



**Picard Bondco**

**Annual Report for the Year Ended March 31, 2025**

**July 24, 2025**

Note: This annual report constitutes the report required under the indenture governing the Fixed Rate SSNs, the indenture governing the Floating Rate SSNs, the indenture governing the Senior Notes and the Revolving Credit Facility Agreement for the year ended March 31, 2025. In addition, the section "Sustainability-Linked Financing" constitutes the report required under the Sustainability-Linked Financing Framework for the calendar year ended December 31, 2024.

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## INTRODUCTION

### Highlights

The financial results of Picard Bondco, for the year ended March 31, 2025 include the following highlights:

- FY 2025 sales of goods increased to €1,823.4 million, compared to €1,802.0 million in FY 2024;
- Our gross margin increased to 44.2% in FY 2025 from 43.8% in FY 2024; and
- FY 2025 EBITDA increased by 7.2% to €306.4 million, from €285.8 million in FY 2024, mainly driven by the normalization in our energy costs and the increase in our sales.

Our CEO Cécile Guillou commented: “Our reported FY 2025 sales of goods increased by 1.2% compared to FY 2024 from €1,802.0 million to €1,823.4 million. During the year, on a like-for-like basis, French sales experienced a 0.8% decline, but we estimate this was an increase of 0.2% when excluding calendar effects. During the year, the average selling price of our items has decreased, as we have expanded our product offering to include ranges that address the needs of price-sensitive customers in response to a two-year period of inflation and pressure on our customers’ purchasing power. As targeted, we opened 40 stores during the year, comprising 26 directly operated stores and 14 franchised stores, in line with our objective to rely on key partners to accompany our development in specific targeted territories. Digital sales were also an important driver of our growth, increasing by 11.2% during FY 2025, compared with FY 2024. Our digital sales as a percentage of total sales increased to 5.0% in FY 2025 from 4.6% in FY 2024, confirming another pillar of our strategy: taking advantage of evolving habits of consumers who increasingly order online. In addition, for calendar year 2024, we were once again chosen as the favorite French food retail banner according to two rankings released by OC&C and Ernst & Young.

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

Our FY 2025 gross margin increased to 44.2% compared to 43.8% in FY 2024, confirming our ability to closely manage our gross margin in spite of inflation and pressure on customers’ purchasing power, notably thanks to innovation and more targeted promotional efforts.

Finally, our profitability during FY 2025 was strong and improving. Our EBITDA increased by 7.2%, from €285.8 million in FY 2024 to €306.4 million in FY 2025. The well-controlled operating costs and the gross margin increase enabled us to increase EBITDA margin to 16.8%, compared to 15.9% in FY 2024.

In light of the continuing uncertainties regarding the political situation in France and international events, such as U.S. tariffs although the Picard Group has very limited direct exposure to potential price increases in the USA, management remains cautious with respect to future results.

Picard’s existing strategy relies on three well-defined pillars: (i) optimizing sales performance via initiatives including a personalized customer strategy, operational excellence, a simplified store concept and a clustered offer strategy, (ii) developing Picard’s footprint both in France where we see whitespace potential (prioritizing owned stores when relevant to limit margin dilution) and internationally through key strategic partnerships and (iii) capturing share in growing channels as highlighted by our ability to respond to evolving customer habits by providing digital sales, Express Delivery and Click & Collect services.”

### About Picard

Picard is the leading retailer of frozen food products in France, and the pioneer in the sector. We offer our customers approximately 1,320 different frozen food SKUs, including unprocessed meat, fish and seafood, fruits and

vegetables and bakery products, as well as a full range of ready-made starters, main courses, desserts and ice cream at various prices. We introduced the concept of premium quality, appetizing frozen food to French consumers when we opened our first store in Paris in 1974. Since then, we have continued to develop the market for frozen food products in France by transforming the way the French public perceives and consumes frozen food.

As of March 31, 2025, we had 1,195 stores in France (including four franchised stores in Corsica, 12 franchised stores in La Réunion, five franchised stores in the French West Indies, three franchised stores in New Caledonia, one franchised store in French Polynesia and 74 franchised stores in mainland France), 16 stores in Belgium, two stores in Luxembourg and 11 franchised stores in Japan. We also sell Picard-branded products in the United Kingdom through a partnership with Ocado, in the Netherlands through a partnership with Albert Heijn and in Singapore through a partnership with RedMart, as well as in Hong Kong and the MENA region through partnerships with Al Futtaim Group in Marks & Spencer stores, in Taiwan through a partnership with Px-Mart, in South Korea through partnerships with Kurly and Lotte and in certain countries in Africa through a partnership with AIBC. Until the end of 2024, we also sold Picard-branded products in Italy through a commercial agreement with an Italian retailer.

On July 7, 2021, Picard Groupe issued €750 million aggregate principal amount of 3.875% sustainability-linked fixed rate senior secured notes due 2026 (the “2021 Fixed Rate SSNs”), Lion/Polaris Lux 4 S.A. issued €650 million aggregate principal amount of sustainability-linked floating rate senior secured notes due 2026 (the “2021 Floating Rate SSNs” and, together with the 2021 Fixed Rate SSNs, the “2021 Senior Secured Notes”) and Picard Bondco issued €310 million aggregate principal amount of 5.375% sustainability-linked senior notes due 2027 (the “Senior Notes” and, together with the 2021 Senior Secured Notes, the “2021 Notes”). The gross proceeds from the sale of the 2021 Notes were used, together with cash on hand, to (i) redeem Picard Groupe’s then outstanding senior secured notes issued in 2017 and 2018, including accrued and unpaid interest, (ii) redeem Picard Bondco’s then outstanding senior notes issued in 2017, including accrued and unpaid interest and the applicable redemption premium, (iii) distribute funds to the shareholders of the Picard Group and (iv) pay fees and expenses related to the transactions. From and including the interest period commencing on June 15, 2024, the interest rate payable on the 2021 Fixed Rate SSNs and the Senior Notes and the margin on the 2021 Floating Rate SSNs was increased by 12.5 basis points per annum, as we did not attain the 2023 CO2 Sustainability Performance Target but did attain the 2023 Energy Sustainability Performance Target and received an Assurance Letter to that effect (each, as defined in the indentures governing the relevant 2021 Notes). We notified the relevant trustee, the relevant paying agent and (in respect of the 2021 Floating Rate SSNs) the calculation agent in writing on May 30, 2024 of the same.

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

On September 30, 2024, the Picard Group announced that Invest Group Zouari (IGZ), which as of September 30, 2024 owned approximately 45.4% of the shares in the Picard Group, had entered into a put option agreement to purchase from Lion Capital its ownership interest of approximately 51.8% in the Picard Group. The transaction closed on December 20, 2024. IGZ therefore now controls the Picard Group. IGZ funded the transaction with a combination of fresh equity and loans from its shareholders and a c.€120 million vendor loan from Lion Capital, as well as a c.€200 million cash loan from the Picard Group, funded by the incurrence of additional Floating Rate SSNs by Lion/Polaris Lux 4 S.A. on November 6, 2024.

On December 19, 2024, Picard Groupe and other entities of the Picard Group entered into an amendment agreement relating to the agreement governing the Original Super-Senior Revolving Credit Facility (the “Revolving Credit Facility Agreement”) in order to increase the total commitments under the Original Super-Senior Revolving Credit Facility by €15 million to €75 million (as so amended, the “Super-Senior Revolving Credit Facility”).

## **Reporting**

This annual report is the report as of and for the year ended March 31, 2025 required pursuant to Section 4.03 of each of the indenture governing the Fixed Rate SSNs (as amended and supplemented from time to time, the “Fixed Rate SSN Indenture”), the indenture governing the Floating Rate SSNs (as amended and supplemented from time to time, the “Floating Rate SSN Indenture”), the indenture governing the Senior Notes (as amended and supplemented from time to time, the “Senior Notes Indenture” and, together with the Fixed Rate SSN Indenture and the Floating Rate SSN Indenture, the “Indentures”), as well as clause 23.1 and clause 1.1(a) of Schedule 19 (*Further Information*) of the Revolving Credit Facility Agreement.

In addition, the section “*Sustainability-Linked Financing*” constitutes the report required under the sustainability-linked financing framework which we adopted in April 2021 and can be found on our website at [www.picard.fr](http://www.picard.fr) (the “Sustainability-Linked Financing Framework”) for the calendar year ended December 31, 2024.

## **For Further Information**

Investor Relations: [investor\\_relations@picard.fr](mailto:investor_relations@picard.fr)

## CERTAIN DEFINITIONS

Unless indicated otherwise in this annual report or the context requires otherwise, all references to:

- “2021 Fixed Rate SSNs” are to the €750,000,000 aggregate principal amount of Sustainability-Linked 3.875% Senior Secured Notes due 2026 issued by the Fixed Rate SSN Issuer under an indenture dated as of July 7, 2021, which bore interest at a rate of 4.000% per annum from June 15, 2024 as we did not attain the 2023 CO<sub>2</sub> Sustainability Performance Target; an aggregate principal amount of €637,700,000 was repurchased on July 3, 2024 following the Tender Offer; the Remaining 2021 Fixed Rate SSNs were satisfied and discharged on July 3, 2024 and were redeemed in full on July 1, 2025;
- “2021 Floating Rate SSNs” are to the €650,000,000 aggregate principal amount of Sustainability-Linked Floating Rate Senior Secured Notes due 2026 issued by the Floating Rate SSN Issuer under an indenture dated July 7, 2021, which were satisfied and discharged on July 3, 2024 and redeemed in full at par on July 4, 2024;
- “2021 Notes” are to, together, the 2021 Fixed Rate SSNs, the 2021 Floating Rate SSNs and the Senior Notes;
- “2023 Sustainability Performance Targets” are to the 2023 CO<sub>2</sub> Sustainability Performance Target and the 2023 Energy Sustainability Performance Target;
- “2023 CO<sub>2</sub> Sustainability Performance Target” means the target of a 10% reduction in carbon emissions from our shipping networks and logistics chains by 2023 compared to the baseline of 123 gCO<sub>2</sub>e / ton-km emitted in 2019, which target was unmet;
- “2023 Energy Sustainability Performance Target” means the target of a 6% reduction in energy consumption by our stores by 2023 compared to the baseline of 12,363 kWh °C / m<sup>3</sup> of cold in energy consumed in 2020, which target was achieved;
- “2025 Sustainability Performance Targets” are to (1) the target of a 10% reduction in energy consumption by our stores by 2025 compared to the baseline of 12,363 kWh °C / m<sup>3</sup> of cold in energy consumed in 2020 and (2) the target of a 15% reduction in carbon emissions from our shipping networks and logistics chains by 2025 compared to the baseline of 123 gCO<sub>2</sub>e / ton-km emitted in 2019;
- “Acquisition” are to the acquisition on December 19, 2024 of all the issued and outstanding capital stock of Lion/Polaris Holdco S.à r.l. by IGZ after entering into a put option agreement for the acquisition of Lion Capital’s and management’s entire equity stakes in the Picard Group on September 29, 2024;
- “Additional Floating Rate SSNs” are to the additional €200 million aggregate principal amount of Floating Rate SSNs issued by the Floating Rate SSN Issuer under the Floating Rate SSN Indenture on November 6, 2024;
- “ASC” are to a sustainability certification from the Aquaculture Stewardship Council;
- “Calculation Agent” are to HSBC Bank USA, National Association;
- “Cap Spread” is to the swap we entered into in December 2022 to hedge our exposure to changes in future interest payment cash flows, which, through June 15, 2025, covered €300 million and capped the EURIBOR at 2%, up to a EURIBOR of 4%;
- “Caps” are to the derivative instruments we entered into on March 6, 2025 and March 21, 2025 to hedge our exposure to changes in future interest payment cash flows through January 3, 2028, which, at incurrence, covered €200 million and €100 million in aggregate principal amount of the Floating Rate SSNs and capped the EURIBOR at 2% (with respect to €100 million aggregate principal amount) and 2.5% (with respect to €200 million aggregate principal amount), respectively. In addition to the two Caps entered into in March 2025, we entered into a EURIBOR cap on April 3, 2025 for an initial aggregate principal amount of €200

million and capped the EURIBOR at 2.25%. The aggregate principal amount covered by the relevant Cap will decrease over time following a pre-agreed schedule;

- “CO<sub>2</sub> Target Step-Up” are to the 12.5 basis points increase of the interest rate payable on the 2021 Fixed Rate SSNs and Senior Notes and margin payable on the 2021 Floating Rate SSNs from and including the interest period commencing on June 15, 2024, which is now in effect as the 2023 CO<sub>2</sub> Sustainability Performance Target was not met;
- “Collateral” are to, together, the Senior Secured Notes Collateral and the Senior Notes Collateral;
- “CRM” are to our Customer Relationship Management program, which we are currently reviewing to gather additional information about our customers, including their shopping habits, tastes and preferences;
- “EU” are to the European Union;
- “euro”, “euros”, “€” or “EUR” are to the single currency of the member states of the European Union participating in the third stage of economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time;
- “Fixed Rate SSNs” are to the €650,000,000 aggregate principal amount of 6.375% Senior Secured Notes due 2029 issued by the Fixed Rate SSN Issuer under the Floating Rate SSN Indenture on July 3, 2024;
- “Fixed Rate SSN Guarantees” are to the guarantees of the Fixed Rate SSNs provided by the Fixed Rate SSN Guarantors pursuant to the Fixed Rate SSN Indenture;
- “Fixed Rate SSN Guarantors” are to Lion Polaris II, the Floating Rate SSN Issuer, Lux Midco and Picard Bondco;
- “Fixed Rate SSN Indenture” are to the indenture dated as of July 3, 2024, governing the Fixed Rate SSNs;
- “Fixed Rate SSN Issuer” are to Picard Groupe;
- “Fixed Rate SSN Trustee” are to HSBC Bank USA, National Association, as trustee under the Fixed Rate SSN Indenture;
- “Floating Rate SSNs” are to the €775,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2029 issued by the Floating Rate SSN Issuer under the Floating Rate SSN Indenture, of which €575,000,000 in aggregate principal amount were issued on July 3, 2024 and €200,000,000 in aggregate principal amount were issued on November 6, 2024;
- “Floating Rate SSN Guarantees” are to the guarantees of the Floating Rate SSNs provided by the Floating Rate SSN Guarantors pursuant to the Floating Rate SSN Indenture;
- “Floating Rate SSN Guarantors” are to the Fixed Rate SSN Issuer, Lion Polaris II, Lux Midco and Picard Bondco;
- “Floating Rate SSN Indenture” are to the indenture dated as of July 3, 2024, governing the Floating Rate SSNs;
- “Floating Rate SSN Issuer” are to Lion/Polaris Lux 4;
- “Floating Rate SSN Trustee” are to HSBC Bank USA, National Association, as trustee under the Floating Rate SSN Indenture;

- “French like-for-like sales” are to like-for-like sales made through directly-operated stores in mainland France, excluding franchises in mainland France, Corsica, La Réunion, New Caledonia, French Polynesia and the French West Indies, and also excluding Click & Collect and Express Delivery sales;
- “gCO<sub>2</sub>e / ton-km” are to grams of CO<sub>2</sub> equivalent per ton-kilometer;
- “Guarantees” are to, together, the guarantees of the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes provided by the relevant Guarantors pursuant to the Fixed Rate SSN Indenture, the Floating Rate SSN Indenture and the Senior Notes Indenture, respectively;
- “Guarantors” are to, together, the Senior Secured Notes Guarantors and the Senior Notes Guarantors;
- “Home Delivery” are to our home delivery service which allows customers to order our products by telephone, through the Picard application for smartphones or over the internet;
- “ICG” are to Intermediate Capital Group plc, which holds a non-controlling interest in IGZ;
- “IGZ” are to Invest Group Zouari, which acquired the controlling interest in the Picard Group following the Acquisition;
- “Imanes” are to Imanes S.à r.l., an entity in the Zouari Group and controlled by Mr. Moez Zouari;
- “Indentures” are to, together, the Senior Secured Notes Indentures and the Senior Notes Indenture;
- “Intercreditor Agreement” are to the intercreditor agreement dated July 7, 2021, as amended or otherwise modified from time to time, among, *inter alios*, the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer, Picard Bondco, the Guarantors, (via accession) the lenders under the Super-Senior Revolving Credit Facility, (via accession) the Trustees under the Indentures and the Security Agents, as subsequently amended, supplemented, novated, extended or replaced from time to time;
- “Issuers” are to, together, the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer and Picard Bondco;
- “kWh °C / m<sup>3</sup>” are to kilowatt-hours per cubic metre of cold storage at constant temperature;
- “Lion Capital” are to Lion Capital LLP or funds advised and managed by Lion Capital LLP;
- “Lion Polaris II” are to Lion Polaris II S.A.S., a *société par actions simplifiée* formed under the laws of France on July 30, 2010, and registered with the *registre du commerce et des sociétés de Melun* under the number 524 290 178 RCS Melun. The registered office of Lion Polaris II is located at 1 route Militaire—77300 Fontainebleau, France;
- “Lion/Polaris Lux 4” are to Lion/Polaris Lux 4 S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg having its registered office at 7, rue Lou Hemmer, L-1748 Senningerberg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B154903;
- “Lux HoldCo” are to Lion/Polaris Lux Holdco S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg having its registered office at 8, rue Lou Hemmer, L-1748 Senningerberg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B199559;
- “Lux Midco” are to Lion/Polaris Lux Midco S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg having its registered office at 8, rue Lou Hemmer, L-1748 Senningerberg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B220460;



- “MENA region” are to the region of the Middle East and Northern Africa;
- “MSC” are to a sustainability certification from the Marine Stewardship Council;
- “Notes” are to, together, the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes;
- “PG Intra-Group Loan” are to the €425 million intra-group loan granted by the Floating Rate SSN Issuer to the Fixed Rate SSN Issuer in accordance with an intra-group loan agreement dated July 3, 2024 between the Floating Rate SSN Issuer and the Fixed Rate SSN Issuer;
- “Picard Bondco” are to Picard Bondco S.A., a *société anonyme* incorporated under the laws of Luxembourg having its registered office at 7, rue Lou Hemmer, L-1748 Senningberg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B154899;
- “Picard Groupe” are to Picard Groupe S.A.S., a *société par actions simplifiée* incorporated under the laws of France having its registered office at 1 route Militaire—77300 Fontainebleau, France and registered under number 523 999 878 RCS Melun;
- “Picard Surgelés” are to Picard Surgelés S.A.S., a *société par actions simplifiée* incorporated under the laws of France (formerly known as Picard Surgelés S.A.) having its registered office at 1 route Militaire—77300 Fontainebleau, France and registered under number 784 939 688 RCS Melun;
- “Picard Surgelati” are to Picard I Surgelati S.p.A., an Italian company with its registered office at via per Origgio 393–21042 Caronno Pertusella (VA) and registered under number 01275750121, the entire share capital of which was sold by the Fixed Rate SSN Issuer in May 2015;
- “Primex” are to Primex International S.A., a *société anonyme* incorporated under the laws of France and registered with the *registre du commerce et des sociétés de Paris* under number 328 667 944;
- “Principal Paying Agent” are to Deutsche Bank AG, London Branch for the Senior Notes, or to HSBC Bank USA, National Association for the Fixed Rate SSNs and the Floating Rate SSNs, as applicable;
- “Registrar” are to Deutsche Bank Luxembourg S.A. for the Senior Notes, or to HSBC Bank USA, National Association for the Fixed Rate SSNs and the Floating Rate SSNs, as applicable;
- “Remaining 2021 Fixed Rate SSNs” are to the 2021 Fixed Rate SSNs not validly tendered or accepted by Picard Groupe pursuant to the Tender Offer, which consequently remained outstanding, were satisfied and discharged on July 3, 2024 with funds deposited with the trustee under the indenture governing the 2021 Fixed Rate SSNs and were ultimately redeemed in full on July 1, 2025;
- “Restricted Subsidiaries” have the meaning given to such term in the relevant Indentures;
- “Security Agents” are to, together, the Senior Secured Notes Security Agent and the Senior Notes Security Agent;
- “Security Documents” are to, together, the Fixed Rate SSNs Security Documents, the Floating Rate SSNs Security Documents and the Senior Notes Security Documents;
- “Senior Notes” are to the €310,000,000 aggregate principal amount of Sustainability-Linked 5.375% Senior Notes due 2027 issued by Picard Bondco under the Senior Notes Indenture on July 7, 2021, which currently bear interest at a rate of 5.500% per annum;
- “Senior Notes Collateral” are to the rights, property and assets securing the Senior Notes and/or the Senior Notes Guarantees;

- “Senior Notes Guarantees” are to the guarantees of the Senior Notes provided by the Senior Notes Guarantors pursuant to the Senior Notes Indenture;
- “Senior Notes Guarantors” are to Lux Midco and the Floating Rate SSN Issuer;
- “Senior Notes Indenture” are to the indenture dated as of July 7, 2021, governing the Senior Notes;
- “Senior Notes Security Agent” are to Deutsche Bank AG, London Branch, as security agent under the Senior Notes Indenture, the Senior Notes Security Documents and the Intercreditor Agreement, or any successor or replacement security agent acting in such capacity;
- “Senior Notes Security Documents” are to the agreements creating security interests over the Senior Notes Collateral;
- “Senior Notes Trustee” are to Deutsche Trustee Company Limited, as trustee under the Senior Notes Indenture;
- “Senior Secured Notes Collateral” are to the rights, property and assets securing the Senior Secured Notes and/or the Senior Secured Notes Guarantees;
- “Senior Secured Notes Guarantees” are to, together, the Fixed Rate SSN Guarantees and the Floating Rate SSN Guarantees provided by the Fixed Rate SSN Guarantors and the Floating Rate SSN Guarantors, respectively, pursuant to the Fixed Rate SSN Indenture and the Floating Rate SSN Indenture, respectively;
- “Senior Secured Notes Guarantors” are to, together, the Fixed Rate SSN Guarantors and the Floating Rate SSN Guarantors;
- “Senior Secured Notes Indentures” are to the Fixed Rate SSN Indenture and the Floating Rate SSN Indenture;
- “Senior Secured Notes Security Agent” are to Deutsche Bank AG, London Branch, as security agent under the Fixed Rate SSN Indenture, the Floating Rate SSN Indenture, the Senior Secured Notes Security Documents and the Intercreditor Agreement, or any successor or replacement security agent acting in such capacity;
- “Senior Secured Notes Security Documents” are to the agreements creating security interests over the Senior Secured Notes Collateral;
- “Senior Secured Notes Trustees” are to, together, the Fixed Rate SSN Trustee and the Floating Rate SSN Trustee;
- “Senior Secured Notes” are to, together, the Fixed Rate SSNs and the Floating Rate SSNs;
- “SKUs” are to stock-keeping units;
- “SMIC” are to the French statutory minimum wage (*salaire minimum interprofessionnel de croissance*);
- “SSN Issuer” are to the Fixed Rate SSN Issuer and/or the Floating Rate SSN Issuer, as the context may suggest;
- “Super-Senior Revolving Credit Facility” are to the €75 million multi-currency revolving credit facility made available pursuant to a super-senior revolving credit facility agreement, entered into on July 3, 2024 for an amount of €60 million (as subsequently amended on December 19, 2024 pursuant to an amendment agreement dated December 19, 2024 to increase the available commitments thereunder to €75 million and as subsequently amended, supplemented, varied, novated, extended or replaced from time to time, among, *inter alios*, the Fixed Rate SSN Issuer, certain of its subsidiaries and certain lenders, the “Revolving Credit Facility Agreement”);

- “Sustainability-Linked Financing Framework” are to the sustainability-linked financing framework which we adopted in April 2021 and can be found on our website at [www.picard.fr](http://www.picard.fr). A second party opinion on the alignment of our Sustainability-Linked Financing Framework with the Sustainability-Linked Bond Principles 2020, as administered by ICMA, has been provided by DNV and can be found on our website [www.picard.fr](http://www.picard.fr);
- “Sustainability Performance Targets” are to the 2023 Sustainability Performance Targets and the 2025 Sustainability Performance Targets. The baselines (as set out in the Sustainability-Linked Financing Framework) used to set the Sustainability Performance Targets have not been independently verified or audited by any third party;
- “Tender Offer” are to the cash tender offer, which was launched by Picard Groupe on June 24, 2024 in respect of the 2021 Fixed Rate SSNs held by eligible holders outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended, pursuant to which Picard Groupe repurchased €637.7 million aggregate principal amount of the outstanding 2021 Fixed Rate SSNs at a purchase price of par;
- “total number of tickets” are to the number of transactions that take place in a given period;
- “Transactions” are to the issuances of the Fixed Rate SSNs and the Floating Rate SSNs and use of proceeds thereof (including the redemption of the 2021 Floating Rate SSNs, the Tender Offer and the satisfaction and discharge and redemption of the 2021 Fixed Rate Notes) and the entering into of the Revolving Credit Facility Agreement to replace the €60 million revolving credit facility entered into on July 7, 2021;
- “Transfer Agent” are to Deutsche Bank Luxembourg S.A. for the Senior Notes, or to HSBC Bank USA, National Association for the Fixed Rate SSNs and the Floating Rate SSNs, as applicable;
- “Trustees” are to, together, the Senior Secured Notes Trustees and the Senior Notes Trustee;
- “United States” or “U.S.” are to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
- “URSSAF” are to the Social Security and Family Benefits Contributions Collection Office (*Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales*) in France. The main responsibility of the URSSAF is the collection of employee and employer social security contributions;
- “we”, the “group”, “Picard Group”, “Picard”, the “Company”, “our” or “us” are to Picard Bondco and its subsidiaries unless the context suggests otherwise; and
- “year” are to the financial year of Picard Group, ending on March 31 of each calendar year, unless the context requires otherwise.

## FORWARD LOOKING STATEMENTS

This annual report includes “forward looking statements” based on our current expectations and projections about future events. Forward looking statements are subject to known and unknown risks and uncertainties and are based on assumptions that could potentially be inaccurate and that could cause future results to differ materially from those expected or implied by the forward looking statements. Our future results could differ materially from those anticipated in our forward looking statements for many reasons, including the factors described in the section entitled “Risk Factors” in this annual report. For example, factors that could cause our future results to vary from projected future results include, but are not limited to:

- our dependence on third-party suppliers to produce our products;
- adverse developments with respect to the safety and quality of our products and/or the food industry in general or health concerns;
- the ongoing military action between Russia and Ukraine and other potential military conflicts;
- the global disruption of the financial system and credit markets;
- the failure to protect our image, reputation and brand;
- the competitive environment in which we operate;
- fluctuations in the price and availability of food ingredients, packaging materials and electricity;
- changes in consumer preferences;
- the failure to understand, manage and provide greater transparency of our exposure to ESG-related risks;
- the failure to adhere to customers’ ESG expectations;
- the failure to develop successful and innovative products;
- the failure of our cold chain and the related risks of unsafe food conditions and increased costs;
- our exposure to product liability claims;
- social, economic and other trends affecting the food retail industry;
- our ability to manage the expansion of our operations;
- difficulties we may experience in the expansion of our operations, including our international expansion plans;
- our strategy, outlook and growth prospects;
- the disadvantages and risks related to the exploitation of certain stores as franchised stores;
- the efficiency of our supply chain and information technology system;
- health epidemics, pandemics and other similar outbreaks;
- the cost of complying with privacy and information laws and requirements and the impact of a breach of information security or privacy;
- increased transportation costs or disruption of transportation services;

- disruption in our workforce or the workforce of our suppliers;
- our dependence on key executives and highly qualified managers;
- the impact of laws and regulations on us and our operations;
- increasingly stringent health, safety and environmental regulations;
- the seasonality of our business, our revenue and our operating results;
- risks relating to our leasehold property portfolio;
- the failure to secure strategic locations for our stores;
- our obligations to make social security contributions and pay the statutory minimum wage;
- risks relating to taxation;
- our ability to realize the full value of goodwill;
- the fact that the interests of our principal shareholders may be inconsistent with the interests of holders of Notes;
- our significant leverage, which may make it difficult to operate our businesses;
- the covenants contained in the Indentures and our Revolving Credit Facility Agreement, which limit our operating and financial flexibility;
- risks related to our indebtedness and the Notes; and
- other factors discussed under “*Risk Factors*”.

Accordingly, you should not rely on these forward-looking statements, which speak only as of the date of this annual report or as otherwise indicated. We do not have any obligation to publicly revise any forward looking statement to reflect circumstances or events after the date of such forward looking statement or to reflect the occurrence of unanticipated events.

All statements other than statements of historical facts included in this annual report including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, expected investments, projected costs, our plans and objectives for future operations, industry forecasts and target levels of leverage and indebtedness may be deemed to be forward looking statements. These forward looking statements are subject to a number of risks and uncertainties, including those identified under the “*Risk Factors*” section in this annual report. Forward looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases such as “believe,” “expect,” “anticipate,” “may,” “intend,” “will,” “should,” “estimate” and similar expressions or the negatives of these words or phrases, may identify forward looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. In addition, from time to time we and our representatives, acting in respect of information provided by us, have made or may make forward looking statements orally or in writing. These forward looking statements may be included in, but are not limited to, press releases (including on our website), reports to our noteholders and other communications. Although we believe that the expectations reflected in such forward looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Any forward looking statement speaks only as of the date on which it is made and we undertake no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. All subsequent written and oral forward looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred

to above and contained elsewhere in this annual report, including those set forth under the section entitled “*Risk Factors*.”

The risks described in the “*Risk Factors*” section in this annual report are not exhaustive. Other sections of this annual report describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward looking statements. Given these risks and uncertainties, you should not place undue reliance on forward looking statements as a prediction of actual results.

## HISTORICAL AND CURRENT MARKET AND INDUSTRY DATA

Historical and current market data used throughout this annual report were obtained from internal Picard analyses and industry surveys and publications prepared by NielsenIQ Retailers Panel and Euromonitor. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but some of the information may have been derived from estimates or subjective judgments or may have been subject to limited audit or validation and therefore the accuracy and completeness of the information is not guaranteed. While we are not aware of any misstatements regarding any industry or similar data presented herein, we have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information and we make no representations as to the accuracy thereof. The on-going Russia-Ukraine conflict as well as the Middle East conflict continue to create significant uncertainty in the global environment and the industry in which we operate. Certain market and industry information included in this annual report has been derived from data dated as of or for the year ended December 31, 2024, and may not reflect the ultimate impact of the Russia-Ukraine conflict or the Middle East conflict on our industry. Furthermore, such estimates or judgments, particularly as they relate to expectations about our markets and industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under “*Risk Factors*” and “*Forward Looking Statements*” elsewhere in this annual report. The projections and other forward looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See “*Risk Factors*” and “*Forward Looking Statements*.”

### Trademarks and Trade Names

We own or have rights to certain trademarks and trade names that we use in conjunction with the operation of our business. Each trademark, trade name or service mark of any other company appearing in this annual report belongs to its holder. Picard Group owns and has the right to use our principal brand names and trademarks (such as the word trademark “Picard” and the word and device trademark “Picard” with a stylized snowflake, among others). Solely for convenience, the trademarks, trade names and copyrights referred to in this annual report are listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

## FINANCIAL INFORMATION INCLUDED IN THIS ANNUAL REPORT

### *Financial statements presented*

This annual report contains the audited consolidated financial statements of Picard Bondco (the “Consolidated Financial Statements”), the reporting entity for the Picard Group, prepared in accordance with IFRS Accounting Standards, as adopted by the European Union (“IFRS”), as of and for the year ended March 31, 2025 (the “Audited Financial Statements”).

We have prepared the Consolidated Financial Statements for Picard Bondco for the year ended March 31, 2025, which are presented in this annual report in accordance with IFRS, including (i) the consolidated statement of financial position as of March 31, 2025, (ii) the consolidated income statement and the consolidated statement of comprehensive income for the year ended March 31, 2025 and (iii) the consolidated statement of cash flows for the year ended March 31, 2025.

The accounting policies of Picard Bondco as set out in the Picard Bondco annual consolidated financial statements as of and for the year ended March 31, 2025 under IFRS have been consistently applied. See note 2.2 of the “Notes to the Consolidated Financial Statements” to the Picard Bondco annual consolidated financial statements for the year ended March 31, 2025 for a discussion of Picard Bondco’s significant accounting policies.

### *Rounding Adjustments*

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

### *Other Financial Measures*

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

EBITDA, which is a non-IFRS measure that represents operating profit before depreciation and amortization. EBITDA is derived from income statement line items calculated in accordance with IFRS and is used by management as an indicator of operating performance. EBITDA differs from the definitions of “Consolidated EBITDA” and “EBITDA” under each Indenture and the Revolving Credit Facility Agreement, respectively, which notably exclude certain exceptional and non-recurring items that are reflected in EBITDA.

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

Adjusted EBITDA, which is a non-IFRS measure that represents EBITDA for the year ended March 31, 2025, adjusted for the bonus payment made to employees of the Picard Group in the context of the sale of the majority ownership interest in the Picard Group by Lion Capital, which management considers to be non-operational or unusual and non-recurring in nature.

The adjustments to EBITDA and Adjusted EBITDA presented herein are for informational purposes only. This information is prepared on the basis of certain assumptions but such assumptions do not take into account all conceivable variables and are therefore inherently subject to risks and uncertainties and they may not give an accurate or complete picture of our financial condition or results of operations, may not be comparable to our consolidated financial statements or the other financial information included in this annual report and undue reliance should not be placed upon them when evaluating an investment decision.

Neither EBITDA nor Adjusted EBITDA, as presented herein, is a measurement of financial performance under IFRS and you should not consider EBITDA or Adjusted EBITDA as an alternative to operating profit or consolidated income, as a measure of our operating performance, cash flows from operating, investing and financing activities, as a measure of our ability to meet our cash needs or any other measures of performance derived in accordance with IFRS. We believe that EBITDA and Adjusted EBITDA are useful indicators of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. EBITDA, Adjusted EBITDA and similar measures are used by different companies for different purposes and are often



calculated in ways that reflect the circumstances of those companies. EBITDA and Adjusted EBITDA may not be indicative of our historical operating results, nor are they meant to be predictive of future results. EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation. Some of these limitations are:

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

We also present “French like-for-like sales growth”, which represents the change in sales from our directly-operated stores that have been open for more than 12 months in mainland France, excluding franchises in mainland France, Corsica, the French West Indies, New Caledonia, La Réunion and French Polynesia, and also excluding Click & Collect and Express Delivery sales. For the purpose of like-for-like calculations, a store will be included (i) on the first day of the twelfth month following its opening date if it was opened between the first and the fifteenth day of any given month and (ii) on the first day of the thirteenth month following its opening date in all other cases. French like-for-like sales growth is presented because we believe it is frequently used by investors and other interested parties in evaluating companies in the retail sector. However, other companies may define like-for-like sales growth in a different manner than we do. We also reflect some adjustments to our sales, based on either a positive or a negative calendar effect, e.g., due to the number of weekends or bank holidays, or events increasing traffic, such as Easter, in a period.

We present total debt, which represents the sum of our outstanding Senior Secured Notes, Senior Notes, other financial liabilities and bank guarantees.

Additionally, we present net debt, which represents total debt minus cash and cash equivalents.

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

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

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

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

## 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. See “Forward Looking Statements”.*

### **Risks Related to Our Business**

#### ***We are dependent on third-party suppliers to produce our products.***

We rely on third-party suppliers for all of our products, which exposes us to risks that such suppliers may fail to meet timelines, provide us with sufficient products or comply with our specifications. We require our suppliers to meet certain specifications and standards to ensure the high quality of our products. The use of third-party suppliers increases the demands on our quality control personnel and exposes us to risks that the products provided by our suppliers may not meet the relevant quality standards. For example, in February 2013, we, along with other retailers involved in the distribution of prepared meals, discovered that two of our beef prepared products contained horsemeat. The meat used by one of our suppliers for the preparation of these two products had been sourced from a meat supplier not pre-approved by us, in violation of our contractual specifications. In response, we removed those products from our stores and took measures to increase monitoring of our third-party suppliers, such as reinforcing our audit program to ensure strict compliance with our specifications, in particular by ensuring that ingredients are correctly pre-validated by our quality service (in terms of quality and origin) as well as systematically performing DNA tests (Polymerase Chain Reaction) to identify species on all our beef products. In addition, we have established a reinforced control plan on our seafood, fish and other meat products, including performing DNA tests (Polymerase Chain Reaction) to identify species of certain fish products. Despite the measures taken in response to the above-mentioned incident, it resulted in decreased traffic to our stores and had an adverse effect on our business, with our French stores’ like-for-like sales performance for the year that followed the incident being significantly lower than in the previous year. There can be no assurance that similar incidents will not occur in the future. Any similar incident or event that may occur in the future could have a material adverse effect on our business, results of operations, financial condition and prospects.

Furthermore, we believe that there are a limited number of competent, high-quality third-party suppliers in the industry, and if we were required to obtain additional or alternative agreements or arrangements in the future with third-party suppliers, we may be unable to do so on satisfactory terms or in a timely manner or at all. This could limit our ability to implement our business plan or meet customer demand. Any adverse changes to our relationships with our suppliers or quality issues caused by our suppliers could have a material adverse effect on our business, results of operations or financial condition and prospects, including on our image, brand and reputation. In addition, to the extent we represent a large portion of a third-party supplier’s business, we may experience negative publicity if such a third-party supplier experiences financial difficulties.

#### ***Adverse developments with respect to the safety and quality of our products and/or the food industry in general or health concerns may damage our reputation, increase our costs of operations or decrease demand for our products.***

Food safety and the public’s perception that our products are safe and healthy are essential to our image and business. We sell food products for human consumption, which exposes us to safety risks such as product contamination, spoilage, misbranding or product tampering. Product contamination (including the presence of a foreign object, substance, chemical or other agent or residue or the introduction of a genetically modified organism), spoilage, misbranding or product tampering could require product withdrawals or recalls or destruction of inventory and could result in negative publicity, temporary warehouse closures and substantial costs of compliance or remediation. We may be impacted by publicity regarding any assertion that our products caused illness or injury. We could also be subject to claims or lawsuits relating to an actual or alleged illness stemming from product contamination or any other incidents that compromise the safety and quality of our products.

A significant lawsuit or widespread product recall or other events leading to the loss of consumer confidence in the safety and quality of our products could damage our brand, reputation and image and negatively impact our sales, profitability and prospects for growth. We strive to control the risks related to product quality and safety through the implementation of, and strict adherence to, our quality standards. We maintain systems designed to monitor food

safety risks and require our suppliers to do so as well. However, we cannot guarantee that our efforts will be successful or that such risks will not materialize. In addition, even if our own products are not affected by contamination or other incidents that compromise their safety and quality, negative publicity about our industry, our ingredients or the health implications of frozen food products could result in reduced consumer demand for our products.

For example, in 2013, a laboratory appointed by the Italian food safety authorities allegedly found that one of our products, a red berry mix, contained traces of Hepatitis A, as part of a wider European contamination of certain red berry products. We contested the findings of the analysis in question, based on the results of our own tests conducted in public and private laboratories. As a result, in December 2015, the investigation opened by the Italian Public Prosecutor in Torino, Italy, was closed. However, following the allegations of contamination, we carried out a product recall of the implicated products. More recently, starting in September 2020, certain products containing sesame seeds have been recalled by food retailers across the food industry in Europe, including Picard, after it was discovered that various lots of sesame seeds from India did not meet European Union food safety standards due to containing traces of the unauthorized substance ethylene oxide in excess of the residue limit permitted in the European Union. As a result of this incident, Picard has incurred additional costs at our customer service call center, as well as additional logistic costs and reimbursements. Starting in June 2021, similar contaminations of guar gum, an ingredient used in ice cream and mainly produced in India, led to a European-wide product recall affecting nine of our SKUs. While limited publicity arose as a result of these incidents and all three incidents were part of a broader industry-wide contamination, future allegations of a similar nature could have a more significant and material adverse effect on our reputation.

We are also subject to risks affecting the food industry generally, including risks posed by widespread contamination and evolving nutritional and health-related concerns. Regulatory authorities may limit the supply of certain types of food products in response to public health concerns, and consumers may perceive certain products to be unsafe or unhealthy, which could require us or our suppliers to find alternative supplies or ingredients that may not be available at commercially reasonable prices or within acceptable time constraints. In addition, such governmental regulations may require us to identify replacement products for our customers or, alternatively, to discontinue certain offerings or limit the range of product offerings. We may be unable to find substitutes that are as appealing to our customers, or such substitutes may not be widely available or may be available only at increased costs. Such substitutions or limitations could also reduce demand for our products.

Furthermore, consumers have been increasingly focused on food safety, health and wellness with respect to the food products they buy and their ingredients. Demand for our products could be affected by consumer concerns regarding the health effects of ingredients such as trans fats, sugar, processed wheat or other product attributes.

Any claims, lawsuits or negative publicity related to the healthiness, safety and quality of our products may damage our reputation, increase our costs of operations and negatively impact demand for our products. Our sales may be affected, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

***The ongoing military action between Russia and Ukraine and other potential military conflicts could negatively impact our business, financial condition and results of operations.***

On February 24, 2022, Russian military forces launched a military action against Ukraine, which has resulted in sustained conflict and disruption in the region. We do not have any directly-operated or franchised stores in Belarus, Russia or Ukraine, and, to date we have not experienced any material disruption to our operations. However, the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable and this conflict could lead to significant market and other disruptions, including significant volatility in energy and other commodity prices, financial markets, supply chain disruptions and changes in consumer preferences, as well as increases in cyberattacks and espionage.

In particular, the increase of global food prices due to the Russia-Ukraine war, both countries being major contributors to the production and trade of fuel and essential food commodities like wheat, maize and sunflower oil, has led to a food price inflation and an increase of our cost of goods sold. Although we were able to maintain the level of our cost of goods sold as a percentage of sales (FY:2025: 55.8%, FY2024: 56.2%, FY2023: 55.9%, FY2022: 56.1%) despite increases of 0.6%, 5.6% and 1.2% in our cost of goods sold in FY2025 compared to FY2024, FY2024

compared to FY2023 and FY2023 compared to FY2022, respectively, we may be unable to do so in the future. In addition, in the year ended March 31, 2023, we experienced significantly higher logistics and transportation costs due to higher oil prices caused by the Russia-Ukraine war, amounting to increases of transportation costs of 8.7% compared to FY2022. Although our transportation costs have normalized in the year ended March 31, 2025, there can be no assurance that potential escalations of current conflicts or other reasons will not cause oil prices and transportation costs to significantly increase again in the future, which could result in reduced profits. We cannot guarantee that we can pass along higher costs through price increases to our customers. As a result of these factors, changes in our input costs could impact our gross margins. In addition, even if we are able to pass increased costs on to our customers, the higher prices of our products might lead to reduced consumer demand or negative changes in the product mix. The factors above and the inability to adequately manage such risks could materially affect our business, financial condition and results of operations. Furthermore, the Russia-Ukraine war caused a significant increase in energy costs during the years ended March 31, 2023 and 2024. See “—*We are vulnerable to fluctuations in the availability and price of food ingredients and packaging materials, as well as in the price of electricity*”.

Russia’s annexation of Crimea, recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military action against Ukraine have led to sanctions being levied by the United States, the European Union, the United Kingdom, Canada, Switzerland, Japan and other countries against Russia, Belarus, the Crimea, Zaporizhzhia and Kherson regions of Ukraine, the so-called Donetsk People’s Republic and the so-called Luhansk People’s Republic. The situation is rapidly evolving as a result of the conflict in Ukraine, and the United States, the European Union, the United Kingdom and other countries or jurisdictions may implement additional sanctions, export controls or other measures against Russia or other countries, regions, officials, individuals or industries in the respective territories. Such sanctions and other measures, as well as any potential responses from Russia or other countries to such sanctions, tensions and military actions, could adversely affect the global economy and financial markets and could adversely affect our business, financial condition and results of operations.

We are actively monitoring the situation in Ukraine and assessing its impact on our business. We have no way to predict the progress or outcome of the conflict in Ukraine or its impacts in Ukraine, Russia or Belarus as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect our business, financial condition and results of operations. Any such disruptions may also magnify the impact of other risks described in this annual report.

On October 7, 2023, Hamas infiltrated Israel’s southern border from Gaza and conducted a series of attacks on civilian and military targets. Following the attack, Israel’s security cabinet declared war against Hamas and launched a military campaign against Hamas-led Palestinian militant groups. On April 13, 2024, Iran launched drone and missile attacks against Israel which increased tensions in the region. Since the start of the conflict, there have been continued hostilities along Israel’s northern border with Lebanon (with Hezbollah) which have escalated with exchanges of airstrikes and the invasion by Israeli forces into southern Lebanon on October 1, 2024. Since June 13, 2025, the tensions between Iran and Israel escalated further with frequent missile attacks from the respective other country. It is possible that the conflict in the Middle East will further escalate, and that other militant groups and countries will join the hostilities. With the United States’ air strikes against three sites in Iran on June 21, 2025 and the ensuing retaliation, there is also growing uncertainty to what extent this conflict could extend to the Western hemisphere of the world. We have no operations in Israel, Gaza, Lebanon or Iran and, to date, have not experienced any material disruption to our operations from the ongoing conflict in the region. However, the length, impact and outcome of the ongoing military conflict in the Middle East is highly unpredictable and there can be no assurances that further unforeseen events related to this conflict will not have a material adverse effect on our operations in the future.

We actively monitor the situations in Ukraine and the Middle East and continuously assess their impact on our business. There is no way to predict the progress or outcome of the conflicts in Ukraine and the Middle East, or the occurrence, progress or outcome of other conflicts, or their wider impact, as such conflicts, and any resulting consequences, are rapidly developing and beyond our control. The extent and duration of such military actions, sanctions and resulting market disruptions could be significant and could potentially have a substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors, including

inadvertent breaches of sanctions laws, could affect our business, financial condition and results of operations. Any such disruptions may also magnify the impact of other risks described in this annual report.

