, the Group’s employees in France receive an indemnity in accordance with the provisions of the watch-jewellery retail collective agreement. This commitment represents an off-balance sheet item. The corresponding costs are incurred in the salaries on the effective year of employee departure.

In Italy, the TFR (Trattamento di fine Rapporto) is based on a compulsory employer contribution of 7.4% of gross salary. The expenses and liabilities are recorded in the income statement and the balance sheet. A portion of the TFR can be allocated to funds. Subscription to these funds is voluntary. The contribution is shared between the employee and the company.

In Germany, post-employment benefits are based on a compulsory employer contribution of 9.3% of gross salary. The expenses and liabilities are recorded in the income statement and the balance sheet.

Non-recurring income and expenses

Non-recurring income and expenses represent items arising from events or transactions that are clearly distinct from the ordinary activities of the Group. They mainly include store pre-opening costs (staff costs, rents, fees) and the costs related to disposed or closed stores, except for changes in depreciation of leasehold rights that are recognized in operating income and expenses.

4. Consolidation scope

As of September 30, 2022, the Group consisted of the following companies:

Scope of consolidation						
Company	**Legal Form**	**Country**	**Control %**	**Interest %**	**Entry Date**	**Consolidation Method**
Thom Group	SAS	France	100.00%	100.00%	01/10/2010	Full Consolidation
Thom	SAS	France	100.00%	100.00%	14/10/2010	Full Consolidation
Histoire d'Or Monaco	SARL (Monaco)	Monaco	99.94%	99.94%	02/03/2011	Full Consolidation
Histoire d'Or Belgium	SA (Belgium)	Belgium	99.99%	99.99%	14/10/2010	Full Consolidation
Thom Asia	Hong Kong Law	Hong-Kong	100.00%	100.00%	apr. 2011	Full Consolidation
Thom India	Indian Law	India	100.00%	100.00%	apr. 2014	Full Consolidation
OroVivo	AG	Germany	100.00%	100.00%	17/10/2016	Full Consolidation
Stroili Oro	S.p.A	Italy	100.00%	100.00%	13/10/2016	Full Consolidation
Histoire d'Or Luxembourg	SARL (Lux)	Luxembourg	100.00%	100.00%	01/06/2018	Full Consolidation
Thom Trade	SAS	France	100.00%	100.00%	28/03/2019	Full Consolidation
Thom Trade Italy	Srl	Italy	100.00%	100.00%	27/05/2019	Full Consolidation
Duo Mu Jewellery (China)	WOFE	China	100.00%	100.00%	dec. 2020	Full Consolidation
NewCo Sell Platform	SAS	France	65.02%	65.02%	24/03/2021	Full Consolidation
Popsell	SAS	France	65.02%	65.02%	11/06/2021	Full Consolidation
Venson Paris	SAS	France	100.00%	100.00%	31/08/2021	Full Consolidation

The annual closing date for all Group companies is September 30, except for Thom India (March 31) and Duo Mu Jewellery (December 31) due to local legislation.

On February 26, 2021, the Group and Renaissance Luxury Group, via its subsidiary ALTESSE, were appointed by the Bobigny Commercial Court for the takeover of the jewelry brand AGATHA. This joint venture, 50/50 between Thom SAS and Altesse, is not consolidated as of September 30, 2022, considering the low significance of Agatha’s results compared to group’s results and the delay in obtaining Agatha’s accounts in a reasonable time for the group.

Investments in Economic Interest Groups (EIG) which manage shopping centers and over which the Group has no significant influence are disclosed under financial assets.

5. Comparability

There were no significant events which would have materially affected the comparability of the consolidated accounts of fiscal years ended September 30, 2022 and September 30, 2021 presented in the notes to the financial statements.

6. Notes to the Balance Sheet

a. Intangible assets

Intangible assets						
In €m	**Opening**	**Acquisition**	**Disposal**	**Reversal**	**Reclass.**	**Closing**
Gross						
Goodwill	483.0	-	(5.4)	-	(1.3)	476.3
Leasehold rights	173.4	0.4	(1.5)	-	0.0	172.3
Brands	136.8	0.0	(0.0)	-	0.1	136.9
Software	23.4	4.0	(0.0)	-	0.1	27.5
Other	0.1	-	-	-	-	0.1
Intangible assets in progress	28.2	9.5	-	-	(0.1)	37.6
Gross intangible assets	**845.0**	**13.9**	**(6.9)**	**-**	**(1.2)**	**850.7**
Amortization and depreciation						
Goodwill	(115.4)	-	2.1	-	-	(113.3)
Leasehold rights	(65.2)	(3.8)	0.7	1.3	0.0	(67.1)
Brands	(1.0)	(0.2)	0.0	0.0	-	(1.2)
Software	(17.4)	(3.1)	0.0	0.0	0.0	(20.4)
Other	(0.1)	(0.0)	-	-	-	(0.1)
Intangible assets in progress	-	-	-	-	-	-
Amortization and depreciation	**(199.1)**	**(7.1)**	**2.9**	**1.3**	**0.0**	**(202.1)**
Net						
Goodwill	367.6	-	(3.3)	-	(1.3)	363.0
Leasehold rights	108.2	(3.5)	(0.7)	1.3	0.0	105.3
Brands	135.8	(0.2)	(0.0)	0.0	0.1	135.7
Software	6.0	1.0	(0.0)	0.0	0.1	7.1
Other	0.0	(0.0)	-	-	-	0.0
Intangible assets in progress	28.2	9.5	-	-	(0.1)	37.6
Net intangible assets	**645.8**	**6.8**	**(4.0)**	**1.3**	**(1.2)**	**648.7**

Note: As of September 30, 2022, goodwill amounted to €363.0 in net book value (cf. note 6. b.).

Leasehold rights amounted to €105.3 million net book value and mainly related to stores in France. Leasehold rights were subject to impairment tests. The required impairment is the difference between the net book value in the consolidated accounts and the fair market value determined from the valuations carried out by experts (cf. note 3.c).

As of September 30, 2022, brands were recognized on the Group's balance sheet for €135.7 million net book value and mainly included: Stroili at €103.0 million, Histoire d'Or at €26.9 million, Trésor at €2.8 million, Franco Gioielli at €1.5 million and Marc Orian at €1.5 million.

Each brand was subject to an annual impairment test. They were valued based on the discounted cash-flows method, i.e. by discounting forecast royalties to perpetuity (cf. note 3.c).

Some intangible assets such as business goodwill are not recognized as such on the balance sheet and are reclassified to goodwill.

The increase of €9.5 million in intangible assets in progress mainly related to the SAP (and all related sub-projects) and Salesforce projects. Salesforce, after being deployed in France during fiscal year 2020, has been activated in Germany for the Orovivo website in fiscal year 2021 and a second lot has therefore been activated. Salesforce in Italy and Agatha is expected to be deployed in October 2022.

b. Goodwill

Goodwill					
In €m	**Opening**	**Acquisition**	**Disposal**	**Reclass.**	**Closing**
Gross					
France	390.0	-	(5.4)	(1.3)	383.3
Italy	89.3	-	-	-	89.3
RoE	3.7	-	-	-	3.7
Goodwill, gross	**483.0**	**-**	**(5.4)**	**(1.3)**	**476.3**
Amortization					
France	(113.0)	-	2.1	-	(110.9)
Italy	(2.2)	-	-	-	(2.2)
RoE	(0.2)	-	-	-	(0.2)
Amortization	**(115.4)**	**-**	**2.1**	**-**	**(113.3)**
Amortization					
France	277.0	-	(3.3)	(1.3)	272.4
Italy	87.1	-	-	-	87.1
RoE	3.6	-	-	-	3.6
Goodwill, net	**367.6**	**-**	**(3.3)**	**(1.3)**	**363.0**

Note: Until September 30, 2016, goodwill was amortized over a 20-year period. Amortization started on October 14, 2010 for the acquisitions of Histoire d'Or Europe (France) and Financière MO Holding (France) Groups and from the relevant acquisition dates for the assets acquired in Belgium (RoE) and Italy.

Since October 1, 2016, Thom Group has qualified the goodwill utilization period as unlimited. Consequently, no goodwill amortization has been recognized since October 1, 2016, in accordance with paragraph 21130 of CRC Regulation No. 99-02 (replaced by article 231-11 of ANC 2020-01 regulation).

Goodwill was subject to an annual impairment test based on the Group's operational split into Cash Generating Units (CGUs). The annual impairment test consists in determining the recoverable amounts of the CGUs to which the goodwill is allocated and comparing them with the carrying amounts of the relevant assets. The recoverable value of an CGU is determined based on fair market value, which is obtained with the multiple valuation method (cf. note 3.c). Value-in-use is obtained via the Discounted Cash Flows method (DCF). No impairment loss was recognized as of September 30, 2022 as a result of the annual impairment tests.

The reclassification during the period corresponds to a correction of Popsell's goodwill for €1.3 million, the purchase price allocation is now final.

The disposals for the year relate to the business goodwill of the stores that were sold or closed in France for a total amount of €3.3 million in net book value.

c. Tangible assets

Property, plant and equipment (PPE)						
In €m	**Opening**	**Acquisition**	**Disposal**	**Reversal**	**Reclass.**	**Closing**
Gross						
Land	0.0	-	-	-	-	0.0
Buildings	0.3	0.0	-	-	-	0.3
Technical facilities, plant and equipment	12.6	1.8	(0.2)	-	0.3	14.5
General facilities	296.5	16.2	(7.8)	-	2.0	307.0
Tangible assets held under finance leases	12.3	-	(0.1)	-	-	12.1
PPE in progress	2.3	4.6	-	-	(2.4)	4.5
Gross property, plant and equipment	**324.0**	**22.7**	**(8.1)**	**-**	**(0.1)**	**338.5**
Amortization and depreciation	-	-	-	-	-	-
Land	-	-	-	-	-	-
Buildings	(0.1)	(0.0)	-	-	-	(0.1)
Technical facilities, plant and equipment	(10.4)	(1.4)	0.2	0.0	(0.2)	(11.8)
General facilities	(235.1)	(21.5)	7.0	0.6	0.2	(248.8)
Tangible assets held under finance leases	(9.5)	(0.5)	0.1	-	-	(9.9)
PPE in progress	(0.0)	-	-	-	0.0	-
Amortization and depreciation	**(255.1)**	**(23.4)**	**7.3**	**0.6**	**(0.0)**	**(270.6)**
Net						
Land	0.0	-	-	-	-	0.0
Buildings	0.2	0.0	-	-	-	0.2
Technical facilities, plant and equipment	2.2	0.4	(0.0)	0.0	0.1	2.7
General facilities	61.4	(5.3)	(0.8)	0.6	2.2	58.2
Tangible assets held under finance leases	2.8	(0.5)	0.0	-	-	2.3
PPE in progress	2.3	4.6	-	-	(2.4)	4.5
Net property, plant and equipment	**68.9**	**(0.7)**	**(0.8)**	**0.6**	**(0.1)**	**67.9**

Note : General facilities mainly include fixtures and fittings of stores' network.

Investments during the year include store refurbishments as well as fixtures and fittings of the stores opened or acquired during the year.

The assets acquired under finance leases are capitalized based on the present value of future lease payments. They are then amortized on a straight-line basis over their estimated economic useful lives.

d. Financial assets

Financial assets						
In €m	**Opening**	**Acquisition**	**Disposal**	**Reversal**	**Reclass.**	**Closing**
Non-consolidated investments and related receivable	2.1	0.0	-	-	(0.0)	2.1
Loans granted to employees	0.1	0.1	(0.1)	-	-	0.1
Security deposits (on leases)	20.4	4.6	(2.8)	-	-	22.3
Gross financial assets	**22.5**	**4.7**	**(2.8)**	**-**	**(0.0)**	**24.4**
Depreciation	**-**	**-**	**-**	**-**	**-**	**-**
Net financial assets	**22.5**	**4.7**	**(2.8)**	**-**	**(0.0)**	**24.4**

Note : Guarantee deposits relate to the Group's real property leases. Changes during the year are explained by the guarantee deposits on stores opened or closed during the year, the recovery of deposits related to negotiation of first demand guarantee, as well as the reassessment of guarantee deposits conducted once per year by the lessors as part of contractual indexation.