***Failure to protect our image, reputation and brand could materially affect our business.***

Our image, reputation and brand constitute a significant part of our value proposition. Our success over the years has rested largely on our ability to develop our brand and image as the leading retailer of premium quality, competitively priced frozen food in France. Our customers expect that we will provide them with a large selection of quality, healthy and safe products, and this reputation has strengthened our image and brand, fueling our expansion. Any event, such as a significant product recall, that could damage our image, reputation or brand could have a material adverse effect on our business, results of operations, financial condition and prospects. See “—*We are dependent on third-party suppliers to produce our products*”.

In addition, our principal brand names and trademarks (such as the word trademark “Picard” and the word and device trademark “Picard” with a stylized snowflake) are key assets of our business. See “*Business— Intellectual Property*”. We rely on a combination of copyright and trademark laws to establish and protect our intellectual property rights, but cannot be certain that the actions we have taken or will take in the future are or will be adequate to prevent violation of our proprietary rights. There can be no assurance that litigation will not be necessary to enforce our trademark or proprietary rights. It is necessary, from time to time, to defend ourselves against claimed infringement of the rights of third parties and it can be difficult to quantify the impact of such litigation. Adverse publicity, legal action or other factors that may undermine our reputation could lead to substantial erosion in the value of our brand, which could lead to decreased consumer demand and have a material adverse effect on our business, results of operations or financial condition and prospects.

***The market for our products is highly competitive, and we may not continue to compete effectively.***

The frozen food market is highly competitive. Our competitors include distributors, retailers and, to a lesser extent, large manufacturers of frozen food, but also distributors and retailers of fresh products, baked goods and chilled, ready-made meals. These other competitors include generalist grocers, supermarket chains, hard discounters, specialists (including home delivery distributors) and convenience stores. In recent years, we have observed an increase in the activity of hard discounters and online food retailers, in particular as a result of the COVID-19 pandemic and the high inflationary environment with respect to food prices. Our competitors generally compete with us on the basis of location, quality of products, service, price, product variety and store condition. While we believe that we have developed a unique position in the French frozen food market as both a developer and a distributor of premium quality, competitively-priced frozen food products, there can be no assurance that we can successfully compete with those actors or that new competitors will not enter the industry. In recent years, generalist grocers and supermarkets have begun offering lines of frozen food products similar to our own, which has resulted in increased competition. Over the past few years, an increasing number of French distributors have opened local convenience stores which compete with us on the basis of location (by aiming to meet the needs of local customers), price (by charging low prices) and market positioning (by targeting the “everyday shopping” segment). In addition, some of our competitors have substantially greater financial, marketing and other resources than our own, creating competitive pressures that could cause us to lose market share and may require us to lower prices, to increase capital, marketing and advertising expenditures or to increase the use of discounting or promotional campaigns, and may also restrict our ability to increase prices, including in response to commodity and other cost increases. These competitors could also be more efficient in developing their online and digital presence and may benefit from offering a wider selection of products (both frozen and unfrozen). These risks could affect our sales volumes and margins and may adversely impact our operating results.

***We are vulnerable to fluctuations in the availability and price of food ingredients and packaging materials, as well as in the price of electricity.***

We and our suppliers use significant quantities of food ingredients and packaging materials. These ingredients and materials are subject to fluctuations in availability and price. Such fluctuations are attributable to, among other things, changes in supply and demand for crops or other commodities, energy prices, and government-sponsored agricultural and livestock programs. In particular, the availability and the price of vegetables and other commodities, including meat and fish, can be volatile. General economic conditions, unanticipated demand, problems

in production or distribution, natural disasters, weather conditions during the growing and harvesting seasons, plant and livestock diseases and local, pandemics or similar health crises, especially such that cause national or international quarantines, can also adversely affect availability and prices of commodities in the long and short terms. In the future, we may be affected by the imposition of national or international quotas regulating, for example, volumes of raw materials, especially on fish and seafood products. If the French government or any other regulatory body establishes such measures, the price of raw materials could increase, and our gross margins would be affected.

While we generally have long-term relationships with our suppliers, and alternate suppliers are generally available, we do not have long-term contracts with suppliers, and, as a result, our suppliers could increase the prices of their products or services or fail to deliver sufficient quantities to us. For example, during and in the aftermath of the COVID-19 pandemic, pandemic-related measures in China had a negative impact on the shipping industry, which significantly increased our freight costs and led to longer periods of transportation for goods imported from Asia. Although we attempt to reduce our exposure to price fluctuations to a limited extent by buying certain inventory at opportune moments during the year and holding it for sale until periods of high demand or shortages, our ability to avoid the adverse effects of a pronounced, sustained price increase in raw materials is limited. During the inflation wave in 2022 and 2023, we experienced increases in prices for the products we sell, as well as electricity, oil and labor costs. While such increases slowed down in recent months, some costs, such as rental costs of our stores or personnel costs, are still negatively impacted by the delay in the publication of relevant indexes.

Increases in prices or scarcity of ingredients or packaging materials required for our products could increase our costs and disrupt our operations. In addition, our ability to pass along higher costs through price increases to our customers is dependent upon competitive pricing conditions in our industry. As a result, changes in our input costs could impact our gross margins. In addition, even if we are able to pass increased costs on to our customers, the higher prices of our products might lead to reduced consumer demand or negative changes in the product mix.

In addition, significant amounts of electricity are needed to maintain our cold chain requirements for appropriate storage of materials and products before they are sold and we cannot guarantee that our electricity costs will not increase in the future. Since January 1, 2019, our electricity has been provided by *Altern*. Our current arrangement runs until December 31, 2028. Under this contract, the price of electricity is not guaranteed and our electricity can be bought either through the mechanism of French regulated prices of nuclear energy (“*arenh*” – *accès régulé à l’énergie nucléaire historique*) for certain volumes or directly on the market. However, the *arenh* mechanism in France will be replaced by another mechanism from January 1, 2026 onwards. Although this mechanism has been designed to partially offset volatility in energy prices, we cannot guarantee that such mechanism will be as favorable as the current *arenh*, which could lead to further increases in energy prices. Moreover, our suppliers of products and supply chain partners (notably those operating warehouses) are exposed to the same increases and risk of future increases in energy costs. The increase in costs could either lead to financial difficulties for our suppliers, or lead to significant increases in the prices of the products they sell or the services they render to us. For the reasons stated above, we cannot guarantee that future fluctuations in energy prices will not have a material adverse effect on our business, results of operations, financial condition and prospects.

Volumes of electricity are bought in advance for predefined periods, generally between three months and twelve months, depending on the current price and the estimated market trends. The strong volatility observed in the last several years in electricity prices has negatively impacted and can further negatively impact our cost structure. Moreover, taxes and distribution costs represent a significant amount of our total energy costs and they may increase during the contract period according to regulation and market condition and therefore lead to higher energy expenses. Finally, there can be no assurances that, upon the expiration or termination of our contract with *Altern*, we will be able to secure a future arrangement with an energy provider on commercially reasonable terms or at all. Our energy costs for the financial year ended March 31, 2024 were 1.7x higher compared to the financial year ended March 31, 2023 (reflecting prices secured for FY2024 in FY2023, when electricity prices were at their peak) and 2.5x higher compared to the financial year ended March 31, 2022. While energy prices declined in calendar year 2024 and we consider them to have normalized as of the date of this report, they continue to remain significantly higher than prices in FY2022.

We have entered into contractual hedging arrangements with our energy provider pursuant to which our energy prices are partially pre-determined in one calendar year for the following calendar year and based on the available data and economic situation at that time. Although our energy costs are fully hedged for calendar year 2025,

and partially hedged for calendar years 2026 and 2027 (based on our expected energy needs for these periods), given the volatility in electricity prices, there can be no assurances that prices will not significantly increase for the currently unhedged portions of our contract and that, upon the expiration of our contract with Alterna, we will be able to secure a future arrangement with an energy provider on commercially reasonable terms or at all. Our energy costs significantly increased in calendar year 2023 due to the sharp increase in electricity costs since mid-2021 resulting from the Russia-Ukraine war (see “—*The ongoing military action between Russia and Ukraine and other potential military conflicts could negatively impact our business, financial condition and results of operations*”). Although our energy prices have decreased since January 1, 2024 given the decline in energy prices following the spike in calendar year 2022, during which we locked in our calendar year 2023 energy prices, prices are still higher than historical energy costs and costs could increase again, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

***Sales of our products are subject to changing consumer preferences.***

The success of our business depends on the continued appeal of the range of products we offer through our network of stores, franchises and Home Delivery. A shift in consumer preferences could have a material adverse effect on our business, results of operations, financial condition and prospects. For example, our Home Delivery channel became increasingly popular during the COVID-19 pandemic, and our margin from our Home Delivery channel is lower than the margin from our in-store sales. Given the varied backgrounds and tastes of our customers, we must offer a sufficient range of products to satisfy a broad spectrum of preferences.

We devote significant resources to developing and marketing new products and expanding and improving existing product lines, thus trying to predict and adapt to changes in consumer preferences. However, our efforts may not result in the volume of sales or profitability anticipated. Furthermore, our strategy seeks to appeal to a younger consumer base and to customers outside of Paris and Ile-de-France (the area in and around Paris) and we will need to anticipate their tastes and preferences. We also intend to adapt our product offerings based on store type and geography going forward. If we are unable to accurately predict, identify and interpret the changing tastes and dietary habits of consumers, or to accurately adapt our in-store offerings, our sales may decline and our operating results could suffer.

In addition, as part of our strategy of developing our international markets, our products are available in certain countries in Africa, Belgium, Hong Kong, Japan, Luxembourg, the Netherlands, Singapore, South Korea, Taiwan, the MENA region and the United Kingdom. Consumer preferences in those markets and in markets into which we may expand in the future may differ from tastes and preferences of French consumers. We may not be able to satisfy consumer preferences or anticipate shifts in consumer tastes in those markets. Failure to do so may adversely impact our sales and operating results.

***Failure to understand, manage and provide greater transparency of our exposure to ESG-related risks may have increasingly adverse implications for us.***

ESG-related risks may directly or indirectly impact our business and the achievement of our strategy and consequently our key stakeholders, which range from our employees, customers, investors and suppliers, to policymakers, regulators, industry organizations and local communities. For example, new and proposed laws and regulations in the EU requiring the identification, quantification and disclosure of ESG risks, including those relating to sustainability, climate change, supply chain, human capital, diversity and cybersecurity, are under consideration or being adopted, or may be in the future. These requirements have resulted in, and may continue to result in, our need to make additional investments and implement new practices and reporting processes, which will require management attention and the incurrence of additional compliance risk.

Any failure or perceived failure to accurately report on our current or future ESG-related commitments, including our GHG emissions reduction commitments, and any differences between our commitments and those of any companies to which we are or may be compared, could harm our reputation, adversely affect our ability to effectively compete or expose us to potential legal liability. In addition, any failure or perceived failure to transparently and consistently implement our ESG strategy across our business or to achieve our goals and commitments, may adversely impact our financial condition and reputation and may negatively impact our stakeholders, each of whom, in turn, has ESG-related expectations, concerns and aims, which may differ, both within and across the markets in which we operate.

Furthermore, investor advocacy groups, certain institutional investors, investment funds, other influential investors, lenders, other market participants are increasingly focused on ESG practices and place importance on the implications and social cost of their investments and end consumer choices. Investors and market participants may not deem our ESG disclosures or achievements to be in line with their investment strategy and many require us to implement more or different ESG procedures and have in the past made allegations against us. For example, although we are not subject to the French laws requiring companies to assess and mitigate the impact their business has on human rights and the environment, in September 2022, various non-governmental organizations made allegations as to our non-compliance with such laws. While, to date, we have not been significantly impacted by such claims, similar claims or actions could have a material adverse impact on our reputation and may divert our management's time and resources towards defending such claims rather than operating our business. This could also significantly impact access to liquidity in the future.

In addition, we are subject to physical risks related to climate change such as extreme weather patterns affecting supply chains, rising temperatures, changes in precipitation patterns, fluctuations in water levels or more frequent occurrence of extreme temperatures, droughts or other extreme meteorological phenomena, such as cyclones or earthquakes. Such physical effects of climate change, or our failure to identify and mitigate such effects, can negatively impact the supply chain that we depend on, require further improvements and investments into our cold chain, increase operational expense, such as insurance costs, and significantly affect our profitability.

***Failure to adhere to our customers' ESG expectations, and calculation and reporting of our key performance indicators on which our Sustainability Performance Targets are based may change over time.***

We may be subject to our customers' evolving expectations with regard to ESG performance. This requires the implementation of appropriate internal standards, strategic plans and governance, including monitoring and reporting mechanisms being in place to identify emerging issues, meet external expectations and align with recognized international standards. We may fail to implement such standards that are in line with our customers' expectations. Such failure may adversely impact our sales and operating results.

In 2021, we set ourselves Sustainability Performance Targets that we aimed to achieve by no later than 2025. The energy consumption and carbon emissions key performance indicators on which our Sustainability Performance Targets are based are calculated internally by the Group based on broadly accepted industry standards. These standards and guidelines may change over time, which may affect the way in which we calculate our key performance indicators. The standards and guidelines continue to be reviewed by expert groups and include contributions from industry bodies, which may change going forward. We expect to report on an annual basis on progress on our key performance indicators, including an explanation of methodologies and supporting documentation used in such calculations.

For example, in 2023, we failed to achieve our 2023 CO<sub>2</sub> Sustainability Performance Target despite our efforts toward this goal. While we continue to work on the improvement of our carbon footprint and to meet our 2025 CO<sub>2</sub> Sustainability Performance Target, there can be no assurance that we will attain this target by December 31, 2025. Such failure may adversely impact our reputation and therefore our sales and operating results.

***Failure to develop successful and innovative products could adversely affect our business.***

We are dedicated to developing successful and innovative new products and do so primarily through the efforts of our integrated research and development ("R&D") department, which creates new products throughout the year. Many of our suppliers also carry out their own R&D and proactively propose new recipes and products to sell in our stores. We believe that continuously renewing our product offering is essential for keeping up with changes in the market and stimulating demand from both potential and existing customers. On average, we introduce approximately 270 new SKUs annually, including alternative flavors, sizes and packaging for our existing products. However, we may introduce fewer SKUs in certain years as a result of a number of factors, including unforeseen events or disruptions. For example, in calendar years 2022 and 2023, the development of new SKUs was challenging due to the inflated costs, and general availability, of some raw materials. If we are unable to continue developing an adequate range of new products, the attractiveness of our brand could be diminished and cause us to become less competitive. However, there are inherent risks associated with new product or packaging offerings, including uncertainties about trade and consumer acceptance. We may incur certain costs related to developing and marketing new products or expanding existing product lines and cannot guarantee their profitability or popularity.



***A failure in our cold chain could lead to unsafe food conditions and increased costs.***

Cold chain requirements, setting out the temperatures at which our ingredients and products are stored and transported, are established by statute and by us to help guarantee the safety of our food products. Our cold chain is maintained from the moment the ingredients arrive at, or are frozen by, our suppliers, through our products' transportation phase and ultimately to the time of sale in our stores or through Home Delivery. These standards ensure the quality, freshness and safety of our products, and those characteristics are recognized by our customers and have become associated with our brand. In November 2020, we launched a new collaboration for our Home Delivery channel with "Chronofresh", a Chronopost subsidiary. From December 2021, we expanded our digital offering to Deliveroo, which services have been gradually replaced by UberEats since February 2024. Our strategy includes exploring potential collaborations with other third parties that may have the infrastructure to assist with 'last mile' home deliveries and digital offerings. Such collaborations carry the risk that we may be negatively affected by any failure in the cold chain by such third parties. A failure in the cold chain could lead to food contamination, risks to the health of our customers, fines and damage to our brand and reputation, each of which could subsequently affect our business, results of operations, financial condition and prospects.

***We may be subject to product liability claims arising out of the consumption of our products.***

Consumption of a misbranded, altered, contaminated or spoiled product may result in personal illness or injury. We could be subject to claims or lawsuits relating to an actual or alleged illness, injury or death stemming from the consumption of one of our products which could negatively affect our business. For example, in 2020 Picard recalled a number of its products in the United Kingdom, Sweden and Belgium due to a mislabeling error, which led to allergens in those products not being listed on the label in the local language. While we are not currently the subject of any material product liability claims for damages as a result of the consumption or use of our products (including in connection with our mislabeled products as described above), and we submit our products to extensive testing, we may still be exposed to liability claims in the future. Awards of damages, settlement amounts and fees and expenses resulting from such claims and the public relations implications of any such claims could have an adverse effect on our business. The availability and price of insurance to cover claims for damages are subject to market forces that we do not control, and such insurance may be costly or inadequate and would not cover damage to our reputation. Even if product liability claims against us are not successful or fully pursued, these claims could be costly and time-consuming and may divert our management's time and resources towards defending them rather than operating our business. Any adverse publicity related to such claims could result in loss of consumer confidence in the safety and quality of our products and damage our reputation and brand image. In addition, provisions made by us when threatened with actual or potential litigation may prove insufficient. If any of these risks were to materialize, this could have an adverse effect on our business, financial condition, results of operations and prospects.

***We are exposed to macroeconomic and other trends that could adversely impact our operations in France, certain African countries, Belgium, Hong Kong, Japan, Luxembourg, the Netherlands, Singapore, South Korea, Taiwan, the MENA region and the United Kingdom.***

We conduct our operations principally in France, and the expansion of our network of stores is an integral part of our business strategy. We are thus particularly influenced by economic developments and changes in consumer habits in France, and a significant economic downturn in France could have a material adverse effect on our business. In addition, our more limited operations in certain countries in Africa, Belgium, Hong Kong, Japan, Luxembourg, the Netherlands, Singapore, South Korea, Taiwan, the MENA region and the United Kingdom expose us to economic trends in those regions as well. To the extent we extend our store network and commercial activities into other countries and territories, we will become exposed to economic trends in such countries and territories.

Over the past decade, our business and the food retail industry as a whole were affected by the global economic crisis and by the effects on household consumption of the uncertainty and volatility resulting from the European sovereign debt crisis. While we believe that our business model has proven resilient throughout the economic crisis, we cannot predict whether it will continue to be successful in the future. In particular, we may not be able to achieve positive growth or, if we are able to do so, such growth may be low. For example, during calendar year 2019, France's GDP growth reached 1.3% whereas our French like-for-like sales increased by 0.6% during the twelve months ended December 31, 2019 due, in part, to the negative impact of the "Yellow Vest" protests, which began in 2018 and spread throughout France, causing severe disruption to our business due to specific instances of

protests restricting physical access to our stores and the height of the protests occurring on Saturdays during the Christmas period, which are traditionally the busiest days in our most profitable period. Furthermore, the global economic crisis has led to increasing energy prices and fuel prices, rising inflation and higher interest rates. This worsening economic climate can result in decreased consumer spending, which would result in decreased consumer demand for our goods and can adversely affect our results of operations.

While we seek to lessen the impact of the economic crisis and resulting economic volatility through management of our selling prices, production costs, volumes, inventories and working capital, future changes in economic conditions in France, certain countries in Africa, Belgium, Hong Kong, Japan, Luxembourg, the Netherlands, Singapore, South Korea, Taiwan, the MENA region and the United Kingdom, as well as globally, could result in short-term and long-term decreases in consumer confidence and demand, increases in selling prices and production costs, and volatility of raw material prices. In particular, in the period from 2020 to 2023, the war in Ukraine and the resulting impact on inflation and interest rates and availability of raw materials and the COVID-19 pandemic triggered an economic recession in France and created much uncertainty regarding economic and social conditions for future periods both in France and the other markets in which we operate. In October 2023, further concerns about economic fluctuations were triggered by the outbreak of the armed conflict between Israel and Hamas in the Middle East. More recently, such concerns were reconfirmed by the renewed outbreak of the Israel-Iran conflict in June 2025 and the military involvement of the United States in this conflict. See “—*The ongoing military action between Russia and Ukraine and other potential military conflicts could negatively impact our business, financial condition and results of operations*” and “—*Risks related to health epidemics, pandemic and similar outbreaks could negatively impact our business.*”

In addition, our operations could be affected by political developments, including disturbances resulting from protests in the urban areas in which we operate, such as the anti-racism or “Yellow Vest” protests, as well as nationwide strikes. For example, in January 2021, we experienced Brexit-related delays with respect to importing our products to the United Kingdom and, as of September 2021, our contract with Marks & Spencer was canceled, following a suspension of the contract in January 2021. The foregoing risks and others that the Group may not anticipate could adversely impact the Group’s business, operating results, financial condition or prospects.

***Our continued profit growth depends on our ability to manage the expansion of our operations.***

We have grown rapidly by opening a yearly average of 25 new stores (either directly-operated stores or through franchises) in France between March 31, 2012 and March 31, 2025. We believe that there remains potential to open stores during the next decade, based on our criteria for new openings and growth strategy, in line with historical expansion albeit at a slower pace. We intend to continue to expand our network of stores in the future based on our internally developed “geomarketing” analysis. In addition, we further extended our network using a franchise model in smaller cities in France and abroad to complement our directly-operated stores.

Historically, the increase in the density of our network of stores in France has not materially affected our average sales per store; however, we cannot guarantee that opening additional stores will not adversely affect our existing stores through cannibalization or that our strategy of adding new stores to the network will continue to be profitable. While we have a history of managing our growth successfully, future business growth could place a significant strain on our managerial, operational and financial resources. Our ability to capitalize on future growth will depend on our ability to continue to implement and improve operational, financial and information systems on a timely basis and to expand, train, motivate and manage our workforce. In addition, the increasing popularity of Home Delivery has required additional warehouse space. While to date, we have been able to adapt our existing outsourced warehouses to respond to this need, as we further expand our network in the coming years, further capacity beyond that of our existing warehouses may be required. For example, in June 2023, we opened a new warehouse in Sainghin to increase overall capacity and to improve delivery to stores in the North of France and Belgium.

Our personnel, systems, facilities, procedures and controls may not be adequate to support continued expansion, and failure to manage our expansion effectively may lead to increased costs, a decline in sales and reduced profitability. Based on these factors and others beyond our control, we cannot be certain that there will continue to be future opportunities to allow for growth on par with historical rates.

***We may experience difficulties implementing overseas and international expansion plans.***

In addition to our expansion in mainland France, we may consider a selective and measured geographical expansion of our business into other countries and territories that we believe will contribute to our growth and future performance. Following the divestment of our Italian subsidiary in May 2015, we entered into a commercial agreement with a local partner in order to maintain our presence in Italy. Other commercial agreements have also been concluded with Aeon in Japan, Albert Heijn in the Netherlands, Ocado in the United Kingdom, RedMart in Singapore, Al Futtaim Group in Hong Kong and the MENA region, Px-Mart in Taiwan, Kurly and Lotte in South Korea and AIBC in certain countries in Africa. If we expand our overseas and international operations, including expanding into new countries and regions, we may encounter risks posed by, for example, the adaptation of our business model to non-French consumer preferences, different national or territorial health and consumer safety standards, a lack of local business experience and exposure to economic conditions in additional markets. The unfamiliarity of local customers with frozen food products in any new country or territory that we enter or failure on our part to adapt our product offering to local tastes and preferences may also make it difficult for us to successfully implement our expansion plans. For example, we have in the past closed certain loss-making stores in Belgium (including two loss-making stores in Belgium in July 2018 and another loss-making store in January 2020), notably in Flanders where consumption habits and the reputation of French brands differ from those in Wallonia. We may also encounter difficulties in our expansion due to the lack of, or difficulty in identifying, local partners and suppliers compatible with our flexible business model.

We may also have difficulty hiring experts or qualified executives or employees in the countries and territories in which we plan to expand. Expansion requires significant start-up costs and we may also be unable to successfully integrate the services, products and personnel of any new stores we open or acquire into our operations, which may ultimately translate into a lack or absence of return on our investment. In addition, if our overseas and international expansion strategy proves to be inefficient, we may need to reduce the size of our store network and restructure our operations, which may also negatively impact our ability to generate profit in certain periods. For instance, in 2017, as a result of the poor performance of our stores in Sweden, we decided to close six stores in Sweden. In the year ended March 31, 2018, as we were closing our directly owned stores, we recorded a €0.8 million provision, in addition to the restructuring provision of €0.5 million relating to the first store which we had already recorded in March 2017. We fully depreciated the remaining fixed assets, bringing their value to nil. Ultimately, we decided to change the business model of our operations in Sweden and sold our Swedish operations to our joint-venture partner (which held 25% of our Picard Sweden AB subsidiary prior to the transaction) in August 2018 for a total consideration of €0.1 million. This partnership was, however, terminated early 2024. Although we try to adapt our business model when our franchising networks experience difficulties, our partners may not be successful in improving their operations and may decide to end their relationship with us.

Likewise, we may decide to end or not extend partnerships. Due to a constant decrease of sales and the closure by our partners of significant corners, we decided not to renew our partnership with our partner in Italy when the contract expired in December 2024.

We cannot guarantee that future efforts at expansion will be successful. Based on these risks, we may not achieve results in new countries and territories that are comparable to those achieved in mainland France, which may subsequently impact our overall business, financial condition and prospects.

***We may be unable to implement our business strategy.***

Our current business strategy focuses on increasing like-for-like sales, notably attracting new customers and retaining existing, loyal customers, further implementing our existing stores remodeling program, maintaining the strong pace of our product innovation, expanding our product offering (including through new partnerships) and increasing our communication and advertising efforts. We have also been developing initiatives such as the development of Home Delivery and Click & Collect, mainly through our website. In addition, we aim to continue our commitment to sustainability and focus on improving our ESG performance. Given the various risks to which we are exposed and the uncertainties inherent to our business, we cannot guarantee the successful implementation of our business strategy. If we do not meet our strategic objectives or achieve the results initially expected, our business, results of operations or financial condition and prospects may be adversely affected.

***Some of our current stores are franchised and this presents a number of disadvantages and risks.***

As of March 31, 2025, our stores in Corsica, the French West Indies, Japan, La Réunion, New Caledonia and French Polynesia are franchised. We also have 74 franchised stores in smaller cities throughout mainland France as of March 31, 2025. While we intend to develop our footprint in France where we see whitespace potential with a strategic focus on prioritizing owned stores, we have opened in the past, and may continue to open in the future, stores in mainland France using our franchise model where we view the franchise model to be appropriate. Increasing our number of franchised stores would increase the amount of our franchisee receivables, which would have a negative impact on our working capital.

While our franchise agreements have certain provisions meant to protect our reputation and our brand and also ensure compliance with our quality standards, the franchise agreements present a number of drawbacks, such as:

- our limited influence over franchisees and reliance on franchisees to implement major initiatives, limited ability to facilitate change in store ownership, limitations on enforcement of franchise obligations due to bankruptcy or insolvency proceedings and inability or unwillingness of franchisees to participate in our strategic initiatives;
- the need to have the support of our franchisees for marketing programs and any new capital intensive or strategic initiatives which we may seek to undertake, and the successful execution thereof;
- the fact that franchisees are independent operators and we cannot control many factors that impact the traffic in their stores, which directly affect the sales of our products generated in their stores;
- our limited influence over the decision of franchisees to invest in other businesses or incur excessive indebtedness; and
- termination of the agreements (whether due to non-renewal or early termination as a result of a breach) if we are not able to satisfactorily replace the franchisee or other commercial partner in a timely manner, which may have a material adverse effect on our business, results of operations and prospects.

For example, one of our franchisees operated six stores in Switzerland during the year ended March 31, 2020 until these were closed in early January 2020 following the commencement of bankruptcy proceedings in respect of such franchisee, which resulted in our recording a total €1.1 million loss on bad debt during the year ended March 31, 2020 in addition to the €0.5 million recorded in the year ended March 31, 2019. Additionally, during the year ended March 31, 2024, our franchisee in Scandinavia terminated our partnership.

Additionally, we rely on positive brand recognition to attract customers. Our brand could be harmed by the actions of any of our franchisees. We are also exposed to similar risks in certain countries in Africa, Hong Kong, Japan, the Netherlands, Singapore, South Korea, Taiwan, the MENA region and the United Kingdom, where we sell our products to local commercial partners who offer Picard-branded products in stores they operate or on their merchant websites. Their actions could also harm our brand or reputation. Any damage to our reputation, brand image or brand name through either a single event or series of events involving, or due to perceptions (e.g., as to the overall quality of our service) regarding, our franchisees or commercial partners could have a material adverse effect on our ability to market our products and attract and retain customers, which may in turn affect our overall business, results of operations and prospects.

***The efficiency of our supply chain and information technology systems is critical to our business and operations.***

Our performance depends on accurate, timely information and numerical data from key software applications to aid day-to-day business and decision-making processes. We and our suppliers are exposed to operational risks, such as the breakdown or failure of equipment, interruption of power supplies or processes, fires, floods or any other natural disasters, acts of sabotage or vandalism, and industrial accidents. We rely on our information technology systems for

communication among our suppliers, stores, warehouses and headquarters and for Home Delivery. While we perform regular infiltration tests of our security systems and maintain certain controls designed to manage operational risks, including continued upgrading of modern technology for breakdown diagnosis, we may be adversely affected if our controls fail to detect or contain operational risks. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure and to maintain the related automated and manual control processes, we could be subject to negative impacts, including billing and collection errors, business disruptions and damages related to security breaches. Any disruption caused by failures in our information technology infrastructure or underlying equipment or of communication networks could delay or otherwise impact our day-to-day business and decision-making processes and negatively impact our performance.

Moreover, from time to time we may introduce new IT systems which may become subject to technical issues not previously experienced or foreseen by us, negatively impacting our day-to-day operations, which may result in billing and collection errors. We are also subject to numerous other risks in connection with the development of our Home Delivery online operations and with the implementation and enhancement of our CRM program. These risks include our reliance on third parties for computer hardware and software, the risk that our website, app or CRM tools may become unstable or unavailable due to necessary upgrades or the failure of our computer systems or related IT support systems as a result of computer viruses, telecommunication failures, electronic break-ins and similar disruptions, as well as the incurrence of unexpected costs in connection with the maintenance or upgrade of our website, app, CRM program or other digital projects. Cyber-security attacks have increased significantly during recent years, particularly during the COVID-19 pandemic and following Russia's invasion of Ukraine, and we could face cyber-security attacks, such as ransomware, DDoS, phishing and social engineering, third parties' vulnerabilities or data breach. Depending on the type of attack, our business activity could come to a complete stop and it could take time to restart our IT systems.

For example, in November 2024, we became aware of unauthorized access by third parties to certain Picard customer loyalty accounts through credential stuffing, i.e., an automated cyberattack by bots that gain access to an account by using passwords available on the dark web or trying combinations thereof. This attack may have resulted in the loss of certain customer information for these accounts, but not banking information. We estimate that approximately 45,000 out of 11 million loyalty program members may have been affected. We reported the incident to the *Commission Nationale de l'Informatique et des Libertés* (CNIL) and informed the affected customers by email, providing them with security instructions (i.e., change of password) in order to mitigate any further risks following this attack. While this attack did not affect our operations or result in any further intrusion to our internal information systems, there can be no assurance that future attacks will not have a material adverse effect on our business, results of operations and financial condition. Additionally, any such cyberattacks may negatively impact our brand, reputation and prospects.

We also face the risk of not being able to keep up with rapid technological change and the implementation of new systems and platforms. Additionally, we may face risks relating to liability for online content and other related risks. Our failure to respond appropriately to these risks and uncertainties could reduce our Home Delivery sales which would negatively impact our results of operations, as well as could damage our brand, reputation and prospects.

In addition, we use outsourcing arrangements with third parties, notably in our logistics operations, and we do not control the facilities or operations of our suppliers. An interruption of operations at any of their or our facilities or any failure by them to deliver on their contractual commitments may have an adverse effect on our business, results of operations, financial condition and prospects.

***Risks related to health epidemics, pandemics and similar outbreaks could negatively impact our business.***

The food retail industry is sensitive to national, regional and local economic conditions, including health crises caused by health epidemics, pandemics and similar outbreaks. Any deterioration in the economic and social environment could negatively impact the ability of our customers to afford our premium products and lead to increased competition from hard discounters. See “—*The market for our products is highly competitive, and we may not continue to compete effectively*”. For example, between 2020 and 2022, the COVID-19 pandemic triggered an economic recession in France during this period and created much uncertainty regarding economic and social conditions both in France and the other markets in which we operate. In addition, certain of our suppliers that also supply restaurants

were negatively affected by the pandemic and we from time-to-time agreed to shorter payment terms in order to support our suppliers.

Any future pandemic could also result in disruptions to our supply chain and product shortages in our stores. Any widespread outbreak among our employees, or any outbreak affecting members of key management, could negatively affect our operations. If our employees or customers were to allege that our failure to implement proper hygiene standards led to their contracting infectious diseases, we could face increased litigation risk exposure and we have not made any provision for such risks. Further, we may incur increased costs as a result of any future pandemics, including increased costs relating to protecting our employees and customers and adapting our stores and services in response to new concerns around, among other things, social distancing. Any of the foregoing risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

***Compliance with privacy and information laws and requirements could be costly, and a breach of information security or privacy could adversely affect our business.***

A significant number of purchases across our various sales channels are made using credit cards and some of our customers' orders are placed through our website or app. We also have loyalty programs and currently utilize CRM platforms as part of our marketing strategy, both of which allow us to gather information about our customer base (including personal data). In order for our business to function successfully, we must be able to handle and transmit confidential information and personal data notably related to our customers, including credit card information, securely.

In this regard, we are subject to the EU General Data Protection Regulation No. 2016/679 dated April 27, 2016, that entered into application on May 25, 2018, and repealing the EU Directive 95/46/EC ("GDPR"). This regulation strengthens existing data subjects' rights, provides for new rights and gives data subjects (including customers and employees) increased control over the processing of their personal data.

The GDPR requires any person in charge of processing personal data to comply with certain obligations in respect of data processing and to monitor the processing of such data by subcontractors and persons acting under its authority. To this end, companies are, among other requirements, responsible for keeping records of processing activities. In addition, a data protection officer, in charge of data protection tasks, must be designated by businesses in certain circumstances. Concepts such as the 'right to be forgotten', data portability, data breach notification and accountability have also been introduced. Failure to comply with the obligations set out in the GDPR may trigger various sanctions, including administrative fines up to the greater of €20,000,000 and 4% of the annual worldwide turnover of the company.

Furthermore, in France, in connection with the processing of personal data, including customers' personal data, we are also subject to French law on Information Technologies, Data Files and Individual Liberties No. 78-17 of January 6, 1978, as amended ("FDPA"), which provides for additional concepts such as, notably, the right for data subjects to decide on the use of their personal data after their death. The FDPA also empowers the French Data Protection Authority (*Commission nationale de l'informatique et des libertés* ("CNIL")) to ensure compliance with the French data protection legal framework, and notably the requirements set out in the GDPR and the FDPA. Failure to comply with the requirements of the FDPA may lead to sanctions similar to the ones laid down for breach of the GDPR. For the sake of completeness, it is also worth noting that criminal sanctions are also theoretically possible for particular offences related to data processing activities (primarily penalties or fines).

On January 10, 2017, the European Commission published a proposal for an e-privacy regulation, aimed at replacing the existing e-privacy directive that regulated privacy-related issues in the electronic communications sector. In February 2025, the proposed e-privacy regulation was withdrawn. It remains possible, however, that the European Commission will publish a renewed proposal in the future.

Complying with the French data protection legal framework requires us to adopt new measures and implement process modifications. In particular, the GDPR and the FDPA require companies to implement technical and organizational measures to protect the personal data they process and to comply with a specific procedure in case of data breach, including, under certain circumstances, notification of such breach to the CNIL and, where applicable, communication thereof to the data subjects. In the conduct of our business, we collect, use, transmit and store data in

our IT systems, and may share personal data with some of our suppliers (e.g., delivery suppliers and software suppliers). These data include personally identifiable information of individuals, including consumers and employees (which may include financial data and sensitive data, such as religious belief through diet preferences, health data through the specification of allergies, etc.).

The regulatory environment governing our use of personal data of customers, employees and others is complex. Privacy and information security laws and requirements change frequently, and compliance with them may require us to incur significant costs to make necessary systems changes and implement new administrative processes and we may not be able to fully comply with every law and requirement at all times. In addition, we may not be able to prevent security breaches involving customer transaction data. Any breach could cause consumers to lose confidence in the security of our website or our app. We also face the risk that the customer data we collect as part of our CRM programs or otherwise may be stolen or misappropriated. Cyber-security attacks have increased significantly in recent years and such attacks may involve data breaches. See “—*The efficiency of our supply chain and information technology systems is critical to our business and operations*”. If the security measures we use to protect personal data are ineffective due to a systems failure or other reasons (including ones not caused by us), we could be subject to liability, including for breach of data protection legislation, claims of invasion of privacy, impersonation, unauthorized purchases or other claims. It is also possible that our employees could, fraudulently or otherwise, misuse personal data and we would be liable for such misuse. In the event of a breach, customers may be discouraged from providing us with their data and the success of our marketing strategies could be negatively affected as a result. In all cases, our reputation could be damaged and we could experience lost sales, fines or lawsuits that may individually or in the aggregate have a material adverse effect on our business, financial condition and results of operations. We could also incur significant expenses in connection with remedying any potential security breaches, by either settling any resulting claims against us, defending ourselves in court or administrative proceedings and putting in place additional measures in order to further protect ourselves from the threat of these breaches.

***Increased transportation costs or disruption of transportation services could adversely affect our business and financial results.***

Transportation of our products is an important element of our cost structure. We require the use of refrigerated trailers to ship our products from our suppliers’ facilities to our warehouses and from our warehouses to our stores. In the year ended March 31, 2025, transportation costs (excluding transportation costs incurred by our suppliers, which are generally included in the prices we pay for products) accounted for 2.3% of our Total retail France sales (FY 2024: 2.2%). Transportation costs have historically significantly fluctuated over time, in particular in connection with oil prices. For example, in the fiscal years 2022 and 2023, we experienced significantly higher transportation costs as a result of rising oil prices. While such transportation costs have largely normalized since the beginning of fiscal year 2024, there can be no assurance that the transportation costs will not significantly increase in the future, which could result in reduced profits. We are dependent on third parties for the transportation of our products, and this service could be disrupted. Any increases in the cost of transportation, and any disruption in transportation services, including if we are unable to renew our contracts with third-party providers on reasonable terms or at all, could have a material negative impact on our business, results of operations and financial condition and prospects. For example, the French government has historically introduced new taxes based on environmental and other initiatives, which have led transportation service providers to increase the prices of such services. As a result of those increases, our external expenses have also increased. In addition, there can be no guarantee that the French government will not continue to introduce similar taxes in the future, which could further impact our transportation costs.

***Significant disruption in our workforce or the workforce of our suppliers could adversely affect us.***

As of March 31, 2025, we employed 4,508 full-time equivalent employees under permanent employment agreements, approximately 99% of whom were located in France. Approximately 84% of our employees work in our network of directly-operated stores. We could experience labor disputes and work stoppages and difficulty in attracting and retaining operative personnel at one or more of our stores due to localized strikes or strikes in the larger retail food industry. We are also exposed to similar risks involving the workforce of our third-party suppliers, including all of our warehouse operators. In particular, a labor stoppage or other interruption at one of our suppliers or warehouses would impact our ability to supply our stores and could have a negative effect on our operations as a result. For instance, in January 2014, STEF, our principal logistics partner, experienced a work stoppage, which also impacted

our operations. As we do not directly control our suppliers, including our warehouses, or their operations, we have no control over, and limited information on, labor relations between our suppliers and their workforces.

Our business is labor intensive, so maintaining good relationships with our employees, unions and other employee representatives is crucial to our operations. As a result, any deterioration of the relationships with our employees, unions and other employee representatives could have an adverse effect on our business, results of operations and financial condition. Our employees in France are covered by industry-wide collective bargaining agreements applicable at a national level. These agreements typically complement applicable statutory provisions in respect of, among other things, the general working conditions of our employees such as maximum working hours, holidays, termination, retirement, welfare and incentives. Industry-wide collective bargaining agreements and company-specific agreements also contain provisions that could affect our ability to restructure our operations and facilities or terminate employees. We may not be able to extend existing company-specific agreements, renew them on their current terms or, upon the expiration of such agreements, negotiate such agreements in a favorable and timely manner or without work stoppages, strikes or similar industrial actions. We may also become subject to additional company-specific agreements, or our existing national collective bargaining agreements may be amended.

We can give no assurance that any future labor disturbance, work stoppage, or failure to attract and retain operative personnel at any of our facilities or our suppliers' facilities in France or elsewhere would not have an adverse effect on that facility's operations and, potentially, on our business, results of operations, financial condition and prospects.

***We are dependent upon key executives and highly qualified managers whose retention we cannot assure.***

Our success partly depends upon the continued services of our CEO, Cécile Guillou, our CFO, Guillaume Degauque, and other key executives and highly qualified managers, such as those in our R&D, Quality and Marketing departments. Our executives' and managers' knowledge of the market, our business and our company represents a key strength of our business model, and our experience and human capital serves as a barrier to entry to potential competitors. The success of our business strategy and our future growth also depend on our ability to attract, train, retain, motivate and manage skilled managerial, sales, administration, development and operating personnel. The loss of one or more of our key management or operating personnel, or the failure to attract and retain additional key personnel, could have a material negative impact on our business, results of operations, financial condition and prospects.

***Compliance with European directives and regulations and national laws and regulations applicable to us could have a material adverse effect on our business, financial condition and results of operations.***

As a developer and retailer of food products for human consumption, we are subject to stringent production, packaging, health, quality, labeling and distribution standards. National regulations that have implemented European directives applicable to frozen food products establish highly technical requirements regarding labeling, manufacturing, transportation and storage of frozen food products. Local governmental authorities also set out bacteriological conditions and restrictions. Each of our stores, our outsourced warehouse facilities and our suppliers' facilities is subject to licensing and reporting requirements and official quality controls by numerous governmental authorities. These governmental authorities include European, national and local health, environmental, labor relations, sanitation, building, zoning, and fire and safety departments. Difficulty in obtaining or failure to obtain the necessary licenses or approvals could delay or prevent the development or operation of a given retail location or warehouse facility. Any changes in those regulations may require us to implement new quality controls and possibly to invest in new equipment, which could delay the development of new products and increase our operating costs.

We are also subject to various national laws and regulations relating to our commercial practices and activities. Such legislation and regulations may impose limitations on our ability to implement our business strategy and promotional activities. For example, French law No. 2018-938 dated October 30, 2018, as amended (in particular, by the provisions of the five ordinances dated April 24, 2019 and by the provisions of French law No. 2023-221 dated March 30, 2023 which are related to the abovementioned law), introduced a number of rules and principles relating to commercial relationships between producers and distributors, promotional activities and resale prices in mass distribution and other rules aimed at promoting healthier nutrition. Changes in, and compliance with, such laws and



regulations could have a material adverse effect on our business, results of operations, financial condition and prospects.

***We are subject to increasingly stringent health, safety and environmental regulations.***

We are subject to numerous health, safety and environmental regulations, including local, national and European directives and regulations relating to the creation and maintenance of the conditions called for by our cold chain requirements, the remediation of water supply and use, water discharges, air emissions, waste management, noise pollution, and workplace and product health and safety. In addition, we are subject to regulations relating to asbestos in the workplace. Health, safety and environmental legislation in Europe and elsewhere have tended to become broader and stricter over time, and enforcement has become more stringent. For example, over the past few years, we have observed a stricter application and the strengthening of French laws on accessibility of public spaces. We may have to incur additional costs to remain in compliance with such laws if new rules are introduced or existing laws are strengthened in the future. We try to follow and anticipate such changes, but any failure to comply with applicable legislation may lead to penalties, fines or other sanctions. If health, safety and environmental laws and regulations in France and the other countries in which we have operations or from which we source ingredients are strengthened in the future, the extent and timing of investments required to maintain compliance may differ from our internal planning and may limit the availability of funding for other investments. We are also subject to regulations on the use of refrigerant fluids. Due to their environmental impact, the use of certain types of refrigerants will be prohibited in the future. In order to comply with the upcoming prohibitions, we are planning on progressively replacing the fluids we use in our installations. The costs associated with the replacement of those fluids will generally be incurred as part of our store remodelings. Although our goal remains to maintain our capital expenditures at approximately 3% of sales of goods, such costs may increase the expenditures associated with individual remodelings and store maintenance. In addition, if the costs of compliance with health, safety and environmental laws and regulations continue to increase and it is not possible for us to pass through these additional costs into the prices of our products, any such changes could result in lower profitability. Changes in applicable laws or regulations or evolving interpretations thereof may result in increased compliance costs, capital expenditures and other financial obligations which could affect our profitability or impede the production or distribution of our products and affect our profitability.

All of our products must comply with strict national and international hygiene regulations. Our stores, our outsourced warehouses and our suppliers' production facilities are regularly subject to inspections by authorities for compliance with hygiene regulations applicable to the sale, storage and manufacturing of foodstuffs and the traceability of genetically modified organisms, meats and other raw materials. Despite the precautions we undertake or require our suppliers to undertake, should any non-compliance with such regulations be discovered during an inspection, authorities may temporarily shut down the store, warehouse or facility concerned and levy a fine for such non-compliance, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Furthermore, health, safety and environmental laws and regulations and civil liability (tort) rules could expose us to liabilities. Under some of these laws and regulations, we could be liable for investigating or remediating contamination at properties we own or occupy, even if the contamination was caused by a party unrelated to us, was not due to our fault or if the activity which resulted in the contamination was legal. The discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at our properties, could result in substantial unanticipated costs. In some circumstances, we could be required to pay fines or damages under these laws and regulations. Regulatory authorities may also require us to curtail operations or temporarily or permanently close facilities. In addition, although we monitor the exposure of our employees and neighbors to risks related to our operations, we may be subject to claims resulting from actual or alleged exposure to hazardous materials, as well as to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property damage resulting from hazardous substance contamination or exposure caused by our operations.