Investments mainly relate to Agatha's shares for €1.3 million (not consolidated as of September 30, 2022 and to non-controlling interests in the EIGs, not consolidated, that own shopping centers for €0.7 million.

e. Inventories

Inventories		
In €m	**30/09/2022**	**30/09/2021**
Raw materials and packaging inventories	31.8	37.9
Finished goods	241.2	190.5
Gross inventories	**273.0**	**228.4**
Depreciation	**(12.7)**	**(12.0)**
Net inventories	**260.3**	**216.4**

Note: Raw materials mainly include gold. The €6.1 million decrease in raw material inventories during the period was mainly due, for €8.3 million euros to the sale of gold for coverage and cash protection purposes (€24.9 million euros as of September 30, 2022 compared to €33.2 million euros as of September 30, 2021), partially offset by the increase in stock inventories.

The Group is pursuing its optimized hedging costs policy (accelerated in 2021) by favouring the stock building of physical gold collected in its stores (clients can sell gold in stores in exchange of cash or voucher), rather than market swaps (cf. Off Balance Sheet commitments).

Thom S.A.S. net inventories as of September 30, 2022 amounted to €135.1 million. Stroili Oro's and OroVivo's net inventories as of September 30, 2022 were €94.8 million and €14.0 million respectively.

Finished goods are mainly located in stores. The increase in finished goods inventories of €50.7 million over the fiscal year was mainly explained by (i) €10.2 million euros by the activity effect, (ii) €9.5 million euros by an anticipation of Christmas inventories, (iii) €9.3 million euros by the building of a security stock in order for the group to anticipate potential logistic issues ahead of the festive season and to ensure the good availability of products in stores, (iv) €10.7 million euros by an increase of products range width (new references), (v) €6.0 million euros by the optimization of shortage rate in stores and (vi) €5.2 million euros by the increase in inventories related to the development of group's wholesale business in France (Venson Paris) and in Italy (Thom Trade Italy).

Finished goods depreciation is recorded based on losses on defective and unsold products of the year, compared to the previous year's inventories. This depreciation is completed by a test on the weights of slow-moving items. Raw materials depreciation is recorded based on the variation of gold prices. The decrease in provision for depreciation rate between September 2021 and September 2022 as a percentage of gross inventory from 5.3% to 4.6% reflects the stock cleaning policy of the Group (selection of product and write off).

f. Trade receivables and related accounts

Trade receivables and related accounts		
In €m	30/09/2022	30/09/2021
Trade receivables, gross	15.1	11.5
Impairment	(0.5)	(0.4)
Trade receivables, net	**14.6**	**11.1**

Note : Trade receivables mainly include invoicing to suppliers (centralization, marketing and commercial cooperation services), to affiliates (sales of finished goods, royalties) and to training organisms. Trade receivables also include receivables from our corporate customers for €7.5 million as a part of our wholesale activity, that are increasing by €2.7 million during the year due to the development of this activity in Italy and to the acquisition of Venson Paris, in France.

Trade receivables and related accounts are all due within less than one year.

g. Other receivables

Other receivables		
In €m	30/09/2022	30/09/2021
Downpayments and deposits to suppliers	3.2	4.4
Credit notes from suppliers	14.3	11.8
Insurance receivables	0.3	0.3
Personnel receivables	0.3	0.9
VAT	18.9	15.0
Income tax receivables	6.7	3.4
French employment incentive tax credit(CICE)	-	0.1
Other tax receivables (including IRES/IRAP)	1.2	1.3
French solidarity fund subsidy	-	10.0
Current account with Goldstory, including interests	138.9	2.8
Other	3.2	3.9
Other receivables - Gross	**187.0**	**53.8**
Other receivables - Depreciation	**-**	**-**
Deferred tax assets	**5.1**	**5.9**
Prepaid expenses	**16.2**	**13.1**
Loan-issuance fees	**0.9**	**1.2**
Other receivables - Net	**209.1**	**74.0**

Note : Other receivables are all due within less than one year.

The increase in current account with Goldstory is mainly explained by the cash pooling to Goldstory for €136.1 million euros for the fiscal year so that Goldstory can contribute, at its level, to a share premium issuance for €160.6 million.

h. Cash and cash equivalent

Cash and cash equivalents		
In €m	30/09/2022	30/09/2021
Securities	0.0	-
Cash & cash equivalents	17.2	55.7
Cash and cash equivalents	**17.2**	**55.7**

i. Shareholders' equity

Equity In €m	Share capital	Share premium	Consolidated reserves	Net income	Currency translation reserves	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at 30 September 2021	**365,6**	**68,0**	**(68,5)**	**25,4**	**0,0**	**390,5**	**2,0**	**392,4**
Change in perimeter - Entry	-	-	(1,3)	-	-	(1,3)	-	(1,3)
Allocation of net income	-	-	25,4	(25,4)	-	0,0	-	0,0
Dividend distribution (Restricted Group)	-	-	(30,1)	-	-	(30,1)	(0,0)	(30,1)
Net income for the year	-	-	-	89,4	-	89,4	(0,2)	89,1
Currency translation adjustment	-	-	(0,0)	0,0	0,1	0,1	-	0,1
Change in financial interests rate	-	-	(0,3)	-	-	(0,3)	(0,3)	(0,6)
Equity at 30 September 2022	**365,6**	**68,0**	**(74,9)**	**89,4**	**0,1**	**448,2**	**1,5**	**449,6**

Note: The share capital of €365,592,924 is divided into (i) 242,745,259 ordinary shares of €0.49 each and (ii) 3,523,539,251 preferred shares of €0.07 each (ADP R4).