Although we believe that we conduct our operations in a way that reduces health, safety and environmental risks and have in place appropriate systems for identifying and managing potential liabilities, we may not have identified or addressed all sources of health, safety and environmental risks, and there can be no assurance that we

will not incur health, safety and environmental-related losses or that any losses incurred will not have an adverse effect on our results of operations, financial condition and prospects.

***Due to the seasonality of our business, our revenue and operating results may vary quarter to quarter.***

Our sales and cash flows have historically been affected by seasonal cyclicity. Sales of frozen food products, including seafood, frozen vegetables and complete frozen meals, have historically tended to be higher during the winter months. December sales have historically been approximately double those of other months due to, among other factors, Christmas and New Year celebrations. Sales volumes also increase, albeit at a significantly lower level, around Valentine's Day, due to our strong marketing campaigns, and around Easter. During the summer months, sales volumes have historically decreased as declines in sales in urban areas are only partially offset by increases in summer vacation destinations. At the end of the summer vacation period, sales have historically increased slightly as customers tend to restock their freezers upon returning home. These cyclical fluctuations in our inventory can also affect our working capital requirements. In addition, because Easter falls on a different date each year, some of our fiscal years may include two Easters while others may include no Easter. Similarly, our results may be affected by the extra day during a leap year. For these reasons, sequential quarterly comparisons may not be a good indication of our comparative performance between two periods or how we may perform in the future. If seasonal fluctuations are greater than anticipated, there could be an adverse effect on our financial condition, results of operations or cash flows.

***We rent most of our stores pursuant to commercial leases that may be subject to rent adjustments that could increase our expenses and have an adverse effect on our profitability and results of operations.***

As of March 31, 2025, approximately 90% of our own French stores are leased pursuant to commercial leases, generally for a term of nine years and rent constitutes a significant portion of our expenses. Generally, our commercial leases provide for an annual rent adjustment based on the changes in certain national indices. Currently, the applicable indices for our leases are either the cost of construction index (*Indice du Coût de la Construction* ("ICC")) or the commercial rents index (*Indice des Loyers Commerciaux* ("ILC")). Stores leases based on the ILC represent 87% of our total store leases as at March 31, 2025. With the enactment of the law on craft, commerce and very small corporations, dated June 18, 2014, the ILC became mandatory for new lease agreements. Our renewed or new commercial lease agreements are subject to the ILC, with the remainder being subject to the ICC until their termination date. Although less volatile than the ICC, the ILC can increase at a higher rate than the ICC over a given period. Rents indexed to the ILC could therefore be adjusted upward at a faster rate, potentially increasing our expenses and having an adverse effect on our profitability and results of operations.

Furthermore, additional changes to the ICC or the ILC, in terms of scope or method of calculation, could also have an adverse effect on our profitability and results of operations.

***We may not be able to continue to secure strategic locations for our stores.***

We aim to continue to increase our footprint by opening stores in France and abroad. As such, the performance of our stores depends upon their location and the customer traffic in those locations. In order to benefit from customer traffic, we carefully select the locations of our stores using our geo-marketing method, favoring locations that are positioned strategically to best capture customer flows. We cannot control the availability of appropriate locations or their cost. We also face competition for prominent locations from other retailers who may be preferred by landlords. Furthermore, if our financial condition deteriorates or if our relationship with landlords is adversely affected, we may not have the opportunity, or have the ability, to obtain new key locations and continue to maintain existing locations. With respect to certain leases that do not benefit from statutory renewal protection, we may not be able to renew our lease agreements on favorable terms or at all in the future. In addition, the attractiveness of store locations may change over time. A variety of factors could influence the success of our stores, including, for example, the proximity to major shopping centers, the decline in popularity, or the closing, of other stores that generate customer traffic or the perceived or actual safety of the areas surrounding our stores. Our inability to secure high-quality locations for our stores could have a material adverse effect on our business, financial condition, results of operations and prospects.

***The social security contributions we are required to make for our employees and the statutory minimum wage may increase and the tax credits we benefit from may decrease.***

Pursuant to Articles L. 241-13 et seq. of the French Social Security Code, the social security contributions that we are required to make in respect of the compensation paid to a large number of our employees, up to a certain level of remuneration, are subject to a formula-based reduction (formerly known as “*allègements Fillon*”). Beginning January 1, 2011, these reductions have been calculated on the basis of annual compensation (including all bonuses, overtime and other remuneration) instead of monthly compensation as used historically. This change resulted in higher social security contributions and has had an adverse effect on our profitability. Any additional change in the provisions applicable to this reduction, particularly with respect to the reduction rate or the calculation basis, could result in a further increase in our wage and salary expenses, which may adversely impact our profitability. Furthermore, our method of calculation of the applicable rate could be challenged during social security audits and result in subsequent contribution reassessments. For example, following an URSSAF audit performed in respect of calendar years 2014 to 2016, we received a reassessment notification from the URSSAF on December 19, 2017. The URSSAF alleged that we applied erroneous methods of calculation for various social security contributions, including with respect to the computation of the “*allègements Fillon*” reductions. The amount of the reassessment for the calendar years 2014 to 2016 is €4.3 million, plus an additional €0.5 million as penalties for late payment. The €4.3 million reassessment, excluding the penalties for late payment, was paid in January 2018 and recorded in our profit and loss for the year ended March 31, 2018. Although we are challenging the URSSAF position, from April 1, 2017 we have taken into account the URSSAF interpretation when accruing our social security contributions and have consequently recorded a provision for the penalties for late payment and for the difference between the computation using our methodology and the computation using the URSSAF methodology. Due to this change in methodology, our social charges rate increased beginning in the year ended March 31, 2018.

Further changes in any of the above-mentioned laws or regulations or the coming into force of any new laws or regulations could substantially increase our operating expenses or restrict our operational flexibility and therefore have a material adverse effect on our business, financial condition and results of operations.

***Our tax burden could increase due to changes in tax law or their application or interpretation, or as a result of future tax audits.***

Our tax burden is dependent on certain aspects of tax laws in France and other countries in which we operate and their application and interpretation. Changes in tax laws or their interpretation or application could increase the Group’s tax burden. As a result of future tax audits or other review actions of the relevant financial or tax authorities, additional taxes could be identified, which could lead to an increase in our tax obligations, either as a result of the relevant tax payment being levied directly on us or as a result of our becoming liable for tax as a secondary obligor due to a primary obligor’s (such as, for example, an employee’s) failure to pay. Group companies have been (including for the years ended 2016-2022), and may in the future be, subject to tax audits by the French tax authorities. Although, to date, these audits have not resulted in any material reassessment, any such audits may in the future lead to a material increase in our tax obligations.

VAT rates could increase in the future in France and other countries in which we operate. If we do not increase the prices of our products to match the increase in VAT, our profit margins will be negatively impacted. If we pass the increase in VAT on to our customers by raising the prices of our products, the demand for our products may decline, materially and adversely affecting our business, financial condition and results of operations. Furthermore, we may be exposed to typical acquisition-related VAT risks relating to prior acquisitions and reorganizations and VAT risks relating to the ability to deduct VAT paid in connection with holding company activities.

The occurrence of any of the foregoing tax risks could have a material adverse effect on our business, financial condition and results of operations.

***We have recorded a significant amount of goodwill and we may never realize the full value thereof.***

We have recorded a significant amount of goodwill. The total net value of goodwill recorded by Picard Bondco, which represents the excess of cost over the fair value of the net assets of the business acquired, was

€815.2 million, or 28.2% of its total assets, as of March 31, 2025. Goodwill is recorded on the date of acquisition and, in accordance with IFRS, is not amortized but reviewed for impairment annually and whenever there is any indication of impairment. Impairment may result from, among other things, deterioration in our performance, a decline in expected future cash flows, adverse market conditions, adverse changes in applicable laws and regulations and a variety of other factors. The amount of any impairment must be expensed immediately as a charge to the income statement. Although Picard Bondco has not recorded any charges for goodwill impairment during its most recent year, there can be no assurance that goodwill impairment charges will not be incurred in the future. Any future impairment of goodwill may result in material reductions of our income and equity under IFRS.

***The global disruption of the financial system and credit markets could materially affect our business.***

The financial system and, in particular, credit markets experience from time to time disruption and significant volatility which leads to a decrease of liquidity and a diminishing credit availability, rising interest rates, an inflationary market environment, a decline in consumer confidence and economic growth, as well as an increase in unemployment rates and a general uncertainty about economic stability. For example, rising interest rates were among the factors that contributed to the collapse of Silicon Valley Bank, one of the largest U.S. banks in the technology sector, on March 10, 2023. This was the largest bank failure since the 2008 financial crisis and required immediate government intervention. Furthermore, on March 12, 2023, U.S. regulators shut down a smaller U.S.-based bank, Signature Bank and, on May 1, 2023, after various significant decreases of its stock price, a downgrading in its credit rating and a failed rescue attempt from a number of major U.S. banks over the term of six weeks, the U.S.-based First Republic Bank was also shut down by U.S. regulators, which sold its assets. Additionally, on March 19, 2023, following liquidity concerns, Swiss authorities intervened to broker a sale of Credit Suisse to UBS to avert a failure of Credit Suisse and further systemic repercussions. Although we did not have any cash or cash equivalent balances on deposit with Silicon Valley Bank or First Republic Bank nor a banking relationship with Credit Suisse, bank failures, events involving limited liquidity, defaults, non-performance and other adverse developments that impact financial institutions, or concerns or rumors about such events, may have significant and short-, mid- and long-term effects on the stability of global, regional and local financial markets and may impact our ability to obtain financing on favorable terms or at all, as well as this could materially affect our ability to access our existing cash or cash-equivalents. In addition, our customers, suppliers or other parties with whom we conduct business may be subject to these restrictions as well which may leave them unable to access funds and such parties' ability to pay or perform their obligations to us or to enter into new commercial arrangements requiring additional payments to us. It is not possible to predict the impact that the above-mentioned events and factors may have on global, regional or local banking and financial systems and economies. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could materially affect our liquidity and our current and/or projected business operations and financial condition and results of operations.

**Risks Related to Our Indebtedness and the Notes**

***The Issuers and the Guarantors are holding companies that have no revenue-generating operations of their own and depend on cash from the operating companies of the Picard Group to be able to make payments on the relevant Notes and the relevant Guarantees.***

The Fixed Rate SSN Issuer, the Floating Rate SSN Issuer, Picard Bondco and the Guarantors are holding companies with no business operations other than the equity interests they each hold in each of their subsidiaries. The Issuers and the Guarantors have limited business operations, which consist of management and consulting activities for the entities of the Group. None of the Issuers carries out any commercial activities, nor do they own any tangible assets. The Issuers and the Guarantors are dependent upon the cash flow from each of their respective operating subsidiaries in the form of dividends or other distributions or payments to meet their obligations, including their obligations under the Fixed Rate SSNs, the Floating Rate SSNs, the Senior Notes or their respective Guarantees, respectively. The amounts of dividends and distributions available to the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer, Picard Bondco and their respective Guarantors will depend on the profitability and cash flows of their respective subsidiaries and the ability of those subsidiaries to pay dividends under applicable law. The subsidiaries of each of the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer, Picard Bondco and their respective Guarantors, respectively, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance upstream loans to each of the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer, Picard Bondco or their

respective Guarantors, respectively, or to make payments in respect of their indebtedness, including the Fixed Rate SSNs, the Floating Rate SSNs, the Senior Notes and their respective Guarantees, as applicable.

In addition, the subsidiaries of the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer and Picard Bondco that do not guarantee the Senior Secured Notes or the Senior Notes, respectively, have no obligation to make payments with respect to the Senior Secured Notes or the Senior Notes, respectively. There can be no assurance that sufficient dividends, distributions or loans from the operating subsidiaries of the Group will be available to fund payments on the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes when due.

***Our significant leverage may make it difficult for us to operate our businesses.***

We currently have a significant amount of outstanding debt with substantial debt service requirements. As of March 31, 2025, our net debt was €1,563.0 million, which includes the Notes and bank guarantees *less* cash and cash equivalents. In addition, as of March 31, 2025 our Super-Senior Revolving Credit Facility of €75 million was undrawn. Our significant leverage could have important consequences for our business and operations, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debt and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or general economic or industry conditions;
- placing us at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than we have;
- limiting our flexibility in planning for or reacting to competition or changes in our business and industry;
- negatively impacting credit terms with our creditors;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes. Our ability to make payments on and refinance our indebtedness and to fund working capital requirements, capital expenditures and other expenses will depend on our future operating performance and ability to generate cash from operations. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations nor obtain enough capital to service our debt or fund our planned capital expenditures.

In addition, we may be able to incur substantial additional debt in the future, including indebtedness in connection with any future acquisition. The terms of the Indentures and the Revolving Credit Facility Agreement permit our subsidiaries to incur such debt, in each case, subject to certain limitations. If new debt is added to our current debt levels, the risks that we now face could intensify. Moreover, some of the debt we may incur in the future could be structurally senior to the Notes and may be secured by collateral that does not secure any of the Notes.

For a discussion of our cash flows and liquidity, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*”.

***The Senior Notes are not “green bonds” and may not satisfy an investor’s requirements or future standards for or seeking exposure to assets with sustainability characteristics.***

The Senior Notes are not “green bonds”. Although the interest rate in respect of the Senior Notes is subject to upward adjustment if we failed to satisfy either of our 2023 Sustainability Performance Targets (and did increase as a result of our failure to meet the 2023 CO<sub>2</sub> Sustainability Performance Target), the Senior Notes may not satisfy an investor’s requirements or any current or future legal or quasi-legal standards for investment in assets with sustainability or other ESG-related characteristics. We are not subject to any other limitations associated with green bonds. Although the Senior Notes are designated as “sustainability-linked notes”, investors should be aware that there is no commonly understood definition of this term and that the Senior Notes may lack certain features contained in other similarly designated debt securities.

***No assurance or representation is given by us or the second-party opinion provider as to the suitability or reliability for any purpose whatsoever of any opinion, report, certification or validation of any third party in connection with the Sustainability Performance Targets to fulfil any green, social, sustainability, sustainability-linked and/or other criteria.***

In connection with the issuance of the 2021 Notes, we adopted the Sustainability-Linked Financing Framework in April 2021, which was reviewed by DNV, who provided a second-party opinion on the alignment of our Sustainability-Linked Financing Framework with the Sustainability-Linked Bond Principles 2020, as administered by ICMA. The second-party opinion may not reflect the potential impact of all risks related to the structure or market or additional risk factors that may affect the value of the Senior Notes. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion of any third party (whether or not solicited by us), including of the second-party opinion provider or the External Reviewer, that may be made available in connection with our Sustainability Performance Targets or the Senior Notes. Any such opinion is not, nor should it be deemed to be, a recommendation by us or any other person to buy, sell or hold the Senior Notes. Any such opinion is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion and/or the information contained therein and/or the provider of such opinion for the purpose of any investment in the Senior Notes. Currently, the providers of such opinions are not subject to any specific regulatory or other regime or oversight. Any withdrawal of any such opinion or any additional opinion or statement that we are not complying in whole or in part with any matters for which such opinion is opining may have a material adverse effect on the value of the Senior Notes and/or result in adverse consequences for certain investors with mandates to invest in securities to be used for a particular purpose.

***We may not generate sufficient cashflows or have sufficient distributable reserves to pay interest, or principal, on the Notes.***

The Issuers and Guarantors are holding companies and have no business operations. Our ability to make principal or interest payments when due on our indebtedness, including the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes, will depend upon the availability of cash on hand, the Group’s ability to generate and upstream cash from our operating subsidiaries to the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer and to Picard Bondco, and upon the Group’s operating performance, which is affected by all the factors discussed in this “*Risk Factors*” section and elsewhere in this annual report. We will only be able to pay interest, or principal, on the Senior Secured Notes and the Senior Notes from funds received from the operating subsidiaries of the Picard Group. Our subsidiaries’ ability to make distributions to us will depend on our ability to generate substantial operating cash flow and to upstream distributions to the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer and Picard Bondco in the form of dividends. In addition, dividend payments are not mandatory or guaranteed, and we may decide not to, or be unable to, declare a dividend.

Furthermore, the Indentures and the Revolving Credit Facility Agreement, as well as the terms of other future debt, may prevent or limit our ability to upstream cash or to make distributions or payments of capital or income or use cash or other assets to make principal or interest payments when due on our indebtedness, including the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes. The terms of the Intercreditor Agreement (as described under “*Description of Certain Indebtedness—Intercreditor Agreement*”) and the terms of existing and future debt of

certain of the Group subsidiaries may also prohibit the payment of dividends or the making, or repayment, of loans or advances to the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer and Picard Bondco and restrict certain intra-group payments.

In addition, the ability of the Issuers' direct or indirect subsidiaries to make certain distributions may be limited by the laws of the jurisdictions in which the subsidiaries are organized or located, including financial assistance rules, corporate benefit laws and other legal restrictions which, if violated, might require the recipient of unlawful payments to refund any amounts received. There can therefore be no assurance that there will be sufficient assets or income available to enable the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer and Picard Bondco to pay interest or principal on the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes, respectively, and there can be no assurance that any of their subsidiaries will be able to make distributions or other payments.

Therefore, our ability to make principal or interest payments on the Notes may be limited by a number of factors, including the following factors:

- the actual amount of dividends distributed and the decision to make any distribution is entirely at our discretion and future dividend distributions, if any, will depend on, among other things, our results of operations, cash requirements, financial condition, distributable reserves, provisions of applicable law and other factors that we may deem relevant;
- the amount of dividends distributed will be subject to contractual restrictions under the restrictive payment covenants contained in the Indentures and may be subject to the terms of any other outstanding indebtedness incurred by us or any subsidiaries of the respective Issuers;
- legal restrictions imposed on distributions of profits and reserves and repayments of share capital, including restrictions imposed by corporate and tax laws of France and Luxembourg;
- the adverse tax consequences associated with making such upstream distributions; and
- the absence of any contractual or other legal right to dividends for the benefit of any of our shareholders.

***We are subject to covenants, which limit our operating and financial flexibility and, if we default under our debt covenants, we may not be able to meet our payment obligations.***

The Revolving Credit Facility Agreement and the Indentures contain covenants which impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- make certain payments, including dividends or other distributions;
- make certain investments or acquisitions, including participating in joint ventures;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- enter into arrangements that restrict payments of dividends to the respective Issuers;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis;
- issue or sell share capital of certain subsidiaries; and

- create or incur certain liens.

These covenants could limit our ability to finance future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest. Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the terms of the Revolving Credit Facility Agreement, and the relevant lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable and proceed against any collateral securing that debt. This could also result in an event of default under the Indentures. If the debt under the Revolving Credit Facility Agreement, the Fixed Rate SSNs, the Floating Rate SSNs, the Senior Notes, their respective guarantees or any other material financing arrangement that we enter into were to be accelerated, our assets may be insufficient to repay in full any or all of the Notes and our other debt. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions also may be accelerated or become payable on demand. In these circumstances, our assets may not be sufficient to repay in full that indebtedness and our other indebtedness then outstanding, including any or all of the Notes. See “*Description of Certain Indebtedness*”.

***We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses.***

We may incur substantial additional debt in the future. Any debt that our subsidiaries incur will be structurally senior to the Notes if such subsidiaries do not guarantee the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes, respectively, and could be secured or could mature prior to the Notes. As of March 31, 2025, Restricted Subsidiaries that are not Guarantors had €443.5 million of indebtedness on a non-consolidated basis (representing IFRS 16 leases and bank guarantees), which indebtedness was structurally senior to the Notes. The terms of the Revolving Credit Facility Agreement and the terms of the Indentures permit us to incur future debt that may have substantially the same covenants as, or covenants that are more restrictive than, those of the Indentures and the Revolving Credit Facility Agreement. Borrowings under debt instruments that contain cross-acceleration or cross-default provisions, including the Notes, may as a result also be accelerated and become due and payable. We may be unable to pay these debts in such circumstances. The incurrence of additional debt would increase the leverage-related risks described herein.

***We may not be able to generate sufficient cash to service our indebtedness, including the Notes, including due to factors outside our control, and may be forced to take other actions to satisfy our obligations under our indebtedness, including the Notes, which may not be successful.***

We are significantly leveraged and have significant debt service obligations. As of March 31, 2025, we had €1,563.0 million of net debt, including bank guarantees *less* cash and cash equivalents, of which €1,425.0 million was represented by the Senior Secured Notes and €310.0 million by the Senior Notes. Our ability to make payments on or to refinance any of the Notes, or our other debt obligations, will depend on our future operating performance and ability to generate sufficient cash.

This depends on general economic, financial, competitive, market, regulatory and other factors, including inflationary pressure, many of which are beyond our control. Our significant leverage may also make it more difficult for us to satisfy our obligations with respect to any or all of the Notes and exposes us to interest rate increases to the extent any of our variable rate debt, including under the Floating Rate SSNs and the Revolving Credit Facility Agreement, is not hedged. On December 2, 2022, we entered into a Cap Spread in the notional amount of €300 million, a swap used to hedge our exposure to changes in interest payment cash flows until June 2025. On March 6, 2025 and March 21, 2025, we entered into Caps in the aggregate notional amounts of €200 million and €100 million, respectively, to hedge our exposure to changes in future interest payment cash flows until January 2028. We may enter in the future into further interest rate hedging obligations, but there can be no assurance that such hedging will be available on commercially reasonable terms or, if available, will be successful in mitigating the risks related to increasing interest rates on commercially reasonable terms. See “—*A large part of our indebtedness bears interest at a variable rate, which could rise significantly, increasing our costs and reducing our cash flow, or could otherwise be adverse to the interests of the holders of the Notes.*”



Our businesses may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debts, including the Notes. If our future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities, planned acquisitions and capital expenditures;
- sell assets;
- obtain additional debt or equity financing;
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity; or
- delay or halt our ambitions to delever.

We can make no assurance that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all.

In particular, our ability to restructure or refinance our debt will depend in part on our financial condition at such time. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, including the Indentures, may restrict us from adopting some of these alternatives. Furthermore, we may be unable to find alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including our obligations under any or all of the Notes. In that event, borrowings under other debt agreement or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all our debts, including any or all of the Notes.

In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction or downgrade of our credit ratings, which could harm our ability to incur additional indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The terms of our indebtedness, including under the Indentures, restrict our ability to transfer or sell assets and to use the proceeds from any such disposition. We may not be able to consummate certain dispositions or to obtain the funds that we could have realized from the proceeds of such dispositions, and any proceeds we do realize from asset dispositions may not be adequate to meet any of our debt service obligations then due.

***A large part of our indebtedness bears interest at a variable rate, which could rise significantly, increasing our costs and reducing our cash flow, or could otherwise be adverse to the interests of the holders of the Notes.***

We are exposed to the risks of fluctuations in interest rates. A significant portion of our current debt, including under the Floating Rate SSNs and our Super-Senior Revolving Credit Facility, is subject to variable interest rates indexed to Euro Interbank Offered Rate (“EURIBOR”). We may also enter into additional indebtedness bearing floating rates of interest in the future, including by issuing additional Notes. EURIBOR and/or any other floating interest rate index applicable to such indebtedness could rise significantly in the future. In fiscal year 2024, interest rates increased significantly, correspondingly increasing our interest expense to the extent of the drawings under, or issuances of, such debt bearing floating rates of interest, thereby reducing our cash flow. For example, three-month EURIBOR was 3.892% on March 28, 2024 (compared to -0.547% on the issue date of the 2021 Floating Rate SSNs), which has increased our interest expense on our floating rate debt, including the Floating Rate SSNs. During fiscal year 2025, interest rates have declined reaching a three-month EURIBOR of 2.324% on April 1, 2025, contributing to a reduction of our interest expenses. However, there can be no assurance that three-month EURIBOR will continue to decrease or will not increase again in the future and thereby increase our interest expense and reduce our cash flow.

Although we have entered into the Cap Spreads and may enter in the future into further interest rate hedging obligations designed to fix a portion of the interest rate on the Floating Rate SSNs, as of the date of this annual report, the Caps cover only €200 million and €100 million in aggregate principal amount and decrease over time until January 2028. There can be no assurance that hedging will be available on commercially reasonable terms or, if available, will be successful in mitigating the risks related to increasing interest rates. See “*Description of Certain Indebtedness*”.

Following allegations of manipulation of LIBOR, a measure of interbank lending rates, regulators and law enforcement agencies from a number of governments and the European Union are conducting investigations into whether the banks that contribute data in connection with the calculation of EURIBOR or LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR. As a result, EURIBOR, LIBOR and other interest rates are indices which are deemed to be “benchmarks” are the subject of recent and ongoing national, international and other regulatory guidance and proposals for reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and Regulation (EU) 2016/1011 (the “Benchmarks Regulation”) which was published in the Official Journal of the EU on June 29, 2016, and applies since January 1, 2018. Some of these reforms are already effective while others are still to be implemented. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorized or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognized or endorsed) and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorized or registered (or, if non-EU-based, not deemed equivalent or recognized or endorsed).

These reforms, including the Benchmarks Regulation, may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on our debt linked to such a benchmark, including the Floating Rate SSNs and our Super-Senior Revolving Credit Facility, in particular, if the methodology or other terms of the EURIBOR benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the EURIBOR benchmark. In addition, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark, including EURIBOR and LIBOR, and complying with any such regulations or requirements.

Such factors may have the following effects on certain benchmarks such as EURIBOR: discourage market participants from continuing to administer or contribute to such benchmark; trigger changes in the rules or methodologies used in the benchmarks, or lead to the disappearance of the benchmark. Any such effect, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or other benchmark rates, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

As an example of such benchmark reforms, on September 21, 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a “risk free overnight rate” which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On September 13, 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate (“€STR”) as the new risk-free rate for the euro area. The €STR was published for the first time on October 2, 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark. With regard to LIBOR, all LIBOR settings either ceased to be provided by any administrator or were no longer representative immediately after December 31, 2021, in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the one-week and two-month U.S. dollar settings; and immediately after June 30, 2023, in the case of the 12-month U.S. dollar settings. With regard to the one-, three- and six-month U.S. dollar settings, the FCA gave notice to the LIBOR administrator to publish a synthetic U.S. dollar LIBOR setting for a temporary period until September 30, 2024.

The elimination of the EURIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR is determined, which could require an adjustment to the terms and conditions of our floating rate

debt (including the Floating Rate SSNs and our Super-Senior Revolving Credit Facility) or hedging, or result in other consequences, in respect of any debt linked to such benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR, which could have a material adverse effect on the value of and return on any floating rate debt linked to EURIBOR and on our ability to service debt that bears interest at floating rates (including the Floating Rate SSNs and our Super-Senior Revolving Credit Facility). Any such consequence could have a material adverse impact on the value of and return on our floating rate debt (including the Floating Rate SSNs and our Super-Senior Revolving Credit Facility). In addition, the development of alternatives to EURIBOR may result in our floating rate debt (including the Floating Rate SSNs and our Super-Senior Revolving Credit Facility) performing differently than would otherwise have been the case if the alternatives to EURIBOR had not developed.

The Floating Rate SSN Indenture provides a mechanism whereby, if (1) there has been a material disruption to EURIBOR, (2) EURIBOR is not available for use temporarily, indefinitely or permanently, (3) there are restrictions or prohibitions on the use of EURIBOR, (4) an alternative rate has replaced EURIBOR in customary market practice in the international capital markets applicable generally to floating rate notes or (5) it has become unlawful for the Calculation Agent, the Floating Rate SSN Issuer or a third-party agent of such Issuer to calculate any payments due to holders of the Floating Rate SSNs using EURIBOR, (a) an independent financial institution of international standing or an independent financial adviser of recognized standing (that is not an affiliate of such Issuer) as appointed by the Floating Rate SSN Issuer at the expense of such Issuer or (b) if it is not reasonably practicable to appoint a party as referred to under (a), the Floating Rate SSN Issuer (or an agent thereof), acting in good faith and in a commercially reasonable manner, shall select a successor rate to EURIBOR that is substantially comparable to EURIBOR or that has been recommended or selected by the relevant monetary authority or similar authority (or working group thereof) or by a widely recognized industry association or body or that is expected to develop as an industry accepted rate for debt market instruments such as or comparable to the Floating Rate SSNs (and any applicable adjustment spread required to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to holders of the Floating Rate SSNs as a result of the replacement of EURIBOR for use in calculating the appropriate successor rate, which upon certification (by way of an Officer's Certificate) by the Floating Rate SSN Issuer of such rate to each of the Trustee, the Calculation Agent and the Principal Paying Agent will be used to calculate the interest rate in relation to the Floating Rate SSNs (upon which each of the Trustee, the Calculation Agent and the Principal Paying Agent shall be entitled to rely conclusively and absolutely without further enquiry, investigation, verification or liability of any kind whatsoever) without any further action or consent by the noteholders or the Trustee. This means that interest on the Floating Rate SSNs would be determined on the basis of a benchmark rate, together with adjustments, that was not contemplated at the time holders purchased the Floating Rate SSNs. The Floating Rate SSN Indenture may require the exercise of discretion by the Floating Rate SSN Issuer and the making of potentially subjective judgments (including as to the occurrence or not of any events which may trigger amendments to the Floating Rate SSN Indenture) without the consent of the holders of such Floating Rate SSNs. The interests of the Floating Rate SSN Issuer in making such determinations or amendments may be adverse to the interests of the holders of the Floating Rate SSNs.

In addition, due to the uncertainty concerning the availability of an appropriate successor rate and the involvement of an independent financial institution, the Floating Rate SSN Indenture's successor rate mechanism may not operate as intended at the relevant time. If EURIBOR were discontinued or otherwise unavailable, the rate of interest on our floating rate debt (including the Floating Rate SSNs and our Super-Senior Revolving Credit Facility) would be determined for the relevant period by the fallback provisions applicable to such debt.

***We may not be able to finance a change of control offer and certain transactions will not require us to make a change of control offer.***

The Indentures require the relevant Issuer to make an offer to repurchase the relevant Notes at 101% of their principal amount if we experience certain specified change of control events. In particular, if the indirect parent company of the Issuers, Lux Topco, any of its subsidiaries or its shareholders are unable to repay their debt obligations and default thereon, their creditors may take control of the Picard Group and trigger such a change of control offer. Our obligations under the Super-Senior Revolving Credit Facility would also be accelerated upon the occurrence of a change of control. The relevant Issuer's ability to repurchase any or all of the Notes as required by the relevant

Indenture will depend on such Issuer's access to funds at such time, and it may not be able to secure access to enough cash to finance the repurchase. The relevant Issuer's failure to effect a change of control offer when required would constitute an event of default under the relevant Indenture. This could in turn trigger an event of default under the other Indentures. In addition, certain important corporate events that might adversely affect the value of the Notes (including certain reorganizations, restructurings and mergers) would not constitute a "change of control" under the Indentures.

In addition, in connection with certain tender offers for the Notes, if holders of not less than 90% in aggregate principal amount of the applicable outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the relevant Issuer, or any third party making such a tender offer in lieu of such Issuer, purchases, all of the Notes validly tendered and not withdrawn by such holders, the relevant Issuer or such third party will have the right to redeem such Notes that remain outstanding in whole, but not in part, following such purchase at a price equal to the price offered to each other holder of Notes.

In addition, the occurrence of certain events that might otherwise constitute a change of control under the Indentures will be deemed not to be a change of control and will not require the relevant Issuer to make a change of control offer, provided that upon consummation thereof, a certain specified consolidated net leverage ratio of Picard Bondco and its restricted subsidiaries is met.

***The interests of our ultimate principal shareholders may be inconsistent with the interests of the holders of the Notes.***

Our principal indirect shareholder, which owns 100% of our issued and outstanding shares, is Invest Group Zouari ("IGZ"), which is in turn owned by an entity controlled by Mr Moez Zouari, Imanes S.à r.l., and ICG. The interests of our principal shareholders could conflict with the interests of investors in any of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. Our principal shareholders could cause us to pursue acquisitions or divestitures and other transactions or to make large dividend payments (subject to limitations in the Indentures and the Revolving Credit Facility Agreement) or other distributions or payments to it as the shareholder, even though such transactions may involve increased risk for the holders of the Notes. Our principal shareholders might also consider investing in, or acquiring, a business or pursuing opportunities outside of the Picard Group that might be considered as competing activities. For example, Imanes, through its subsidiaries, operates Franprix, Monoprix and Monop' food retail stores and part of these businesses may be considered as potential competitors of the Picard Group. Furthermore, no assurance can be given that our principal shareholders will not sell all or any part of their shareholdings at any time nor that they will not look to reduce their holdings by means of sale to strategic investors, an equity offering or otherwise. If any of those scenarios were to materialize, they could lead to a change in the equity ownership structure of the Group and ultimately a change of control.

***You may be required to pay a "soulté" in the event you decide to enforce the share pledges by judicial or contractual foreclosure of the applicable Collateral consisting of shares rather than by a sale of such Collateral in a public auction.***

Security interests governed by French law and Luxembourg law may only secure payment obligations, in relation to French security interests, may only be enforced following a payment default and may only secure up to the secured amount that is due and remains unpaid. Under Luxembourg law, pledges over assets (including shares or securities) may be enforced at the option of the secured creditor either by a private appropriation of the pledged assets at their fair value, determined in accordance with the pre-agreed valuation method, or by a sale of the pledged assets (i) in a public auction (the proceeds of the sale being paid to the secured creditors), (ii) in a private transaction under arm's length conditions (*conditions commerciales normales*) or (iii) on a trading venue on which it is admitted to trading, or by way of set-off between the secured liabilities and the shares, or by court attribution (*attribution judiciaire*) stating that the pledgee will retain the pledged assets as payment up to the amount of the secured liabilities, in accordance with an expert valuation. Under French law, pledges over assets (including shares or securities) may be enforced at the option of the secured creditor either by a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors), by judicial foreclosure (*attribution judiciaire*), or by contractual foreclosure (*attribution conventionnelle or pacte comissoire*) of the assets to the secured creditor following which the secured

creditor is the legal owner of the pledged assets. If the secured creditors choose to enforce by way of foreclosure (whether a judicial or contractual foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed securities. Such value is determined either by the court in the context of a judicial attribution or by a pre-contractually agreed expert in the context of a contractual foreclosure and if the value of the relevant Collateral exceeds the amount of secured debt, the secured creditors may be required to pay the obligor a cash amount (the “*soulte*”) equal to the difference between the value of the shares and the amount of the secured debt. This is true regardless of the actual amount of proceeds ultimately received by the secured creditors from a subsequent on-sale of the relevant Collateral.

Consequently, in the event the lenders under the Super-Senior Revolving Credit Facility or the holders of the Senior Secured Notes or the Senior Notes, respectively, decide to, and are entitled to, enforce the assets pledges through a judicial or contractual foreclosure, or any other enforcement methods detailed above and if the value of such assets exceed the amount of the secured debt, the lenders under the Super-Senior Revolving Credit Facility and the holders of the Senior Secured Notes or the Senior Notes, respectively, may be required to pay to the relevant pledgors a *soulte* equal to the value by which such assets exceeds the amount of secured debt. The Intercreditor Agreement purports to defer the payment of the *soulte* to the earlier of (i) the date which is 12 months after the date on which such foreclosure occurs and (ii) the date on which the relevant debt is considered discharged in accordance with the Intercreditor Agreement. The right to defer or subordinate the payment to the security provider of the “*soulte*”, such as provided in the provisions of the Intercreditor Agreement, has not been tested either in French courts or in Luxembourg courts.

If the value of such assets is less than the amount of the secured debt, the relevant amount owed to the relevant creditors will be reduced by an amount equal to the value of such assets, and the remaining amount owed to such creditors will be unsecured.

Should the holders of the Senior Secured Notes or the Senior Notes, respectively, decline to request the judicial or contractual foreclosure of the assets, a realization of the pledged assets could be undertaken by public auction in accordance with applicable law. If enforcement is implemented through a public auction procedure, it is possible that the sale price received in any such auction might not reflect the value of the securities, since the latter will not be sold pursuant to a competitive bid process and/or a private sale organized by an investment bank and controlled by the vendor on the basis of a value determined pursuant to the methods usually used for the purpose of the acquisition of companies or groups of companies.

The enforcement of security may give rise to certain subrogation or similar recourse rights by the security grantor up to the value of the debt discharged as a result of such enforcement. Although the Intercreditor Agreement includes assignment of all present and future recourse rights provisions (see “*Description of Certain Indebtedness—Intercreditor Agreement*”), clauses providing for the assignment of the right of recourse have not been tested before the French Courts and their enforceability is therefore uncertain.

***Investors may face foreign exchange risks by investing in the Notes.***

The Notes are denominated and payable in euro. If investors measure their investment returns by reference to a currency other than the euro, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which the investor measures the return on his investments because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which an investor measures the return on his investments could cause a decrease in the effective yield of any of the Notes below their respective stated coupon rates and could result in a loss to the respective investors when the return on the Notes is translated into the currency by reference to which the investor measures the return on their investments. Investments in the Notes by U.S. investors may also have important tax consequences as a result of foreign exchange gains or losses, if any.

***Investors may not be able to recover in civil proceedings for U.S. securities law violations.***

The Fixed Rate SSN Issuer, the Floating Rate SSN Issuer, Picard Bondco, their respective Guarantors and all of their respective subsidiaries are organized outside the United States, and our business is conducted entirely outside

the United States. The directors and executive officers of each of the Issuers and their respective Guarantors are non-residents of the United States. Although each of the Issuers and their respective Guarantors have submitted to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on the directors and executive officers of the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer, Picard Bondco or their respective Guarantors. In addition, as all of the assets of the Issuers, their respective Guarantors and their respective subsidiaries and those of their directors and executive officers are located outside of the United States, you may be unable to enforce against them judgments obtained in the U.S. courts. Moreover, in light of decisions of the U.S. Supreme Court, actions of the Issuers and the Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States.

The United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with France or Luxembourg. There is, therefore, doubt as to the enforceability in France or Luxembourg of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in France or Luxembourg. In addition, the enforcement in France or Luxembourg of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a French or Luxembourg court would have the requisite power or authority to grant remedies sought in an original action brought in France or Luxembourg on the basis of U.S. securities laws violations.

***Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.***

One or more independent credit rating agencies may assign credit ratings to each of the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the relevant Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the relevant Notes.

***Transfer of the Notes is restricted, which may adversely affect the value of the Notes.***

Because the Notes and their respective Guarantees have not been, will not be, and are not required to be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction, they may not be offered or sold in the United States except to qualified institutional buyers in accordance with Rule 144A, to non-U.S. persons in offshore transactions in accordance with Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. It is the obligation of investors in the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes, respectively, to ensure that all offers and sales of such Notes, respectively, within the United States and other countries comply with applicable securities laws.

***If the Notes are redeemed early, an investor may not be able to reinvest such proceeds in a comparable security.***

In the event that the Notes are redeemed early in accordance with the relevant Indenture, and depending on prevailing market conditions at the time, an investor who receives proceeds due to such an early redemption may not be able to reinvest such proceeds in a comparable security at an effective interest rate as high as that carried by the Notes.

***The Notes are initially held in book-entry form and therefore each of their respective investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.***

The Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes were issued in global certificated form and held through Euroclear and Clearstream.

Interests in the global notes trade in book-entry form only, and the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes, respectively, in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests are not considered owners or holders of such Notes. The common depositary, or its nominee, for Euroclear and Clearstream is the sole registered holder of the global notes representing the relevant Notes. Payments of principal, interest and other amounts owed on or in respect of the Global Notes representing the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes, respectively, will be made to the Principal Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the Senior Secured Notes and the Senior Notes, respectively, representing the Global Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, each of the respective Issuers will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if investors own a book-entry interest, they must rely on the procedures of Euroclear and Clearstream, and if investors are not participants in Euroclear and Clearstream, they must rely on the procedures of the participant through which they own their interest, to exercise any rights and obligations of a holder of Senior Secured Notes or Senior Notes, respectively, under the relevant Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon the relevant Issuer's solicitations for consents, requests for waivers or other actions from holders of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes. Instead, if an investor owns a book-entry interest, it will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable such investor to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indentures, unless and until definitive registered Notes are issued in respect of all book-entry interests, if investors own book-entry interests, they will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes.

***Investors' rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.***

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. For instance, the liens on the relevant Collateral may not be perfected with respect to the claims of the relevant Notes if we or the relevant Security Agent fails or is unable to take the actions required to be taken to perfect any of these liens. In this regard, it should be noted that the relevant Security Agent shall have no obligation to take any actions required to be taken to perfect any of these liens. Such failure may result in the invalidity of the security interest in the Collateral securing the relevant Notes or adversely affect the priority of such security interest in favor of the relevant Notes against third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, only be perfected at or promptly following the time such property and rights are acquired and identified. The relevant Security Agent has no obligation to monitor the acquisition of additional property or rights that constitute Collateral or the perfection of any security interest therein. Such failure may result in the loss of the security interest in the Collateral or the priority of the security interest in favor of the relevant Notes against third parties. To the extent that the security interests created by the relevant Security Documents with respect to any Collateral are not perfected, the relevant Security Agent's rights will be equal to the rights of general unsecured creditors in the event of a liquidation, foreclosure, bankruptcy, reorganization or similar proceeding.

***The insolvency and administrative laws of Luxembourg and France, as the case may be, may not be favorable to creditors, including investors in the Notes, and may limit your ability to enforce your rights under the Notes, the Guarantees or the security interests in the Collateral.***

The Fixed Rate SSNs were issued by a *société par actions simplifiée* incorporated under the laws of France, and are guaranteed by Guarantors incorporated under the laws of France and Luxembourg. The Floating Rate SSNs were issued by a *société anonyme* incorporated under the laws of Luxembourg, and are guaranteed by Guarantors incorporated under the laws of France and Luxembourg. The Senior Notes were issued by a *société anonyme* incorporated under the laws of Luxembourg and are guaranteed by Guarantors incorporated under the laws of Luxembourg. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in France, Luxembourg and the United States, as applicable. Proceedings could also be initiated in Luxembourg and France, as applicable, to enforce the rights of the holders of the relevant Notes against the relevant Collateral located in those jurisdictions. Such multijurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. There can also be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of the relevant Guarantors' jurisdictions of organization may be materially different from, or in conflict with, those of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the relevant Guarantees and Collateral in those jurisdictions or limit any amounts that you may receive.

Furthermore, the current applicable insolvency and administrative laws of Luxembourg and France may change in the future. The content and the effect of any such changes in law cannot be predicted, may not be favorable to holders of the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes, and may adversely affect the situation of such holders.

Finally, pursuant to EU Council Regulation No. 2015/848 (the "EU Insolvency Regulation"), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the Member State (other than Denmark) where the company has its "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation).

There is a presumption under Article 3(1) of EU Council Regulation No. 2015/848 that a company has its center of main interests in the Member State in which it has its registered office in the absence of proof to the contrary and only if the registered office has not been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings.

Article 3(1) of the EU Insolvency Regulation provides that the presumption shall only apply if the registered office has not been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings. Preamble 30 of the EU Insolvency Regulation clarifies that the relevant court of a Member State should carefully assess whether the center of the debtor's main interests is genuinely located in that Member State and that it should be possible to rebut this presumption where the company's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the debtor's actual center of management and supervision and of the management of its interests is located in that other Member State.

Therefore, to the extent that the "center of main interests" of the relevant Issuer or a Guarantor is deemed to be in France or Luxembourg, courts of France or Luxembourg may have jurisdiction over the insolvency proceedings of the relevant Issuer (or a French guarantor or a guarantor incorporated in the Grand Duchy of Luxembourg).

On December 7, 2022, a proposal for a Directive of the European Parliament and of the Council on harmonizing certain aspects of insolvency law was published by the European Commission. If the Directive were to be adopted in its currently proposed form, this could have significant impacts on the national law in France and Luxembourg. The discussion below does not reflect potential changes by the proposed Directive.



## France

Set forth below is a summary of certain limitations on the enforceability of the Guarantee of Lion Polaris II and Picard Groupe and the security interests of assets in France and a summary of certain insolvency law considerations in France. This is a summary only, and bankruptcy, insolvency or similar proceedings could be initiated in France or in the jurisdiction of organization of a future guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the Guarantees and the security interests on the Collateral.

Many of the Picard Group companies, including the Fixed Rate SSN Issuer, Picard Surgelés and Lion Polaris II are organized in France, have their registered office in France, and, consequently, to the extent that their respective center of main interests ("COMI"), within the meaning of Regulation 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast), and/or main center of interest within the meaning of article R. 600-1 of the French Commercial Code, are in France, they could be subject to French pre-insolvency and insolvency proceedings that may affect creditors, including court-assisted pre-insolvency proceedings (*mandat ad hoc* proceedings (*procédure de mandat ad hoc*) or conciliation proceedings (*procédure de conciliation*)), and court-controlled insolvency proceedings (safeguard proceedings (*procédure de sauvegarde*), accelerated safeguard proceedings (*procédure de sauvegarde accélérée*), and judicial reorganization or judicial liquidation proceedings (*procédure de redressement* or *liquidation judiciaire*)). In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit the ability of holders of the relevant Notes to enforce their rights under the relevant Notes.

Pursuant to Article L. 721-8 of the French Commercial Code, specialized commercial courts exist for (i) insolvency proceedings (and for conciliation proceedings as the case may be) with respect to debtors that meet or exceed the following thresholds (on a stand-alone basis or together with companies under their control): (y) €20 million in turnover and 250 employees or (z) €40 million in turnover; (ii) (x) main insolvency proceedings commenced with respect to a debtor which has an establishment located in another Member State within the meaning of the EU Insolvency Regulation, (y) secondary or territorial insolvency proceedings within the meaning of the EU Insolvency Regulation and (z) specific matters in the case where secondary insolvency proceedings would not have been commenced but main insolvency proceedings have been commenced in another Member State; or (iii) insolvency proceedings, in cases where the EU Insolvency Regulation does not apply, with respect to debtors having their center of main interests within the jurisdiction of such specialized courts (international jurisdiction of the courts).