Share premium is made of:

- €0.19 million additional paid-in capital related to the capital increase of 2,000 preference shares on April 30, 2015. Each preference share gives to its holder the right to benefit from any issue of new shares according to economic criteria determined upon the sale of the company shares by the largest shareholder.
- €69.8 million related to the capital increase on September 24, 2021 by means of an issuance of ADP R4 subscribed by compensation of receivables.
- The share-premium was further reduced by €1.8 million after allocation to retained earnings in September 2021.

Change in perimeter for €1.3 million correspond to a correction of Popsell's goodwill (during the first year after acquisition of the company).

The dividend distribution corresponds to dividends paid to Goldstory S.A.S. for €30.1 million.

j. Provisions for risks and charges

Provisions for risks and charges In €m	Opening	Change in scope	Increase	Reversals used	Reversals unused	Reclass.	Closing
Provisions for loyalty vouchers	8.6	-	9.6	-	(8.6)	-	9.6
Social litigations	1.2	-	0.1	(0.2)	(0.4)	-	0.7
Commercial, tax and other litigations	3.8	-	0.2	(0.3)	(1.4)	-	2.3
Total Provisions	**13.6**	**-**	**10.0**	**(0.5)**	**(10.4)**	**-**	**12.6**

Note: Provisions in respect of loyalty schemes are calculated based on probable future costs incurred by the Group (cf. note 3.c).

k. Financial debt

Financial debt					
In €m	Less than one year	1 to 5 years	More than 5 years	30/09/2022	30/09/2021
Loan with Goldstory - Principal and capitalized interest	-	24.9	-	24.9	24.9
Loan with Goldstory - Accrued and capitalized of the year	0.1	-	-	0.1	0.8
Loan with Goldstory	**0.1**	**24.9**	**-**	**25.0**	**25.7**
Principal and capitalized interest	-	441.0	-	441.0	441.0
Accrued and capitalized interest of the year	2.3	-	-	2.3	2.2
Proceeds Loans from Goldstory	**2.3**	**441.0**	**-**	**443.3**	**443.2**
	-	-	-	-	-
RCF	22.0	-	-	22.0	0.0
Other financial debt ("PGE")	-	-	-	-	-
Accrued interest, accrued commitment fees	0.1	-	-	0.1	-
Bank loans	**22.1**	**-**	**-**	**22.1**	**0.0**
	-	-	-	-	-
Bank overdrafts	**11.5**	**-**	**-**	**11.5**	**-**
	-	-	-	-	-
Debt on finance leases	0.4	0.3	-	0.7	1.2
Tax integration debt (Altastory)	9.7	-	-	9.7	0.0
Other financial debt	**10.2**	**0.3**	**-**	**10.5**	**1.2**
	-	-	-	-	-
Total financial debt	**46.1**	**466.2**	**-**	**512.3**	**470.1**

Loan with Goldstory

The three series of bonds convertible into shares (OCA), issued by Thom Group in 2010 and 2011, and amounting to €190.5 million as of September 30, 2020 plus accrued interests of €9.4 million over the fiscal year, were converted into an loan (bearing interests) with Goldstory S.A.S on February 26, 2021, when Thom Group was acquired by Goldstory S.A.S.

As of September 30, 2022, the loan with Goldstory for €24.9 million result from:

- The conversion, on February 26, 2021, when Thom Group was acquired by Goldstory S.A.S, of the three series of bonds convertible into shares (OCA), issued by Thom Group in 2010 and 2011, resulting in a €199.9 million loan between Goldstory and Thom Group;
- The reduction of the loan by €175.0 million as a result of the capital increase on September 24, 2021 (for the same amount).

No changes to be noted during the year.

Proceeds Loans from Goldstory

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").

A portion of the proceeds from the offering (€441 million) was on-lent to Thom Group under proceeds loans to repay amounts outstanding under the TLB by Thom Group. The €441 million proceeds loans are composed of:

- € 263.2 million bearing interest at a fixed rate of 5.88%
- € 177.8 million bearing interest at a variable rate of 6% + 3 months Euribor

Bank loans

In addition to the Notes, a revolving credit facility ("RCF") of €90.0 million is available for a period of 4.5 years, that is a due date on September 1, 2025, bearing interest at 3.25% margin plus EURIBOR (with a 0% floor) for the drawn amount and 30% of the same rate for the undrawn amount.

Under the terms of the RCF, in certain circumstances, Thom Group must maintain a leverage ratio (Financial net debt/ Reported EBITDA) below 7.2x. Under certain circumstances, deleveraging of the Group will reduce the applicable margin (subject to a minimum of 2.75%).

As of September 30, 2022, this credit line was drawn for €22.0 million euros.

Other financial debt

Other financial debt mainly corresponds to tax integration current account with Altastory, following the change in tax integration group.

I. Trade payables and related accounts

Trade payables and related accounts		
In €m	**30/09/2022**	**30/09/2021**
Suppliers - Rent	5.4	22.2
Suppliers - Goods	80.7	51.8
Suppliers - Other purchases	10.8	5.6
Accrued Expenses	56.4	33.4
Total trade payables and related accounts	**153.2**	**113.1**

Note: Trade payables and related accounts are due within less than one year.

The increase in Trade payables as of September 30, 2022 is mainly explained:

- The increase in supplier payables and accrued payables for €51.8 million mainly related to the activity impact, the anticipation of Christmas stocks, the constitution of a significant security stock in all the countries close to the year-end festive season in order to anticipate potential logistic issues, to the optimization of shortage rate in stores and to the increase in stock of products as a part of our wholesale activity.
- Partly offset by the decrease of rent payables for €16.8 million, due to a postponement of rent payments to lessors related to the lockdown periods as of September 30, 2021, compared to a normative situation as of September 2022.

m. Other liabilities and adjustment accounts

Other liabilities and adjustement accounts		
In €m	**30/09/2022**	**30/09/2021**
Profit-sharing reserve	**2.1**	**2.1**
Deferred tax liabilities	**2.2**	**4.2**
Payroll liabilities	30.1	24.8
Social security contributions	17.9	30.6
TFR	2.3	2.3
Employee profit-sharing	10.3	5.6
VAT	12.7	12.7
Income tax	5.4	1.1
Other taxes and duties	7.0	4.7
Payroll & tax payables	**85.6**	**81.9**
Fixed asset payables	**13.6**	**7.8**
Downpayments from customers	4.8	5.1
Credit notes issued to customers	1.7	1.3
Gift cards issued	1.7	1.0
Vouchers issued	0.1	0.1
Other	0.7	0.7
Other miscellaneous liabilities	**9.0**	**8.2**
Prepaid income	**1.9**	**1.1**
Total other liabilities and adjustement accounts	**114.4**	**105.3**

i) Employee profit-sharing reserve

The employee profit-sharing reserve is the amount placed by employees in blocked current account. The account bears interest at the average rate of yield of bonds in private companies increased by 1 percentage point. The management of employee profit-sharing is outsourced to Amundi.

ii) Deferred Tax

In €m	Opening	Variation	Reclass.	Closing
Tax loss carried forward	0.4	(0.4)	-	-
Non-deductible financial interests carried forward	2.4	(2.3)	-	0.1
Employee profit-sharing	1.8	1.1	-	2.9
Hedging instruments	0.4	2.0	-	2.4
Amortization, depreciation and provision	3.7	(0.2)	-	3.5
Leasehold rights and business goodwill	1.2	(1.2)	-	-
Fair value of assets	1.5	(0.3)	-	1.2
Other temporary differences	0.7	0.8	-	1.4
Netting of deferred tax assets and liabilities by tax jurisdiction	(6.0)	(0.5)	-	(6.5)
Total Deferred tax assets	**5.9**	**(0.9)**	**-**	**5.0**

Deferred tax liabilities				
In €m	**Opening**	**Variation**	**Reclass.**	**Closing**
Leasehold rights and business goodwill	9.7	(1.5)	-	8.2
Finance leases	0.4	0.0	-	0.4
Other temporary differences	0.2	0.0	-	0.2
Netting of deferred tax assets and liabilities by tax jurisdiction	(6.0)	(0.5)	-	(6.5)
Total Deferred tax liabilities	**4.3**	**(2.0)**	**-**	**2.2**

Note: As of September 30, 2022, without response from Italian tax administration, activated tax loss carryforwards on HDO Srl are not activated in Stroili Oro (3.9 million euros potential tax savings). Similarly, as a precautionary measure, Orovivo tax loss carryforwards were not activated and represent a potential saving of 18.8 million euros.

iii) Payroll and tax payables

Note: Payroll and tax payables have a due date of less than one year, except for the TFR (Trattamento di fine rapporto) in Italy of 2.3 million euros and the employee profit-sharing reserve of the year in France of €10.3 million, which are both due for more than 5 years, strongly increasing compared to previous year thanks to the very results of the year in France.

As mentioned in note 3.c, a portion of the TFR can be allocated to funds. Subscription to these funds is voluntary. The contribution is shared between the employee and the company.

The employee profit-sharing in France will be allocated to the profit-sharing reserve account during the financial year 2022-2023 for the portion placed by employees in blocked current account (cf. note 6.m).

The increase in payroll liabilities during the fiscal year is explained by a stronger recovery of activity as compared to last year and by a higher headcount (+260 FTE vs. September 2021. See Off-balance sheet commitments).

The decrease in Social Security contributions is explained by the postponement of pension expenses payments for 14.0 million euro in accordance with measures implemented during the sanitary crisis compared to a normative situation as of September 30, 2022, and by the increase in FTE over the period due to the full recovery of the activity during the fiscal year.

7. Notes to the income statement

a. Sales

Sales		
In €m	**30/09/2022**	**30/09/2021**
France	549.3	422.0
Foreign	327.6	247.8
Sales to affiliates	11.8	6.7
Stores sales	**888.7**	**676.5**
Sales of precious metals	45.9	32.5
Invoicing to suppliers	1.2	1.0
Purchasing & logistics services	0.4	0.4
Other income	1.1	0.6
Other sales	**48.7**	**34.5**
Total sales	**937.4**	**711.0**

Note: Thom S.A.S. and Stroili Oro S.p.A.'s contribution to sales of precious metals amounted respectively to €26.4 and to €19.5 million in the fiscal year ended September 30, 2022. The increase is explained by the significant gold sale this year for covering purposes.

b. Other operating income

Other operating income		
In €m	**30/09/2022**	**30/09/2021**
Income from insurance for theft of merchandise	0.3	0.1
Income from insurance for destruction of goods	0.1	0.2
Reinvoicing of training costs	0.1	0.1
Royalty from franchise	1.1	0.7
French Solidarity Fund Subsidy	-	10.6
Other	8.0	6.2
Total other operating income	**9.6**	**17.9**

Note: The category "Other" of "Other operating income" amounts to 8.0 million euros includes the capitalization of ERP-SAP integration costs and Salesforce ecommerce platform for 2.4 million euros.