Annex A of the EU Insolvency Regulation lists safeguard, accelerated safeguard, judicial reorganization and judicial liquidation proceedings as insolvency proceedings within the meaning of the EU Insolvency Regulation. Any company of the Group having its COMI in France would be subject to French main insolvency proceedings within the meaning of the EU Insolvency Regulation and any company of the Group having an establishment in France and its COMI in another Member State (other than Denmark) could be subject to French secondary insolvency proceedings within the meaning of the EU Insolvency Regulation.

In addition, pursuant to the EU Insolvency Regulation, the French court that commences insolvency proceedings with respect to the member of a corporate group has sole jurisdiction over all the other members of the group, if the French court finds that the COMI of those members is located in France (subject to specific detention/control thresholds and French courts having international jurisdiction with respect to such entities, in accordance with the rules outlined above); accordingly, a court can supervise the insolvency proceedings of the whole group and may, for this purpose, appoint the same judicial administrator (*administrateur judiciaire*) and creditors' representative (*mandataire judiciaire*) for all proceedings in respect of members of the group.

The following is a general discussion of insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the relevant Notes.

French insolvency law was substantially amended by the following:

- Ordinance No. 2021-1193 dated September 15, 2021 amending Book VI of the French Commercial Code (*Ordonnance n°2021-1193 du 15 septembre 2021 portant modification du Livre VI du Code de commerce*) applicable to court-assisted pre-insolvency proceedings and court-controlled insolvency proceedings, which transposed the EU Restructuring Directive No. 2019/1023 into French law and was adopted pursuant to Article 196 of the French Law No. 2019-486 dated May 22, 2019 (*Loi Pacte*) granting the French government twenty-four months to enact appropriate measures through ordinances for the transposition of the EU Restructuring Directive; Article 14 of the French Law No. 2020-290 dated March 23, 2020 extended by four months the period of time during which the French government is entitled to enact the said measure through ordinance; it being noted that the French government has not requested any extension of the deadline to transpose the EU Restructuring Directive, which was set to July 17, 2021 . This ordinance has been completed by the Decree No. 2021-1218 dated 23 September 2021 amending Book VI of the French Commercial Code (*Décret n°2021-1218 du 23 septembre 2021 portant modification du Livre VI du code de commerce*). The provisions provided for in this Ordinance entered into force on October 1, 2021 and did not apply to ongoing insolvency proceedings on the day of its entry into force (subject to certain exceptions); and
- Ordinance No. 2021-1192 dated September 15, 2021 reforming of the law of security interests (*Ordonnance n° 2021-1192 du 15 septembre 2021 portant réforme du droit des sûretés*): this ordinance initially had to be implemented before May 23, 2021, pursuant to Article 60, I, of the Loi Pacte; this initial twenty-four month period of time provided for in the Loi Pacte for such ordinance to be implemented has been extended by four months pursuant to Article 14 of the French Law No. 2020-290 dated March 23, 2020.

### **Temporary measures in the context of the COVID-19 pandemic**

Following the COVID-19 pandemic, Article 13 of Law No. 2021-689 dated May 31, 2021 in force as from June 2, 2021, introduced a new insolvency procedure called “crisis exit treatment proceedings” (*procédure de traitement de sortie de crise*) which was available until June 2, 2023 and, pursuant to the provisions of Law No. 2023-1059 dated November 20, 2023, has been extended until November 21, 2025. These proceedings may only be initiated by the debtor itself provided that it meets the following cumulative conditions:

- no more than 20 employees and total liabilities, excluding shareholders’ equity, of less than three million euros;
- while being insolvent (*en état de cessation des paiements*), still having funds to pay the wages;
- having accounts that appear to be regular, sincere and giving a fair view of its financial situation; and
- justifying being capable of establishing a reorganization plan to secure the survival of the company as a going concern within three months of the opening of the proceedings.

Crisis exit treatment proceedings mainly follow, in a simplified form, the rules governing judicial reorganization proceedings detailed below. Noticeable differences include the duration of the observation period which is only three months, the appointment of a single court-appointed trustee (*mandataire designé*) and, in the event a reorganization plan has been endorsed by the statutory deadline, the minimum annual instalment paid under the reorganization plan from the third year onwards is set to 8% of the admitted liabilities (and not 5% as in safeguard or regular reorganization plans; see “—*The observation period and its outcome*”).

Absent any likelihood of endorsement (or actual endorsement) of the reorganization plan within the statutory three-month deadline, the court may terminate the proceedings at the request of the debtor company, the court-appointed trustee (*mandataire designé*) or the Public Prosecutor, as the case may be, and open judicial reorganization or judicial liquidation proceedings in respect of the debtor at either one’s request.

## **Insolvency (*cessation des paiements*) under French law**

Under French law, a company is deemed to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts (*passif exigible*) with its immediately available assets (*actif disponible*) taking into account available credit lines, existing debt rescheduling agreements and moratoria. The date of insolvency (*date de l'état de cessation des paiements*) is generally deemed to be the date of the court ruling commencing the judicial reorganization or judicial liquidation proceedings, unless the court sets an earlier date, which may be carried back up to 18 months before the date of such court ruling. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that sanctioned an agreement (*homologation*) in the context of conciliation proceedings. The date of insolvency marks the beginning of the hardening period (see “—The “*hardening period*” (*période suspecte*) in judicial reorganization and liquidation proceedings” below).

## **Grace periods (*délais de grâce*)**

In addition to insolvency laws discussed below, the holders of the Notes as our creditors could also be subject to Article 1343-5 et seq. of the French Civil Code.

Pursuant to the provisions of this Article, French courts may, in any civil or commercial proceeding involving the debtor, taking into account the debtor's financial position and the creditor's needs, (i) defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations that are due, (ii) decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the prevailing legal rate as published semi-annually by decree) or (iii) decide that payments made shall first be allocated to repayment of principal. A court order made under Article 1343-5 of the French Civil Code will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by the relevant court.

When the debtor benefits from the opening of *conciliation* proceedings, these provisions shall be read in combination with Article L 611-7 of the French Commercial Code, which have been strengthened by the Ordinance No. 2021-1193 dated September 15, 2021 amending Book VI of the French Commercial Code (see “—*Conciliation proceedings*” below).

## **Warning procedure (*procédure d'alerte*)**

In order to anticipate a debtor's difficulties to the extent possible, French law provides for warning procedures, which take place in stages. Indeed, if a company is incorporated as a *société par actions simplifiée*, when there are elements which they believe put the company's existence as a going concern in jeopardy, the statutory auditor of the company can request the director (*dirigeant*) to provide an explanation for the situation. Upon receipt of the response, or in the absence of a response within fifteen days, the statutory auditor informs the President of the relevant commercial court of the warning procedure and may also request to be heard by the said President on the matter (Stage 1 of the warning procedure).

Failing a response from the director, or if the statutory auditor considers that despite any corrective measures the company's existence as a going concern is still in jeopardy, the statutory auditor prepares a special report on the state of the company and requests in writing (with a copy to the President of the relevant commercial court) the director to convene a shareholders' meeting which will deliberate on the situation (Stage 2 of the warning procedure). If the statutory auditor considers that decisions made by the shareholders during the shareholders' meeting do not ensure the company's existence as a going concern, he or she must inform the President of the relevant commercial court of the warning procedure and may also request to be heard by the said President on the matter (Stage 3 of the warning procedure).

As regards companies that are incorporated as *sociétés anonymes*, similar warning procedures exist even if the practical details differ slightly.

Shareholders representing at least 5% of the share capital and the social and economic committee (or, in their absence, the employees' representatives) have similar rights.

The statutory auditor may also request to be heard, at any time, alongside the management, by the president of the relevant commercial court.

The President of the commercial court can also himself summon the management to provide explanations on elements which the President of the court believes put the company's existence as a going concern in jeopardy (or when the company has not filed its financial statements within the statutory timeframe, despite his injunction). In this case, the President of the court can also request any useful information to clarify the economic and financial situation of the said company as soon as the management is summoned to the preliminary meeting (*entretien*), and without waiting for this preliminary meeting to be held.

Eventually, if the statutory auditor considers that the state of the relevant company requires immediate action, and determines that the director is refusing to take such action or is taking insufficient measures, he/she may inform the president of the relevant commercial court concurrently with his or her initial report made to the director, the chairman of the board of directors (*conseil d'administration*) or of the supervisory board (*conseil de surveillance*), as the case may be.

In such case, the statutory auditor may communicate by any means and without delay to the President of the court his or her findings and proceedings and may produce copies of any relevant documents and/or any useful information to clarify the economic and financial situation of the said company.

In such a case, the statutory auditor, by any means and without delay, shall communicate their findings and actions to the president of the commercial court, and may provide copies of any relevant documents and explain the reasons for which they considered that the actions of management were insufficient. They can also provide the president of the court, on their own initiative or upon request, with any additional element to help understand the economic and financial situation of the company.

This exceptional warning procedure does not preclude the application of the ordinary warning procedure led by the statutory auditor detailed above.

### **Court-assisted pre-insolvency proceedings**

Pre-insolvency proceedings may only be initiated by the debtor company itself, in its sole discretion; provided that it experiences or anticipates legal, economic or financial difficulties:

- (i) while not being in a state of *cessation des paiements* in case of *mandat ad hoc* or conciliation proceedings, or
- (ii) while not being in a state of *cessation des paiements* for more than 45 days in case of conciliation proceedings only.

*Mandat ad hoc* and conciliation proceedings are informal and confidential by law (subject to the details below as regards conciliation proceedings) proceedings carried out under the supervision of the President of the court. The President of the competent court will appoint a trustee (as the case may be, a *mandataire ad hoc* or a *conciliateur*) in order to help the debtor company in reaching an agreement with its main creditors and stakeholders, in particular by reducing or rescheduling its indebtedness. The debtor may propose, in the filing for the commencement of the proceedings, the appointment of a particular person as trustee. Such proceedings are non-binding since the court-appointed trustee has no power to force the parties to accept an agreement and the dissenting creditors will not be bound by the arrangement, if any. Creditors are not barred from taking legal action against the company to recover their claims, but, in practice, they generally abstain from doing so.

*Mandat ad hoc* and conciliation proceedings may also be used at the request of the debtor and after the opinion of the participating creditors has been sought to prepare the sale of all or part of the business of the debtor with a view to implement such sale, in particular through a "plan for the disposal of the business" (i.e., prepack disposal plan), including through subsequent court-controlled insolvency proceedings. Provided that they comply with certain requirements, any offers received in this context by the *mandataire ad hoc* or the *conciliateur* may be directly considered by the court in the context of safeguard, reorganization or liquidation proceedings. To ensure transparency,

the Public Prosecutor must be consulted on any offer formalized in the context of such *mandat ad hoc* or conciliation proceedings.

Contractual provisions modifying the terms of an outstanding contract, by diminishing the rights or increasing the obligations of the debtor solely by reason of the appointment of a *mandataire ad hoc* or the opening of conciliation proceedings, or any request made to this end, are deemed null and void.

Equally, contractual provisions that would, as the sole result of the appointment of a *mandataire ad hoc* or the opening of conciliation proceedings, make the debtor bear the fees of the creditor's counsel relating to such proceedings for the portion that would exceed three quarters of the total fee of the relevant counsel, are null and void.

### **Mandat ad hoc proceedings**

*Mandat ad hoc* may only be initiated by a debtor company itself, in its sole direction. In practice, *mandat ad hoc* proceedings are used by debtors that are facing or anticipating difficulties of any type, but are not insolvent (*en état de cessation des paiements*) within the meaning of French law. There is no time limit for the duration of *mandat ad hoc* proceedings. The agreement reached by the parties (if any) can be reported to the President of the court but, unlike in conciliation proceedings, French law does not provide for any sanction by the court or recognition by the President of the court with the related specific consequences. This restructuring agreement between the debtor and its main creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part to the negotiations cannot be bound by the arrangement. The *mandataire ad hoc* is appointed in order to facilitate negotiations with creditors but cannot coerce the latter into accepting any proposal. Such proceedings are confidential (save for their disclosure for statutory auditors, if any).

In any event, the debtor retains the right to petition the court for a grace period as set forth in Article 1343-5 et seq. of the French Civil Code.

### **Conciliation proceedings**

Conciliation proceedings are available to debtors that face current or foreseeable difficulties of a legal, economic or financial nature but that are not insolvent (*en état de cessation des paiements*) within the meaning of French law or have not been insolvent for more than 45 calendar days. The debtor petitions the President of the relevant court for the appointment of a "conciliator" (whose name the debtor can suggest) in charge of assisting the debtor in negotiating with all or part of its creditors and/or stakeholders an agreement, that puts an end to its difficulties, providing, for example, for the restructuring of its indebtedness. Conciliation proceedings may last up to five months. After an initial period of a maximum of four months, upon request of the conciliator, the court may extend the conciliation period up to a maximum aggregate period of five months. Such proceedings are confidential (save for their disclosure for statutory auditors, if any). During the proceedings, creditors may continue to sue individually for payment of their claims but they usually in practice accept not to do so. In addition, pursuant to Article L. 611-7 of the French Commercial Code, the debtor retains the right to petition the President of the commercial court for a grace period under Article 1343-5 of the French Civil Code.

The judge having opened conciliation proceedings (i) may grant a grace period even when the formal notice asking the debtor to pay was sent or the legal action was initiated before conciliation proceedings commenced (and not only during conciliation proceedings), (ii) may grant a grace period if the creditor did not accept, within the time limit determined by the conciliator, to stay the payment of its claim (*standstill*); it being specified that, in this case, the judge can defer or reschedule the payment of undue claims (*créances non échues*) only over the duration of the conciliation (*i.e.*, five months maximum), and (iii) may grant a grace period during the implementation of the conciliation agreement (and not only during conciliation proceedings) (see below).

If an agreement is reached among the parties in the context of *conciliation* proceedings while the agreement is in force (i) any individual proceedings by creditors with respect to the claims included in the rescheduling agreement are suspended, (ii) accrued interest of the claims governed by the restructuring agreement cannot bear themselves interest (notwithstanding Article 1343-2 of the French Civil Code) and (iii) the debtor retains the right to petition the President of the court who opened conciliation proceedings for a grace period (pursuant to Article 1343-5 of the French

Civil Code mentioned above) in relation to claims of non-consenting creditors (other than public creditors) who were called to the conciliation. Joint debtors, personal guarantors, or any third party that granted a security interest can benefit from the grace periods granted to the debtor during conciliation proceedings as well as from the provisions of the sanctioned or acknowledged agreement (as described below).

The agreement may be either acknowledged (*constaté*) by the President of the court at all parties' request or, at the request of the debtor (and provided that certain conditions are satisfied, *i.e.* that (i) the debtor is not in *cessation des paiements* or the conciliation agreement puts an end to such *cessation des paiements*, (ii) the agreement does not infringe upon the rights of the non-signatory creditors and (iii) it effectively ensures that the company will survive as a going concern), sanctioned (*homologué*) by the court. In each case, the debtor must file the request by the end of the five-month period even though the hearing can take place afterwards, in which case the conciliation period will be extended until the decision of the president of the court or the court itself.

While acknowledgement (*constat*) of the agreement by the President of the court does not entail any specific consequences, other than to render the agreement immediately enforceable and binding upon the parties thereto (in particular, performance of the conciliation agreement bars any action by the creditors party thereto against the debtor to obtain payment of claims governed by the conciliation agreement), sanction (*homologation*) by the court has the following consequences:

- the judgment will make the conciliation proceedings public (however, disclosure only of the existence of the conciliation proceedings and not of the content of the conciliation agreement except the guarantees, privileges and, as the case may be, the amount of “new money”, as provided for in the agreement and except *vis-à-vis* the social and economic committee or employee representatives that are informed of the content of the conciliation agreement and may have access to the full conciliation agreement at the clerk's office (*greffe*) of the court);
- when the debtor is submitted to statutory auditing, the conciliation agreement is communicated to its statutory auditors;
- persons who, as part of the sanctioned agreement or during the course of the conciliation proceedings, provide new money or new goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity) will enjoy priority of payment over all pre-petition and post-petition claims (other than certain pre-petition employment claims and post-petition procedural costs), in the event of subsequent safeguard proceedings, accelerated safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings (the “New Money Lien”);
- in the event of subsequent safeguard, accelerated safeguard, judicial reorganization or liquidation proceedings, the payment date of claims benefiting from the New Money Lien may not be rescheduled and these claims may not be written off by the court, not even through a cram-down or a cross-class cram-down (in the event that classes of affected parties are formed), without their holders' consent; and
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* (and therefore the starting date of the “hardening period” as defined below) cannot be determined by the court to be at a date earlier than the date of the sanction of the agreement by the court, except in case of fraud.

Whether the conciliation agreement is acknowledged (*constaté*) or sanctioned (*homologué*), the court may, at the request of the debtor, appoint the *conciliateur* to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution.

In case of breach of the conciliation agreement, whether acknowledged (*constaté*) or sanctioned (*homologué*), any party thereto can petition the president of the court or the court for its rescission (*résolution*). The rescission of the conciliation agreement does not affect the provisions provided for in the conciliation agreement intended to

organize the consequences of such rescission. If such rescission is granted, grace periods granted in relation to the conciliation proceedings may also be revoked.

However, provided that the conciliation agreement's terms are complied with, any individual proceeding initiated by any creditor for the payment of claims covered by the conciliation agreement are suspended and/or prohibited. The commencement of subsequent insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims and security interests, to the exception of those amounts already paid to them. In any event, the debtor retains the right to petition for a grace period pursuant to Article 1343-5 of the French Civil Code.

Conciliation proceedings, in the context of which a draft plan has been negotiated and is sufficiently and broadly supported by the affected parties, will be a mandatory preliminary step of the accelerated safeguard as described below.

At the request of the debtor and after the creditors taking part in the proceedings have been consulted on the matter, *mandat ad hoc* and conciliation proceedings may also be used to organize the partial or total sale of the debtor, in particular through a plan for the sale of the business (*plan de cession*) that could be implemented in the context of subsequent safeguard, judicial reorganization or liquidation proceedings. Provided that they comply with certain requirements, any offers received in this context by the *mandataire ad hoc* or the *conciliateur* may be directly considered by the court in the context of safeguard, judicial reorganization or judicial liquidation proceedings after consultation of the Public Prosecutor.

Where the maximum time period allotted to pre-insolvency proceedings expires without an agreement being reached, the proceedings will end. The termination of such proceedings does not in itself entail any specific legal consequences for the debtor, in particular it does not result in the automatic commencement of insolvency proceedings. New conciliation proceedings cannot be commenced before three months have elapsed as from the end of the previous ones.

### **Court-controlled insolvency proceedings**

The following French insolvency proceedings may be initiated by or against (except for safeguard proceedings) a company in France:

- safeguard proceedings (*procédure de sauvegarde*) or accelerated safeguard proceedings (*procédure de sauvegarde accélérée*), upon petition by the debtor only if, while not being in a state of *cessation des paiements* (or for accelerated safeguard, if in *cessation des paiements* for less than 45 days when it initially requested the opening of conciliation proceedings), it is facing difficulties which it cannot overcome. The conditions for opening accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) are described below;
- judicial reorganization (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings upon petition by the debtor, any creditor or the Public Prosecutor if such company is in *cessation des paiements*. Judicial reorganization proceedings are available to companies whose recovery prospects are possible while judicial liquidation proceedings are available to companies whose recovery is manifestly impossible.

While a company may file for safeguard proceedings at any time it is facing insurmountable difficulties, it is required to petition for the opening of judicial reorganization or judicial liquidation proceedings within 45 days of becoming unable to pay its due debt out of its available assets. If it does not, and has not petitioned the relevant court for the opening of such proceedings or is not in conciliation proceedings, directors and, as the case may be, *de facto* managers of the company, are subject to civil liability.

New insolvency proceedings entitled “crisis exit treatment proceedings” (*procédure de traitement de sortie de crise*), which are essentially a simplified and expeditious version of judicial reorganization proceedings (whose intended outcome is only a reorganization plan), were introduced for two years by French statute No. 2021- 689 dated

May 31, 2021, and extended until November 21, 2025, pursuant to the provisions of Law No. 2023-1059 dated November 20, 2023 (see “—Temporary measures in the context of the COVID-19 pandemic” above).

### **The observation period and its outcome**

The period from the date of the court decision commencing the insolvency proceedings until the date on which the court makes a decision on the outcome of the proceedings is called the observation period (*période d’observation*) and may last up to:

- twelve months (six months by the court decision opening the proceedings with six additional months if requested by the judicial administrator, the debtor or the Public Prosecutor) under safeguard proceedings; and
- eighteen months (exceptional extension of six additional months at the request of the Public Prosecutor only) under judicial reorganization proceedings.

During the observation period, the judicial administrator (*administrateur judiciaire*), who is a court-appointed trustee, and whose name can be suggested by the debtor, investigates the business of the company.

In safeguard proceedings, the judicial administrator’s mission is limited to either supervising the debtor’s management (*mission de surveillance*) or primarily assisting it in preparing a safeguard plan for the company (*mission d’assistance*). In judicial reorganization proceedings, the judicial administrator’s mission is usually to assist the management and to make proposals for the reorganization of the company, which proposals may include a reorganization plan (equivalent to a safeguard plan) and/or the sale of all or part of the company’s business to a third party. In judicial reorganization proceedings, the court may also decide that the judicial administrator will manage the company alone by replacing the debtor’s management (*mission d’administration*).

At the end of the observation period, if it concludes that the company can survive as a going concern, the court will adopt a safeguard or a reorganization plan, which will essentially provide for a restructuring and/or rescheduling of debts which may only entail the partial divestiture of assets rather than the entire business, to a third party (a sale of the entire business is not possible in a safeguard plan). Unlike in safeguard proceedings, at the end of the observation period of judicial reorganization proceedings and, alternatively to a reorganization plan, the court may determine that all or part of the business should be sold to purchasers who have submitted bids.

Judicial liquidation proceedings entail the relief of the debtor of the management and there is no observation period in such proceedings. The outcome of liquidation proceedings, which is decided by the court without a vote of the creditors, may be a sale of the business and/or isolated sales of the debtor’s assets in order to discharge the debtor’s liabilities. Where a sale of the business (partial or not) is contemplated, the court may authorize a temporary continuation of the business for a maximum period of three months (renewable once for a period of three months at the Public Prosecutor’s request) whose effects are similar to an observation period.

If, after commencement of the safeguard proceedings, it appears that the debtor was insolvent (*en état de cessation des paiements*) before their commencement, at the request of the debtor, the judicial administrator, the creditors’ representative (*mandataire judiciaire*) or the Public Prosecutor but, in any event, after having heard the debtor, the court may convert the safeguard proceedings into judicial reorganization proceedings or judicial liquidation proceedings depending on the circumstances (*see above*).

At any time during the observation period, the court may convert the safeguard proceedings into judicial reorganization proceedings upon its own initiative or at the request of either of the debtor, the judicial administrator, the creditors’ representative or the Public Prosecutor, if the debtor enters into *cessation des paiements*.

In addition, where no safeguard plan has been adopted by the creditors (pursuant to Article L.626-30-2 of the French Commercial Code), the court may also convert the safeguard proceedings into judicial reorganization proceedings upon request of the debtor, the judicial administrator, the creditors’ representative or the Public Prosecutor if the approval of the safeguard plan is obviously impossible and if the company would become in *cessation des paiements* should safeguard proceedings be closed.



At any time during the observation period, the court can order the liquidation of the company if the debtor is in *cessation des paiements* and its rescue has become manifestly impossible. At least one scholar has raised the question of whether, further to the decisions of the French Constitutional Court of December 7, 2012 (n°2012-286 QPC) and March 7, 2014 (n°2013-368 QPC), the constitutionality of the conversion of a safeguard into judicial reorganization or judicial liquidation proceedings, when it is decided at the court's own initiative, could be challenged.

The court's decision is only made after having heard the debtor, the judicial administrator, the creditors' representative, creditors appointed as controllers (if any), the Public Prosecutor and the employees' representatives (if any).

As soon as safeguard proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

If the court adopts a safeguard plan, a reorganization plan or a plan for the sale of the business, it can set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

### **The judicial restructuring privilege**

As an incentive for providing new money to debtors facing safeguard, accelerated safeguard, judicial reorganization or judicial liquidation (in case of temporary continuation of the business) proceedings, creditors benefit from a privilege which has been consecrated by Ordinance No. 2021-1193 dated September 15, 2021 (the "Judicial Restructuring Privilege"):

- The Judicial Restructuring Privilege is distinct from the existing statutory preference enjoyed by financing granted, with the approval of the insolvency judge (*juge-commissaire*), after commencement of the proceedings, for the needs of the proceedings or of the observation period;
- The Judicial Restructuring Privilege applies to new cash contributions made to the debtor, with the exception of those made by (x) shareholders, through a share capital increase, and (y) creditors, prior to opening of the proceedings (*conours antérieurs*), by any person:
  - (a) during the observation period in safeguard and judicial reorganization proceedings or the temporary continuation of the business operations in judicial liquidation proceedings, in order to ensure the continuity of the debtor's business during this period, in which case such cash contributions must be authorized by the insolvency judge, or
  - (b) for the implementation of the safeguard or reorganization plan, *i.e.*, within the plan as approved or modified by the court, and for the purposes of its execution, it being specified that the judgment must identify claims benefiting from the Judicial Restructuring Privilege;
- Claims benefiting from the Judicial Restructuring Privilege enjoy a priority of payment over pre-commencement and post-commencement claims except with respect to (i) employees' super-privileged claims (*créances salariales super privilégiées*), (ii) procedural costs incurred after the opening judgment for the needs of the proceedings, (iii) the New Money Lien, (iv) pre-petition claims secured by security interest over real estate assets (in judicial liquidation proceedings only), and (v) post-petition wages claims not advanced by the French wages guarantee fund, in the ongoing or subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings;
- Claims benefiting from the Judicial Restructuring Privilege enjoy a privileged treatment under subsequent judicial liquidation proceedings; and
- Claims benefiting from the Judicial Restructuring Privilege may not be termed-out or written-off without the consent of the relevant creditors in case of subsequent insolvency proceedings, not even through a cram-down or a cross-class cram-down (in the event that classes of affected parties are formed).

## Constitution of classes of affected parties

Classes of affected parties have to be established during the observation period, with respect to large companies (i.e. (i) with at least 250 employees and a net turnover of at least €20 million, or (ii) a net turnover of at least €40 million, as at the commencement date). In the event a debtor does not reach the thresholds mentioned above, the insolvency judge can authorize the constitution of affected parties for smaller companies (i) in case of safeguard proceedings, at the request of the debtor, and (ii) in case of judicial reorganization proceedings, at the request of the debtor and/or the judicial administrator. The thresholds mentioned above can be considered at the group level where applicable (i.e. with other entities that the debtor holds or controls, within the meaning of Articles L. 233-1 and L. 233-3 of the French Commercial Code).

Only affected parties have a right to vote on the adoption of the plan. Parties whose claims are left untouched by the plan have no voting rights.

Affected parties are defined as follows:

- (i) creditors, whose rights are directly affected by the draft plan, and
- (ii) the “Equity Holders”, if their shareholding, the articles of association or their rights are modified by the draft plan (i.e., the shareholders, as members of the general meeting or the extraordinary general meeting, the members of the special meetings provided for in Article L. 225-99 of the French Commercial Code gathering holders of a specified class of shares (*titulaires d’actions d’une catégorie déterminée*), the members of the special meetings provided for in Article L. 228-35-6 of the French Commercial Code gathering holders of non-voting preferred shares (*titulaires d’actions à dividende prioritaire sans droit de vote*), and the members of the general meetings provided for in Article L. 228-103 of the French Commercial Code gathering holders of securities giving rights to the capital (*titulaires de valeurs mobilières donnant accès à terme au capital*)).

However, pursuant to Orpea case law (Appeal Court of Versailles, 22 June 2023, no 23/03276), holders of bonds which can be converted, exchanged or redeemed in shares are to be considered primarily as creditors, and are therefore not Equity Holders. This remains to be confirmed by the French Supreme Court and/or an amendment to the law.

In addition, employees’ claims pursuant to an employment contract (*contrat de travail*), pension rights (*droits à pension*), and maintenance claims (*créances alimentaires*) cannot be affected by the plan. Regarding affected parties benefiting from a trust agreement (*fiducie*) granted by the debtor, only the unsecured amounts of their claims are taken into account and given rights (although certain scholars have evoked the risk that the full amount of the claims of the trust beneficiary might be taken into account when the said security trust provides for a usage arrangement (*convention de mise à disposition*)).

The judicial administrator is in charge of the constitution of the classes of affected parties, on the basis of the claims and rights that arose prior to the judgment of the court commencing the proceedings, and ensuring that affected parties are treated in separate classes which reflect sufficient commonality of economic interest (*communauté d’intérêt économique suffisante*), based on objective verifiable criteria.

In addition, the constitution of classes of affected parties must comply with the following conditions:

- creditors benefiting from security interests over the debtor’s assets (i.e., rights *in rem*) (*sûretés réelles*) in order to secure their claims belong to a class of their own;
- the allocation of creditors into classes must take into account the subordination agreements entered into before the opening of the proceedings (it should however be noted that the safeguard plan of Casino Guichard-Perrachon, as endorsed by the Commercial Court of Paris in a ruling dated February 26, 2024 (No 2023063381) (i.e. a first instance ruling), provided for deviations from the provisions of the existing subordination agreement in the composition of the classes of affected parties and in its contents), if they have been communicated to the judicial administrator by the relevant affected parties within the required time period (otherwise, these subordination agreements are not enforceable under the proceedings); and

- Equity Holders are treated in one or several classes.

At least twenty-one days prior to the vote, the judicial administrator will notify each affected party regarding (i) the criteria used for the formation of the classes; (ii) the conditions of calculation of the voting rights within each class of affected parties; and (iii) the list of the classes. In case of disagreement, each affected party, the debtor, the Public Prosecutor, the creditors' representative and the judicial administrator may challenge the constitution of classes before the insolvency judge within ten days from the above-mentioned notification.

The right of an affected party to vote in a class is attached to its pre-petition claim and is assigned as a right alongside the claim itself notwithstanding any contradictory clause. The assignee of the claim will only be entitled to receive the debtor's proposals and to vote once the transfer has been communicated to the court-appointed administrator by a registered letter with acknowledgement of receipt. A creditor whose claim is extinguished or transferred is no longer deemed to be an affected party.

### **Adoption of the safeguard or reorganization plan**

In case of judicial reorganization proceedings, not only is the debtor entitled to present a draft plan but also any affected party. In this case, the relevant affected party must submit its own plan to the debtor and the judicial administrator no later than fifteen days before the date of the vote. However, such right is not provided for under safeguard proceedings.

The classes of affected parties will be consulted on the safeguard or reorganization plans drafted by the debtor's management together with the judicial administrators during the observation period, as well as, in the case of judicial reorganization proceedings only, the plan drafted by any affected party.

Each class of affected parties must vote within 20 to 30 days from the submission of the draft plan by the company (such time can be reduced or extended by the insolvency judge, at the request of the debtor or the judicial administrator, it being noted that it cannot last less than 15 days).

The approval of the draft plan requires the affirmative vote of the members of each class of affected parties holding at least two-thirds of votes held by the members of such class who expressed a vote. The Equity Holders vote in accordance with the provisions applicable to the various shareholders' meetings to which they belong and such vote shall replace the vote in such meetings. Finally, the vote can be replaced, in each class of affected parties, by an agreement with the requisite majority.

Following the approval by each class of affected parties, the plan has to be approved by the court.

In considering such approval, the court has to verify that the following conditions are met (pursuant to Article L. 626-31 of the French Commercial Code):

- the plan has been duly adopted by the classes of affected parties;
- affected parties who share a sufficient commonality of interest in the same class of affected parties are treated equally (*égalité de traitement*) and in a manner proportionate (*de manière proportionnelle*) to their claims or rights;
- the plan has been duly notified to all affected parties;
- where dissenting affected parties voted against the plan, the plan shall satisfy the best interest of creditors test: no dissenting creditor would be worse-off under the plan than it would be if (i) the ranking of liquidation priorities was applied, in the event of the sale of the asset following judicial liquidation proceedings (whether piecemeal or as a going concern), pursuant to Article L. 642-1 of the French Commercial Code, or (ii) in the event of a best alternative scenario (*meilleure solution alternative*) assuming that the plan would not have been confirmed; and
- when applicable, any new funding necessary to implement the plan does not excessively impair the interests (*atteinte excessive aux intérêts*) of the affected parties.

The court can refuse to approve a plan if the plan does not have a reasonable prospect of (i) avoiding the insolvency (*cessation des paiements*) of the debtor, or (ii) ensuring the viability of the business. The court must also verify that the interests of all affected parties are sufficiently protected.

Once approved by the court, the safeguard or reorganization plan becomes binding on all affected parties (including those who did not vote or voted against the adoption of the plan) and enforceable against third parties.

*Cross-class cram-down (application forcée inter-classes)*

In the event that at least one class of affected parties refuses to approve the plan, the plan can nevertheless be confirmed by the court upon request of (i) in case of safeguard proceedings, the debtor or the judicial administrator with the debtor's consent, and (ii) in case of judicial reorganization proceedings, the debtor, the judicial administrator with the debtor's consent or at least one affected party's consent.

The implementation of the cross-class cram-down mechanism is subject to the following conditions:

- the plan is consistent with the conditions provided for in Article L. 626-31 of the French Commercial Code;
- the plan has been approved by:
  - (a) a majority of the voting classes of affected parties, provided that at least one of these classes is a secured creditor class benefiting from rights *in rem* (*créanciers titulaires de sûretés réelles*) or is senior to the ordinary unsecured creditor class (*créanciers chirographaires*);or, failing that,
  - (b) at least one of the voting classes of affected parties, other than (i) any class of Equity Holders, or (ii) any other class which, upon a valuation of the debtor as a going concern (*entreprise en activité*) could be reasonably presumed not to receive any payment under the ranking applicable in judicial liquidation proceedings (that is to say: creditors "in the money" (*créanciers dans la monnaie*));
- the plan shall satisfy the absolute priority rule (*règle de priorité absolue*): the claims held by affected creditors in a dissenting class are satisfied in full by the same or equivalent means (*moyens identiques ou équivalents*) where a more junior class is entitled to receive any payment or keep any interest under the plan. However, upon request of the debtor or the judicial administrator (with the debtor's consent), some exceptions are provided for when (i) they are necessary in order to achieve the aims of the plan and when (ii) the plan does not unfairly prejudice the rights or interests of affected parties. Therefore, in this case, the court may decide that claims held by suppliers of goods or services, Equity Holders, or tort claims (*créances nées de la responsabilité délictuelle*) can benefit from a specific treatment; and
- no class of affected parties can, under the plan, receive or keep more than the full amount of its claims or interests.

Once the court approved the plan through the cross-class cram down mechanism, the plan becomes binding to all affected parties, including dissenting voting classes.

In addition, the adoption of the plan against the vote of the classes of Equity Holders through the cross-class cram-down mechanism is subject to the additional following conditions:

- the company (on a standalone basis or together with other entities which they hold or control, within the meaning of Articles L. 233-1 and L. 233-3 of the French Commercial Code) meets or exceeds the following thresholds: (i) 250 employees and €20 million of net turnover, or (ii) €40 million of net turnover;

- upon a valuation of the debtor as a going concern (*entreprise en activité*), it could be reasonably presumed that the dissenting classes of Equity Holders would not receive any payment, or keep any interest if the ranking applicable in judicial liquidation proceedings was applied (i.e., creditors “out of the money” (*créanciers hors de la monnaie*));
- if the draft plan provides for a capital increase subscribed by cash contribution (*augmentation de capital souscrite par apport en numéraire*): preferential subscription rights (*droit préférentiel de souscription*) shall be applied; and
- the plan does not provide for the transfer of all or part of the rights held by the dissenting classes of equity holders.

It is specified that the decision of the court approving the plan through the cross-class cram-down mechanism shall constitute an approval of the changes provided for in the plan and related to the shareholding, the rights held by Equity Holders or the articles of association.

#### *Legal recourse*

The court decision approving (*via* the cross-class cram-down mechanism or not) or rejecting the safeguard or reorganization plan may be appealed under specific circumstances.

In addition, dissenting affected parties can initiate legal recourse regarding the application of the best interest of creditors test and the condition related to creditors “in the money” or “out of the money” under specific circumstances. In this case, the court shall determine the value of the business (*valeur de l’entreprise*), if necessary, by ordering an expert report.

#### *Consultation of the creditors on an individual basis*

The consultation of the creditors on an individual basis (*consultation individuelle*) is applicable (i) in case of safeguard proceedings and reorganization proceedings, when the classes of affected parties are not constituted, and (ii) in case of reorganization proceedings, when the reorganization plan has not been approved (including *via* the cross-class cram-down). Classes of affected parties are not constituted if (i) the debtor does not exceed the thresholds, and (ii) there is no application for voluntary constitution of the classes of affected parties before the insolvency judge.

In this context, a safeguard or reorganization plan can be adopted during the observation period, in which case a consultation of the creditors on an individual basis will take place. The creditors will be asked whether they accept rescheduling, cancellation of debt and/or debt-for-equity swaps provided for in the draft plan. Where the consultation is in writing, the creditor is deemed to have accepted the debt rescheduling and/or write-offs proposal if he fails to respond within thirty days upon receipt of the creditors’ representative letter. However, in respect to debt-to-equity swap proposals, the creditors’ representative must obtain the agreement of each individual creditor in writing within this 30-day timeframe. In those circumstances, the court has the right to accept or reduce debt deferrals or write-offs with respect to the claims of creditors who have consented to such measures, but it may only impose uniform debt deferrals (with interest for debts with an initial maturity of more than one year) for a maximum period of ten years with respect to the claims of non-consenting creditors except for claims with maturity dates of more than ten years, in which case the maturity date shall remain the same. The court cannot impose debt write-offs or debt-to-equity swaps.

Following a court-imposed rescheduling, the first payment under the plan must be made within a year of the judgment approving the plan (from the third year included, the minimum annual instalment is 5% of each of the admitted liabilities and from the sixth year included, the minimum annual instalment is 10% of each of the admitted liabilities), it being noted, however, that if the contractual provisions relating to a debt claim provide that the principal amount of such debt claim is repayable in fine and its maturity date falls within the implementation period of the plan, the repayment of such principal amount only starts on the annual instalment date (as set out in the plan) following the original contractual maturity date of that debt claim and such debt rescheduling follows specific rules.

In case of judicial reorganization proceedings only, if equity capital of the debtor is lower than half of the share capital and has not been restored, the judicial administrator can request the court to appoint a court trustee (*mandataire*

*de justice*) to (i) convene the shareholders meeting and (ii) vote the share capital restoration in place of the opposing shareholders should the plan provide for a share capital modification to the benefit of one or several persons which made commitments to execute the plan.

In case of judicial reorganization proceedings only, the court may, upon request from the judicial administrator or the Public Prosecutor (and under certain procedural and substantial conditions), decide to squeeze out certain shareholders that have refused a modification of the share capital provided under a reorganization plan benefiting one or several persons who undertook to implement such plan, subject to the following cumulative conditions being met:

- the proceedings relate to a company with a minimum workforce of 150 employees or a dominant company (within the meaning of the French Labor Code) in a group with a minimum global workforce of 150 employees;
- the cessation of such company's activity may create a risk of serious trouble to the national or local economy and the employment area; and
- a modification of the share capital is the only serious option allowing the avoidance of such trouble and enabling the continuation of the business (after examination of the possibility of totally or partially selling the business).

Such squeeze out can take two different forms:

- a forced dilution of shareholders' rights as part of a capital increase, with an officer appointed by the court convening the shareholders' meeting and voting in lieu of the dissenting shareholders; or
- a forced sale, for the benefit of the persons who undertook to implement the reorganization plan, of the shares of shareholders holding the majority voting rights or a blocking minority and who refused the share capital modifications provided for under the reorganization plan; failing any agreement on the value of the transferred shares, this value shall be determined by an expert appointed by the President of the court.

#### *Specific case – Creditors that are public institutions*

Public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt remissions under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors examine possible remissions within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax administrations may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

#### **Accelerated safeguard proceedings**

A debtor in the course of conciliation proceedings may request commencement of accelerated safeguard proceedings. The accelerated safeguard proceedings have been designed to “fast-track” the regular safeguard proceedings. The regime applicable to accelerated safeguard proceedings is roughly the regime applicable to the regular safeguard proceedings to the extent compatible with the accelerated timing in accelerated safeguard proceedings, therefore some provisions relating in particular to ongoing contracts and restitution claims formed by creditors are excluded by law.

Accelerated safeguard proceedings have effect against all pre-insolvency creditors. However, the debtor can request the court to limit the scope of the accelerated safeguard proceedings to its financial creditors (i.e. those creditors that have the status of financing companies, credit institutions and similar entities (i.e. those institutions (i) referred to in articles L. 511-1 and L. 518-1 of the French Monetary and Financial Code, (ii) operating under the freedom of establishment or the freedom to provide services in the territory of the States party to the agreement on the European Economic Area mentioned in Book V of the French Monetary and Financial Code and (iii) any other entity

with which the debtor has entered into a credit transaction, the “Financial Institutions”), as well as holders of a claim acquired from such Financial Institutions or from a supplier of goods or services and, if applicable, bondholders) only, if the nature of its indebtedness is such that a plan could be adopted by such creditors alone. In such case, creditors other than financial ones (such as public creditors, the tax or social security administration and suppliers) will not be directly impacted by the proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms.

To be eligible for accelerated safeguard proceedings, the debtor must fulfill the following conditions:

- the debtor must be subject to ongoing conciliation proceedings when it applies for the opening of the accelerated safeguard proceedings;
- the debtor must not have been insolvent for more than 45 days when it initially requested the opening of conciliation;
- as is the case for regular safeguard proceedings, the debtor must face difficulties that it is not in a position to overcome;
- in the context of conciliation proceedings, the debtor must have prepared a draft safeguard plan that aims to protect its operations in the long run and which is likely to be sufficiently and broadly supported, by the affected parties under the accelerated safeguard proceedings, to allow a likely adoption of the plan by the classes of affected parties, within the duration of the accelerated safeguard proceedings; and
- the debtor must have its accounts certified by a statutory auditor or established by an accountant.

If the debtor does not meet the thresholds making the classes of affected parties mandatory (see above), the court shall authorize such constitution in the opening decision (*i.e.*, mandatory constitution of classes in the context of accelerated safeguard proceedings).

Where accelerated safeguard proceedings are opened, the classes of affected parties are convened and are required to vote on the proposed accelerated safeguard plan within a minimum period of 15 days of delivery of the proposed plan (also applicable in safeguard proceedings).

The plan is adopted following the same majority rules as in regular safeguard proceedings and may notably provide for a debt rescheduling, debt cancellation, and/or conversion of debt into equity.

The total duration of the accelerated safeguard proceedings is two months, unless the court decides to extend it by two additional months, at the request of the debtor and the judicial administrator. If no plan is adopted by the classes of affected parties at the relevant majority rules within such timeframe, the court shall terminate the accelerated safeguard proceedings and may not impose any uniform debt rescheduling.

### **Judicial reorganization or judicial liquidation proceedings**

Judicial reorganization (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings may be initiated against or by a debtor only if it is in a state of *cessation des paiements* and, in the case of liquidation proceedings only, if the debtor’s recovery is manifestly impossible. The debtor is required to petition for judicial reorganization or judicial liquidation proceedings, within 45 days of becoming insolvent if it does not file for conciliation proceedings (as discussed above); *de jure* managers (including directors) and, as the case may be, *de facto* managers that would have failed to file such a petition within the deadline are exposed to civil liability.

The court ruling commencing the proceedings may order either the liquidation or the reorganization of the company (see “—*The observation period and its outcome*” and “—*Constitution of classes of affected parties*” and “—*Adoption of the safeguard or reorganization plan*” for a description of the observation period and vote of the classes of affected parties on the draft reorganization plan). At any time during the observation period, the court can, upon request from the debtor, the judicial administrator, the creditors’ representative, a controller, the Public Prosecutor, or upon its own motion, order the liquidation of the company if recovery of the debtor is manifestly impossible.

As soon as judicial reorganization or judicial liquidation proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

In the event of judicial reorganization proceedings, a judicial administrator (*administrateur judiciaire*) is usually appointed (and compulsorily appointed as case specific thresholds are reached) by the court to investigate the business of the debtor during the observation period (which may last up to 18 months as mentioned above), and make proposals either for the reorganization of the debtor (by elaborating a draft judicial reorganization plan, which is similar to a draft safeguard plan, with the contribution of the debtor), or the sale of all or part of the debtor's business or the liquidation of the debtor. The judicial administrator will assist the debtor in making management decisions (*mission d'assistance*) or may be empowered by the court to take over the management and control of the debtor (*mission d'administration*). Judicial reorganization proceedings broadly take place in a manner that is similar to safeguard proceedings (see above), subject to certain specificities.

In particular, the rules relating to voting by classes of affected parties on the draft reorganization plan are the same (see above). At any time during the observation period, the court can, at the request of the debtor, the judicial administrator, the creditors' representative (*mandataire judiciaire*), the creditors of the debtor appointed by the court as controllers (*contrôleurs*) (if any), the Public Prosecutor or at its own initiative, order the partial termination of the activity (*cessation partielle de l'activité*) if no reorganization plan is proposed or if the said proposed plan is unlikely to ensure the turnaround of the debtor; or order the liquidation of the debtor if its recovery is manifestly impossible. At the end of the observation period, the outcome of the proceedings is decided by the court.

In addition, new cash contributions can benefit from the Judicial Restructuring Privilege, under certain circumstances (see “—*The judicial restructuring privilege*”).

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator (*liquidateur*), who is generally the former creditors' representative (*mandataire judiciaire*). There is no observation period in case of judicial liquidation proceedings being opened against the debtor. The outcome of liquidation proceedings, which is decided by the court without a vote of the affected parties, may be a plan for the sale of the business and/or isolated sales of the debtor's assets in order to discharge the debtor's liabilities. In case a plan for the sale of the business is considered, the court can authorize a temporary continuation of the business for a maximum period of three months (renewable once at the Public Prosecutor's request), whose effects are similar to an observation period.

The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order of payment). The liquidator will take over the management and control of the debtor and the managers of the debtor are no longer in charge of its management.

Concerning the liquidation of the assets of the debtor, there are two possible outcomes:

- (a) a sale of the business (*cession d'entreprise*) (in which case a judicial administrator (*administrateur judiciaire*) will usually be appointed, or remain in office if already appointed, to manage the debtor during a temporary period of continuation of the business operations ordered by the court (three months, renewable once) (during which the rules of the observation period will generally apply) and organize such sale of the business as a going-concern via an asset sale, a.k.a. a “sale plan” (*plan de cession*)), any third party (as construed under French insolvency law) being entitled to present a bid on all or part of the debtor's business.

In that process, bidders can cherry-pick assets (including real estate assets)/jobs/contracts without their associated liabilities (save exceptions). The price offered for the transferred assets (including real estate assets) is offered usually at a significant discount compared to their *in bonis* market value. The court will tend to favor a credible sale plan, that ensures the sustainability of the business as a going concern, and the preservation of jobs, over the payment of creditors.

- (i) Subject to certain exceptions, the court can impose a sale plan on creditors, including secured creditors and mortgagees, the payment of the purchase price operating to release their security interests. By way of exception, a purchaser is obliged to continue to pay the remaining



instalments due to creditors having granted financing for the acquisition of assets, used as collateral for such creditors and included in the sale of the business plan; and

- (ii) only those secured creditors benefiting from a retention right (which is the case for pledges over inventory or certain types of pledges over shares, but not mortgages over real estate assets) would be entitled to retain their security interest over the asset on which they have such right (and therefore in practice prevent it from being transferred) until repaid in full or unless reaching an agreement with the relevant parties.

Third-party purchasers may also submit combined bids in respect of all or part of the business of the debtor.

- (b) a sale of individual assets of the debtor, in which case the liquidator may decide to:
  - (i) launch auction sales (*vente aux enchères* or *adjudication amiable* for real estate assets only);
  - (ii) subject to the formal authorization of the insolvency judge, sell on an amicable basis (*vente de gré à gré*) each asset for which spontaneous purchase offers have been received; or
  - (iii) request, under the supervision of the insolvency judge, all potential interested purchasers to bid, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*). However, the possibility to implement such process is questioned by certain legal authors and case-law in this respect has varied.

If the court adopts a reorganization or sale plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent.

With regards to judicial liquidation proceedings, the court will end the proceedings when either no due liabilities have been discharged in full (*extinction du passif*), or continuation of the liquidation process becomes impossible due to a shortfall of assets (*insuffisance d'actif*). In the event where there are insufficient funds to pay off the creditors, the court may appoint a trustee in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

The court may also terminate the judicial liquidation proceedings when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets.

### **The “hardening period” (*période suspecte*) in judicial reorganization and judicial liquidation proceedings**

The date when the debtor comes to be in a state of “*cessation des paiements*”, i.e. when it is unable to pay its debts which are due with its immediately available assets (the “insolvency date”), is generally deemed to be the date of the court decision commencing the judicial reorganization or judicial liquidation proceedings. However, in the decision commencing judicial reorganization or judicial liquidation proceedings or in a subsequent decision, a court may decide that the insolvency date is deemed to be any earlier date within an 18-month period prior to the court decision commencing the proceedings. The insolvency date is important because it marks the beginning of the “hardening period”, being the period from the insolvency date of the debtor to the court decision commencing the judicial reorganization or judicial liquidation proceedings affecting it. Certain transactions entered into by the debtor during the hardening period are, by law, void or voidable by the court. Except in the case of fraud, the insolvency date may not be set at a date earlier than the date of the final court decision that sanctioned an agreement (*homologation*) in the context of conciliation proceedings (see above).

Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not matured at the time of payment, payments of debts that are matured made in a manner which is not commonly used in the ordinary course of business, deposit of cash or monetary

instruments ordered by a court decision that has not yet become final to serve as guarantee or as a precautionary measure in accordance with Article 2350 of the French Civil Code, security interests or contractual retention rights granted for debts previously incurred (unless they replace a previous security interest of at least an equivalent nature and base and with the exception of the assignment of a professional receivables (Daily assignment) made in execution of a framework agreement entered into prior to the date of insolvency), statutory mortgages attached to judgments of condemnation constituted over the assets of the debtor for debts previously incurred, provisional attachment or seizure measures (*mesures conservatoires*), unless the attachment or seizure predates the date of insolvency (in *cessation des paiements*), share options granted or sold during the hardening period, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as a security for debt incurred at the same time), any amendment to a trust arrangement (*fiducie*) that dedicates assets or rights already transferred in the trust as a security of pre-existing debts, and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code.

Voidable transactions include (i) transactions for consideration entered into and payments on accrued debts made after the date of *cessation des paiements* or (ii) administrative seizures (*saisie administrative*), seizures (*saisie attribution*) and oppositions, in each case, if such actions are taken after the debtor was insolvent (in *cessation des paiements*) and the party dealing with the debtor knew (or could not ignore) that the debtor was insolvent (in *cessation des paiements*) at that time. In addition, transactions relating to transfers of assets for no consideration and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code are also voidable when carried out during the six-month period prior to the beginning of the hardening period. Unlike automatically void transactions, which must be set aside by the court if so requested, the court has discretion to decide whether or not it is appropriate to set aside transactions that are only “voidable.”

There is no hardening period prior to the opening of safeguard proceedings, since the condition required to commence such proceedings is that the company is not insolvent within the meaning of French law.

### **Protective measures under safeguard, judicial reorganization and judicial liquidation proceedings**

Protective measures may be taken by the President of the Court on the assets of *de facto* or *de jure* managers against whom a liability action for shortfall of assets has been launched in judicial liquidation proceedings.

In addition, protective measures may be requested:

- (a) in the context of a legal action to extend the insolvency to a third party (on the grounds mentioned above), against the defendant; and
- (b) over the assets of the *de facto* or *de jure* managers of a company subject to judicial liquidation proceedings and against whom an action for liability is brought on the grounds of a wrongdoing having contributed to the debtor's cash-flow insolvency (*cessation des paiements*).

As such, these protective measures aim at precluding third parties from seizing the assets of the company against which an action for commingling of assets is brought or the assets of the manager against which an action for liability is brought.

### **Status of creditors during safeguard, judicial reorganization or judicial liquidation proceedings**

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of insolvency proceedings must file a proof of claim (*déclaration de créances*) with the creditors' representative within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales* (by exception, the deadline starts upon receipt of an individual notification for those creditors whose claim arose from a published security interest or who benefit from a published security interest); this period is extended to four months for creditors domiciled outside France. At the beginning of the proceedings, the debtor must provide the judicial administrator and the creditors' representative with the list of all its creditors and all of their claims. Where the debtor has informed the creditors' representative of the existence of a claim and no proof of a claim has been filed yet, such claim is deemed filed with the creditors' representative. Creditors are allowed to confirm a proof of claim made on their behalf.

Creditors who have not submitted their claims during the relevant period, whose claims are not deemed filed with the creditors' representative save for a ratification by the creditor of a proof of claim made on its behalf, are barred, except with respect to very limited exceptions, from receiving distributions made in accordance with the proceedings. Employees are not subject to such limitations and are preferential creditors under French law.

In accelerated safeguard proceedings, the debts held by creditors that took part in the conciliation proceedings are listed by the debtor and certified by its statutory auditor (or, in its absence, its accountant) and are thus deemed to have been filed. Although such creditors can file proofs of claim pursuant to the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth on the list prepared by the debtor (within the above-mentioned two or four months' time limit). Creditors who did not take part in the conciliation proceedings (but who would be part of classes of creditors) would have to file their proofs of claim within the above-mentioned legal time limits.

During the observation period:

- (a) accrual of interest is suspended (except in respect of loans providing for an initial term of at least one year, or contracts with a deferred payment of one year or more); the debtor is prohibited from paying debts having arisen after the commencement of the proceedings (i) unless they were incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/goods provided to the debtor and (ii) subject to specified exceptions which essentially cover the set-off of related debts (*compensation pour dettes connexes*), and payments authorized by the insolvency judge (*juge-commissaire*) and to recover assets for which recovery is justified by the continued operation of the business;
- (b) debts duly arising after the commencement of the proceedings and that were incurred for the purposes of the proceedings or of the observation period, or in consideration of services rendered/goods provided to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the proceedings (with certain limited exceptions, such as claims secured by a New Money Lien), provided that they are duly brought to the attention of the judicial administrator or, failing one, the *mandataire judiciaire*, or, should they both have ceased to be in office, the plan commissioner or the judicial liquidator within one year of the end of the observation period;
- (c) creditors may not initiate or pursue any individual legal action against the debtor (or, in safeguard or judicial reorganization proceedings, against a guarantor of the debtor if such guarantor is a natural person) with respect to any claim arising prior to the court decision commencing the insolvency proceedings if the objective of such legal action is:
  - (i) to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due);
  - (ii) to terminate or cancel a contract for non-payment of pre-petition amounts owed to the creditor; or
  - (iii) to enforce the creditor's rights against any assets of the debtor, except where such asset—whether tangible or intangible, moveable or immovable—is located in another Member State within the European Union, in which case the rights *in rem* of creditors thereon would not be affected by the insolvency proceedings, in accordance with the terms of Article 8 of Regulation No. 2015/845 of the European Parliament and of the Council (Recast) with respect to insolvency proceedings opened after June 26, 2017. Similarly, the rights of a creditor on the debtor's assets located outside France (and the EU) would only be affected by the French insolvency proceedings if they were to be recognized by the local courts where the assets at stake are located (unless provided otherwise in a treaty to which France is a party).

A natural person that is the guarantor of the debtor may avail itself of the provisions of a safeguard plan adopted by the court, not of the provisions of a judicial reorganization plan.

In accelerated safeguard proceedings, the above rules only apply to the creditors which are subject to those proceedings. Debts owed to other creditors, such as suppliers, continue to be payable according to their contractual / usual terms.

Contractual provisions such as those contained in the relevant Indenture that would accelerate the payment of the debtor's obligations upon the occurrence of certain insolvency events are not enforceable under French law, and the judicial administrator can unilaterally decide to terminate ongoing contracts (*contrats en cours*) which it believes the debtor will not be able to continue to perform. The judicial administrator can, on the contrary, require that other parties to a contract continue to perform their obligations even though the debtor may have been in default, but on the condition that such debtor fully performs its post-petition contractual obligations.

Contractual provisions pursuant to which the opening of the proceedings constitutes an event of default are not enforceable against the debtor, as well as, according to a decision of the French Supreme Court (*Cour de Cassation*) dated January 14, 2014, n°12-22.909, "contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of judicial reorganization proceedings" (applied in accelerated safeguard proceedings by a decision of the French Supreme Court dated February 22, 2017, no. 15-15.942).

The judicial administrator may also terminate (except for employment contracts) or, provided that the debtor fully performs its post-petition contractual obligations, continue to execute contracts.

During judicial reorganization proceedings, when the ongoing contract involves the payment of a sum of money, this payment must be made in cash, unless the judicial administrator obtains extended payment deadlines from the debtor's counterparty; the judicial administrator is under an obligation to verify that by continuing the contract he or she does not risk creating a foreseeable damage for the counterparty.

The commencement of liquidation proceedings, however, automatically accelerates the maturity of all of a debtor's obligations unless the court orders the continued operation of the business with a view to the adoption of a plan for the sale of the business (*plan de cession*) (see above). In such case, the acceleration of the obligations will only occur on the date of the court decision adopting a plan for the sale of the business (*plan de cession*), or on the date on which the continued operation of the business ends.

If the court adopts a safeguard plan or a reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. The court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

If the court adopts a plan for the sale of the business (*plan de cession*) in judicial reorganization or judicial liquidation proceedings, the proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of their claims. If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator in charge of selling the assets of the company and settling the relevant debts in accordance with their ranking. However, in practice, where a plan for the sale of the business is considered, it will usually appoint a judicial administrator to manage the company and organize such sale of the business process.

French insolvency law assigns priority to the payment of certain preferential creditors, including employees, post-petition legal cost (essentially fees of officials appointed by the insolvency court as required by the regulations relating to insolvency proceedings), creditors benefiting from the New Money Lien or the Judicial Restructuring Privilege (see above), certain pre-petition secured creditors whose claim is secured by real estate in judicial liquidation proceedings only, post-petition privileged creditors, the French State (taxes and social charges), other pre-petition secured creditors and pre-petition unsecured creditors. Shareholders (in respect of their equity claims) rank after all the other creditors.

## **Lender liability**

Pursuant to Article L. 650-1 of the French Commercial Code, where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor on the following grounds: (i) fraud; (ii) clear interference with the management

(*immixtion caractérisée dans la gestion*) of the debtor; or (iii) if the security or guarantees taken to support the facilities are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court. Case law has also set out that this liability would also require that the granting of the facility be deemed to be wrongful.

If a creditor has repeatedly and in full independence interfered in the company's management, carrying out positive acts of management and direction, it can be deemed a *de facto* manager of such company ("*dirigeant de fait*"). In such case, liability for shortfall of assets as set out by Article L. 651-2 of the French Commercial Code might apply. This statutory provision provides that, if liquidation proceedings have been commenced against the debtor, the creditor being deemed *de facto* manager may be liable for bearing the excess of liabilities over the company's assets, along with the other managers (whether *de jure* or *de facto*), as the case may be, if it is established that its mismanagement has contributed to the company's shortfall of assets. If such conditions are met, French courts will decide whether the managers should bear all or part of the shortfall amount. However, a manager (whether *de jure* or *de facto*) cannot be held liable on the basis of Article L. 651-2 of the French Commercial Code in cases of "simple negligence" (*simple négligence*) in the management of the company.

### **Limitation on French Guarantors' Guarantees**

The liabilities and obligations of each French Guarantor are subject to:

- certain exceptions, including to the extent of any obligations which would constitute prohibited financial assistance within the meaning of Article L. 225-216 of the French Commercial Code or infringement of the provisions of Articles L. 241-3, L. 242-6 or L. 244-1 of the French Commercial Code; and
- French corporate benefit rules.

Under French financial assistance rules, a company is prohibited from guaranteeing indebtedness of another company that is used, directly or indirectly, for the purpose of its acquisition.

Under French corporate benefit rules, a guarantor must receive an actual and adequate benefit from the transaction involving the granting by it of the guarantee, taken as a whole. A court could declare any guarantee unenforceable and, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if it found that these criteria were not fulfilled. The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

Accordingly, each of the Guarantees granted by the relevant Guarantor and the amounts recoverable thereunder will be limited in the aggregate, at any time, *inter alia*, to an amount equal to the aggregate of the proceeds that have been directly or indirectly on-lent by the relevant issuer or parent company thereof, or used to refinance any indebtedness previously directly or indirectly on-lent, to the relevant Guarantor or any of its subsidiaries under intercompany loans or similar arrangements (including, in the case of the Guarantee of the Floating Rate SSNs by the Fixed Rate SSN Issuer, the PG Intra-Group Loan) and outstanding on the date a payment is requested to be made by the relevant Guarantor under the Guarantees. Any payment made by the relevant Guarantor under the Guarantees in respect of the obligations of any other obligor shall reduce *pro tanto* the outstanding amount of the intercompany loans or similar arrangements due by the relevant Guarantor or its subsidiaries under the intercompany loan or similar arrangements referred to above. By virtue of this limitation, the relevant Guarantor's obligation under the Guarantees could be significantly less than amounts payable with respect to the Notes, or a French Guarantor may have effectively no obligation under its Guarantee.

In addition, if a French Guarantor receives, in return for issuing the guarantee, an economic return that is less than the economic benefit such French Guarantor would obtain in a transaction entered into on an arm's length basis, the difference between the actual economic benefit and that in a comparable arm's length transaction could be taxable under certain circumstances.

## Luxembourg

Under Luxembourg insolvency laws, your ability to receive payment on the relevant Notes may be more limited than would be the case under U.S. bankruptcy laws. The following type of proceedings (also referred to as insolvency proceedings) may be opened against an entity having its registered office and central administration (*administration centrale*), center of main interests, as used in the EU Insolvency Regulation or an establishment within the meaning of the EU Insolvency Regulation (in relation to secondary proceedings, assuming in the latter case that the center of main interests is located in a jurisdiction where the EU Insolvency Regulation is applicable), in Luxembourg:

- Bankruptcy proceedings (*faillite*), the opening of which may be requested by the company, by any of its creditors or by a Luxembourg court *ex officio*. The managers/directors of the relevant Luxembourg entity have the obligation to file for bankruptcy within one month from the moment if the relevant Luxembourg company is in a state of cessation of payment (*cessation de paiement*). Following such a request, the Luxembourg courts having jurisdiction may open bankruptcy proceedings if the company: (i) is unable to pay its debts as they fall due payments (*cessation des paiements*); and (ii) has lost its commercial creditworthiness (*ébranlement de crédit*). If a court finds that these conditions are satisfied, it may also open *ex officio* bankruptcy proceedings, absent a request made by the company or a creditor. The main effects of such proceedings are (i) the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for secured creditors and the payment of the secured creditors, and (ii) the payment of the Luxembourg company's creditors in accordance with their rank upon realization of the Luxembourg company's assets.

In addition to this procedure, your ability to receive payment on the Notes may be affected by a decision of a Luxembourg court to grant a suspension of payments (*sursis de paiement*) as provided under articles 593 *et seq.* of the Luxembourg Code of Commerce or to put the relevant Luxembourg company into judicial liquidation (*liquidation judiciaire*) or by an administrative dissolution without liquidation (*dissolution administrative sans liquidation*) pursuant to article 1200-1 of the Luxembourg law on commercial companies dated August 10, 1915, as amended (the "Luxembourg Companies Law").

- A suspension of payments (*sursis de paiements*) may be granted upon application by a company. It can only be applied to a company which, as a result of extraordinary and unforeseeable events, has to temporarily cease its payments but which has on the basis of its balance sheet sufficient assets to pay all amounts due to its creditors. It may also be granted if the situation of the applicant, even though showing a loss, presents serious elements of reestablishment of the balance between its assets and its debts. The purpose of the suspension of payments proceedings is to allow a business undertaking experiencing financial difficulties to suspend its payments for a limited time after a complex proceeding involving both the Commercial District Court and the *Cour supérieure de justice* and the approval by a majority of the creditors representing, by their claims, three-quarters of such company's debts (excluding claims secured by privilege (*privilege*), mortgage (*hypothèque*) or pledge (*gage*)). The suspension of payments is, however, not for general application, which is one of the main reasons it has lost its attractiveness. It only applies to those liabilities which have been assumed by the debtor prior to obtaining the suspension of payment and has no effect as far as taxes and other public charges or secured claims (by right of privilege (*privilege*), a mortgage (*hypothèque*) or a pledge (*gage*)) are concerned. During the suspension of payments, ordinary creditors cannot open enforcement proceedings against the applicant, or the applicant's assets. This stay on enforcement does not extend to preferred creditors, or to creditors which are secured by privileges (*privileges*), mortgages (*hypothèques*), pledges (*gages*) or other financial collateral arrangements governed by the Luxembourg law of August 5, 2005 on financial collateral arrangements, as amended (the "Luxembourg Collateral Law"). The applicant continues to manage its own business under the supervision of a court-appointed administrator who must approve most of the transactions carried out by the applicant. When a suspension of payments ends, the stay on enforcement is terminated and the company's managers can run the business again.
- Judicial liquidation (*liquidation judiciaire*) proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the Luxembourg Code of Commerce or of the Luxembourg Companies Law. The management of such

liquidation proceedings will generally follow similar rules as those applicable to Luxembourg bankruptcy proceedings.

- The administrative dissolution without liquidation (*dissolution administrative sans liquidation*) is managed by the administrator of the Luxembourg Trade and Companies Register at the request of the public prosecutor against companies and shall only apply provided three cumulative conditions are met: (i) the company must have no assets, (ii) the company must have no employees and (iii) the company must not pursue activities contrary to criminal law or which seriously contravene the provisions of the Luxembourg Code of Commerce or the Luxembourg Companies Law (including the laws governing authorizations to do business). The administrative dissolution procedure without liquidation is closed at the latest six months after the publication of the opening decision.

Liabilities of a Guarantor or an Issuer in respect of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes will in the event of a liquidation of a Guarantor or an Issuer following bankruptcy or judicial winding-up proceedings, rank below the cost of such proceedings (including any debt incurred for the purpose of such bankruptcy or judicial winding-up) and those debts of the relevant Luxembourg company that are entitled to priority under Luxembourg law. Preferential rights arising by operation of law under Luxembourg law include:

- certain amounts owed to the Luxembourg Revenue;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise;
- social security contributions; and
- remuneration owed to employees.

For the avoidance of doubt, the above list is not exhaustive.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized).

During such insolvency proceedings, all enforcement measures by unsecured creditors are suspended. Luxembourg insolvency laws may also affect transactions entered into or payments made by a Luxembourg company during the period before bankruptcy, the so-called “hardening period” (*période suspecte*), which is a maximum of six months, as from the date on which the commercial court formally adjudicates a person bankrupt, and, as for specific payments and transactions, during an additional period of ten days before the commencement of such period preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date, if the bankruptcy judgment was preceded by another insolvency proceeding (e.g., a suspension of payments or controlled management proceedings) under Luxembourg law. These situations are:

- pursuant to article 445 of the Luxembourg Code of Commerce, specified transactions (such as, in particular, the granting of a security interest for antecedent debts; the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets or entering into transactions generally without consideration or with substantially inadequate consideration) entered into during the suspect period (or the ten days preceding it) will be set aside or declared null and void, if so requested by the bankruptcy receiver; article 445 does not apply to financial collateral arrangements and set-off arrangements subject to the Luxembourg Collateral Law, such as Luxembourg law pledges over shares or receivables to the extent that they secure payment obligations and/or obligations to deliver financial instruments on the underlying assets of such instruments;
- pursuant to article 446 of the Luxembourg Code of Commerce, payments made for matured debts for consideration, as well as other transactions concluded during the hardening period (*période suspecte*), are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt’s cessation of payments; article 446 does not apply to financial collateral arrangements and set-off arrangements subject to the Luxembourg Collateral Law, such as

Luxembourg law pledges over shares or receivables to the extent that they secure payment obligations and/or obligations to deliver financial instruments on the underlying assets of such instruments; and

- regardless of the hardening period (*période suspecte*), article 448 of the Luxembourg Code of Commerce and article 1167 of the Luxembourg Civil Code (*action paulienne*) give any creditor the right to challenge any fraudulent payments and transactions made prior to the bankruptcy.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in automatic termination of contracts except for *intuitu personae* contracts, that is, contracts for which the identity of the company or its solvency were crucial. The contracts, therefore, subsist after the bankruptcy order. However, the insolvency receiver may choose to terminate certain contracts so as to avoid worsening the financial situation of the company. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue *vis-à-vis* the bankruptcy estate. Insolvency proceedings may therefore have a material adverse effect on a Luxembourg company's business and assets and the Luxembourg company's respective obligations under the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes.

The bankruptcy receiver decides whether or not to continue performance under ongoing contracts (*i.e.*, contracts existing before the bankruptcy order). The bankruptcy receiver may elect to continue the business of the debtor, provided the bankruptcy receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. However, two exceptions apply:

- the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and
- *intuitu personae* contracts (*i.e.*, contracts whereby the identity of the other party constitutes an essential element upon the signing of the contract) are automatically terminated as of the bankruptcy judgment since the debtor is no longer responsible for the management of the company. Parties can agree to continue to perform under such contracts.

The bankruptcy receiver may elect not to perform the obligations of the bankrupt party that are still to be performed after the bankruptcy under any agreement validly entered into by the bankrupt party prior to the bankruptcy. The counterparty to that agreement may make a claim for damages in the bankruptcy and such claim will rank *pari passu* with claims of all other unsecured creditors and/or seek a court order to have the relevant contract dissolved. The counterparty may not require specific performance of the contract.

Finally, the law of August 7, 2023 on business preservation and modernisation of bankruptcy law (the "Insolvency Modernisation Law") provides for three new, largely voluntary, preventive reorganization procedures:

- Conciliation (conservatory measure) (*conciliation*): the debtor may petition either the Minister for the Economy or the Minister for Small and Medium-Sized Enterprises for the appointment of a conciliator (*conciliateur d'entreprise*) with the purpose of facilitating the reorganization of all or part of its assets or its business operations. This preventive measure aims to actively engage the debtor in the entirety of the process, which commences at its own voluntarily issued request. The conciliation also may be concluded at the discretion of either the debtor itself or the appointed conciliator. The scope of the conciliator's mission is determined by the relevant Minister, while remaining within the boundaries of the debtor's initial request. The primary objective of said mission should aim towards the preparation of a mutual agreement (*accord amiable*) or the attainment of the creditors' consensus in the event of a reorganization plan. The conciliator's mission may also encompass the preparation and facilitation of a court-ordered transfer of all or part of the business activities and its assets to third parties in order to ensure their continued viability. This measure is entirely voluntary and serves the sole purpose of facilitating the reorganization of the business and its assets, through the intermediary help of the conciliator. However, no actions may be undertaken without the debtor's approval. The conciliator lacks the authority to force the debtor to implement measures against its will;
- Reorganization by mutual agreement (*accord amiable*): reorganization by mutual agreement (*accord amiable*) is a voluntary out-of-court proceeding pursuant to which the debtor and at least two of its creditors mutually agree to reorganize all or part of the assets or the business of the debtor. Once approved by the



District Court (*tribunal d'arrondissement*), the mutual agreement is enforceable and payments pursuant to it are enforceable against the insolvency estate even if they fall within the suspect period; and

- Judicial reorganization proceedings (*réorganisation judiciaire*): according to the Insolvency Modernisation Law, the debtor may also apply for a judicial reorganization procedure. Judicial reorganization proceedings aim to preserve the continuity of all or part of the assets or the business of the debtor under the supervision of the court. The Insolvency Modernisation Law provides for three different judicial reorganization proceedings depending on the intended objective:
  - Mutual agreement: the debtor intends to obtain a stay (*sursis*) to conclude a mutual agreement. The proceeding is judicial compared to the above-mentioned reorganization by mutual agreement (out-of-court proceeding), so that the common rules governing the judicial reorganization proceedings are applicable. The requested stay, restricting the creditors' possibilities to engage in enforcement actions, is limited in its duration (up to four months, with possible extensions for a total maximum time limit of twelve months);
  - Collective agreement: the debtor intends to reach a collective agreement (*accord collectif*) with some or all of its creditors on a reorganization plan which sets out the detailed measures envisaged to rehabilitate the business's viability. The affected creditors will vote on the plan which, when approved, will be homologated by the court. This enables a restructuring plan to bind dissenting creditor classes under certain circumstances and to impose the rehabilitation measures upon them even if they did not vote in favor of it;
  - Transfer by court order: all or parts of the assets or the business of the debtor are transferred, by court order, to one or several third parties. This proceeding may be voluntary (i.e., at the request of the debtor) or may be non-voluntary (i.e., at the request of the public prosecutor, a creditor or any person with an interest in acquiring all or a part of the business) and involves employees and employee representatives.

Certain common rules govern the judicial reorganization proceedings. During the pre-opening phase, once the debtor requests the opening of a procedure, a delegate judge is appointed and the obligation to file a bankruptcy petition is suspended and the public prosecutor is informed. From the submission of the request onwards, no bankruptcy, judicial liquidation (other than the judicial liquidation provided by Article 1200-1 of the Luxembourg Companies Law) or enforcement measures (with exceptions) can be declared or taken until the judgment of the District Court ruling on the debtor's request.

When the procedure is opened, a stay (*sursis*) on payments for a maximum of four months begins, also with possible extensions of up to a total of 12 months. Existing agreements and financial arrangements are still enforceable (with exceptions, not applicable to employment agreements) – financial collateral arrangements (e.g. pledges), set-off or netting arrangements and professional payment guarantees remain enforceable and unaffected by a judicial reorganization procedure, thus continuing to benefit creditors. Ongoing contracts will also continue. Payments are effective against third parties and new liabilities are considered as being debts of the insolvency estate.

The Insolvency Modernisation Law entered into force on November 1, 2023. As of that date, the previous existing procedures of preventive composition proceedings (*concordat préventif de la faillite*) and controlled management proceedings (*gestion contrôlée*) have been repealed and are no longer available under Luxembourg law (except for proceedings already opened, which will continue to be governed by these provisions).

## European Union

The Issuers and the Guarantors are incorporated under the laws of Member States of the European Union.

Pursuant to Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015, on insolvency proceedings (recast) the ("EU Insolvency Regulation"), which became fully effective on June 26, 2017 (except with respect to the obligation of the Member States to establish and maintain a register of insolvency proceedings that came into on June 26, 2018, and the obligation of the European Commission to interconnect such

registers that came into force on June 26, 2019) and applies within the European Union (other than Denmark) the courts of the Member State in which a debtor's "centre of main interests" (the "COMI" – *centre des intérêts principaux*) (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated, have jurisdiction to commence main insolvency proceedings relating to such debtor. The determination of where a debtor has its COMI is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Article 3(1) of the EU Insolvency Regulation provides that the centre of main interests, or "COMI" of a debtor shall be the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties. It sets forth, as explained by Recital (30), a rebuttable presumption according to which, in the case of a company or a legal person, the place of the registered office shall be the COMI in the absence of proof to the contrary. This presumption shall only apply if the registered office has not been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings). Recital (30) provides that it should be possible to rebut this presumption if a debtor's central administration is located in a Member State other than that of its registered office and a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the debtor's actual center of management and supervision and the management of its interests is located in that other Member State. Under the previous EU insolvency regulation (Council Regulation (EC) 1346/2000 of May 29, 2000), which defined the COMI in similar terms, the courts have taken into consideration a number of factors in determining a debtor's COMI, including in particular where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established. A debtor's COMI is not a static concept and may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to commence insolvency proceedings at the time of the filing of the insolvency petition.

If a debtor's COMI is and will remain located in the Member State (other than Denmark) in which it has its registered office, the main insolvency proceedings in respect of the debtor under the EU Insolvency Regulation would be commenced in such jurisdiction, and, accordingly, a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A of the EU Insolvency Regulation. Insolvency proceedings commenced in one Member State under the EU Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although secondary proceedings may be commenced in another Member State.

If a debtor's COMI is in a Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to commence secondary (territorial) insolvency proceedings against that debtor only if that such debtor has an "establishment" (within the meaning and as defined in Article 2(10) of the EU Insolvency Regulation) in the territory of such other Member State or had an establishment in such EU Member State in the three-month period prior to the request for commencement of main insolvency proceedings. An "establishment" is defined to mean "any place of operations where the debtor carries out or has carried out in the three-month period prior to the request to commence main insolvency proceedings a non-transitory economic activity with human means and assets". Where main proceedings have been commenced in the Member State in which the debtor has its COMI, any proceedings commenced subsequently in another Member State in which the debtor has an establishment shall be secondary insolvency proceedings.

The effects of such proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. Where main proceedings in the Member State in which the debtor has its COMI have not yet been commenced, secondary insolvency proceedings may only be commenced in another Member State where the debtor has an establishment where either (a) insolvency proceedings cannot be commenced in the Member State in which the debtor's COMI is situated under that Member State's law; or (b) the territorial insolvency proceedings are commenced at the request of (i) a creditor which is domiciled, habitually resident or has its registered office in the other Member State or whose claim arises from the operation of the establishment or (ii) a public authority that has the right to make such a request under the law of the Member State in which the establishment is located.

Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor.

Furthermore, pursuant to Article 6 of the EU Insolvency Regulation, the courts of the Member State within the territory of which insolvency proceedings have been opened in accordance with Article 3 of the EU Insolvency

Regulation shall have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked with them, such as avoidance actions.

The commencement of insolvency proceedings in a Member State pursuant to the EU Insolvency Regulation shall not affect the rights *in rem* of creditors or third parties in respect of tangible or intangible, moveable or immoveable assets, both specific assets and collections of indefinite assets as a whole that change from time to time, belonging to the debtor that are situated within the territory of another Member State at the time of the opening of proceedings. Rights *in rem* include:

- the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income from those assets, in particular, by virtue of a lien or a mortgage;
- the exclusive right to have a claim met, in particular, a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee;
- the right to demand assets from, and/or to require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled; and
- a right *in rem* to the beneficial use of assets.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other Member States so long as no secondary proceedings have been commenced there. Pursuant to Article 21 of the EU Insolvency Regulation, the insolvency judicial administrator appointed by a court in a Member State that has jurisdiction to commence main proceedings (because the debtor's COMI is there) may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the debtor from that other Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other Member State or no preservation measures have been taken to the contrary, further to a request to commence insolvency proceedings in that other Member State where the debtor has assets.

However, under Article 36 of the EU Insolvency Regulation, the insolvency practitioner in the main insolvency proceedings may attempt to avoid the commencement of secondary insolvency proceedings in another Member State by giving a unilateral undertaking in respect of the assets located in the Member State in which secondary insolvency proceedings could be commenced that the distribution of those assets or of the proceeds received as a result of their realization, will comply with the distribution and priority rights that would apply under the relevant national law if secondary insolvency proceedings were commenced in such other Member State. Such undertaking must be made in writing and is subject to approval by a qualified majority of known local creditors, determined in accordance with the local law of such other Member State. If approved, the undertaking is binding on the insolvency estate and if a court is requested to commence secondary insolvency proceedings, it shall, at the request of the insolvency practitioner in the main insolvency proceedings, refuse to commence such proceedings if it is satisfied that the undertaking adequately protects the general interests of local creditors. Additionally, under Article 38 of the EU Insolvency Regulation, where a temporary stay of individual enforcement proceedings has been granted in order to allow for negotiations between a company and its creditors, the court, at the request of the company or of the insolvency practitioner in the main insolvency proceedings, may stay the commencement of secondary insolvency proceedings for a period not exceeding three months, provided that suitable measures are in place to protect the interests of local creditors.

Under Article 46 of the EU Insolvency Regulation, the court that commenced the secondary insolvency proceedings will also stay the process of realization of assets in whole or in part upon receipt of a request from the insolvency practitioner in the main insolvency proceedings, for a period of up to three months, unless such a request is manifestly of no interest to the creditors in the main insolvency proceedings. Such stay may be continued or renewed for similar periods. Where the court stays the process of realization of the assets, the court may require the insolvency practitioner in the main insolvency proceedings to take any suitable measure to guarantee the interests of the creditors in the secondary insolvency proceedings and of individual classes of creditors.

The EU Insolvency Regulation provides for cooperation between (i) insolvency practitioners of the main insolvency proceedings and of the secondary insolvency proceedings, (ii) jurisdictions and (iii) jurisdictions and insolvency practitioners. It also provides for specific cooperation, communication and coordination measures in order to ensure the efficient administration of insolvency proceedings relating to different companies forming part of the same group.

As from June 26, 2018, the Member States have established and maintained a register of insolvency proceedings and, as from June 26, 2019, the European Commission has established a decentralized system for the interconnection of such insolvency registers.

The United Kingdom ceased to be a member of the EU on January 31, 2020 at 11:00 p.m. (the “exit day”) and therefore is no longer a Member State. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) provides that direct EU legislation (which term includes any EU regulation as it had effect in EU law immediately before the exit day (subject to certain exceptions)) converts directly applicable EU law (which includes regulations) as it stood at the end of the transition period into UK domestic law. However, while direct EU legislation may continue to form a part of domestic law of the United Kingdom after the end of the transition period, it may be subject to a number of amendments. The Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) set out a number of amendments to be made to the Insolvency Regulation, which have applied in the United Kingdom since the end of the transition period. On December 30, 2020 the European Union and the United Kingdom formally signed the EU UK Trade and Cooperation Agreement. This agreement provisionally applied as from January 1, 2021 and entered into force on May 1, 2021. At this stage, the Trade and Cooperation Agreement does not include a replacement for the current automatic recognition of UK insolvency procedures across the EU and vice versa. In the absence of an agreement allowing automatic recognition, private international law rules apply.

### **Limitation on the Enforcement of Security Interests in Luxembourg**

According to Luxembourg conflict of laws rules, the courts in Luxembourg will generally apply the *lex rei sitae* or *lex situs* (the law of the place where the assets or subject matter of the pledge or security interest is situated) in relation to the creation, perfection and enforcement of security interests over such assets.

As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg bank, receivables or claims governed by Luxembourg law and/or having debtors located in Luxembourg, tangible assets located in Luxembourg, securities that are held through an account located in Luxembourg, bearer securities physically located in Luxembourg, etc.

The Luxembourg Collateral Law governs the creation, validity, perfection and enforcement of pledges over shares, bank accounts and receivables located or deemed to be located in Luxembourg. Under the Luxembourg Collateral Law, the perfection of security interests depends on certain registration, notification and acceptance requirements. A pledge agreement over shares must be (i) notified or accepted by the company that has issued the shares (subject to the security interest) and/or (ii) registered in the shareholders’ register of such company. If future shares are pledged, additional registration in the shareholders’ register of such company will be required. A pledge over receivables becomes enforceable against the debtor of the receivables and third parties from the moment the agreement pursuant to which the pledge was created is entered into between the pledgor and the pledgee. However, if the debtor has not been notified of the pledge or if he or she did not otherwise acquire knowledge of the pledge, he or she will be validly discharged if he or she pays the pledgor. A bank account pledge agreement must be notified to and accepted by the account bank so as to ensure that the account bank has waived any pre-existing security interests and other rights in respect of the relevant account. If (future) bank accounts are pledged, such additional notification to, acceptance and waiver by the account bank will be required. Article 11 of the Luxembourg Collateral Law sets forth enforcement remedies available upon the occurrence of an enforcement event, including, but not limited to:

- the appropriation of the pledged collateral at a price determined, before or after the appropriation, by a valuation method agreed between the parties;

- the assignment of the pledged collateral (i) by private sale in a commercially reasonable manner, (ii) on a trading venue on which it is admitted to trading or (iii) by public auction;
- a judgement caused to be issued ordering that the pledgee retains the pledged collateral as payment up to the amount of his claim, in accordance with an expert valuation;
- proceeding with netting;
- the appropriation of the pledged financial instruments (i) at the market price, where such instruments are admitted to trading on a trading venue or (ii) where they are units or shares of an undertaking for collective investment, at the price referred to above under prong (i) or at the price of the last net asset value published by or for this undertaking for collective investment, provided that the last publication of the net asset value does not exceed one year; or
- requesting the redemption of the pledged units or shares of an undertaking for collective investment at the redemption price in accordance with the instruments of incorporation of this undertaking for collective investment.

The Luxembourg Collateral Law does not provide any specific time periods, so depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourses and (iv) the possible need to involve third parties, such as courts, stock exchanges and appraisers, the enforcement of the security interests might be substantially delayed.

The Luxembourg Collateral Law expressly provides that financial collateral arrangements (including pledges) including enforcement measures are valid and enforceable, even if entered into during the hardening period, against third parties including supervisory, receivers, liquidators and any other similar persons or bodies irrespective of any bankruptcy, liquidation or other situation, national or foreign, of composition with creditors or reorganization affecting any one of the parties. Foreign law governed security interests and the powers of any receivers or administrators may not be enforceable in respect of assets located or deemed to be located in Luxembourg. Security interests or arrangements that are not expressly recognized under Luxembourg law and the powers of any receivers or administrators might not be recognized or enforced by the Luxembourg courts, even over assets located outside of Luxembourg, particularly where the relevant Luxembourg security provider or entity becomes subject to Luxembourg insolvency proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if “main insolvency proceedings” (as defined in the EU Insolvency Regulation) are opened under Luxembourg law and such security interests/arrangements constitute rights *in rem* over assets located in another EU Member State in which the EU Insolvency Regulation applies, and in accordance with Article 8 of the EU Insolvency Regulation.

Where judicial reorganization proceedings under the Insolvency Modernization Law have been opened in respect of the debtor of the secured debt, the relevant creditors of the Floating Rate SSN Issuer, Picard Bondco and the Luxembourg Guarantors may, under certain very limited circumstances (i.e. where the acceleration of the secured debt is the only trigger event for enforcement), be temporarily suspended from accelerating the secured debt in accordance with Article 30 of the Insolvency Modernization Law and hence face a situation where enforcing their security rights under the Collateral might be delayed.

Finally, the appointment of a foreign security agent will be recognized under Luxembourg law: (i) to the extent that the designation is valid under the law governing such appointment; and (ii) subject to possible restrictions. Generally, according to paragraph 2(4) of the Luxembourg Collateral Law, a security (financial collateral) may be provided in favor of a person acting on behalf of the collateral taker, a fiduciary or a trustee in order to secure the claims of third-party beneficiaries, whether present or future, provided that these third-party beneficiaries are determined or may be determined. Without prejudice to their obligations *vis-à-vis* third-party beneficiaries of the security, persons acting on behalf of beneficiaries of the security, the fiduciary or the trustee benefit from the same rights as those of the direct beneficiaries of the security aimed at by such law.

## Limitation on Luxembourg Guarantors' Guarantees and Security

The Luxembourg Companies Law, as amended, does not provide for rules governing the ability of a Luxembourg Guarantor to guarantee the indebtedness of another entity of the same group which is not a direct or indirect subsidiary of that Luxembourg Guarantor. Although there is no Luxembourg legislation or published authoritative court precedent which specifically regulates this matter, there is a general consensus among Luxembourg authors and practitioners that the granting of such an upstream or downstream guarantee is unlikely to raise any particular concerns but is still subject to specific limitations and requirements relating to corporate purpose (*objet social*) and corporate benefit (*intérêt social*) considerations. The existence of corporate benefit is a factual matter which is not defined by law and must be determined on a case-by-case basis. Based on current French and Belgian case law (to which Luxembourg courts are likely to refer in this context), and provided that the granting of guarantee(s) to, or in favor of, companies within the group to which the relevant Luxembourg Guarantor belongs is within the corporate purpose of such Luxembourg Guarantor and has been properly approved by a decision of its representative body(ies), it is generally understood that a Luxembourg entity may assist other group companies if some conditions are met. It is generally held that within a group of companies, the corporate interest of each individual corporate entity should, to a certain extent, be tempered by, and subordinated to, the interests of the group. A reciprocal assistance from one group company to another does not necessarily conflict with the interest of the assisting company. However, this assistance must be temporary, in proportion with the real financial means of the assisting company or have a reciprocal character. A Luxembourg Guarantor may give an upstream guarantee (and to the extent that the amounts received under the Notes are not made available, in any form whatsoever, to such Luxembourg Guarantor) provided the giving of the guarantee is covered by such Luxembourg Guarantor's corporate objectives and is in the best interests of such Luxembourg Guarantor. The test regarding a Luxembourg Guarantor's corporate interest is whether the Luxembourg Guarantor that provides the Guarantee receives some consideration in return (such as an economic or commercial benefit) and whether the benefit is proportional to the burden of the assistance. A guarantee that substantially exceeds a Luxembourg Guarantor's ability to meet its obligations to the beneficiary of the guarantee and to its other creditors would expose its directors or managers to personal liability. Furthermore, under certain circumstances, the managers or directors of a Luxembourg Guarantor might incur criminal penalties based on the concept of misuse of corporate assets (Article 1500-11 of the Luxembourg Companies Law). The guarantees granted by a Luxembourg Guarantor may, in certain circumstances, be limited to a certain percentage of, among others, the relevant Luxembourg Guarantor's net worth. A guarantee granted by a Luxembourg Guarantor could, if submitted to a Luxembourg court, depending on the terms of such guarantee, possibly be construed by such court as a suretyship (*cautionnement*) and not a first demand guarantee or an independent guarantee. Article 2012 of the Luxembourg Civil Code provides that the validity and the enforceability of a suretyship (which constitutes an accessory obligation) is subject to the validity of the underlying obligation. It follows that if the underlying obligations were invalid or challenged, it cannot be excluded that the relevant Luxembourg Guarantor would be released from its liabilities under the guarantee.

### ***The Notes, their respective Guarantees and the security interests in the Collateral may be declared unenforceable against third parties under fraudulent conveyance laws.***

Luxembourg and French laws contain similar specific provisions dealing with fraudulent conveyance both in and outside of insolvency proceedings, the so-called *action paulienne* provisions. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor or a third party's obligations, enters into additional agreements benefiting from existing security or any other legal act having similar effect) can be challenged in or outside insolvency of the relevant person by the bankruptcy trustee or receiver in an insolvency proceeding of the relevant debtor (in France, the creditors' representative (*mandataire judiciaire*), the commissioner of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) insolvency proceedings) or by any of the creditors of the relevant debtor outside the insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against third parties (under Luxembourg and French laws) if: (i) (under French law) the debtor performed such acts without an obligation to do so or (under Luxembourg law) the act was performed with the intention to defraud the creditor; (ii) the creditor concerned or, in the case of the relevant debtor's insolvency proceedings, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the relevant person and the counterparty to the transaction knew or should have known that one or more of its creditors (existing

or future) would be prejudiced in their means of recovery (where the legal act was entered into for no consideration (*à titre gratuit*), no such knowledge of the counterparty is necessary). If a court found that the issuance of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes or the granting of the security interests or the granting of a Guarantee of such Notes, involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of such Notes, the granting of such security interests for the benefit of holders of the relevant Notes or the granting of such Guarantees, as applicable, (i) could be declared unenforceable against third parties (under French law), (ii) declared unenforceable against the creditor that lodged the claim in relation to the relevant act (under Luxembourg law outside of bankruptcy proceedings) or (iii) except for security interests which qualify as financial collateral arrangements under the Luxembourg Collateral Law, declared void *vis-à-vis* all third-party creditors pursuant to Article 448 of the Luxembourg Code of Commerce (under Luxembourg law in the case of bankruptcy proceedings). As a result of such successful challenges, holders of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes may not enjoy the benefit of such Notes, the Guarantees, or the security interests and the value of any consideration that holders of the relevant Notes, respectively, received with respect to the relevant series of Notes, security interests or guarantees, could also be subject to recovery from the holders of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes, and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes might be held liable for any damages incurred by prejudiced creditors of each of the Issuers or the Guarantors as a result of the fraudulent conveyance.