As of September 30, 2021, subsidies from the Governments during the Covid-19 pandemic correspond to Fixed Cost Coverage Plan and French Solidarity Fund in France for respectively 10.0 and 0.4 million euros on Thom S.A.S. and 0.2 million euros for Venson Paris.

c. Costs of goods sold

Costs of goods sold		
In €m	**30/09/2022**	**30/09/2021**
Purchase of raw materials	(55.2)	(54.8)
Change in inventories - raw materials	(6.1)	15.3
COGS - Raw materials	**(61.3)**	**(39.6)**
Purchase of finished goods	(308.5)	(205.1)
Change in inventories - finished goods	50.7	3.6
COGS - Finished Goods	**(257.9)**	**(201.5)**
Total costs of goods sold	**(319.1)**	**(241.0)**

Note: The €78.1 million increase in costs of goods sold during the year was mainly explained by the full recovery of the activity during fiscal year 2022 compared to an activity disrupted by the COVID-19 pandemic during fiscal year 2021 (network closed 29% of the time) and also by the creation, at the end of fiscal year 2022 of a security stock in order to anticipate inventory needs for festive season and to avoid potential logistics issues.

d. Personnel expenses

Personnel expenses		
In €m	**30/09/2022**	**30/09/2021**
Wages and salaries	(165.5)	(127.0)
Social security charges	(54.7)	(40.1)
Employee profit-sharing	(12.3)	(6.7)
Total personnel expenses	**(232.6)**	**(173.8)**

Note: The increase in Wages and salaries was mainly explained by the use of furlough schemes in all group subsidiaries due to the Covid-19 pandemic during the fiscal year ended September 30, 2021 (€9.8 million obtained in France) compared to none in fiscal year ended September 30, 2022 marked by a strong business recovery and the increase in group FTE (+260 ETP compared to fiscal year 2021).

Employee profit-sharing includes social contribution.

e. Other operating expenses

Other operating expenses		
In €m	**30/09/2022**	**30/09/2021**
Utilities and other supplies	(10.0)	(4.0)
Real property leases	(86.1)	(74.7)
Expenses related to real property leases	(12.9)	(10.1)
Advertising	(27.6)	(22.4)
Transport	(8.7)	(9.1)
Insurance	(1.8)	(1.6)
Maintenance	(5.8)	(4.6)
Consultancy fees	(11.5)	(9.1)
Bank fees	(3.7)	(3.3)
Information system and technology	(5.5)	(4.7)
Telecommunication and network expenses	(3.9)	(3.5)
Travel, accommodation and courtesy costs	(4.2)	(1.9)
Other	(16.8)	(15.4)
Total Other operating expenses	**(198.6)**	**(164.3)**

Note Other costs totalling €16.8 million mainly include the cost of temporary workers, the lease costs of company cars and other miscellaneous charges.

The increase in real estate leases by €11.4 million is mainly explained by the credit notes accrued or received last year from the lessors and related to COVID-19 lockdown periods compared to none this year: all credit notes received in the fiscal year ended September 30, 2022 and related to the fiscal year ended September 30, 2021, have been considered as non-recurring income.

f. Taxes and duties

Taxes and duties		
In €m	**30/09/2022**	**30/09/2021**
Regional levy on French companies (CFE)	(1.2)	(1.4)
Payroll-related taxes	(2.9)	(2.2)
Taxes on commercial premises	(0.9)	(0.8)
Levy on French companies to fund social security (CSS)	(0.9)	(0.7)
CVAE	(2.6)	(2.0)
Other taxes and duties	(0.9)	(0.8)
Total taxes and duties	**(9.5)**	**(8.0)**

g. Depreciation, amortization and provision (net)

Depreciation, amortization and provisions		
In €m	**30/09/2022**	**30/09/2021**
Fixed assets depreciation and amortization	(30.5)	(39.5)
Inventory depreciation	(7.4)	(5.8)
Trade receivables depreciation	(0.1)	(0.2)
Provisions for risks and charges	(10.0)	(10.1)
Amortization of borrowing issuance costs	(0.3)	(0.7)
Depreciation, amortization and provisions	**(48.3)**	**(56.3)**
Reversals of provisions for risks and charges	10.3	9.2
Reversal of impairment of inventories	6.8	6.7
Reversal of impairment of fixed assets	0.6	2.8
Reversal of impairment of current assets	0.0	0.1
Reversal depreciation and provision	**17.7**	**18.8**
Total Depreciation, amortization and provisions	**(30.6)**	**(37.6)**

Note: Provisions for depreciation for risks and charges include provisions for loyalty vouchers of €9.6 million. Reversal of provision for risks and charges for €10.3 million include a reversal for loyalty vouchers for €8.6 million.

Provisions for depreciation of inventories in the opening balance sheet are systematically reversed and new provisions are fully recorded at the closing date, in the same way as provisions for loyalty vouchers.

h. Financial income and expenses

Financial income and expenses		
In €m	**30/09/2022**	**30/09/2021**
Interest on Proceed Loans from Goldstory	(26.6)	(21.5)
Interest on Loan from Goldstory	(1.5)	(1.1)
Interest on TLB and Revolving Credit Facility	(0.1)	(11.8)
Capitalized interest on convertible bonds	-	(9.4)
Amortization of bond redemption premium	-	(3.1)
Financial expenses for customer deferred payments	(0.9)	(0.6)
Foreign currency exchange	(1.9)	(0.2)
Other	0.4	(2.2)
Financial income (expense)	**(30.6)**	**(49.9)**

Note: Interest on Proceeds Loans and interest on the loan from Goldstory amount respectively to €26.6 million and €1.5 million and correspond to accrued interest owed to the Issuer under the loans extended to

Thom Group in connection with the issuance of the Notes, for the period from October 1, 2021 to September 30, 2022.

The decrease in Capitalized interests on convertible bonds was mainly attributable to the repayment of the remaining convertible bonds as of February 26, 2021 in the amount of €199.9 million, replaced by the issuance of loan with Goldstory, bearing interests at 5.93% per annum. The loan was further reduced by €175.0 million as a result of the capital increase on September 24, 2021 (for the same amount) and amounts to €24.9 million at the end of September 30, 2022 with interest from Goldstory amounting to €1.5 million.