***There may not be an active trading market for any of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes, in which case your ability to sell such Notes will be limited.***

We cannot assure you as to:

- the liquidity of any market in the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. Any such disruption may have an adverse effect on you, as a holder of Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes, regardless of our prospects and financial performance.

***The Notes may not remain listed on the Official List of The International Stock Exchange (the “Exchange”).***

Although each of the Issuers has agreed in the applicable Indenture to use its commercially reasonable efforts to have the relevant Notes listed on the Exchange and admitted to trading on the Official List of the Exchange, we cannot assure you that its Notes will remain listed on the Exchange. If any such listing cannot be maintained or it becomes unduly burdensome to make or maintain such listing or if the Issuers determine not to maintain such listing, we may cease to make or maintain any such listing on the Official List of the Exchange, provided that we will use our commercially reasonable efforts to maintain the listing of the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes, respectively, on another stock exchange, although there can be no assurance that we will be able to do so. Although no assurance is made as to the liquidity of the Notes, as a result of listing on the Official List of the Exchange or another recognized listing exchange for comparable issuers in accordance with the relevant Indenture, failure to be approved for listing or the delisting of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes from the Official List of the Exchange or another listing exchange in accordance with the respective Indentures may have a material adverse effect on a holder’s ability to resell Notes in the secondary market.

***Corporate benefit, financial assistance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees of the Senior Secured Notes and the Senior Notes.***

The Senior Secured Notes Guarantors guarantee and provide security in respect of their respective Guarantee on a senior basis. The Senior Notes Guarantors guarantee and provide security in respect of their respective Guarantee on a senior subordinated basis. The Senior Secured Notes Guarantors are organized under the laws of France and Luxembourg and the Senior Notes Guarantors are organized under the laws of Luxembourg. Enforcement of the obligations under the Guarantees against a Senior Secured Notes Guarantor or a Senior Notes Guarantor will be subject to certain defenses available to an SSN Issuer, Picard Bondco or the relevant Senior Secured Notes Guarantor or the relevant Senior Notes Guarantor, as the case may be. These laws and defenses may include those that relate to fraudulent conveyance, financial assistance, voidable preference, insolvency or bankruptcy challenges, preservation of share capital, thin capitalization, capital maintenance, corporate benefit and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Guarantors may have no liability or decreased liability under their respective Guarantees or the security interest in the relevant Collateral may be void or may not be enforceable depending on the amounts of its other obligations and applicable law.

Under French financial assistance rules, a company is prohibited from guaranteeing indebtedness of another company that is used, directly or indirectly, for the purpose of its acquisition.

Under French corporate benefit rules, a court could subordinate or void any guarantee and, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if the court found that the French guarantor did not derive an overall corporate benefit from the transaction involving the grant of the guarantee as a whole. Existence of corporate benefit is a factual matter, which must be determined on a case-by-case basis. Based on current case law:

- the company giving the guarantee must itself receive an actual benefit or advantage (direct or indirect) from the transaction involving the giving of the guarantee taken as a whole which is commensurate with the liability which it takes on under the guarantee;
- the financial commitment assumed by the guarantor must not exceed its financial capability; and
- (as regards group benefit) the guarantor and the person whose obligations are being guaranteed must belong to the same group and have real common economic purposes and policy, and the guarantee, and the transaction to which it relates, must be entered into in furtherance of the common economic interest of the group as a whole (not just its shareholders) and the liability under the guarantee should be commensurate with such group benefit.

Similarly, a Luxembourg Guarantor may only encumber its assets or provide guarantees in accordance with its corporate objects and for its corporate benefit. There is no Luxembourg legislation governing group companies which specifically regulates the establishment, organization and liability of groups of companies. Consequently, the concept of group interest as opposed to the interest of the individual corporate entity is not expressly recognized. Except as described below, a company may, in principle, not encumber its assets or provide guarantees in favor of group companies in general (at least as far as parent companies and fellow subsidiaries of its parent companies are concerned).

Based on current case law and legal literature, a Luxembourg company may, in principle, validly assist other group companies, in accordance with the provisions of Luxembourg Companies Law, if:

- (a) they are part of a group;
- (b) it can be established that the guarantor derives a benefit from granting such assistance or that, at least, there is no disruption of the balance of interests in the group to the detriment of the Luxembourg Guarantor; and
- (c) the assistance is not, in terms of the amounts involved, disproportionate to the Luxembourg Guarantor's financial means and the benefits derived from granting such assistance.



In addition, each of the Guarantees and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed by a particular Senior Secured Notes Guarantor or Senior Notes Guarantor, as applicable, without rendering its respective guarantee voidable or otherwise ineffective under applicable law.

In addition, the Senior Secured Notes Guarantee of any Senior Secured Notes Guarantor incorporated under the laws of France (each, a “French Guarantor”) in respect of the payment obligations of an SSN Issuer that is not a direct or indirect subsidiary of that French Guarantor under the applicable Senior Secured Notes Indenture and the relevant Senior Secured Notes and the guarantees by such French Guarantor of any other obligations of such Issuer:

- will not include any obligation or liability which, if incurred, would constitute the provision of financial assistance within the meaning of article L.225-216 of the French Commercial Code or any other laws having the same effect and/or would constitute a misuse of corporate assets or corporate credit within the meaning of articles L.241-3, L.242-6 or L.244-1 of the French Commercial Code;
- will be limited in the aggregate, at any time, to an amount (the “Maximum Guaranteed Amount”) equal to the difference (if positive) between (i) the aggregate of all amounts directly or indirectly (by way of intercompany loans or similar arrangement directly or indirectly) received from an SSN Issuer out of the proceeds of the offering of the Senior Secured Notes and any other obligations issued by such SSN Issuer, by such French Guarantor and outstanding on a given date from time to time (including under the PG Intra-Group Loan) and (ii) any unpaid amount called under any Senior Secured Notes Guarantee in respect of Senior Secured Notes issued by such SSN Issuer and the guarantees by such French Guarantor of any other obligations of such SSN Issuer, on the same date from time to time. Any payment made by such French Guarantor under its relevant Senior Secured Notes Guarantee will reduce *pro tanto* the maximum amount of its relevant Guarantee.

It should be noted that if a court were to decide that giving a Guarantee of the Notes constituted financial assistance or was not in the corporate benefit of the relevant French Guarantor, then such Guarantee could be reduced to zero.

In each case, any reduction in the amount of the relevant intercompany loan, including by operation of the Intercreditor Agreement, would reduce the amount of the Guarantee.

By virtue of the foregoing limitations, a French Guarantor’s obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or it may have effectively no obligation under its Guarantee.

In addition, the granting of new security interests in connection with the issuance of the Senior Secured Notes or the Senior Notes may be at risk of falling within the scope of clawback rules if entered into during the hardening periods for such security interests in France and Luxembourg (save for financial collateral arrangements within the meaning of the Luxembourg Collateral Law). The applicable clawback rules for these new security interests will run from the moment each new security interest has been granted or perfected, provided they take place during the hardening period. The Indentures permit the security interests in the relevant Collateral to be released and retaken in certain circumstances. Assuming such release and retaking have occurred during the hardening period, there is a risk that the relevant clawback rules apply. In case any of the security providers was to be declared insolvent by the competent court, the court could establish a period before the insolvency judgment (the so-called “hardening period”) within which the court-appointed insolvency receiver (or the public prosecutor in France) will have to carefully consider any transactions entered into during this hardening period. With the exception of any security interest being financial collateral arrangements within the meaning of the Luxembourg Collateral Law, any security interest entered into during the so-called “hardening period” will be analyzed by the court-appointed insolvency receiver and may be, as the case may be, challenged by the court-appointed insolvency receiver (including in France the creditor representative, the judicial administrator or the plan commissioner) or the public prosecutor in France and may be declared void or ineffective by the competent court.

It is possible that a Guarantor, or a creditor of a Guarantor, the grantor of security interests, or the creditor thereof, or the bankruptcy trustee in the case of a bankruptcy of a Guarantor or grantor of such security interests, may contest the validity and enforceability of the Guarantor’s Guarantee and that the applicable court may determine that the Guarantee or the security interests should be limited or voided. To the extent that agreed limitations on the guarantee

obligation apply, the relevant Notes would be to that extent effectively subordinated to all liabilities of the applicable Guarantor and/or grantor, including trade payables of such Guarantor and/or grantor, as applicable. Future Guarantees and/or security interests may be subject to similar limitations. See “—*The insolvency and administrative laws of Luxembourg and France, as the case may be, may not be favorable to creditors, including investors in the Notes, and may limit your ability to enforce your rights under the Notes, the Guarantees or the security interests in the Collateral.*”

***Creditors under the Super-Senior Revolving Credit Facility and certain future credit facility indebtedness permitted to be incurred under the terms of the Indentures, as well as counterparties to certain hedging obligations, are entitled to be repaid with recoveries from the proceeds from the enforcement of the Collateral in priority to the Notes.***

The Intercreditor Agreement includes provisions governing the sharing of recoveries from proceeds from enforcement of the Collateral and certain distressed disposals. Such recoveries and enforcement proceeds are required to be turned over to the relevant Security Agent. In addition, other payments or recoveries in respect of the Senior Notes are required to be turned over after certain insolvency events or the acceleration of the Senior Secured Notes, the Senior Notes or the Super-Senior Revolving Credit Facility. The relevant Security Agent is required to pay turned-over amounts and other recoveries by the relevant Security Agent from enforcement actions to discharge (i) obligations under the Super-Senior Revolving Credit Facility and certain hedging obligations in priority to paying any such amounts to discharge the Senior Secured Notes and the Senior Notes and (ii) obligations under the Senior Secured Notes and certain future indebtedness in priority to paying any such amounts to discharge the Senior Notes. As such, in the event of a foreclosure of the Collateral, you may not benefit from such recoveries if the amounts owed by the borrowers under the Super-Senior Revolving Credit Facility or certain hedging obligations or, in the case of the Senior Notes, the Senior Secured Notes and certain future indebtedness are greater than the proceeds recovered from the foreclosure of the Collateral. Any proceeds remaining from an enforcement sale of Collateral and certain distressed disposals will, after all obligations under the Super-Senior Revolving Credit Facility and such hedging obligations have been discharged, be applied (i) *pro rata* in repayment of the Senior Secured Notes and any other indebtedness ranking *pari passu* with the Senior Secured Notes or junior to the Senior Secured Notes but in priority to the Senior Notes until all such obligations have been discharged and (ii) *pro rata* in repayment of the Senior Notes and any other indebtedness ranking *pari passu* with the Senior Notes.

In addition, under the Intercreditor Agreement and the security documents, the Senior Secured Notes and the Super-Senior Revolving Credit Facility are secured by first-ranking security interests (or security interests treated as such pursuant to the provisions of the Intercreditor Agreement) in all of the Senior Notes Collateral and the proceeds of any sale of such Senior Notes Collateral on enforcement will be applied first to repay all debt of the lenders under the Super-Senior Revolving Credit Facility and certain hedging obligations and then all debt of the holders of the Senior Secured Notes and certain future indebtedness prior to repayment of the Senior Notes. See “—*Additional Risks Related to the Senior Notes—Investors’ right to receive payment under the Senior Notes Guarantees is contractually subordinated to senior debt.*”

***The security interests in the Collateral will be granted to the relevant Security Agent rather than directly to the holders of the Senior Secured Notes or the Senior Notes. The holders of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes, as applicable, may not control certain decisions regarding the Collateral.***

The Intercreditor Agreement regulates the ability of the Trustees or the holders of the Notes to instruct the relevant Security Agent to take enforcement action. The Senior Secured Notes Security Agent may act upon the instructions of the class of secured creditors that first delivers a notice to enforce the Collateral to the Senior Secured Notes Security Agent, provided that it receives written consent to do so or the same enforcement instructions from: (i) creditors holding more than 66 2/3% of the indebtedness and commitments under the Super-Senior Revolving Credit Facility, any other credit facility permitted under the Intercreditor Agreement and certain priority hedging obligations (the “Majority Super Senior Creditors”); and (ii) creditors holding more than 50% of the indebtedness under the Senior Secured Notes and indebtedness ranking *pari passu* with the Senior Secured Notes (the “Majority Senior Non Priority Creditors”) (in each case acting through their respective creditor representative) prior to the “enforcement instruction effective date” (as defined in the Intercreditor Agreement). The Intercreditor Agreement

further provides that in the event that the Majority Super Senior Creditors and the Majority Senior Non Priority Creditors have not consented to the relevant enforcement instructions or if conflicting enforcement instructions are received from any creditor representative prior to the enforcement instruction effective date, the creditor representatives must consult with each other in good faith for a period of 30 days (or such shorter period as such creditor representatives agree) to agree on joint enforcement instructions. Although enforcement instructions given by holders of the Senior Secured Notes and certain other creditors may prevail after such 30-day consultation period, under certain circumstances, enforcement instructions by the lenders under our Super-Senior Revolving Credit Facility and certain other creditors will prevail.

If the creditor representatives are not able to agree on joint enforcement instructions by the end of the consultation period, the Senior Secured Notes Security Agent shall enforce the Collateral in accordance with the terms of the enforcement instructions (if any) given by the Majority Senior Non Priority Creditors, provided that if: (i) the super senior creditors (comprised of the creditors in respect of the Super-Senior Revolving Credit Facility and any other credit facility permitted under the Intercreditor Agreement and the counterparties to certain of our priority hedging arrangements) have not been fully repaid within six months of the end of the consultation period; (ii) the Senior Secured Notes Security Agent has not received any enforcement instructions from the Majority Senior Non Priority Creditors within 90 days of the end of the consultation period; or (iii) Picard Bondco or any of its subsidiaries becomes subject to insolvency or similar proceedings and the Senior Secured Notes Security Agent has not commenced any enforcement action at that time, then the instructions given by the Majority Super Senior Creditors will prevail.

To the extent that we incur indebtedness that is secured by the Collateral on a *pari passu* basis with the Senior Secured Notes, the voting interest of the holders of the Senior Secured Notes in the Majority Senior Non Priority Creditors will be diluted commensurate with the amount of such indebtedness we incur.

The Intercreditor Agreement will subject the Senior Notes to certain standstill provisions relating to the enforcement of the Collateral and the subordination of the guarantees by the Senior Notes Guarantors of the Senior Notes. See “—*Additional Risks Related to the Senior Notes—Investors’ right to receive payment under the Senior Notes Guarantees is contractually subordinated to senior debt*”.

Disputes may occur between the holders of the Fixed Rate SSNs, the holders of the Floating Rate SSNs, the holders of the Senior Notes, the lenders under the Revolving Credit Facility Agreement, creditors of certain future indebtedness and certain hedging counterparties as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the relevant Collateral. In such an event, in situations described above where the holders of the Fixed Rate SSNs, the holders of the Floating Rate SSNs or the holders of the Senior Notes, as applicable, do not control enforcement, the relevant holders would be bound by any decisions of the creditors under our other debt instruments, including the Super-Senior Revolving Credit Facility, which may result in enforcement action, or absence thereof in respect of the relevant Collateral, whether or not such action is approved by the relevant holders or may be adverse to such holders of the Fixed Rate SSNs, holders of the Floating Rate SSNs or holders of the Senior Notes.

The creditors under certain hedging arrangements and the Revolving Credit Facility Agreement or other indebtedness that may be issued in the future may have interests that are different from the interests of holders of the Senior Secured Notes or the holders of the Senior Notes, as applicable, and such creditors may elect to pursue their remedies under the security documents at a time when it would otherwise be disadvantageous for the holders of the Senior Secured Notes or the holders of the Senior Notes to do so.

If the relevant Security Agent sells the relevant Collateral comprising the shares of Lux Midco or, if applicable, the shares of any of its subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Senior Secured Notes, the Senior Secured Notes Guarantees (together with claims under the Senior Secured Notes) and the liens over any other assets securing the Senior Secured Notes and the Senior Secured Notes Guarantees may be released. See “*Description of Certain Indebtedness*”.

In addition, the ability of the relevant Security Agent to enforce the security interests in the relevant Collateral is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the relevant Collateral are taken. For example, the laws of certain jurisdictions may not allow for an appropriation of certain pledged assets, but require a sale through a public auction and certain waiting periods may apply. There is some

uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Senior Secured Notes or the Senior Notes that are not identified as registered holders in a security document will be validly secured.

The Collateral governed by French law that secures the obligations of the SSN Issuers, Picard Bondco and the Guarantors under the Senior Secured Notes and the Senior Notes is not granted directly to the holders of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes, but is granted only in favor of the relevant Security Agent under the French security agent (*agent des sûretés*) mechanism under the Intercreditor Agreement. The Collateral also secures our obligations under, *inter alia*, the Super-Senior Revolving Credit Facility and certain hedging obligations (the “Super Senior Liabilities”). The Intercreditor Agreement, the Indentures and the Security Documents will provide that only the relevant Security Agent, as security agent (and /or as parallel debt creditor, as applicable), has the right to enforce its security interests in the relevant Collateral. As a consequence, holders of the Senior Secured Notes and holders of the Senior Notes, respectively, will not have direct security interests and in any event will not be entitled to take enforcement action in respect of the relevant Collateral, except through the relevant Trustee under the relevant Indenture, who will (subject to the provisions of the relevant Indenture) provide instructions to the relevant Security Agent for the relevant Collateral.

In certain jurisdictions, due to the laws and other case law governing the creation and perfection of security interests and enforceability of such security interests, the respective Collateral may secure a so-called “parallel debt” obligation (the “Parallel Debt Obligation”) created under the Intercreditor Agreement and/or the Fixed Rate SSN Indenture and/or the Floating Rate SSN Indenture and/or the Senior Notes Indenture in favor of the relevant Security Agent as well as, or in lieu of, securing the obligations under the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes, as applicable, directly. This parallel debt structure is used where certain jurisdictions have legal requirements relating to the creation and ongoing valid existence of security interests which are linked with the original secured claims and where certain actions under the finance documents, such as novation, may adversely impact the security interests under local law. The parallel debt is in the same amount and payable at the same time as the obligations of the relevant Issuer and the relevant Guarantors under the relevant Notes and the relevant Guarantees (the “Principal Obligations”), and any payment in respect of the Principal Obligations will discharge the corresponding parallel debt and any payment in respect of the parallel debt will discharge the corresponding Principal Obligations. Although the relevant Security Agent will have, pursuant to the parallel debt, a claim against the relevant Issuer and the relevant Guarantors (subject to applicable limitation language) for the full principal amount of the relevant Notes, the parallel debt structure has not been tested in court in these jurisdictions and there is no judicial guidance as to its efficacy and therefore it cannot be excluded that the parallel debt will not per se eliminate or mitigate the risk of unenforceability of the security interests in the relevant Collateral. Therefore, the ability of the relevant Security Agent to enforce the security interests in the relevant Collateral may be restricted. In addition, holders of the relevant Notes bear some risk associated with a possible insolvency or bankruptcy of the relevant Security Agent.

Under French law, certain “accessory” security interests such as pledges require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of third parties who do not hold the secured claim, unless they act as fiduciary under Article 2011 of the French Civil Code or as security agent (*agent des sûretés*) under Articles 2488-6 *et seq.* of the French Civil Code. In order to permit the beneficial holders of the Fixed Rate SSNs, the Floating Rate SSNs or the Senior Notes to benefit from a secured claim, the Intercreditor Agreement provides for the creation of a “parallel debt” in favor of the Senior Secured Notes Security Agent or the Senior Notes Security Agent. Pursuant to the parallel debt, the relevant Security Agent becomes the holder of a claim equal to each amount payable by an obligor under the relevant Notes. Such “parallel debt” is intended to be an obligation owed to the Secured Notes Security Agent or the Senior Notes Security Agent, as applicable, which, as such, would be capable of being effectively secured by a security interest granted to the Secured Notes Security Agent or the Senior Notes Security Agent, as applicable.

To the extent that the security interests in the relevant Collateral created under the parallel debt construct are successfully challenged by other parties, holders of the relevant Notes will not receive any proceeds from an enforcement of the security interests in the relevant Collateral.

Although the enforceability in France of certain rights of a security agent (*e.g.*, the filing of claims in safeguard proceedings) benefiting from a parallel debt was recognized in France by the French Supreme Court (*Cour de Cassation*) (Cass. Com. September 13, 2011 n°10-25533 Belvedere), none of the “parallel debt” and trust mechanism constructs have been generally recognized by French courts and to the extent that any Notes or security interests

created under the “parallel debt” and/or trust constructs are successfully challenged by other parties, holders of the relevant Notes will not receive any proceeds from an enforcement of the parallel debt in respect of the relevant Guarantees or security interests in the relevant Collateral. In addition, the holders of the relevant Notes will bear the risks associated with the possible insolvency or bankruptcy of the relevant Security Agent. The Belvedere decision is the only published decision of the French Supreme Court on “parallel debt” mechanisms relating to bond documentation governed by New York law. This decision only recognized the enforceability in France of certain rights of a security agent benefiting from a “parallel debt”. In particular, the French Supreme Court upheld the proof of claim of the legal holders of a “parallel debt” claim, considering that it did not contravene French international public policy (*ordre public international*) rules. The ruling was made on the basis that the French debtor was not exposed to double payment or artificial liability as a result of the “parallel debt” mechanism. Although this court decision is generally viewed by legal practitioners and academics as recognition by French courts of “parallel debt” structures in such circumstances, there can be no assurance that such a structure will be effective in all cases before French courts. Indeed, it should be noted that the legal issue addressed by the Belvedere decision is limited to the proof of claims. The French Supreme Court was not asked to generally uphold French security interests securing a “parallel debt”. It should be noted that case law on this matter is scarce and based on a case-by-case analysis. Such a decision should not be considered as a general recognition of the enforceability in France of the rights of a security agent benefiting from a “parallel debt” claim. There is no certainty that the “parallel debt” construction will eliminate the risk of unenforceability under French law.

To the extent that the security interests in the relevant Collateral created under the parallel debt construct are successfully challenged by other parties, holders of the Fixed Rate SSNs, the holders of the Floating Rate SSNs and the holders of the Senior Notes will not receive proceeds from an enforcement of the security interests in the relevant Collateral.

The concept of “trust” has been recognized by the French Tax Code and the French Supreme Court (*Cour de Cassation*), which has held, in the same published decision referred to above (Cass. Com. September 13, 2011 n°10-25533 Belvédère) that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings commenced in France. However, while substantial comfort may be derived from the above, France has not ratified the Hague Convention of July 1, 1985 on the law applicable to trusts and on their recognition, so that the concept of “trust” has not been generally recognized under French law.

References to the Security Agent with respect to security interests granted under French law are references to Deutsche Bank AG, London Branch, as security agent in France. In relation to the security interests granted under French law, each holder of the Notes has appointed the Security Agent to act as security agent (*agent des sûretés*) pursuant to Articles 2488-6 to 2488-12 of the French *Civil Code* for the purpose of taking, registering, managing and enforcing any Collateral granted under French law in the name of the Security Agent for the benefit of such holder of the Notes. All rights and assets received by the Security Agent as security agent (*agent des sûretés*) when acting in such a capacity will, subject to certain exceptions set forth in the French *Civil Code*, be part of a separate estate (*patrimoine d'affectation*) designed to protect the rights of the secured creditors in case of bankruptcy or insolvency of the security agent (*agent des sûretés*). The security agent regime provided under Articles 2488-6 to 2488-12 of the French *Civil Code* came into force only on October 1, 2017 and, accordingly, has not been tested to date. Whilst this new regime provides for a protection of the rights and assets received by the Security Agent as security agent (*agent des sûretés*) in case of various bankruptcy or insolvency proceedings affecting the security agent (*agent des sûretés*), it is uncertain how the non-French courts of the jurisdiction where bankruptcy or insolvency proceedings of the security agent (*agent des sûretés*) are conducted will recognize and apply this regime.

***No appraisals of any of the Collateral were prepared by us or on our behalf in connection with the issuance of the Notes.***

No appraisals of any of the Collateral have been prepared by us or on our behalf in connection with the issuances of the Notes. There is no guarantee that the value of the relevant Collateral will be sufficient to enable each of the Issuers to satisfy their obligations under the relevant Notes and the relevant Guarantees. There is no requirement under the Indentures to provide funds to enhance the value of the Collateral if it is insufficient, though applicable law may provide otherwise. The proceeds of any sale of the Collateral following an event of default with respect to the Notes may not be sufficient to satisfy, and may be substantially less than, amounts due on the relevant Notes.

The amount of proceeds realized upon the enforcement of the security interests over the relevant Collateral or in the event of liquidation will depend upon many factors, including, among others, general market and economic conditions, the condition of the market for the relevant Collateral, the ability to sell the relevant Collateral in an orderly sale, the fair value of the relevant Collateral, the timing and manner of the sale, whether or not our business is sold as a going concern, the ability to readily liquidate the Collateral, the availability of buyers and the condition of the relevant Collateral and exchange rates. Further, there may not be any buyer willing and able to purchase our business as a going concern, or willing to buy a significant portion of our assets in the event of an enforcement action.

By its nature, some or all the Collateral may not have a readily ascertainable market value or may not be saleable or, if saleable, there may be substantial delays in its disposal. To the extent that liens, security interests and other rights granted to other parties encumber assets owned by the Issuers or the Guarantors, those parties have or may exercise rights and remedies with respect to the property subject to their liens, security interests or other rights that could adversely affect the value of that Collateral and the ability of the relevant Security Agent or investors as holders of the relevant Notes to realize or enforce that Collateral. If the proceeds of any sale of the Collateral are not sufficient to repay all amounts due on the relevant Notes and the relevant Guarantees, investors (to the extent not repaid from the proceeds of the sale of the relevant Collateral) would have only an unsecured claim against the relevant Issuer's and the relevant Guarantor's remaining assets. Each of these factors or any challenge to the validity of the Collateral or the intercreditor arrangement governing our creditors' rights could reduce the proceeds realized upon enforcement of the Collateral. In addition, there can be no assurance that the relevant Collateral could be sold in a timely manner, if at all.

***The Issuers, the Senior Secured Notes Guarantors and the Senior Notes Guarantors will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.***

The Security Documents will, subject to the terms of the Revolving Credit Facility Agreement and the Indentures, allow the Issuers and the Guarantors to remain in possession of, retain control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes. So long as no default or event of default under the Revolving Credit Facility Agreement or the Indentures is occurring or would result therefrom, the Issuers and the Guarantors may, among other things, without any release or consent by the relevant Security Agent, conduct ordinary course activities with respect to the relevant Collateral, such as selling or otherwise disposing of such Collateral and making ordinary course cash payments, including repayments of indebtedness.

***It may be difficult to realize the value of the Collateral securing the Notes.***

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens, security interests and other imperfections permitted under the Revolving Credit Facility Agreement, the Indentures and accepted by other creditors that have the benefit of senior or *pari passu* security interests in the Collateral securing the Notes from time to time pursuant to the provisions of the Intercreditor Agreement, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens, security interests and other imperfections could adversely affect the value of the Collateral securing the Notes, as well as the ability of the relevant Security Agent to realize or foreclose on such Collateral. Furthermore, the ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements or statutory liens.

The ability of the relevant Security Agent to enforce on the Collateral located in a particular jurisdiction or governed by the law of a particular jurisdiction is subject to mandatory provisions of the law of such jurisdiction. Enforcement of the Collateral may also be subject to certain statutory limitations and defenses or to limitations contained in the terms of the Security Documents designed to ensure compliance with applicable statutory requirements.

The security interests of the relevant Security Agent will be subject to practical problems generally associated with the realization of security interests over property such as the Collateral. For example, the relevant Security Agent may need to obtain the consent of a third party, including in some cases certain regulatory consents, to enforce a security interest. We cannot assure you that the relevant Security Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the relevant Security Agent may not have the ability to foreclose upon those assets, the value

of the Collateral may significantly decrease and in any enforcement action, the Collateral would have to be offered first to such party, which could cause delays in the enforcement process or lead to a less competitive bidding process for such assets and thus a lower level of recovery therefrom.

In addition, to the extent that any other security interests permitted under the Revolving Credit Facility Agreement, the Indentures, and other rights encumber the Collateral securing the Notes, those parties may have and may exercise rights and remedies with respect to the relevant Collateral that could adversely affect the value of that Collateral and the ability of the relevant Security Agent to realize, sell or foreclose (in each case in accordance with the relevant Security Documents and the Intercreditor Agreement) on such Collateral.

For example, the pledges over the shares of Lion Polaris II and, in respect of the Senior Secured Notes only, the Fixed Rate SSN Issuer, Picard International S.A.S. and Picard Surgelés S.A.S., which are governed by French law, are pledges over securities account (*nantissement de compte de titres financiers*) in which the shares of those companies are registered. In France, no lien searches are available for security interests, which are not registered, such as pledges over securities accounts (*nantissements de comptes de titres financiers*), pledges over bank accounts (*nantissement de comptes bancaires*) and pledges over receivables (*nantissement de créances*). As a result, no assurance can be given on the priority of the pledges over the securities account in which the shares of Lion Polaris II and, in respect of the Senior Secured Notes only, the Fixed Rate SSN Issuer, Picard International S.A.S. and Picard Surgelés S.A.S., are registered.

***Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.***

We are subject to complex tax laws. Changes in tax laws could adversely affect our tax position, including our effective tax rate or tax payments. We often rely on generally available interpretations of applicable tax laws and regulations. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our services to track and collect such taxes, which could increase our costs of operations and have an adverse effect on our business, financial condition, operating results and cash flows.

For example, as part of the global OECD BEPS project, France, where some of the Group companies are organized, has signed (together with other jurisdictions) the so-called multilateral instrument (“MLI”) that will transpose anti-BEPS measures into some of the treaties that France has concluded. France ratified the MLI on September 26, 2018, which became effective as of January 1, 2019. For all countries which ratify the MLI after France, the relevant dates of application should be calculated on an individual basis. The MLI notably introduces a “principal purpose test” (“PPT”) denying tax treaty benefits to companies when obtaining such benefits was “one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in” these benefits, unless granting these benefits under the given circumstances would be “in accordance with the object and purpose of the relevant provisions” of the tax treaty. Whether a French entity relying on tax treaty benefits can be construed as being part of such type of arrangement will predominantly depend on source state views.

In particular, because the Transactions resulted in a significant change to the financing arrangements within the structure of the Picard Group and its direct and indirect parent entities incorporated in Luxembourg (the “*Luxembourg Holding Structure*”), the transfer pricing arrangements for the Luxembourg Holding Structure have been amended. The amended transfer pricing arrangements did not receive prior approval from the Luxembourg tax authorities, and could be challenged at any time by the Luxembourg tax authorities, which could result in higher taxes, the imposition of penalties or a requirement that we amend our transfer pricing arrangements, which could be less favorable to the Luxembourg Holding Structure by increasing taxes.

Furthermore, the European Union continues to harmonize the tax legislation of the Member States. In this respect, on May 11, 2022, the European Commission issued a proposal for a Council Directive laying down rules on a debt-equity bias reduction allowance and on limiting the deductibility of interest for corporate income tax purposes (the “DEBRA Directive”). The DEBRA Directive aims to address the disparity in treatment between debt and equity financing by introducing a tax deductible allowance for equity investments over a 10-year period, as well as further

limiting the ability to deduct interest on debt investments. The restriction on deducting debt interest would interact with the existing interest limitation rules deriving from ATAD. Initially, Member States of the European Union were expected to implement the DEBRA Directive into national law by December 31, 2023, for an entry into force on January 1, 2024. In December 2022, the EU Council stated that negotiations would be temporarily suspended and reassessed at a later stage in the broader context of other upcoming reforms in the area of corporate taxation. While on January 16, 2024, the European Parliament, in plenary session, adopted a resolution on the DEBRA Directive suggesting several (nonbinding) amendments, the DEBRA Directive proposal is currently suspended. Neither the European Commission nor the European Council has provided an indicative timetable for adoption. To date, we are not in a position to assess whether the provisions deriving from the DEBRA Directive would affect the deductibility of interest on the Notes.

Alongside the DEBRA Directive, the European Commission communicated a new plan called Business in Europe: Framework for Income Taxation (“BEFIT”) which aims to replace the Common Consolidated Corporate Tax Base (“CCCTB”) in the European tax policy proposals. BEFIT is based mainly on the framework of the OECD’s international tax reform project, and would involve the consolidation of the profits of the EU members of a multinational group into a single tax base, which will then be allocated to Member States using a formula, to be taxed at national corporate income tax rates. The preparation for this new proposal will be carried out by the European Commission alongside the Member States and the European Parliament and will give rise to consultations with the business sector and civil society groups. On September 12, 2023, the European Commission published the BEFIT directive proposal; a draft report on the BEFIT directive was then published in November 2023 by the Economic and Monetary Affairs Committee of the European Parliament. Following their technical examination of the proposal, the European Council concluded in June 2024 that further reflection and technical work would be necessary in order to determine the next steps. On May 12, 2025, the European Parliament addressed the BEFIT matter by publishing a draft report, proposing several amendments while remaining supportive of the draft proposal. The European Parliament’s vote on the BEFIT directive could be scheduled for as early as November 12, 2025.

On September 12, 2023, the European Commission published a proposal for a Council Directive on transfer pricing (which is part of the BEFIT package) aiming at incorporating the arm’s length principle into European Union law, harmonizing the key transfer pricing rules, clarifying the role and status of the OECD Transfer Pricing Guidelines and creating the possibility to establish, within the European Union, common binding rules on specific transfer pricing subjects. Should this Directive be adopted, Member States would have to apply these provisions as from January 1, 2026. Following their technical examination, the European Council indicated in June 2024 that further work will be required.

The European Commission also announced, among other things, that it would table a legislative proposal setting out union rules to neutralize the misuse of shell entities for tax purposes (the “ATAD III Proposal”). On January 17, 2023, the European Parliament approved almost by unanimity the ATAD III Proposal, which was released by the European Commission on December 22, 2021. In order to be definitively adopted, the text needed to be approved by the Council of the European Union and subsequently implemented by Member States. However, on June 20, 2025, the Economic and Financial Affairs Council (ECOFIN) announced that Member States’ delegations favor achieving the ATAD III Proposal’s objectives through clarifications or amendments to the hallmarks set out in the 6th Directive on the Administrative Cooperation between EU Member States (the “DAC6”). Consequently, the European Council decided to discontinue its analysis of the ATAD III Proposal. The same day, the European Council approved an ECOFIN report confirming the discontinuation of work on the ATAD III Proposal, proposed initially on December 22, 2021. The European Commission is now expected to finalize its analysis of Directive 2011/16/EU (DAC), evaluating its relevance, effectiveness, and the usability of exchanged information.

On October 8, 2021, members of the OECD/G20 Inclusive Framework on BEPS (the Inclusive Framework) agreed to the Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy reflecting the agreement reached by 136 out of the 140 Inclusive Framework members. The Two-Pillar Solution is comprised of “Pillar One” and “Pillar Two”.

Pillar One aims at ensuring a distribution of profits and taxing rights among countries with respect to the largest multinational enterprises (“MNEs”) through the re-allocation of taxing rights over 25% of the residual profit of the largest and most profitable MNEs to the jurisdictions where the customers and users of those MNEs are located.



Pillar Two puts a floor on tax competition on corporate income tax through the introduction of a global minimum corporate income tax at a rate of 15% that countries can use to protect their tax bases (the “GloBE rules”). On December 20, 2021, the OECD published the pillar two model rules (the “Model Rules”) for the domestic implementation of the 15% global minimum tax rate agreed upon in October 2021. The new Model Rules aim to assist countries to bring the GloBE rules into domestic legislation. They provide for a coordinated system of interlocking rules that (i) define the MNEs within the scope of the minimum tax; (ii) set out a mechanism for calculating an MNE’s effective tax rate on a jurisdictional basis, and for determining the amount of top-up tax payable under the rules; and (iii) determine the member of the MNE group which will be required to pay the top-up tax.

On December 22, 2021, the European Commission published a legislative proposal for a Directive setting forth rules to ensure a global minimum level of taxation for multinational groups. The draft Directive aims at consistently implementing among all 27 member states the Model Rules that include an Income Inclusion Rule (“IIR”) and an Under Taxed Payment Rule (“UTPR”). However, it also extends its scope to large-scale purely domestic groups, in order to ensure compliance with the European Union fundamental freedoms. In addition, the draft Directive makes use of an option contemplated by the Inclusive Framework whereby the member state of a low-taxed income entity (referred to as constituent entity) applying the IIR is required to ensure effective taxation at the minimum agreed level not only for foreign subsidiaries but also for all constituent entities’ residents in that member State.

On December 15, 2022, the Council of the European Union unanimously adopted the directive implementing Pillar Two. The Member States had to transpose the directive into their national laws by December 31, 2023 for the rules to be applicable for fiscal years starting on or after December 31, 2023 (with the exception of the UTPR, which is to be applicable for fiscal years starting on or after December 31, 2024).

Article 33 of the French Finance Act for 2024 (Law 2023-1322 of 29-12-2023) transposed Directive EU/2022/2523 of 15 December 2022 into French domestic law in Articles 223 VJ to 223 WZ of the FTC. Pillar Two provisions come into force in France as from financial years starting on or after 31 December 2023 (with the exception of the UTPR, for which the application will be deferred to financial years starting on or after 31 December 2024. As a result the Company might be subject to Pillar Two as from January 1, 2024 (due to its financial year closing on December 31, 2023) and to the UTPR as from January 1, 2025 (assuming that the first financial year of the Company starting on or after December 31, 2024 is the one starting on January 1, 2025).

Article 53 of the French Finance Act for 2025 (Law 2025-127 of February 14, 2025) amended the French domestic rules transposing Pillar Two to reflect the OECD’s commentaries published in 2023. The OECD’s commentaries published in 2024 and 2025 have not yet been incorporated into French domestic law. These amendments apply to financial years ending on or after December 31, 2024, except for the tax solidarity payment, which should only apply as from February 16, 2026.

On October 11, 2023, the OECD/G20 Inclusive Framework published the text of the Multilateral Convention to Implement Amount A of Pillar One (the “MLC”). Amount A of Pillar One co-ordinates a reallocation of taxing rights to market jurisdictions with respect to a share of the profits of the largest and most profitable multinational enterprises operating in their markets, regardless of their physical presence. It also ensures the repeal and prevents the proliferation of digital services taxes and relevant similar measures, secures mechanisms to avoid double taxation, and enhances stability and certainty in the international tax system.

Furthermore, new rules on tax dispute resolution already apply since January 1, 2019, following the transposition of Council Directive 2017/1852 of October 10, 2017 into French tax law. These new regulations could impact our tax position in the future.

Due to the international scope of our Group’s business, we are subject to the tax laws and regulations of several jurisdictions, in particular with regard to transfer pricing rules that apply in certain jurisdictions. Pursuant to such rules, related enterprises must conduct any inter-company transactions on an arm’s-length basis and must provide sufficient documentation thereof, subject to the applicable rules of the relevant jurisdiction. Although the Group has transfer pricing policies in place, tax authorities may challenge the Group’s compliance with applicable transfer pricing rules.

We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our products or services to track and collect such taxes, which could increase our costs of operations and have a negative effect on our business, results of operations and financial condition.

***French tax legislation may restrict the deductibility, for French tax purposes, of indebtedness incurred in France, thus reducing the cash flow available to service our indebtedness.***

The following description only deals with the Fixed Rate SSNs; we are otherwise subject to limitations on the deductibility of interest with respect to shareholder or intra-group debt.

A new set of rules implementing the directive amending ATAD, known as ATAD 2, applies in France, for most of its provisions, to fiscal years beginning on or after January 1, 2020. Specific provisions relating to reverse hybrid mismatches apply to fiscal years beginning on or after January 1, 2022.

According to these new rules set out in Articles 205 B and following of the FTC:

- the tax-deduction of payments to be made by entities established in France shall be denied if they result in hybrid mismatches involving associated enterprises or structured arrangements; and
- the income of hybrid entities incorporated in France involved in reverse hybrid mismatches is taxable in France to the extent that it is not taxed in another state.

For this purpose:

“Associated enterprises” refers to situations where (i) an entity owns, directly or indirectly (including together with other persons acting jointly) at least 50% (or 25% in certain cases) of the share capital or voting rights or rights to profits of another entity or (ii) a third person owns, directly or indirectly (including together with other persons acting jointly) at least 50% (or 25% in certain cases) of the share capital or voting rights of each of the two entities or (iii) both entities are members of a same consolidated group or one has a significant influence of the management of the other.

“Hybrid entity” means any entity or arrangement that is regarded as a taxable entity under the laws of one state and whose income or expenditure is treated as income or expenditure of one or more other persons under the laws of another state.

“Hybrid mismatches” refer to a number of situations where, *inter alia*, payments are deductible for their payors but not included in the taxable income of their (ultimate) beneficiaries, or persons other than the payors may also take a tax-deduction in respect of the same payments, as a result of differences in the tax qualification of payments or entities, and/or in the allocation of payments under the laws of the various jurisdictions involved.

“Reverse hybrid mismatch” refers to a situation in which one or more associated enterprises holding together (directly or indirectly) at least 50% of the share capital, voting rights or financial rights of a hybrid entity incorporated or established in the European Union are established in states that regard this hybrid entity as a taxable person.

“Structured arrangements” refers to arrangements involving a hybrid mismatch where the mismatch outcome is priced into the terms of the arrangements or arrangements that have been designed to produce a hybrid mismatch outcome, unless the parties involved (and their associated enterprises) could not reasonably have been expected to be aware of the hybrid mismatch and did not share in the value of the tax benefit resulting from it.

Assuming that the Fixed Rate SSNs do not form part of a structured arrangement, we do not expect that this limitation would apply to interest accruing on the Fixed Rate SSNs. However, we cannot provide any assurance, especially since published administrative guidelines have not provided expected clarity, that this tax legislation would not limit the deductibility of interest on the Fixed Rate SSNs or that the French tax authorities would not disagree with

the position we ultimately take regarding the tax treatment or characterization of the indebtedness under the Fixed Rate SSNs.

Furthermore, under Article 212 bis of the FTC, net financial expenses incurred during a given fiscal year by a company (or by all members of a consolidated tax group, as the case may be) are deductible only up to the highest of (i) 30% of the “tax EBITDA” of the relevant company or consolidated tax group and (ii) €3.0 million. The “tax EBITDA” corresponds to the taxable income (before offset of tax losses) restated of certain items (such as net financial expenses, net depreciation allowances, net reserves and gains and losses taxable at reduced rates).

Net financial expenses exceeding the deduction ceiling can be deducted, up to 75% of their amount, if the company (or the consolidated tax group) is able to demonstrate that its equity ratio (*i.e.*, the ratio between its equity and its gross assets) is higher than or equal to that of the consolidated group to which it belongs, if any (“safeguard clause”). For the purpose of this safeguard clause, the terms “consolidated group” refer to all French and foreign companies whose financial statements are fully consolidated for the preparation of consolidated financial statements within the meaning of Article L. 233-18 of the French Commercial Code or within the meaning of the international accounting standards mentioned in Article L. 233-24 of the same Code.

As an exception, in which case the “safeguard clause” is not applicable, if a company (or a consolidated tax group) is “thin-capitalized”, *i.e.*, if the average amount of its related-party indebtedness within the meaning of Article 39.12 of the FTC exceeds 1.5 times the amount of its net assets (as at the opening or the closing of a given fiscal year) and it cannot demonstrate that the level of indebtedness of the consolidated group to which it belongs is higher than its own, its net financial expenses are deductible up to:

- (a) the highest of (i) 30% of its tax EBITDA and (ii) €3.0 million, multiplied by the following ratio: the average amount of third-party indebtedness, *plus* average amount of related-party indebtedness that does not exceed 1.5 times the net assets of the company (or of the consolidated tax group) to the average amount of all financial indebtedness of the company (or consolidated tax group);

plus

- (b) the highest of (i) 10% of its tax EBITDA and (ii) €1.0 million, multiplied by the following ratio: the amount of related-party indebtedness that exceeds 1.5 times the net assets of the company (or of the consolidated tax group) to the average amount of all financial indebtedness of the company (or of the consolidated tax group).

Non-deductible net financial expenses can be carried forward (indefinitely), as well as unused deduction capacities (over the next five fiscal years). As an exception, if a company (or a consolidated tax group) is thinly-capitalized, only one-third of the net financial expenses which are non-deductible in application of (b) above can be carried forward and unused deduction capacities cannot be carried forward.

The above-mentioned tax rules may limit our ability to deduct interest accrued on the Fixed Rate SSNs from our taxable results and, as a consequence, may increase our tax burden, which could adversely affect our business, results of operations and financial condition and reduce the cash flow available to service our indebtedness.

***The European Commission has proposed a Financial Transaction Tax in certain Member States of the European Union which, if introduced, could apply in certain circumstances to dealings in the Senior Secured Notes or the Senior Notes (including secondary market transactions).***

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The FTT that was initially proposed had a very broad scope and could, if introduced in that form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 were intended to be exempt.

In its initial version, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution could be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Following the meeting of the Council of the EU of June 14, 2019, the FTT currently being considered by FTT Participating Member States would be levied on the acquisition of shares of listed companies which have their head office in a member state of the EU and market capitalization in excess of €1 billion on December 1 of the preceding year, rather than on any type of financial instrument. In order to reach a final agreement among the member states participating in the enhanced cooperation, further work in the Council and its preparatory bodies will be required in order to ensure that the competences, rights and obligations of non-participating EU member states are respected.

If the proposed directive or any similar tax was adopted and depending on the final terms and scope of the FTT, transactions on the Notes could be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

***There are circumstances other than repayment or discharge of the Notes under which the relevant Collateral securing the relevant Notes will be released automatically and under which the relevant Guarantees will be released automatically, without your consent or any action on the part of the relevant Trustee.***

Under various circumstances, the Collateral securing the Senior Secured Notes or the Senior Notes, as applicable, and the relevant Guarantees will be released automatically, including:

- upon the full and final payment and performance of all obligations of the relevant SSN Issuer or Picard Bondco, as applicable, under the relevant Indenture and the relevant Notes;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the relevant Senior Secured Notes Indenture, or the Senior Notes Indenture, as applicable;
- as provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement, including in connection with an enforcement sale;
- in the case of Collateral owned by Lion/Polaris Lux 4 or a Restricted Subsidiary thereof in respect of the Senior Secured Notes or in the case of Collateral owned by Picard Bondco or a Restricted Subsidiary thereof in respect of the Senior Notes, in connection with any sale or disposition of property or assets to (a) any Person that is not Lion/Polars Lux 4 (or, in the case of the Senior Notes, Picard Bondco) or its Restricted Subsidiary either before or after giving effect to such transaction or (b) to an entity in the restricted group; *provided* that such transfer is otherwise in compliance with the applicable Senior Secured Notes Indenture and, in the case of clause (b), immediately following such sale or disposition, a Lien of at least equivalent ranking over the same assets or property exists or is granted in favor of the applicable Security Agent (on its own behalf and on behalf of the relevant Trustee for the holders of the relevant Notes);
- in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the relevant Indenture, the release of the property and assets, and capital stock, of such Guarantor;
- if Picard Bondco or the Floating Rate SSN Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the relevant Indenture, the release of the property and assets of such Restricted Subsidiary;

- in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with the covenants of the relevant Indenture; provided that following such merger, consolidation, conveyance or transfer, a lien of at least equivalent ranking over the same assets is granted in favor of the relevant Security Agent to the extent such assets remain property of the Group;
- as described in the covenants in the relevant Indenture;
- in connection with a Permitted Reorganization or a Post-Closing Merger (as defined in the Indentures);
- to release and/or retake any lien on any Collateral to the extent otherwise permitted by the terms of the relevant Indenture, the relevant Security Documents or the Intercreditor Agreement or any additional intercreditor agreement; or
- in connection with certain qualified receivables financings (which release shall be of the Collateral constituting the Receivables Assets (as defined in the relevant Indenture) transferred).

In addition, under various circumstances, the Senior Secured Notes Guarantees or the Senior Notes Guarantees, as applicable, will be released automatically, including:

- (except for the Guarantees of the Senior Secured Notes by Picard Bondco, Lux Midco, (in respect of the Fixed Rate SSNs only) the Floating Rate SSN Issuer, Lion Polaris II and (in respect of the Floating Rate SSNs only) the Fixed Rate SSN Issuer, and the Guarantees of the Senior Notes by Lux Midco and the Floating Rate SSN Issuer), in connection with any sale, disposition, exchange or other transfer of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation, amalgamation or combination) to a person that is not (either before or after giving effect to such transaction) Picard Bondco or a restricted subsidiary, in the case of the Senior Notes, or the Floating Rate SSN Issuer or a restricted subsidiary, in the case of the Senior Secured Notes, or if the sale or other disposition does not violate the “Asset Sale” covenant of the relevant Indenture;
- (except for the Guarantees of the Senior Secured Notes by Picard Bondco, Lux Midco, (in respect of the Fixed Rate SSNs only) the Floating Rate SSN Issuer, Lion Polaris II and (in respect of the Floating Rate SSNs only) the Fixed Rate SSN Issuer, and the Guarantees of the Senior Notes by Lux Midco and the Floating Rate SSN Issuer), in connection with any sale, disposition, exchange or other transfer of Capital Stock of that Guarantor to a person that is not (either before or after giving effect to such transaction) Picard Bondco or a restricted subsidiary, in the case of the Senior Notes, or the Floating Rate SSN Issuer or a restricted subsidiary, in the case of the Senior Secured Notes, or if the sale or other disposition does not violate the “Asset Sale” covenant of the relevant Indenture and the relevant Guarantor ceases to be a restricted subsidiary as a result of the sale or other disposition;
- (except for the Guarantees of the Senior Secured Notes by Picard Bondco, Lux Midco, (in respect of the Fixed Rate SSNs only) the Floating Rate SSN Issuer, Lion Polaris II and (in respect of the Floating Rate SSNs only) the Fixed Rate SSN Issuer, and the Guarantees of the Senior Notes by Lux Midco, and the Floating Rate SSN Issuer), if a restricted subsidiary that is a Guarantor becomes an unrestricted subsidiary in accordance with the applicable provisions of the relevant Indenture;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the relevant Indenture;
- upon the sale of all the Capital Stock of, or all or substantially all of the assets of, such Guarantor or its parent entity pursuant to a security enforcement sale in compliance with the Intercreditor Agreement, or as otherwise provided for under the Intercreditor Agreement;
- upon the full and final payment and performance of all obligations under the relevant Indenture and the relevant Notes;
- in the case of any restricted subsidiary that after the original issue date of the Senior Notes or the Senior Secured Notes, respectively, is required to guarantee the relevant Notes pursuant to the covenants governing

the relevant Notes, upon the release or discharge of the guarantee of indebtedness by such restricted subsidiary which resulted in the obligation to guarantee the relevant Notes; or

- in connection with certain Permitted Reorganizations or Post-Closing Mergers (as defined in the Indentures).

***Picard Bondco and the Floating Rate SSN Issuer may be subject to the provisions of FATCA and CRS as implemented into Luxembourg law.***

Under the terms of the Model I Intergovernmental Agreement implemented by the amended Luxembourg law of July 24, 2015 (the “FATCA Law”) and the amended Luxembourg law dated December 18, 2015 implementing Directive 2014/107/EU (the “CRS Law”), Picard Bondco and the Floating Rate SSN Issuer are treated as Reporting (Foreign) Financial Institutions and are registered accordingly. As such, Picard Bondco and the Floating Rate SSN Issuer may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations. Should Picard Bondco or the Floating Rate SSN Issuer become subject to a withholding tax and/or penalties as a result of non-compliance under the FATCA Law and/or penalties as a result of non-compliance under the CRS Law, the value of the Senior Notes or the Floating Rate SSNs may be materially affected.

Furthermore, Picard Bondco and the Floating Rate SSN Issuer may also be required to withhold tax on certain payments to holders of the Senior Notes and the Floating Rate SSNs who would not be compliant with FATCA (*i.e.*, the so-called foreign passthrough payments withholding tax obligation).

## **Additional Risks Related to the Senior Secured Notes**

***The Senior Secured Notes are structurally subordinated to the liabilities of the relevant SSN Issuer's non-guarantor's subsidiaries.***

None of the Fixed Rate SSN Issuer's subsidiaries guarantees the Fixed Rate SSNs and some, but not all, of the Floating Rate SSN Issuer's subsidiaries guarantee the Floating Rate SSNs. Although certain of the Floating Rate SSN Issuer's subsidiaries guarantee the Floating Rate SSNs, their Floating Rate SSN Guarantees and any guarantees of any other obligations of the Floating Rate SSN Issuer are capped in the aggregate at the relevant Maximum Guaranteed Amount. See “—*The Senior Secured Notes, the Senior Notes, their respective Guarantees and the security interests in the Collateral may be declared unenforceable against third parties under fraudulent conveyance laws*”, “—*The Issuers and certain of their respective Guarantors are holding companies that have no revenue generating operations of their own and depend on cash from the operating companies of the Picard Group to be able to make payments on the relevant Notes and the relevant Guarantees*” and “—*Corporate benefit, financial assistance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees of the Senior Secured Notes and the Senior Notes*”.

Unless a subsidiary of the relevant SSN Issuer is or becomes a Guarantor, the SSN Issuers' subsidiaries (other than Lion Polaris II and the Fixed Rate SSN Issuer in respect of their Guarantee of the Floating Rate SSNs) will not have any obligations to pay amounts due under the Senior Secured Notes or to make funds available for that purpose. Generally, holders of indebtedness of, and trade creditors of, non-Guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the SSN Issuer or any Senior Secured Notes Guarantor, as a direct or indirect shareholder.

Accordingly, in the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the SSN Issuers and the Senior Secured Notes Guarantors (including the holders of the Senior Secured Notes) will have no right to proceed against the assets of such subsidiary; and
- creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the SSN Issuers or any Senior Secured Notes Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Senior Secured Notes and each Senior Secured Notes Guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries.

***Creditors under the Super-Senior Revolving Credit Facility and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Senior Secured Notes Indentures and the Intercreditor Agreement to rank pari passu with the Super-Senior Revolving Credit Facility are entitled to be repaid with recoveries from the proceeds from the enforcement of the Senior Secured Notes Collateral in priority over the Senior Secured Notes.***

Proceeds from enforcement sales of assets that are part of the Senior Secured Notes Collateral and certain distressed disposals will be applied on a super-priority basis in satisfaction of certain obligations of the SSN Issuers and/or the Senior Secured Notes Guarantors to certain hedge counterparties and under the Revolving Credit Facility Agreement and on a *pari passu* basis in satisfaction of other obligations permitted to be secured *pari passu* with the Senior Secured Notes. You may not be able to recover on the Senior Secured Notes Collateral that is pledged or assigned because any enforcement sale with respect to such Senior Secured Notes Collateral will need to apply any proceeds from such enforcement to the repayment in full of the creditors under the Revolving Credit Facility Agreement and certain hedging counterparts before distribution of any enforcement proceeds to the holders of the pledges securing the Senior Secured Notes. If the proceeds realized from the enforcement of such pledges or such sale or sales do not exceed the amount owed by the relevant providers of the Senior Secured Notes Collateral under certain

hedging obligations and the Revolving Credit Facility Agreement, the holders of the Senior Secured Notes will not fully recover (if at all) under such Senior Secured Notes Collateral. In addition, the Senior Secured Notes Indentures will allow incurrence of certain additional permitted debt in the future that is secured by the Senior Secured Notes Collateral on a *pari passu* basis with the Senior Secured Notes. The incurrence of any additional debt secured by the Senior Secured Notes Collateral would reduce amounts payable to you from the proceeds of any sale of the Senior Secured Notes Collateral.

***Not all of our assets are included in the Senior Secured Notes Collateral, and the value of the Senior Secured Notes Collateral securing the Fixed Rate SSNs or Floating Rate SSNs, as applicable, may not be sufficient to satisfy our obligations under such Senior Secured Notes and such Senior Secured Notes Collateral may be reduced or diluted under certain circumstances.***

The Senior Secured Notes and/or the Senior Secured Notes Guarantees are secured on a first-ranking basis under the terms of the Intercreditor Agreement (see “—*Recognition of intercreditor agreements by French Courts*”) and on a *pari passu* basis with the Super-Senior Revolving Credit Facility and certain hedging obligations (including pursuant to provisions of the Intercreditor Agreement providing that security interests securing the Super-Senior Revolving Credit Facility and security interests securing the Senior Secured Notes will be treated *pari passu* on a first-ranking basis, notwithstanding their legal ranking, and provided that, pursuant to the Intercreditor Agreement, in the event of an enforcement of the Senior Secured Notes Collateral (or certain distressed disposals), lenders under the Super-Senior Revolving Credit Facility and, if any, counterparties to certain hedging obligations and creditors of certain other future indebtedness will receive proceeds from the enforcement in priority to holders of the Senior Secured Notes) by (i) pledges of certain bank accounts of Picard Bondco, the ordinary shares in Lux Midco and the receivables under intercompany loans by Picard Bondco, (ii) pledges of certain bank accounts of Lux Midco, the ordinary shares in the Floating Rate SSN Issuer, two ordinary shares in Lion Polaris II and one ordinary share of the Fixed Rate SSN Issuer, in each case held by Lux Midco, and the receivables under intercompany loans by Lux Midco, (iii) pledges of certain bank accounts of the Floating Rate SSN Issuer, receivables under the PG Intra-Group Loan and another intercompany loan by the Floating Rate SSN Issuer, the ordinary shares in Lion Polaris II and one ordinary share of the Fixed Rate SSN Issuer held by the Floating Rate SSN Issuer, (iv) pledges of certain bank accounts of Lion Polaris II, the ordinary shares in the Fixed Rate SSN Issuer held by Lion Polaris II and the receivables under an intercompany loan by Lion Polaris II and (v) pledges of certain bank accounts of the Fixed Rate SSN Issuer, receivables under an intercompany loan by the Fixed Rate SSN Issuer, the ordinary shares in Picard Surgelés and the ordinary shares in Picard International S.A.S., each on a first-ranking basis. See “—*Recognition of intercreditor agreements by French Courts*”. The security interests in the Senior Secured Notes Collateral also secure on a super-priority basis our obligations under the Revolving Credit Facility Agreement, certain hedging obligations and certain future indebtedness. In the event of an enforcement of the Senior Secured Notes Collateral and certain distressed disposals, holders of the Senior Secured Notes will receive proceeds from the enforcement only after the lenders under the Revolving Credit Facility Agreement, counterparties to certain hedging obligations and creditors of certain other future indebtedness have been repaid in full. See “*Description of Certain Indebtedness*”.

All or part of the Senior Secured Notes Collateral may be released without the consent of holders of the relevant Senior Secured Notes under certain circumstances, see “—*There are circumstances other than repayment or discharge of the Senior Secured Notes or the Senior Notes under which the relevant Collateral securing the relevant Notes will be released automatically and under which the relevant Guarantees will be released automatically, without your consent or any action on the part of the relevant Trustee*”, “*Description of Certain Indebtedness—Release of Security and Guarantees—Non-distressed disposals*” and “*Description of Certain Indebtedness—Release of Security and Guarantees—Distressed disposals*”. If an event of default occurs and the Senior Secured Notes are accelerated, the Senior Secured Notes will rank equally with the holders of other unsubordinated and unsecured indebtedness with respect to any assets that do not make up part of the Senior Secured Notes Collateral. To the extent the claims of holders of the Senior Secured Notes exceed the value of the assets securing the Senior Secured Notes and other liabilities, claims related to any assets that do not make up a part of the Senior Secured Notes Collateral will rank equally with the claims of the holders of any other unsecured indebtedness. As a result, if the value of the assets pledged as security for the Senior Secured Notes is less than the value of the claims of the holders of the Senior Secured Notes together with any claims of the holders of any indebtedness secured on a senior basis to the Senior Secured Notes or a *pari passu* basis with the Senior Secured Notes, those claims may not be satisfied in full before our unsecured creditors are permitted to make claims against the Picard Group assets that do not make up part of the



Senior Secured Notes Collateral (such claims generally ranking equally with those of the holders of the Senior Secured Notes and other unsecured creditors).

In the event of an enforcement of the pledges in respect of the Senior Secured Notes, the proceeds from the sale of the assets underlying the pledges may not be sufficient to satisfy the relevant SSN Issuer's obligations with respect to the Senior Secured Notes. The value of the assets underlying the pledges will also depend on many factors, including, among other things, whether or not the business is sold as a going concern, the ability to sell the assets in an orderly sale, the condition of the economies in which operations are located and the availability of buyers, and whether approvals required to purchase the business would be available to a buyer of the assets.

The shares and other Senior Secured Notes Collateral that are pledged or assigned for the benefit of the holders of the Senior Secured Notes may provide for only limited repayment of the Senior Secured Notes, in part because most of these shares or other assets may not be liquid and their value to other parties may be less than their value to us. Likewise, we cannot assure you that the Senior Secured Notes Collateral will be saleable or, if saleable, that there will not be substantial delays in the liquidation thereof. Most of our assets do not secure the Senior Secured Notes and it is possible that the value of the Senior Secured Notes Collateral will not be sufficient to cover the amount of indebtedness secured by such Senior Secured Notes Collateral. With respect to any shares of our subsidiaries pledged to secure the Senior Secured Notes and the Senior Secured Notes Guarantees, such shares may also have limited value in the event of a bankruptcy, insolvency or other similar proceedings because all of the obligations of the subsidiaries whose shares have been pledged must first be satisfied, leaving little or no remaining assets in the pledged entity. As a result, the holders of the Senior Secured Notes secured by a pledge of the shares of these entities may not recover anything of value in the case of an enforcement sale. In addition, the value of the Senior Secured Notes Collateral may decline over time.

The Senior Secured Notes Indentures also permit the granting of certain liens other than those in favor of the holders of the Senior Secured Notes on the relevant Senior Secured Notes Collateral, including to the lenders under the Super-Senior Revolving Credit Facility and the holders of the Senior Notes. To the extent that holders of other secured indebtedness or third parties enjoy liens, including statutory liens, whether or not permitted by the Senior Secured Notes Indentures or the security documents, such holders or third parties may have rights and remedies with respect to that Senior Secured Notes Collateral that, if exercised, could reduce the proceeds available to satisfy our obligations under the Senior Secured Notes. Moreover, if we issue additional notes under the Senior Secured Notes Indentures, holders of such additional notes would benefit from the same Senior Secured Notes Collateral as the holders of the Senior Secured Notes, thereby diluting your ability to benefit from the liens on such Senior Secured Notes Collateral.

***The Senior Secured Notes are secured only to the extent of the value of the assets that have been granted as security for such Senior Secured Notes.***

If there is an event of default on the Fixed Rate SSNs or Floating Rate SSNs, the holders of such Senior Secured Notes will be secured only to the extent of the value of the assets that have been granted as security for such Senior Secured Notes. Most of our assets do not secure the Senior Secured Notes. In addition, in the future, the obligations to provide additional guarantees and grant additional security over assets, whether as a result of the acquisition or creation of future assets or subsidiaries or otherwise, are, in certain circumstances, linked to our obligations under the Revolving Credit Facility Agreement, subject to certain agreed security principles. To the extent that lenders under the Revolving Credit Facility Agreement are granted security, the negative pledge in the Senior Secured Notes Indentures may require such security to also be granted for the benefit of holders of the Senior Secured Notes. The agreed security principles set forth in the Revolving Credit Facility Agreement contain a number of limitations on the rights of the lenders to be granted security in certain circumstances. The operation of the agreed security principles may result in, among other things, the amount recoverable under any Collateral provided being limited or security not being granted or perfected over a particular type or class of assets. Accordingly, the agreed security principles may affect the value of the security provided by the SSN Issuers and the Senior Secured Notes Guarantors.

To the extent that the claims of the holders of the Fixed Rate SSNs or Floating Rate SSNs exceed the value of the assets securing those Senior Secured Notes and other obligations (or, with respect to the assets of Lion Polaris II and the Fixed Rate SSN Issuer in the case of the Floating Rate SSNs and any other secured, guaranteed obligation of

the Floating Rate SSN Issuer, the relevant Maximum Guaranteed Amount), those claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with such Senior Secured Notes. As a result, if the value of the assets pledged as security for the Fixed Rate SSNs or Floating Rate SSNs is less than the value of the claims of the holders of such Senior Secured Notes, those claims may not be satisfied in full before the claims of certain unsecured creditors are paid.

***The Fixed Rate SSN Issuer may be subject to the provisions of FATCA and CRS as implemented into French law.***

The Fixed Rate SSN Issuer is registered as a Reporting (Foreign) Financial Institution. As such, the Fixed Rate SSN Issuer may require all investors to provide documentary evidence of its tax residence and all other information deemed necessary to comply with the above-mentioned regulations. Should the Fixed Rate SSN Issuer become subject to a withholding tax and/or penalties as a result of non-compliance under the relevant French legislation relating to FATCA and/or penalties as a result of non-compliance under CRS, the value of the Fixed Rate SSNs may be materially affected.

Furthermore, the Fixed Rate SSN Issuer may also be required to withhold tax on certain payments to holders of the Fixed Rate SSNs who would not be compliant with FATCA (*i.e.*, the so-called foreign passthrough payments withholding tax obligation).

***Under the laws of certain jurisdictions, the security interests granted in favor of holders of the Senior Secured Notes may not rank senior to the security interests granted in favor of holders of the 2021 Senior Notes, and we are relying on the Intercreditor Agreement to achieve a first priority lien in respect of the Collateral securing the Senior Secured Notes.***

In certain jurisdictions, the security interests granted in favor of holders of the Senior Notes over the Senior Secured Notes Collateral remained in place on the original issue date of the Senior Secured Notes, and we entered into new, lower-ranking, French law security documents over the Senior Secured Notes Collateral in order to secure the Senior Secured Notes originally issued on July 3, 2024 and/or the obligations of the Senior Secured Notes Guarantors under the Senior Secured Notes Indentures, which French law security documents entered into on the original issue date of the Senior Secured Notes extended to secure the Additional Floating Rate SSNs without a requirement to enter into new French law security documents. In certain jurisdictions (including France), the security interests granted under those additional security documents may, because they were being granted at a later point in time or on a second-ranking basis, rank second to security interests securing the Senior Secured Notes Collateral granted in favor of the Senior Notes. In particular, any pledges subject to French law may be second-priority liens or be of an even lower ranking as a result of mandatory French law provisions. Creditors of the grantors of those security interests or an appointed insolvency administrator may contest the validity and/or enforceability of such security interests.

In case any of the security providers were to be declared bankrupt by the competent court, the court would establish a period before the bankruptcy judgment within which the court appointed bankruptcy receiver will have to carefully consider any transactions entered into during this so-called “hardening period”. With the exception of any security interest being financial collateral arrangements within the meaning of the Luxembourg Collateral Law, any security interest entered into during the so-called “hardening period” will be analyzed by the court appointed bankruptcy receiver and may be, as the case may be, challenged by the court appointed bankruptcy receiver and may be declared void or ineffective by a competent court.

Pursuant to the terms of the Intercreditor Agreement and the Security Documents governed by French law, the Senior Secured Notes and the related obligations of the Senior Secured Notes Guarantors under the Senior Secured Notes Guarantees of the Senior Secured Notes are deemed to be secured by the applicable security documents on a priority basis to the Senior Notes. Therefore, the ranking of the security interests granted in favor of holders of the Senior Secured Notes in such jurisdictions will depend on the enforceability of the Intercreditor Agreement. As a result, if the Intercreditor Agreement or the relevant provisions thereof were found to be invalid or held to be unenforceable for any reason, or if an administrator refuses to give effect to it, the holders of Senior Secured Notes

would not benefit from such first-priority treatment and the security interests granted in favor of holders of the Senior Secured Notes in these jurisdictions would rank behind and be subordinated to any first-priority security interests, including security interests granted in favor of the Senior Notes.

### **Additional Risks Related to the Senior Notes**

#### ***The Senior Notes are structurally subordinated to the liabilities of non-guarantor subsidiaries.***

Some, but not all, of Picard Bondco's subsidiaries guarantee the Senior Notes, and no operating subsidiaries guarantee the Senior Notes. Unless a subsidiary is a Senior Notes Guarantor, Picard Bondco's subsidiaries have no obligations to pay amounts due under the Senior Notes or to make funds available for that purpose. Generally, holders of indebtedness of, and trade creditors of, non-guarantor subsidiaries (including Lion Polaris II, which is a Senior Secured Notes Guarantor, the Fixed Rate SSN Issuer, which is also a Floating Rate SSN Guarantor, Picard Surgelés and Picard International), including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to Picard Bondco or any guarantor, as a direct or indirect shareholder.

Accordingly, in the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of Picard Bondco and the Senior Notes Guarantors (including the holders of the Senior Notes) will have no right to proceed against the assets of such subsidiary; and
- creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before Picard Bondco or any Senior Notes Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Senior Notes, each Senior Notes Guarantee and each intercompany proceeds loan are structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-guarantor subsidiaries. Moreover, the guarantees of the Senior Notes are subordinated to the Senior Notes Guarantors' obligations under the Revolving Credit Facility Agreement, their Senior Secured Notes Guarantees and any future senior debt of such guarantors.

#### ***Investors' right to receive payment under the Senior Notes Guarantees is contractually subordinated to senior debt.***

The obligations of the Senior Notes Guarantors under their respective Senior Notes Guarantees will be contractually subordinated in right of payment to the prior payment in full in cash of all existing and future obligations in respect of senior debt of such Senior Notes Guarantor. This senior debt includes the Senior Secured Notes and the guarantees under the Senior Secured Notes, the Super-Senior Revolving Credit Facility and certain hedging arrangements.

Although the Senior Notes Indenture contains restrictions on the ability of the Senior Notes Guarantors to incur additional debt, any additional debt incurred may be substantial and senior to the guarantees.

Upon any payment or distribution to creditors of a Senior Notes Guarantor in respect of an insolvency event, the holders of senior debt of such Senior Notes Guarantor will be entitled to be paid in full from the assets of such Senior Notes Guarantor before any payment may be made pursuant to such guarantee. Until the senior debt of such Senior Notes Guarantor is paid in full, any distribution to which holders of the Senior Notes would be entitled but for the subordination provisions in the Intercreditor Agreement shall instead be made to holders of senior debt of such Senior Notes Guarantor. As a result, in the event of insolvency of a Senior Notes Guarantor, holders of senior debt of such Senior Notes Guarantor may recover more, ratably, than the holders of Senior Notes, in respect of the Senior Notes Guarantor's guarantee in respect thereof.

In addition, the subordination provisions in the Intercreditor Agreement relating to the guarantees provide:

- for customary turnover provisions by the Senior Notes Trustee and the holders of the Senior Notes for the benefit of the holders of senior debt of such Senior Notes Guarantor;
- that if a payment default on any senior debt of a Senior Notes Guarantor has occurred and is continuing, such Senior Notes Guarantor may not make any payment in respect of its Senior Notes Guarantee until such default is cured or waived;
- that if any event of default occurs and is continuing on any senior indebtedness that permits the holders thereof to accelerate its maturity and the Senior Notes Trustee receives a notice of such default, such Senior Notes Guarantor may not make any payment in respect of the Senior Notes, or pursuant to its guarantee, until the earliest of the waiver or cure of such default, 179 days after the date on which the applicable payment blockage notice is received, the expiration of the standstill period in respect of taking enforcement action, and the taking of any permitted enforcement action; and
- that the holders of the Senior Notes and the Senior Notes Trustee are prohibited, without the prior consent of the majority senior creditors, from taking any enforcement action in relation to such guarantee, except in certain circumstances.

The Senior Notes Indenture also provides that, except under very limited circumstances, only the Senior Notes Security Agent will have standing to bring an enforcement action in respect of the Senior Notes and the Senior Notes Guarantees. Moreover, the Intercreditor Agreement and the Senior Notes Indenture restrict the rights of holders of the Senior Notes to initiate insolvency proceedings or take legal actions against each of the Senior Notes Guarantors and by accepting any Senior Note, each such holder will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Senior Notes will have limited remedies and recourse under the guarantees in the event of a default by Picard Bondco or a Senior Notes Guarantor, see “*Description of Certain Indebtedness—Intercreditor Agreement*”.

***Your security over the Senior Notes Collateral ranks behind the security benefiting the holders of the Senior Secured Notes and the lenders under the Super-Senior Revolving Credit Facility and your rights to enforce your security over the Senior Notes Collateral are limited.***

All of the Senior Notes Collateral is pledged to the Senior Secured Notes Security Agent for the benefit of the holders of the Senior Secured Notes and the lenders under the Super-Senior Revolving Credit Facility and to the Senior Notes Security Agent for the benefit of holders of the Senior Notes. Under the Intercreditor Agreement and the Security Documents, the Senior Secured Notes and the Revolving Credit Facility Agreement are secured by first-ranking security interests in all of the Senior Notes Collateral and the proceeds of any sale of such Senior Notes Collateral on enforcement will be applied first to repay borrowings under the Super-Senior Revolving Credit Facility, certain hedging obligations and the Senior Secured Notes. See “—*Recognition of intercreditor agreements by French Courts*”. Consequently, you may not be able to recover on such Collateral because the lenders under the Super-Senior Revolving Credit Facility, certain hedging counterparties and the holders of the Senior Secured Notes will have a prior claim on all proceeds realized from any enforcement of such Collateral.

Under the Intercreditor Agreement and the Security Documents, the Senior Secured Notes, the Super-Senior Revolving Credit Facility, certain future indebtedness and certain hedging obligations are secured by first-ranking security interests in all of the Senior Notes Collateral and the proceeds of any sale of such Senior Notes Collateral on enforcement or in a distressed disposal will be applied first to repay all debt of the lenders under the Super-Senior Revolving Credit Facility, the creditors of certain future indebtedness and the creditors under certain hedging obligations on super-senior priority basis and to the holders of the Senior Secured Notes and the creditors of certain future indebtedness on a senior basis. See “—*Recognition of intercreditor agreements by French Courts*”. Consequently, holders of the Senior Notes may not be able to recover on such Collateral because the holders of the lenders under the Super-Senior Revolving Credit Facility, the creditors of certain future indebtedness, the creditors under certain hedging obligations and the holders of the Senior Secured Notes will have a prior claim on all proceeds from any enforcement of such Collateral.

***Not all of the assets of Picard Bondco and its subsidiaries are included in the Senior Notes Collateral securing the Senior Notes and the value of the Senior Notes Collateral securing the Senior Notes may not be sufficient to satisfy our obligations under the Senior Notes and such Senior Notes Collateral may be reduced or diluted under certain circumstances.***

The Senior Notes and/or the Senior Notes Guarantees are secured on a second-ranking basis pursuant to the Intercreditor Agreement, behind the Senior Secured Notes, the Super-Senior Revolving Credit Facility, certain future indebtedness and certain hedging obligations, by (i) pledges of certain bank accounts of Picard Bondco, the ordinary shares in Lux Midco and the receivables under intercompany loans by Picard Bondco, (ii) pledges of certain bank accounts of Lux Midco, the ordinary shares in the Floating Rate SSN Issuer, two ordinary shares in Lion Polaris II and one ordinary share of the Fixed Rate SSN Issuer, in each case held by Lux Midco, and the receivables under intercompany loans by Lux Midco and (iii) pledges of certain bank accounts of the Floating Rate SSN Issuer, receivables under the PG Intra-Group Loan and another intercompany loan by the Floating Rate SSN Issuer, the ordinary shares in Lion Polaris II and one ordinary share of the Fixed Rate SSN Issuer, in each case held by the Floating Rate SSN Issuer. The Senior Notes and the related guarantees will not be secured by any assets pledged by the French entities.

In the event of an enforcement of the pledges in respect of the Senior Notes, the proceeds from the sale of the assets underlying the pledges may not be sufficient to satisfy Picard Bondco's obligations with respect to the Senior Notes. The value of the assets underlying the pledges will also depend on many factors, including, among other things, whether or not the business is sold as a going concern, the ability to sell the assets in an orderly sale, the condition of the economies in which operations are located and the availability of buyers and whether approvals required to purchase the business would be available to a buyer of the assets. In addition, the Intercreditor Agreement provides that, in the event of any distribution of the proceeds from the sale of the Senior Notes Collateral, the lenders under the Revolving Credit Facility Agreement and certain hedging obligations on a super-senior basis, the holders of the Senior Secured Notes and certain other indebtedness ranking *pari passu* with the Senior Secured Notes and the holders of certain indebtedness ranking junior to the Senior Secured Notes but in priority to the Senior Notes will be entitled to receive from such distribution payment in full in cash before the holders of the Senior Notes will be entitled to receive any payment from such distribution.

The shares and other Senior Notes Collateral that are pledged or assigned for the benefit of the holders of the Senior Notes may provide for only limited repayment of the Senior Notes, in part because most of these shares or other assets may not be liquid and their value to other parties may be less than their value to us. Likewise, we cannot assure you that the Senior Notes Collateral will be saleable or, if saleable, that there will not be substantial delays in the liquidation thereof. Most of our assets will not secure the Senior Notes and it is possible that the value of the Senior Notes Collateral will not be sufficient to cover the amount of indebtedness secured by such Senior Notes Collateral. With respect to any shares of our subsidiaries pledged to secure the Senior Notes, such shares may also have limited value in the event of a bankruptcy, insolvency or other similar proceedings because all of the obligations of the subsidiaries whose shares have been pledged must first be satisfied, leaving little or no remaining assets in the pledged entity. As a result, the holders of the Senior Notes secured by a pledge of the shares of these entities may not recover anything of value in the case of an enforcement sale. In addition, the value of this Senior Notes Collateral may decline over time.

The Senior Notes Indenture also permits the granting of certain liens other than those in favor of the holders of the Senior Notes on the Senior Notes Collateral. To the extent that holders of other secured indebtedness or third parties enjoy liens, including statutory liens, whether or not permitted by the Senior Notes Indenture or the security documents, such holders or third parties may have rights and remedies with respect to the Senior Notes Collateral that, if exercised, could reduce the proceeds available to satisfy our obligations under the Senior Notes. Moreover, if additional notes under the Senior Notes Indenture are issued by Picard Bondco, holders of such additional notes would benefit from the same Senior Notes Collateral as the holders of the existing Senior Notes, thereby diluting your ability to benefit from the liens on the Senior Notes Collateral.

***The Senior Notes are secured only to the extent of the value of the assets that have been granted as security for the Senior Notes.***

If there is an event of default on the Senior Notes, the holders of the Senior Notes will be secured only to the extent of the value of the assets that have been granted as security for the Senior Notes. Most of our assets will not secure the Senior Notes, in particular, none of the French entities will grant security over their assets. There is no requirement to provide additional security to secure the Senior Notes, even if additional security is granted to secure the Senior Secured Notes and the Super-Senior Revolving Credit Facility.

To the extent that the claims of the holders of the Senior Notes exceed the value of the assets securing those Senior Notes and other obligations, those claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with the Senior Notes. As a result, if the value of the assets pledged as security for the Senior Notes is less than the value of the claims of the holders of the Senior Notes, those claims may not be satisfied in full before the claims of certain unsecured creditors are paid.

***Recognition of intercreditor agreements by French courts.***

There is no law or published decision of the French courts of appeal or of the French Supreme Court (*Cour de Cassation*) on the validity or enforceability of the obligations of an agreement such as the Intercreditor Agreement, except for Article L. 626-30 of the French Commercial Code regarding safeguard proceedings (also applicable to judicial reorganization proceedings pursuant to Article L. 631-19 of the French Commercial Code), pursuant to which, in the context of safeguard or judicial reorganization proceedings:

- the affected parties must bring to the attention of the judicial administrator (*administrateur judiciaire*) all subordination agreements between creditors which were entered into before the commencement of the safeguard, or judicial reorganization, proceedings (failing which such subordination agreements are unenforceable *vis-à-vis* the proceedings); and
- the classes of affected parties by the judicial administrator (*administrateur judiciaire*) must abide by the subordination agreements between creditors which were entered into prior to the commencement of the safeguard, or judicial reorganization, proceedings.

It should however be noted that the safeguard plan of Casino Guichard-Perrachon, as endorsed by the Commercial Court of Paris in a ruling dated February 26, 2024 (No 2023063381) (i.e., a first instance ruling), provided for deviations from the provisions of the existing subordination agreement in the composition of the classes of affected parties and in its contents.

As a consequence, we cannot rule out that a French court would not give effect to certain provisions of the Intercreditor Agreement.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR PICARD BONDCO

The historical information discussed below for Picard Bondco is as of and for the years ended March 31, 2024 and March 31, 2025 and is not necessarily representative of Picard Bondco's results of operations for any future period or our financial condition at any future date. We have prepared the audited consolidated financial statements for Picard Bondco for the period from April 1, 2024 to March 31, 2025, included herein, in accordance with IFRS; such financial information has been audited by our auditors.

The following discussion includes "forward looking statements" based on our current expectations and projections about future events. All statements other than statements of historical facts included in this discussion, including, without limitation, statements regarding our tax rate on long-term deferred taxes, revenue and operating profits, strategy, capital expenditures, expected investments, projected costs, our plans and objectives for future operations, may be deemed to be forward looking statements. Forward looking statements are subject to known and unknown risks and uncertainties and are based on assumptions that could potentially be inaccurate and that could cause future results to differ materially from those expected or implied by the forward looking statements. Our future results could differ materially from those anticipated in our forward looking statements for many reasons, including due to changes in tax laws or their application or interpretation, more generally, or unfavorable changes in the tax rate on long-term deferred taxes, more specifically, economic and other trends affecting the food retail industry, changes in consumer preferences, the competitive environment in which we operate and other factors described in the section entitled "*Risk Factors*" in this annual report. Given these risks and uncertainties, you should not place undue reliance on forward looking statements as a prediction of actual results.

Percentages may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

In this annual report, unless otherwise indicated, all amounts are expressed in millions of euro.

### Selected Condensed Consolidated Financial Information of Picard Bondco

	Year ended March 31,	
	2024	2025
	(€ in millions)	
<b>Sales of goods</b> .....	<b>1,802.0</b>	<b>1,823.4</b>
Cost of goods sold .....	(1,012.3)	(1,018.3)
<b>Gross profit</b> .....	<b>789.7</b>	<b>805.1</b>
Other operating income .....	8.5	10.3
Other purchases and external expenses .....	(263.2)	(245.0)
Taxes .....	(20.9)	(21.4)
Personnel expenses .....	(225.1)	(239.8)
Other operating expenses .....	(3.2)	(2.8)
<b>EBITDA</b> .....	<b>285.8</b>	<b>305.5</b>
Depreciation and amortization .....	(110.7)	(115.9)
<b>Operating profit</b> .....	<b>175.1</b>	<b>190.6</b>
Finance costs .....	(114.0)	(141.5)
Finance income .....	14.7	18.1
Share of result in an associate .....	1.1	(6.1)
<b>Income before tax</b> .....	<b>76.9</b>	<b>61.1</b>
Income tax expense .....	(29.4)	(29.5)
<b>Net income</b> .....	<b>47.5</b>	<b>31.7</b>
Attributable to equity holders of the parent .....	47.5	31.7

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The following discussion and analysis summarizes EBITDA for the years ended March 31, 2024 and March 31, 2025. EBITDA is a non-IFRS measure that represents operating profit before depreciation and amortization. This measure is derived from income statement account items calculated in accordance with IFRS and is used by management as an indicator of operating performance. EBITDA differs from the definitions of “Consolidated EBITDA” and “EBITDA” under our Indentures and our Revolving Credit Facility Agreement, respectively.

## **Results of Operations**

### ***Expansion of store network***

As of March 31, 2025, we had 1,195 stores in France (including four franchised stores in Corsica, 12 franchised stores in La Réunion, five franchised stores in the French West Indies, three franchised stores in New Caledonia, one franchised store in French Polynesia and 74 franchised stores in mainland France), 16 stores in Belgium, two stores in Luxembourg and 11 franchised stores in Japan.

### ***Sales of goods***

Our sales of goods increased by €21.4 million, or 1.2%, from €1,802.0 million for the twelve months ended March 31, 2024 to €1,823.4 million for the twelve months ended March 31, 2025.

In France, sales of goods increased by €24.7 million, or 1.4%, from €1,761.6 million for the twelve months ended March 31, 2024 to €1,786.3 million for the twelve months ended March 31, 2025. French like-for-like sales slightly decreased by 0.8% in the twelve months ended March 31, 2025, as compared to the twelve months ended March 31, 2024, as a result of a 2.0% decrease in the average basket size partly offset by a 1.2% increase in the total number of tickets. This decrease was mainly explained by the significant negative calendar effect given that our previous fiscal year included two Easters – one in April 2023 and one in March 2024 –, which typically boosts our sales, whereas there was no Easter in FY 2025. In addition, calendar year 2024 was a leap year with one additional day in February 2024. On an adjusted basis, excluding such calendar effects, we estimate our like-for-like sales to have increased by 0.2%.

Home delivery sales decreased by 4.5%, or €2.5 million, from €55.5 million for the twelve months ended March 31, 2024 to €53.0 million for the twelve months ended March 31, 2025. However, other digital offerings (Click & Collect and Express Delivery offers) grew by €11.8 million from €27.2 million for the twelve months ended March 31, 2024 to €39.0 million for the twelve months ended March 31, 2025. This increase was mainly due to the full-period effect of the implementation of these offerings in a larger number of stores. As a proportion of our Group sales of goods, our digital sales increased from 4.6% for the twelve months ended March 31, 2024 to 5.0% for the twelve months ended March 31, 2025.

Sales in Belgium and Luxembourg slightly increased by €0.4 million, or 1.9%, from €21.6 million for the twelve months ended March 31, 2024 to €22.0 million for the twelve months ended March 31, 2025.

Sales in other locations with our partners and franchisees decreased by €3.8 million, mainly due to the end of our partnership in Sweden in early 2024 and the slowdown of certain other contracts, as we are concentrating our efforts on a limited number of profitable and sizable contracts and countries, with prospects for growth.



### ***Cost of goods sold***

Our cost of goods sold increased by €6.0 million, or 0.6%, from €1,012.3 million for the twelve months ended March 31, 2024 to €1,018.3 million for the twelve months ended March 31, 2025, mainly due to higher sales. Cost of goods sold as a percentage of sales decreased from 56.2% for the twelve months ended March 31, 2024 to 55.8% for the twelve months ended March 31, 2025.

### ***Gross profit***

Our gross profit increased by €15.4 million, or 2.0%, from €789.7 million for the twelve months ended March 31, 2024 to €805.1 million for the twelve months ended March 31, 2025, mainly due to higher sales. Gross profit as a percentage of sales of goods increased to 44.2% for the twelve months ended March 31, 2025 from 43.8% for the twelve months ended March 31, 2024.

### ***Other operating income***

Other operating income increased by €1.8 million, from €8.5 million for the twelve months ended March 31, 2024 to €10.3 million for the twelve months ended March 31, 2025, mainly explained by the increase in rents collected through our vending machine service activity, and higher royalties received from our franchisees due to their increasing number.

### ***Other purchases and external expenses***

Our other purchases and external expenses decreased by €18.2 million, or 6.9%, from €263.2 million for the twelve months ended March 31, 2024 to €245.0 million for the twelve months ended March 31, 2025. This decrease was primarily due to the continuing normalization of our energy costs until December 2024, improving by €24.9 million during the fiscal year. Our other costs, notably logistics, remained well-controlled and increased in line with sales. Our advertising expenses remained broadly in line with last year, with a slightly different phasing, and notably higher expenses in Q1, compensated by a decrease in Q4.

### ***Taxes other than on income***

Taxes other than on income increased by €0.5 million, from €20.9 million for the twelve months ended March 31, 2024 to €21.4 million for the twelve months ended March 31, 2025 due to higher sales on which certain taxes are based (notably, “*contribution sociale de solidarité des sociétés*”). Taxes other than on income as a percentage of sales of goods remained stable at 1.2% for the twelve months ended March 31, 2024 and for the twelve months ended March 31, 2025.

### ***Personnel expenses***

Personnel expenses increased by €14.7 million, or 6.5%, from €225.1 million for the twelve months ended March 31, 2024 to €239.8 million for the twelve months ended March 31, 2025. As a proportion of sales of goods, personnel expenses increased from 12.5% for the twelve months ended March 31, 2024 to 13.2% for the twelve months ended March 31, 2025. During the fourth quarter of the fiscal year, a €4.5 million non-recurring bonus was paid to the employees of the Picard Group following the exit by Lion Capital of its investment in the Picard Group. Excluding this non-recurring bonus, personnel expenses increased by €10.2 million or 4.5%.

Wages and salaries increased by €10.5 million, or 7.0%, from €149.8 million for the twelve months ended March 31, 2024 to €160.3 million for the twelve months ended March 31, 2025, as a result of (i) the annual salary increases in France and Belgium, in effect since April 2024, (ii) the expansion of our store network and (iii) the non-recurring bonus mentioned above.

Employee profit sharing in France remained stable at €23.6 million for the twelve months ended March 31, 2024 and €23.5 million for the twelve months ended March 31, 2025.

Other personnel expenses, including social security costs, increased by €4.1 million, from €51.8 million for the twelve months ended March 31, 2024 to €55.9 million for the twelve months ended March 31, 2025, driven by a €4.1 million increase in social security costs, following the increase in salaries and the non-recurring bonus.

### ***Other operating expenses***

Our other operating expenses decreased by €0.4 million, from €3.2 million for the twelve months ended March 31, 2024 to €2.8 million for the twelve months ended March 31, 2025.

### ***EBITDA***

EBITDA increased by €20.6 million, or 7.2%, from €285.8 million for the twelve months ended March 31, 2024 to €306.4 million for the twelve months ended March 31, 2025, mainly driven by the normalization in our energy costs and the increase in our sales. As a proportion of sales of goods, EBITDA increased from 15.9% for the twelve months ended March 31, 2024 to 16.8% for the twelve months ended March 31, 2025.

### ***Depreciation and amortization***

Depreciation and amortization increased by €5.2 million, from €110.7 million for the twelve months ended March 31, 2024 to €115.9 million for the twelve months ended March 31, 2025 due to the expansion of our store network and the acceleration of our investments during the last year. As a proportion of sales of goods, depreciation and amortization increased from 6.1% for the twelve months ended March 31, 2024 to 6.4% for the twelve months ended March 31, 2025.

### ***Operating profit***

Operating profit increased by €15.5 million, or 8.9%, from €175.1 million for the twelve months ended March 31, 2024 to €190.6 million for the twelve months ended March 31, 2025, as a result of the factors discussed above. As a proportion of sales of goods, operating profit increased from 9.7% for the twelve months ended March 31, 2024 to 10.5% for the twelve months ended March 31, 2025.