As of September 30, 2021, the amortization of bond redemption premium was composed of €0.3 million for the amortization of the year, and €2.8 million for the full amortization of the remaining bond redemption premium in relation with the reimbursement of the TLB on February 26, 2021.

i. Non-recurring income and expenses

Non-recurring income and expenses			
In €m		**30/09/2022**	**30/09/2021**
Pre-opening costs	**(1)**	(1.4)	(1.2)
Tax and payroll-related adjustments and commercial litigations		-	-
Other income and expenses	**(2)**	10.0	(2.1)
Non-recurring gain (loss) on operations		**8.6**	**(3.3)**
Income from disposal of leasehold rights (and equivalents)		0.1	0.8
Net book values of disposed fixed assets	**(3)**	(4.8)	(6.8)
Non-recurring amortization, depreciation and provisions	**(4)**	-	(4.1)
Non-recurring gain (loss) on disposal of fixed assets		**(4.7)**	**(10.1)**
Total non-recurring income & expenses		**3.9**	**(13.4)**

(1) Pre-opening costs of €1.4 million are costs incurred for the opening of new stores or for the refurbishment of existing stores when the refurbishment involves the closure of a store for an extended period. These expenses mostly include rents, staff costs and fees.

(2) Other income and expenses for a net amount €10.0 million mainly comprise of:

- €4.5 million credit notes for rents received from landlords related to lockdown periods in 2021 during COVID-19 pandemic, including €3.0 million in France and €1.5 in Italy
- €1.6 million for a portion of the rent subsidy
- €3.1 million government aid related to 2021 Covid-19 pandemic from the German government
- €0.9 million of other non-recurring income and expenses

(3) The net book value of disposed fixed assets of €4.8 million mainly includes the disposal of goodwill, leasehold rights and facilities of closed stores, as well as disposal of fixed assets following store refurbishments.

(4) The non-recurring amortization for €4.1 million as of September 30, 2021 corresponded to the extraordinary amortization of issuance borrowing costs related to the TLB reimbursed on February 26, 2021, partly offset by extraordinary reversal in Italy.

j. Income tax expense

Income tax		
In €m	**30/09/2022**	**30/09/2021**
Current income tax	(41.8)	(12.2)
Deferred income tax	1.1	(3.4)
Total income tax	**(40.7)**	**(15.6)**

Note: The net income tax expense for the fiscal year ended September 30, 2022 amounted to €41.8 million compared to €15.6 million in the prior fiscal year is detailed as follows:

- The net income tax expense recognized by the tax group for French companies amounted to a €33.4 million expense compared to a €13.2 million expense last year. The increase of €20.2 million is explained by the very good operating performance of the Group, mainly thanks to an activity not impacted by COVID-19 pandemic as of September 30, 2022 compared to an activity disrupted by the network of stores closed 29% of the time in the fiscal year ended September 30, 2021.
- The net income tax expense recognized by foreign subsidiaries, or by recently acquired French subsidiaries not yet integrated in the French tax group, amounted to an expense of €7.3 million (mainly Italy for €6.1 million and Belgium €1.4 million) compared to a €2.4 million expense in the previous fiscal year.

Reconciliation of theoretical tax expense to effective tax expense

Tax proof		
In €m	**30/09/2022**	**30/09/2021**
Income before tax	129.8	41.0
Theoretical tax rate in France	28.41%	32.0%
Theoretical tax expense expected	**(36.9)**	**(13.1)**
Tax rate differential on foreign income	1.7	1.0
Non-deductible financial expenses in France	-	(0.8)
Depreciation and/or unrecognition of tax losses	(6.3)	(1.6)
IRAP	(2.2)	(1.0)
Tax credit from previous years	3.5	1.1
Other	(0.5)	(1.2)
Effective tax	**(40.7)**	**(15.6)**

Note :

- The increase in the unrecognition of deferred tax losses correspond mainly to deferred tax losses of the entity Thom Group for €5.3 million following the change in tax integration group, Altastory being the new head of tax integration group.
- Stroili's financial interest expenses that could not be deducted in prior years and that can be carried forward without time limitation have been activated in the statutory accounts.
- Tax credit from previous years correspond mainly to Italy with the use of a tax advantage called "Patent Box" which consists in the tax exemption of 50% of the revenue generated thanks to the use of certain intangible assets (here, the brand) for the period 2016-2019.
- Oro Vivo's tax loss carryforwards of the year have not been recognized as a measure of prudence.

8. Other information

a) Subsequent events

Purchase of remaining 50% of Agatha

On December 16, 2022, Thom S.A.S. purchased to Renaissance Luxury Group the remaining 50% of Agatha S.A.S. The subsidiary is now fully-owned by the group. Agatha's account will be fully consolidated from October 1, 2022.

Tax audit – THOM GROUP

The company is currently undergoing a tax audit for fiscal years 2017 to 2021. The control is not enough advanced to identify potential risks.

Tax audit - THOM

The company had a tax audit for fiscal years 2019 to 2021. The audit didn't identify significant risks.

No other subsequent event to be noted.

b) Off-balance sheet commitments

i) Post-employment benefits (France)

Post-employment benefits are calculated once a year. As of September 30, 2022, post-employment benefits in France were off-balance sheet and amounted to €1.2 million. The main actuarial assumptions are as follow as of 30 September 2022:

- Discount rate: 3.74% (vs. 0.98% as of September 2021)
- Salary increases rate: 2.5% (similar as of September 2021)
- Calculation of employee turnover by socio-professional category based on historical data at each entity
- INSEE mortality table 2013-2015

ii) Pledges

Pledges listed below are granted for the benefit of the noteholders under the Notes and the banks under the new RCF agreement:

- Pledge over Thom Group S.A.S shares held by Goldstory S.A.S;
- Pledge over the material bank accounts of Goldstory S.A.S.;
- Pledge over receivables above a specified threshold arising under certain intragroup loans (proceeds loan and cash pool) between Goldstory S.A.S. and any member of the Group;
- Pledge over THOM S.A.S. shares held by Thom Group S.A.S.;
- Pledge over the material bank accounts of Thom Group S.A.S.;
- Pledge over receivables above a specified threshold arising under certain intragroup loans (proceeds loan and cash pool) between Thom Group S.A.S. and any member of the Group;
- Pledge over Stroili Oro S.p.A. shares held by THOM S.A.S.;

- Pledge over the material bank accounts of THOM S.A.S.;
- Pledge over receivables above a specified threshold arising under certain intragroup loans (proceeds loan and cash pool) between THOM S.A.S and any member of the Group;
- Pledge over material trademarks (Histoire d'Or and Marc Orian) of THOM S.A.S.;
- Pledge over material bank accounts of Stroili Oro S.p.A.;
- Pledge over receivables above a specified threshold arising under certain intragroup loans between Stroili Oro S.p.A. and any member of the Group.

iii) Hedges

Due to its activity, the Group is exposed to changes in foreign exchange rate (USD/EUR), gold price and EURIBOR interest rates in respect of its floating rate senior secured notes and any drawings under its new RCF. These changes may negatively impact the Group's earnings and financial statements. The Group follows a centrally administered risk management policy and uses various derivative financial instruments to hedge its exposure to these risks. Counterparties are selected based on their international ratings as well as for diversification purposes.

As of September 30, 2022, the fair values of these instruments were as follows:

		30/09/2022			30/09/2021		
In m€		**Fair Value**	**On B/S**	**Off B/S**	**Fair Value**	**On B/S**	**Off B/S**
Currency hedge USD/EUR		9,7	-	9,7	1,1	-	1,1
Gold price hedge		(1,4)	-	(1,4)	(0,0)	-	(0,0)
Euribor hedge	(1)	-	-	-	-	-	-
Total		**8,4**	**-**	**8,4**	**1,1**	**-**	**1,1**

(1) 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 and that carries the senior secured notes and the RCF. 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.

Currency hedge

A significant portion of the Group companies' purchases are denominated in USD. The EUR/USD exchange rate risk is hedged by currency forwards and structured products. As of September 30, 2022, the Group's long positions aggregated to $118.3 million (compared to $50.3 million as of September 30, 2021), hedging nearly all its forecasted USD-denominated payment needs up to the end of the next two fiscal years. This hedging strategy to cover 2 years has been decided by the Group due to the strong appreciation of USD against EUR.

Currency hedge (purchase of USD against EUR)		
In USD million	**30/09/2022**	**30/09/2021**
Collar		
Notional amount in USD	**83.3**	**35.3**
Expiry:		
- due within one year	*52.0*	*35.3*
- due in more than one year	*31.3*	*-*
Forward contracts		
Notional amount in USD	**35.0**	**15.0**
Expiry:		
- due within one year	*10.0*	*15.0*
- due in more than one year	*25.0*	*-*

Gold price hedge

The Group purchases products containing gold at a minimum quantity of 3,300 ounces of gold per month. Gold price fluctuation risk is covered by swaps as well as physical gold stock.

As of September 30, 2022, the Group's long positions aggregated to 10,200 ounces of gold, with hedge agreements (synthetic calls/floored forward or swaps/forwards). In addition, the group owns physical gold held in inventory, which represented approximately four months of gold purchases, thus providing an overall hedge of almost seven months relating to gold price fluctuations following the end of the fiscal year ended September 30, 2022. The notional amount covered is explained by the physical stock of 14,286 ounces which represent a value of €24.9 million as of September 30, 2022.

Gold price hedge		
In ounces	**30/09/2022**	**30/09/2021**
Synthetic calls		
Hedged quantity (ounces)	**10,200**	**3,200**
- Purchases against EUR	*10,200*	*3,200*
- Purchased against USD	*-*	*-*
Expiry:		
- due within one year	*10,200*	*-*
- due between one and two years	*-*	*3,200*

EURIBOR interest rate hedge

EURIBOR interest rate risk related to the FRN is hedged through interest rate caps. The FRN and the new RCF being underwritten by Goldstory S.A.S., the EURIBOR interest rate hedge is contracted at that level.

iv) Commitments received

As of September 30, 2022, the Group has an RCF line of €90.0 million, drawn for €22.0 million, as well as 7 bank facilities for a total of €31.0 million.

v) Commitments given

Other commitments given by THOM Group S.A.S. as of September 30, 2022:

- Bank guarantees to lessors and suppliers for a total amount of €0.8 million.

Other commitments given by THOM S.A.S. as of September 30, 2022:

- Bank guarantees in favour of lessors for a total of €2.2 million

Commitments given by Histoire d'Or Belgium as of September 30, 2022:

- Bank guarantees in favour of lessors for a total of €1.0 million.

Commitments given by Stroili Oro S.p.A. as of September 30, 2022:

- Bank guarantees in favour of lessors for €11.6 million.

Commitments given by OroVivo AG as of September 30, 2022:

- Bank guarantees in favour of lessors for €1.0 million.

All bank guarantees are either collateral security or guarantee on first demand.

c) Headcount

The Group's headcount reached 4,983 Full-Time Equivalents (FTE) for the year ended September 30, 2022, against 4,723 FTE last year. This increase mainly results from the development of the wholesale activity and the acquisitions of new entities.

d) Company officers' and directors' remuneration

The compensation paid during the last 12 months to the members of governing bodies cannot be disclosed as this would imply disclosing individual remuneration. No post-employment or long-term benefits have been granted to Senior Executives. No remuneration has been paid to the Chairman of Thom Group.

No attendance fees have been paid at Thom Group level in the last twelve month. Attendance fees are now paid at Altastory level.

e) Statutory auditors' fees

Statutory auditor's fees	30/09/2022			30/09/2021		
In €m	Deloitte (*)	Aca Nexia	Other	Deloitte	Aca Nexia	Other
Auditors fees - Legal	0.3	0.1	0.1	0.3	0.1	0.0
Thom Group SAS	*0.0*	*0.0*	-	*0.0*	*0.0*	-
Fully consolidated subsidiaries	*0.3*	*0.1*	*0.1*	*0.2*	*0.1*	*0.0*
Auditors fees - Other services	0.1	0.0	0.0	-	-	0.0
TOTAL	**0.4**	**0.1**	**0.1**	**0.3**	**0.1**	**0.0**

(*) including Deloitte Italy

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