### ***Finance costs***

Finance costs increased by €27.5 million from €114.0 million for the twelve months ended March 31, 2024 to €141.5 million for the twelve months ended March 31, 2025. This increase in finance costs was mainly related to (i) the update of the effective interest rate (amortizing 2021 issuance fees on a shorter period) of €8.7 million following the refinancing of the 2021 Floating Rate SSNs and the 2021 Fixed Rate SSNs prior to their contractual maturity in 2026, (ii) the interest to be paid of €4.7 million for the satisfaction and discharge of the Remaining 2021 Fixed Rate SSNs, (iii) the increase in interest expense following the issuance of the additional Floating Rate SSNs in November 2024, (iv) the €3.4 million increase in net interest related to lease commitments accounted for according to IFRS 16 and (v) the change in fair value of the Cap Spread entered into by the Group in December 2022 to hedge the Group's exposure to changes in future interest payment cash flows.

### ***Finance income***

Finance income increased by €3.4 million from €14.7 million for the twelve months ended March 31, 2024 to €18.1 million for the twelve months ended March 31, 2025. This increase in finance income was mainly related to (i) the payments by the trustee for the 2021 Fixed Rate SSNs in respect of the cash balance on deposit with such trustee to satisfy and discharge the Remaining 2021 Fixed Rate SSNs and (ii) the interest on the shareholder loan made in November in connection with the acquisition by IGZ of the Lion Capital stake in Picard. This was partly offset by the

decline in the interest on financial securities and cash on hand, following a reduction in our cash position after the refinancing in July 2024.

### ***Share of result in an associate***

Share of profit/(loss) in an associate decreased by €7.2 million from a profit of €1.1 million for the twelve months ended March 31, 2024 to a loss of €6.1 million for the twelve months ended March 31, 2025. We have a 37.2% interest in Primex Norway, a subsidiary of Primex International S.A., which developed a fish plant in Norway in 2018 and has since faced significant start-up costs to operate this facility. On February 4, 2025, Primex International S.A. initiated a safeguard proceeding (*procédure de sauvegarde*), which is expected to last until August 4, 2025. While the company is not insolvent (*cessation des paiements*), it is currently facing financial difficulties. The Picard Group has therefore fully depreciated its stake in the company. The Picard Group is a minority shareholder in Primex International S.A. As the Group is not a debtor or guarantor of any claims against Primex International S.A., the Group has not recorded any provisions in connection with an insolvency or event of default on the part of Primex International S.A. In such a scenario, the Group has no direct exposure to financial risks of Primex International S.A. beyond a potential depreciation of value in its minority shareholding.

### ***Income before tax***

Income before tax decreased by €15.8 million, from €76.9 million for the twelve months ended March 31, 2024 to €61.1 million for the twelve months ended March 31, 2025. As a proportion of sales of goods, income before tax decreased from 4.3% for the twelve months ended March 31, 2024 to 3.4% for the twelve months ended March 31, 2025.

### ***Income tax expense***

Income tax expense increased by €0.1 million, from €29.4 million for the twelve months ended March 31, 2024 to €29.5 million for the twelve months ended March 31, 2025. Income tax expense represented 38.3% of income before tax for the twelve months ended March 31, 2024 and 48.2% for the twelve months ended March 31, 2025. This increase is due to our finance costs, some of which are not tax deductible and the depreciation of our shareholding in Primex.

### ***Net income***

Net income decreased by €15.8 million, from €47.5 million for the twelve months ended March 31, 2024 to €31.7 million for the twelve months ended March 31, 2025, as a result of the factors described above.

## **Liquidity and Capital Resources**

We believe that the cash provided by our operating activities, available cash balances and commitments under the Super-Senior Revolving Credit Facility available for future drawing will be sufficient to fund our projected working capital, debt service and capital expenditure requirements for the next twelve months. Our financial condition and liquidity is and will continue to be influenced by a variety of factors, including:

- our ability to generate cash flows from our operations;
- the level of our outstanding indebtedness and the indebtedness of our subsidiaries, and the interest we are obligated to pay on such indebtedness, which affects our net financial expenses;
- prevailing interest rates, which affect our debt service requirements;
- our ability and the ability of our subsidiaries to continue to borrow funds from financial institutions; and

- our capital expenditure requirements, which consist mainly of costs to build and equip additional stores, maintenance expenses (including store remodeling) and IT projects.

Our cash requirements consist mainly of the following:

- funding capital expenditures;
- funding operating activities;
- servicing our indebtedness and the indebtedness of our subsidiaries; and
- paying taxes.

Our sources of liquidity consist mainly of the following:

- cash generated from our operating activities;
- structurally negative working capital inflow generated by our business model;
- borrowings under our Super-Senior Revolving Credit Facility; and
- borrowings under debt securities, such as the Fixed Rate SSNs, the Floating Rate SSNs and the Senior Notes.

We generate working capital inflow because our customers pay cash for our products while we benefit from suppliers' credit. Changes in working capital are mainly driven by trade working capital, particularly the level of inventories, the level of franchisees receivables and payment terms to merchandise suppliers, and overhead working capital. Our monthly working capital is seasonal, with significant positive cash flow in December and significant cash outflow in July and August. Other events, such as the positioning of Easter in March or April, may also influence our level of working capital at the end of certain months.

### ***Consolidated Statement of Cash Flows***

The following table summarizes certain elements of the consolidated cash flow statement of Picard Bondco for the years ended March 31, 2024 and 2025. The financial information below has been derived from and should be read in conjunction with the consolidated statement of cash flows as set out in Picard Bondco's audited consolidated financial statements for the year ended March 31, 2025.

	<b>For the year ended March 31,</b>	
	<b>2024</b>	<b>2025</b>
	<b>(€ in millions)</b>	
Net cash provided by operating activities before income tax paid .....	284.4	305.9
Income tax paid .....	(33.1)	(27.6)
<b>Net cash flows from operating activities.....</b>	<b>251.3</b>	<b>278.4</b>
<b>Net cash used in investing activities.....</b>	<b>(68.7)</b>	<b>(50.6)</b>
Proceeds from borrowings	—	1,425.0
Repayment of borrowings	—	(1,400.0)
Refinancing costs	—	(24.8)
Interest paid, payments related to lease contracts and refinancing cost .....	(152.9)	(176.5)
Loans to related parties.....	—	(186.0)
<b>Net cash flows from financing activities .....</b>	<b>(152.9)</b>	<b>(362.3)</b>
<b>Net increase / (decrease) in cash and cash equivalents.....</b>	<b>29.7</b>	<b>(134.4)</b>
Net cash and cash equivalents at beginning of financial year .....	281.4	311.1
<b>Net cash and cash equivalents at end of financial year .....</b>	<b>311.1</b>	<b>176.6</b>

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### *Net cash flows from operating activities*

Net cash flows from operating activities increased by €27.1 million, from €251.3 million in the year ended March 31, 2024 to €278.4 million in the year ended March 31, 2025, mainly as a result of the increase of operating profit, higher sales and well-managed costs, lower income tax paid, and a slight improvement in working capital.

### *Net cash used in investing activities*

Net cash used in investing activities decreased by €18.1 million from €68.7 million in the year ended March 31, 2024 to €50.6 million for the year ended March 31, 2025. This decrease is mainly explained by the timing of our capital expenditure during the year ended March 31, 2025, as a greater proportion of our capital expenditures occurred in the last two months of fiscal year 2025 (compared to fiscal year 2024) and was paid after year-end.

Our investing activities during the periods under review were principally related to the purchase of property, plant and equipment and intangible assets in connection with the opening of new stores, the refurbishment of existing stores and the purchase of IT equipment and software.

### *Net cash flows used in financing activities*

Net cash flows used in financing activities increased by €209.4 million, from €152.9 million for the year ended March 31, 2024 to €362.3 million for the year ended March 31, 2025. This increase is mainly due to a loan that was granted by Lion Polaris Lux 4 S.A. to Lion/Polaris Lux Holdco S.à r.l. in connection with the Acquisition and the increase in our finance costs following the increase in EURIBOR, impacting interest payments on our Floating Rate SSNs, and higher interest rates on the Senior Secured Notes compared to the 2021 Senior Secured Notes.

### ***Capital Expenditures***

Capital expenditures relate mainly to the opening of new stores, the remodeling of existing stores and IT-related capital expenditures. The difference in capital expenditure and our cash used in investing activities is due to changes in our working capital because there are time lags between the incurrence of a capital expenditure, when we are invoiced for the same by our suppliers and when we pay the invoices, our capital expenditures for a given period may not reflect all of the activity undertaken in these areas during the period.

Capital expenditures increased by €4.3 million, from €54.4 million in the year ended March 31, 2024 to €58.8 million in the year ended March 31, 2025. This increase is mainly explained by a greater number of integrated store openings. Capital expenditures as a percentage of sales of goods increased from 3.0% in the year ended March 31, 2024 to 3.2% in the year ended March 31, 2025.

The table below sets out our consolidated capital expenditures (net of change in working capital on capital expenditure suppliers) for financial years 2024 and 2025:

	<b>Year ended March 31,</b>	
	<b>2024</b>	<b>2025</b>
	<b>(€ in millions)</b>	
<b>France Stores</b> .....	<b>38.0</b>	<b>39.8</b>
New stores .....	9.1	11.7
Store remodeling .....	13.4	12.5
Other store capital expenditures <sup>(1)</sup> .....	15.5	15.6
Logistics .....	0.2	0.5
Information technology & software .....	14.4	15.6
Others .....	1.3	1.2
Belgium and Luxembourg capital expenditures .....	0.5	1.7
<b>Total capital expenditures</b> .....	<b>54.4</b>	<b>58.8</b>
<i>Capital expenditures as a percentage of sales of goods</i> .....		
France new stores .....	0.5%	0.7%

Store remodeling .....	0.7%	0.7%
Other capital expenditures.....	1.8%	1.9%
<b>Capital expenditures as a percentage of sales of goods .....</b>	<b>3.0%</b>	<b>3.2%</b>

- (1) Other store capital expenditures principally comprise maintenance works and security and safety investments, such as access for the disabled and fire alarms.

In the year ending March 31, 2026, we expect our capital expenditures to be primarily related to store remodelings, openings of new stores and IT-related projects. We expect the ratio of our sales of goods to our capital expenditures for the year ending March 31, 2026 to be in line with recent prior years, with the goal of capital expenditures as a percentage of sales of goods amounting to approximately 3%. At these levels of capital expenditures, we expect to be able to remodel around 70 to 80 stores each year.

### Hedging Policy

In the ordinary course of our business, we are exposed to market risk arising from fluctuations in interest rates. To manage this risk effectively, we enter into hedging transactions and use derivative financial instruments, pursuant to established internal guidelines and policies. We do not enter into financial instruments for trading or speculative purposes.

On December 2, 2022, we entered into a Cap Spread in order to hedge our exposure to changes in future interest payments on the Floating Rate SSNs. The Cap Spread covered €300 million in aggregate principal amount and the EURIBOR Spread was between 2% and 4%. It was valid through June 15, 2025.

On March 6, 2025 and March 21, 2025, Lion Polaris Lux 4 S.A. entered into two Caps to hedge the Group's exposure to changes in future interest payment cash flows linked to the Floating Rate SSNs. The Caps cover through January 2028 varying aggregate principal amounts of the Floating Rate SSNs. At incurrence, the aggregate principal amounts were €200 million and €100 million of the Floating Rate SSNs, with a EURIBOR Cap of 2% (with respect to €100 million aggregate principal amount) and 2.5% (with respect to €200 million aggregate principal amount), respectively.

Substantially all of our revenues, expenses and obligations are denominated in euro. As a result, we are not subject to material market risk relating to exchange rate fluctuations.

### Contractual Obligations and Commercial Commitments

The table below sets out our contractual obligations and commitments at March 31, 2025:

<b>Contractual obligations</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
		<b>(€ in millions)</b>		
Long-term debt obligations <sup>(1)</sup> .....	1,735.0	0.0	1,735.0	0.0
Other financial liabilities and bank guarantees <sup>(2)</sup> .....	439.1	62.6	254.1	122.4
<b>Total</b> .....	<b>2,174.1</b>	<b>62.6</b>	<b>1,989.1</b>	<b>122.4</b>

- (1) Amounts reflect the €310 million aggregate principal amount of outstanding Senior Notes issued by Picard Bondco, the €650 million aggregate principal amount of outstanding Fixed Rate SSNs issued by Picard Groupe and the €775 million aggregate principal amount of outstanding Floating Rate SSNs issued by Lion/Polaris Lux 4.

- (2) Amounts reflect the sum of bank guarantees, lease debt as calculated according to IFRS 16 and others.

## **Off Balance Sheet Commitments**

### ***Partnerships***

Picard Surgelés has agreed with certain of its suppliers to negotiate an annual volume of purchases. Suppliers may produce and store products dedicated to Picard Surgelés, but the transfer of ownership of these products occurs only at the time of delivery of the goods to Picard Surgelés or its subcontractors' warehouses.

### ***Critical Accounting Policies and Estimates***

IFRS requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates and assumptions are based on the information available at the time of preparation of the financial statements and affect the published amounts. Future results may differ from these estimates. See note 2 – *Accounting principles* and note 3 – *Significant accounting judgments, estimates and assumptions* of the “*Notes to the Consolidated Financial Statements*” to the Picard Bondco annual consolidated financial statements for the year ended March 31, 2025.

A description of the accounting rules and methods we apply under IFRS is provided in the notes to the Audited Financial Statements of Picard Bondco included herein.

### ***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 bank and financial institutions, as well as credit exposures to franchisees, commercial partners and customers, including outstanding receivables. Sales to retail customers are made in cash, by check and through third-party credit, debit cards and through lunch vouchers (“*ticket restaurants*”). Although our trade and other receivables amounted to €57.8 million as at March 31, 2023, €55.1 million as at March 31, 2024 and €54.7 million as at March 31, 2025, we believe that we have a limited exposure to credit risk because of the credit quality of our counterparties as well as the statutorily-provided structural payment terms in France.

Counterparty default risk is recognized in our financial statements by way of a specific provision for doubtful debts, determined on the basis of the information available and past statistics.

### **Certain Material Differences in the Financial Condition and Results of Operations Between Picard Bondco and Lion/Polaris Lux 4 S.A.**

The consolidated financial information of Picard Bondco does not reflect intercompany loans between Picard Bondco and its subsidiaries. As of March 31, 2025, no intercompany loan from Picard Bondco or Lion/Polaris Lux Midco S.à r.l. to Lion/Polaris Lux 4 S.A. or any of its subsidiaries and no intercompany loan from Lion/Polaris Lux 4 S.A. or any of its subsidiaries to Picard Bondco or Lion/Polaris Lux Midco S.à r.l. was outstanding.

In addition, Picard Groupe is the issuer of the Fixed Rate SSNs and Lion/Polaris Lux 4 S.A. is the issuer of the Floating Rate SSNs. The Fixed Rate SSNs and the Floating Rate SSNs are guaranteed on a senior basis by Picard Bondco, Lion/Polaris Lux Midco S.à r.l., (in the case of the Fixed Rate SSNs) Lion/Polaris Lux 4 S.A., Lion Polaris II S.A.S. and (in the case of the Floating Rate SSNs) Picard Groupe Picard Bondco is the issuer of the Senior Notes. The Senior Notes are guaranteed on a subordinated basis by Lion/Polaris Lux Midco S.à r.l. and Lion/Polaris Lux 4 S.A.

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

## INDUSTRY

*Certain of the information set forth in this section has been derived from external sources, including NielsenIQ Retailers Panel and Euromonitor, among others. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of the information contained in industry publications is not guaranteed. We have not independently verified these market data. The on-going Russia-Ukraine conflict and the Middle East conflict continue to create significant uncertainty in the global environment and the industry in which we operate. Certain market and industry information included in this annual report has been derived from data dated as of or for the year ended December 31, 2024, and may not reflect the ultimate impact of the Russia-Ukraine and Middle East conflicts on our industry.*

*The projections and forward looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See “Risk Factors” and “Forward Looking Statements”.*

*Market share data presented in this section are measured by sales.*

### Frozen Food

We operate in the frozen food distribution segment of the packaged food industry in mainland France, Belgium and Luxembourg and on a franchised basis in mainland France, Corsica, La Réunion, New Caledonia, the French West Indies, French Polynesia and Japan. We also sell frozen food through the grocery home delivery service Ocado in the United Kingdom. We further sell frozen food products through a partnership with Albert Heijn in the Netherlands, and through a partnership with RedMart in Singapore, as well as in Hong Kong and the MENA region through partnerships with Al Futtaim Group in Marks & Spencer stores, in Taiwan through a partnership with Px-Mart, in South Korea through partnerships with Kurly and Lotte and in certain African countries through a partnership with AIBC. We define frozen food as any type of food that has been deep frozen for preservation purposes, including ice cream. Deep freezing is a food preservation process by which food products are frozen and kept at a temperature of -18°C or colder until sold to consumers.

Frozen food products compete primarily against fresh food, processed food and other preserved food such as canned food and vacuum-packed food. We believe that frozen food products are attractive compared with other types of food products because:

- they offer nutritional quality and taste at least similar to that of fresh food;
- they retain nutrients and vitamins longer and are less perishable than fresh food due to the deep freezing process;
- they can be unfrozen and prepared on an “as-needed” basis which helps avoid waste and overconsumption;
- fruits and vegetables can be harvested at their maturity and then frozen, making it easier for consumers to enjoy them throughout the year;
- prices of frozen food generally tend to be stable and less subject to seasonal variations when compared with the prices of fresh food products; and
- they tend to be easier to prepare.

Frozen food products are typically divided into eight main categories: vegetables, potato-based products, prepared meals, starters, fish, meat, ice-cream and desserts. We distribute frozen food products in each of these categories.

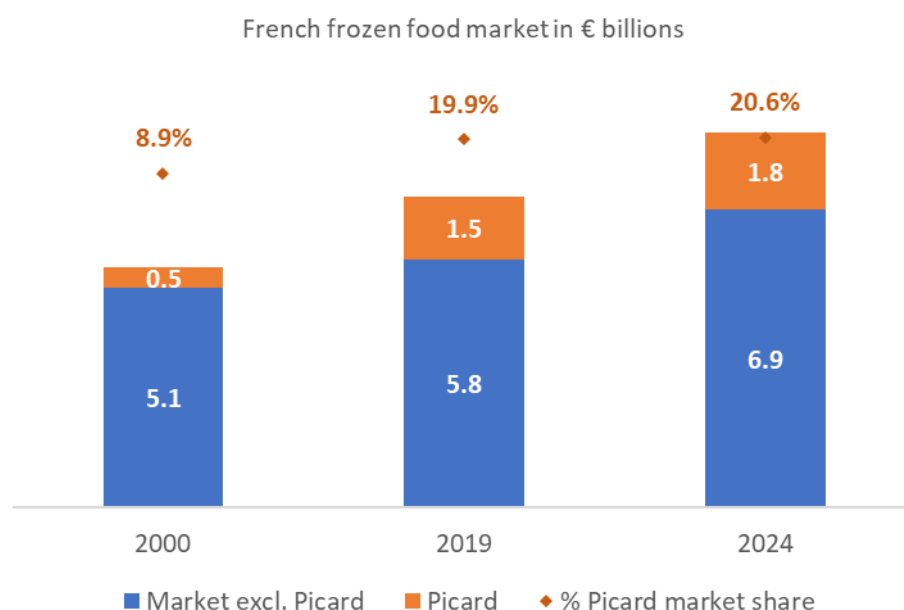


During the year ended March 31, 2025, sales in France accounted for 98.0% of our total sales, with the remaining 1.2% in Belgium and Luxembourg, and 0.8% in certain African countries, Hong Kong, Italy, Japan, the Netherlands, Singapore, Taiwan, the MENA region, the United Kingdom and South Korea.

### The French Frozen Food Market

Frozen food is a niche segment within the food industry. In the calendar year 2024, the frozen food market in France represented approximately €8.7 billion, or 5%, of the total French food market. Frozen food products are required to comply with statutory cold chain requirements that address consumer food safety. Given the specialist nature of the business, the need for strong and specialized logistics and distribution platforms and tight control over the cold chain, barriers to entry are high.

The following chart shows the growth of the French frozen food market and Picard's market share since 2000.



Source: Management sources and NielsenIQ data

Between calendar years 2000 and 2024, the French frozen food market for at-home consumption grew by approximately 55%, from approximately €5.6 billion in 2000 to approximately €8.7 billion (including VAT) in 2024 (including convenience and drive/e-commerce). From calendar year 2019 to 2024, the French frozen food market grew at a compound annual growth rate of 3.6%, from approximately €7.3 billion in 2019 to approximately €8.7 billion (including VAT) in 2024 (including convenience and drive/e-commerce). This trend is expected to continue in the near term. Furthermore, in 2024, online grocery shopping accounted for about 7.6% of the frozen food market. During the same period, we maintained our leadership position and our sales of frozen food in mainland France increased from approximately €532 million in 2000 to €1,798 million (including VAT) in 2024. We believe that we have influenced the consumption habits of French consumers, namely their perceptions of and preferences for frozen food, while heightening general awareness of frozen food products. Based on NielsenIQ data (including VAT) and their commercial calendar (December 31, 2023 to December 31, 2024), we believe our market share developed slightly above the French frozen food market, increasing by approximately 100 basis points in the calendar year 2024 (with our net sales growing by approximately 0.3%, as compared to market decrease in the broader French frozen food market of approximately 0.6% and the overall food market remaining flat), which we believe can be explained by the loyalty of our customers and our premium positioning, which makes us slightly less exposed to purchasing power pressure after the period of high inflation recorded between 2022 and 2024. However, we have observed customers making trade-offs on their purchases by increasing visits but choosing cheaper products, both at Picard and

in the markets generally, with volumes purchased increasing at a higher pace than sales as a result of a decrease in the average unit price. Picard has strived to continue developing its product offering in order to further expand its customer base and develop store traffic through impactful commercial activities, notably, in calendar year 2024, by taking advantage of our anniversary year.

### **Main Competitors and Market Shares**

We are the leading distributor of frozen food in France with an approximately 20.6% share of the French frozen food market (including ice cream) in calendar year 2024, which is more than double our market share of 8.9% in 2000. We distribute and sell our frozen food products directly to retail consumers exclusively through our own network of specialist stores and Home Delivery.

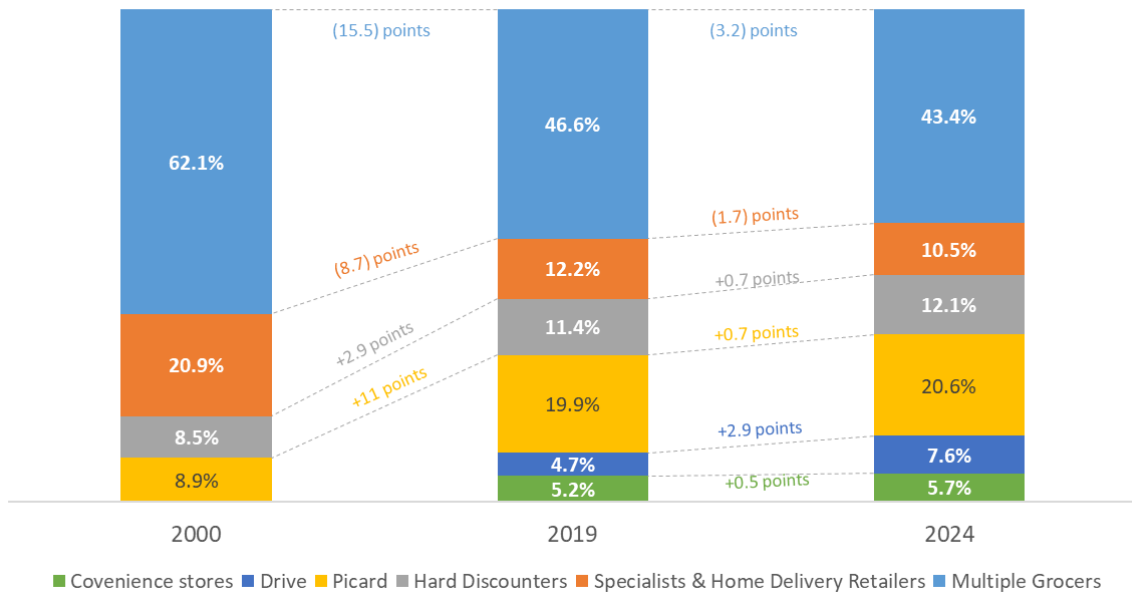
We compete primarily with:

- multiple grocers, including hypermarkets and supermarkets, which in 2024 represented, collectively, 43.4% of the French frozen food market;
- other frozen food specialist stores and home delivery retailers, which in 2024 represented, collectively, 10.5% of the French frozen food market;
- hard discounters, such as Lidl and Aldi, which in 2024 represented, collectively 12.1% of the French frozen food market;
- convenience stores, such as Franprix, Carrefour Contact, City & Market, and Monop'Daily, which in 2024 represented, collectively, 5.7% of the French frozen food market;
- the “drive” channel, consisting of online grocery shopping collected at “drive” pick-up locations, which in 2024 represented, collectively, 7.6% of the French frozen food market; and
- fresh food distributors, including multiple grocers and hard discounters, as well as smaller retail stores and delicatessens, where consumers can purchase alternatives to frozen food products, such as fresh food, processed food and other types of preserved food.

We had the largest market share of all frozen food distributors in France for the calendar year 2024, as well as a diversified product base.

The following chart demonstrates the growth in our market share in French frozen food since 2000.

Market share evolution - French frozen food market



Source: Management sources and NielsenIQ data

Our strong position spans across all product categories and we enjoy a significant market share in categories such as vegetables, prepared meals, desserts, starters, fish and meat.

### Multiple grocers

Multiple grocers consist of hypermarkets such as Carrefour and Leclerc, and supermarkets such as Casino. The frozen food market share of multiple grocers in France has declined from 62.1% in 2000 to 43.4% in 2024. In 2024, NielsenIQ Retailers Panel estimated that multiple grocers generated frozen food sales of €3.8 billion.

We believe that we and other specialist stores are able to offer a wider variety of frozen food products. For example, our stores in France offer an average of approximately 1,112 SKUs different frozen food SKUs. Hypermarket chains are characterized by a smaller but large choice of frozen products (500-750 SKUs) and competitiveness on price, and are typically located outside of city centers. Supermarkets and convenience stores, such as Casino, Daily Monop', Carrefour Market and Carrefour City, are located closer to customers' homes in city centers, but carry a smaller range of frozen products (100-300 SKUs) at a higher price point as well as a range of fresh food, and thus compete with us in terms of both location and product offerings. We offer approximately two times as many SKUs as multiple grocers.

Our recent strategy has been to enhance our competitiveness as many retailers are now entering the upmarket range of frozen food products, leading to an increase in product mix and higher average prices, while some of our suppliers have started to distribute their products to multiple retailers under their own brands.

### Specialist stores and home delivery retailers

Specialist stores and home delivery retailers mainly consist of us, Thiriet and small local retailers specializing solely in the distribution of frozen food products (Maximo, Argel, Bofrost, Ecomiam and Eismann). These competitors generally offer basic products at prices lower than branded products offered by multiple grocers, as well as more expensive product offerings in the case of Thiriet. They usually sell frozen food products of their own brands, rather than national brands.

The frozen food market share of specialist stores and home delivery retailers in France (including ourselves) has increased from 29.8% in 2000 to 31.1% in 2024. We believe this increase hides an opposing trajectory: while the market share of the other specialist stores and home delivery retailers has declined, our market share has increased during the same period.

We are the only specialist frozen food retailer with a national presence and the largest specialist frozen food retailer in France, with a market share approximately four times larger than those of our closest competitor Thiriet.

We believe that specialist stores are more attractive to consumers than multiple grocers and hard discounters for a number of reasons, including:

- they offer a wider range of frozen food products;
- they have fewer out-of-stock products as a result of their cold chain expertise;
- they offer a better overall shopping experience, including well-organized stores with clear product presentations and a better control of the cold chain; and
- their proximity to consumers increases the likelihood that products will be delivered quickly, which also helps maintain the integrity of the cold chain for the convenience and safety of the consumers.

#### *Hard discounters*

Hard discounters are retailers that sell consumer goods at aggressive prices, such as Lidl and Aldi. Hard discounters generally offer frozen food products at prices significantly lower than specialists and multiple grocers. They compete, however, on a more limited product range, usually focusing on more affordable and lower-quality products. They frequently target low-income households.

In particular, since 2017, the market share of hard discounters has increased as a result of significant efforts by its major actor in France, Lidl, which has improved its strategic positioning and strongly increased its media investments. NielsenIQ Retailers Panel estimates that hard discounters accounted for approximately €1.1 billion of French frozen food market sales in 2024. We offer approximately four times as many SKUs as hard discounters.

#### *Convenience stores*

Convenience stores in France consist of small stores for everyday shopping located in dense urban areas, which offer products to meet the needs of local customers. Factors such as smaller household sizes, longer working hours and the trend toward reducing food waste are favorable for convenience stores as customers move towards shopping “for the night” or for the next few days.

Convenience store chains in France include Franprix, Carrefour Contact, City & Market and Monop’Daily. The convenience stores segment has experienced strong growth over the past 10 years notably as a result of an increase in the number of stores that have been rebranded under the names of major supermarket chains (for example, Dia stores, previously considered a hard discounter, have been rebranded as Carrefour Contact or Carrefour City stores). NielsenIQ Retailers Panel estimates that convenience stores accounted for approximately €0.5 billion of French frozen food market sales in 2024.

#### *Drive*

The drive market in France consists of online grocery shopping, whereby the products ordered online are packed and delivered to a specific site to which the customer has easy access, essentially allowing customers to drive through the site and quickly pick up their orders. NielsenIQ Retailers Panel estimates that drive accounted for approximately €0.7 billion of French frozen food market sales in 2024.

## **Market Trends**

We believe that the following trends affect and will continue to affect the frozen food industry.

### ***Demographic Trends***

France's demographic structure has changed, with more women employed full time, smaller household sizes and a higher proportion of single-parent families and full-time employed women. These trends have decreased the time devoted to meal preparation and increased the demand for easy-to-prepare food options. Frozen food addresses this need by offering ready-made meals, including individual portions, as well as ready-to-cook ingredients allowing customers to save time on the preparation of home-made meals.

### ***Changing Consumer Lifestyles***

Food manufacturers and distributors are highly attuned to the changing preferences and needs of consumers, who have increasingly busy lifestyles and are more focused on health and nutrition. They have addressed these customers' demands by introducing and marketing a variety of convenient, high-quality and healthy food products, or updating certain core products. Industry participants seek to gain a competitive advantage by addressing consumer demands through new product introductions, core products updates and marketing. We continue to expand and refine our frozen food offerings so that they remain relevant and continue to be preferred by consumers.

We also observed changes in consumption habits related to the growing segment of online food ordering services such as Deliveroo or Uber Eats, although the effect on the frozen food industry remains marginal.

### ***Focus on Healthy Food***

Consumers are becoming more educated on issues that affect the quality of their food and diet. For example, health campaigns in France have educated consumers on the benefits of fresh fruit and vegetables and encouraged French consumers to eat five portions a day. Frozen food products offer nutritional quality and taste similar to that of fresh food and retain nutrients and vitamins longer through deep freezing. The rising rates of cardiovascular disease and obesity have influenced and, we believe, will continue to influence food choices. At the same time, consumers are paying increased attention to the quality of ingredients used, as well as their traceability, sustainability and health effects. As a result of these trends, processed food manufacturers have proposed healthier recipes that are lower in salt, fat and sugar and include more fruits and vegetables. We also expect an increase in the demand for non-processed fruits and vegetables.

### ***Monitoring/Quality Control***

In addition, following certain quality control failures and mislabeling of products that occurred in the past, the industry has been adversely impacted as some customers have temporarily lost confidence in prepared frozen food products. In response, market participants, including Picard, have increased monitoring and testing of products, improved traceability mechanisms, introduced alternative shortened supply chains with a focus on local production and launched marketing campaigns to restore consumer confidence. We expect quality control and safety of food products to remain an area of focus in the frozen food industry.

## BUSINESS

### Overview

#### Our Company

We are the leading retailer of frozen food products in France, based on sales, and are a pioneer in the sector. In calendar year 2024, we had an approximate 20.6% market share (including ice cream products) of the approximately €8.7 billion French frozen food market according to internal data and industry publications (prepared by NielsenIQ Retailers Panel and Euromonitor). We offer our customers a total of approximately 1,320 different frozen food SKUs (or an average of approximately 1,112 SKUs per store), including unprocessed meat, fish and seafood, fruits and vegetables and bakery products, as well as a full range of ready-made starters, main courses, desserts and ice cream at various price points. We introduced the concept of premium quality, appetizing frozen food to French consumers when we opened our first store in Paris in 1974. Since then, we have continued to develop the market for frozen food products in France by transforming the way the French public perceives and consumes frozen food.

We sell products under our own Picard brand (approximately 97% of our sales of frozen products during the year ended March 31, 2025), as well as under a few national and international brands, such as, for example, Häagen-Dazs, Charal and Ben & Jerry's. In France, our Picard products are sold almost exclusively through our store network (including through our Click & Collect and Express Delivery offerings) as well as through Home Delivery, which extends throughout France due to our partnerships with courier companies, including "Chronofresh", a Chronopost subsidiary.

We have successfully expanded our network over the years, and we opened an average of 40 new stores per year from the year ended March 31, 2002 to the year ended March 31, 2012 and an average of 25 new stores per year from April 2012 to March 31, 2025 (either directly-operated stores or through franchises in France and abroad). As of March 31, 2025, we had 1,195 stores in France (including four franchised stores in Corsica, 12 franchised stores in La Réunion, five franchised stores in the French West Indies, three franchised stores in New Caledonia, one franchised store in French Polynesia and 74 franchised stores in mainland France), 16 stores in Belgium, two stores in Luxembourg and 11 franchised stores in Japan. We also sell Picard-branded products in the United Kingdom through a partnership with Ocado, in the Netherlands through a partnership with Albert Heijn and in Singapore through a partnership with RedMart, as well as in Hong Kong and the MENA region through partnerships with Al Futtaim Group in Marks & Spencer stores, in Taiwan through a partnership with Px-Mart, in South Korea through partnerships with Kurly and Lotte and in certain countries in Africa through a partnership with AIBC.

We outsource the production of all of our products to approximately 252 different suppliers in calendar year 2024, allowing us to concentrate on quality control and new product research, development and innovation. We continuously review our product offering and introduce on average approximately 270 new SKUs a year. During the year ended March 31, 2025, we continued our innovation efforts and we introduced 230 new SKUs (representing approximately 17% of our 1,320 frozen food SKUs), including exclusive national brands and new SKUs for thematic campaigns. As a result of our innovation efforts, many of our products are unique to us, which we believe attracts customers to our stores.

We have successfully increased our Group sales over the last six years from €1,507.4 million in the year ended March 31, 2020 to €1,823.4 million in the year ended March 31, 2025, representing a compound annual growth rate of 3.9% despite certain economic and industry challenges during that period. In the meantime, our Total retail France sales over the last six years from €1,425.5 million for the year ended March 31, 2020 to €1,786.3 million for the year ended March 31, 2025, representing a compound annual growth rate of 4.6%. For the year ended March 31, 2025, sales in France, which include sales from our directly-operated stores as well as Home Delivery and sales to our franchisees located in mainland France, Corsica, the French West Indies, La Réunion, New Caledonia and French Polynesia accounted for 98.0% of our total sales, with sales in certain countries in Africa, in Belgium, Hong Kong, Italy, Japan, Luxembourg, the Netherlands, Singapore, South Korea, Taiwan, the MENA region and the United Kingdom generating the remaining balance. Our Total retail France sales were €1,786.3 million for the year ended March 31, 2025, increasing by 1.4% compared to the same period in the prior year, which was due to the strong expansion efforts over the year with the net opening of 24 directly-operated stores in FY 2025.

## History

Our predecessor was founded in 1906 as *les Glacières de Fontainebleau S.A.* by Raymond Picard and originally manufactured and distributed ice blocks. In the 1940s, our predecessor began our first wholesale activity in frozen foods. In 1971, we launched our first frozen food catalogue and Home Delivery sales. In 1973, Armand Decelle acquired the business and became the chairman and CEO. Under his direction, we first focused on the home delivery of unprocessed quality food products, such as vegetables and seafood. In 1974, we opened our first retail store in Paris and we opened stores outside of Paris in Antibes (in the South of France) and Lyon (France's second largest metropolitan area) in 1987. That same year, we opened our 100th store and by 1997 we operated 300 stores. During this period, our product line also evolved to include more sophisticated products, such as prepared meals. In the 50 years since opening our first retail store we have become a household name in France known for providing premium quality, natural and competitively priced products.

In 1984, we changed our name to Picard Surgelés and we co-founded Primex International S.A. ("Primex"), a French importer, with a family-owned partner; we currently hold approximately 37.21% of its share capital. Primex is our main supplier of fish, as well as a supplier of meat products. In 1991, Carrefour, the listed French food retailer, acquired a 10% stake in Picard Surgelés and in 1994 raised that stake to approximately 74%. From 1994 until 2001, Picard Surgelés operated as a subsidiary of Carrefour. During the 1990s, our presence in France increased more than twofold, growing from 184 stores in 1991 to 441 stores in 2000.

In 2001, we were sold to an LBO consortium headed by Candover, which acquired approximately 79% of our share capital. We were subsequently acquired in a secondary LBO in 2004 by funds advised by BC Partners. From 2005 to 2009, we grew from over 600 stores to over 800 stores in France and Italy, opening an average of 46 new stores per year. On September 14, 2010, an indirect, wholly owned subsidiary of Picard Bondco entered into a securities purchase agreement to acquire, directly or indirectly, all of the issued and outstanding capital stock of Picard. From the completion of the acquisition in October 2010 to August 2015, Lion Capital was the Issuers' principal shareholder through its investment management funds and indirectly owned, together with minority co-investors, approximately 98.6% of the Issuers' issued and outstanding ordinary shares. On August 19, 2015, Aryzta, a worldwide group active in the food industry and leader in the manufacturing and distribution of bakery-related products to industrial companies acquired a 49.5% interest in the Picard Group's indirect parent company Lux HoldCo, from Lion Capital. In October 2019, Invest Group Zouari ("IGZ") entered into a binding agreement with Aryzta to acquire a 42% stake in the Picard Group. The transaction was completed in January 2020 and, in January 2021, Aryzta sold its remaining stake in Picard, proportionately, to Lion Capital and IGZ.

On September 29, 2024, our principal shareholders, Lion Capital and IGZ, entered into a put option agreement for the acquisition by IGZ of Lion Capital's and management's entire equity stakes in the Group (the "Acquisition"). The Acquisition also included a rollover of Imanes' existing stake in IGZ (€153.4 million at the Acquisition valuation), a further €40.0 million equity investment in IGZ by Imanes, the acquisition of ICG Europe Fund VII's interest in IGZ and an investment of €460.0 million by ICG Europe Fund VIII in a combination of equity and shareholder notes. Since the Acquisition closed in December 2024, IGZ is the sole shareholder and controls the Picard Group. IGZ is owned by Imanes, an entity in the Zouari Group and controlled by Mr. Moez Zouari, and ICG. Imanes has the majority voting interest in IGZ.

Since 2010, we have expanded significantly, opening 296 net directly-operated stores in mainland France and, in line with our national and international expansion strategy, we also opened stores in Belgium and Luxembourg, along with franchised stores in mainland France, Corsica, the French West Indies, French Polynesia, Japan, La Réunion, New Caledonia, Scandinavia and Switzerland. As of March 31, 2025, we had 1,195 stores in France, including 1,096 directly-operated stores in mainland France, 74 franchised stores in mainland France, four franchised stores in Corsica, five franchised stores in the French West Indies, 12 franchised stores in La Réunion, three franchised stores in New Caledonia, one franchised store in French Polynesia, 16 in Belgium and two in Luxembourg. We also sell our products in 11 franchised stores in Japan. In August 2018, we sold our Swedish operations to our former joint-venture partner and entered into a franchise agreement with the partner. In January 2024, the franchisee terminated the partnership with Picard. A franchisee also operated six stores in Switzerland, but these were closed in early January 2020. While we place a new strategic focus on prioritizing owned stores in France where we see whitespace potential, we expect to expand our franchised store model to other smaller cities throughout mainland France, with a view to increasing our presence in those cities. In addition, we intend to further expand in Belgium and Luxembourg while

developing our existing commercial partnerships, such as with Ocado in the United Kingdom and in Singapore through a commercial agreement with RedMart, and considering future opportunities to expand into new countries and regions. In Japan, we adopted the franchised stores model in 2016 following an initial trial period during which we tested Japanese customers' appetite for our products. This initial trial was conducted in the form of a commercial partnership with Aeon, a local actor familiar with the local regulatory environment, food retail market and culture. Additionally, we sell a limited range of products in the United Kingdom through a commercial agreement with Ocado, a grocery home delivery service. Finally, a number of Picard products are offered in certain Albert Heijn supermarkets and hypermarkets in the Netherlands through a partnership with Albert Heijn, in Singapore through a partnership with RedMart, as well as in Hong Kong and the MENA region through partnerships with Al Futtaim Group in Marks & Spencer stores, in Taiwan through a partnership with Px-Mart, in South Korea through partnerships with Kurly and Lotte and in certain countries in Africa through a partnership with AIBC.

## **Our Brand**

We are a pioneer in the French frozen food sector and have become known for delivering variety, innovation, premium quality, health, convenience and unique value to our customers. We created and developed the concept of convenience frozen food stores in France over this period and are now inextricably linked to it. We believe that we have helped drive the growth of the French frozen food market with our innovation and commitment to quality, which has also led to a positive and strong awareness of our brand and our reputation for quality, health and safety.

## **Our Products**

We offer more premium quality frozen food products in terms of number of SKUs than any of our competitors. We have developed an assortment that includes a total of approximately 1,320 different frozen food SKUs (or an average of approximately 1,112 SKUs per store) and covers the entire spectrum of alimentary needs. Our product range includes starters, main courses, desserts and snacks and, as of March 31, 2025, is organized into the following nine categories: fruits and vegetables, meat, fish and seafood, starters, ready meals, bakery products, desserts (excluding ice cream), ice cream and grocery products/other products. We offer a wide range of prepared meals, including traditional French meals, international food, gourmet products and special occasion products. All of our products are aimed at responding to customer preference for food which is flavorful, satisfying, nutritionally valuable, healthy, easy to prepare and economical.

In recent years we have been increasingly focused on healthier, natural and low-fat products. These include several products lines, for instance our "*Plus d'équilibre*" line of low-fat meals. We limit the use of chemicals and artificial flavoring across all of our product categories and increased our offerings of non-allergenic products. We also list the number of calories and nutritional values on our packaging. We also introduced a gluten-free range and a "veggie" range of products. Our offering of organic products, with on average approximately 125 SKUs in March 2025, represents approximately 9% of our total product range.

Fruits and vegetables and ready meals are our largest categories in terms of sales, together generating approximately 41% of our sales in France for the year ended March 31, 2025. Our sales (excluding VAT) by product category for the years ended March 31, 2023, 2024, and 2025 are set forth in the following table:



Product Category	For the years ended March 31,					
	2023		2024		2025	
	millions of euro	%	millions of euro	%	millions of euro	%
Fruits and vegetables .....	312.7	19.9	340.2	20.8	361.0	22.0
Ready meals .....	298.9	19.1	311.5	19.0	309.1	18.8
Fish and seafood.....	234.8	15.0	230.7	14.1	224.2	13.7
Starters.....	246.9	15.7	249.3	15.2	243.8	14.9
Meat.....	164.0	10.5	177.4	10.8	179.9	11.0
Ice cream .....	134.6	8.6	146.2	8.9	140.0	8.6
Desserts (excluding ice cream) .....	88.4	5.6	90.6	5.5	90.7	5.5
Bakery products.....	36.6	2.3	39.0	2.4	39.8	2.4
Grocery products/Other .....	51.7	3.3	50.8	3.1	51.3	3.1
<b>Total retail France</b> <sup>(1)</sup> .....	<b>1,568.5</b>		<b>1,635.7</b>		<b>1,639.8</b>	
Other (including Home Delivery, franchises and international activities).....	147.5		167.4		184.0	
<b>Total</b> <sup>(2)</sup> .....	<b>1,716.1</b>		<b>1,803.1</b>		<b>1,823.8</b>	

(1) Excluding Click & Collect and Express Delivery sales and the impact of IFRS 15 (i.e., deferred recognition of sales linked to our loyalty program).

(2) Excluding the impact of IFRS 15 (i.e., deferred recognition of sales linked to our loyalty program).

In addition to our own brands, we promote a small number of our suppliers' national brands, especially in the ice-cream family such as Häagen-Dazs and Ben & Jerry's pursuant to marketing co-operation agreements. Together, these brands represented approximately 3% of our sales for the year ended March 31, 2025.

### ***Product innovation and research & development***

Product innovation and improvement are an important part of our business. Our R&D, marketing and purchasing departments are centralized and organized according to our nine families of products in order to coordinate the innovation and development process. We believe that product innovation is one of the main ways we differentiate ourselves from competitors, answer market needs and improve the quality of our food, thus allowing us to generate comfortable margins. We constantly review and update our range of products to keep up with our customers' changing needs and preferences and we introduce approximately 270 new SKUs per year (representing nearly 20% of our offering of approximately 1,320 SKUs). During the year ended March 31, 2025, we pursued our innovation efforts with the introduction of 230 new SKUs. Our new products are rolled out throughout the year and linked to promotions and seasonal demand (for example, we launch special products for Christmas and New Year celebrations, the Chinese New Year and Valentine's Day).

Our innovation policy focuses on developing original products, some of which we anticipate will set trends and create new segments in the frozen food market. Some of our most successful products, such as *moelleux au chocolat*, have brought popular traditional foods to the frozen food category for the first time. We believe our ability to initiate market trends is partly due to our regular introduction of new products using flavors or techniques that are relatively new in France (examples of which are set out in the table below). We also rely on direct customer feedback, notably through our customer service hotline, in addition to proposals from our suppliers and our own research team. Our R&D team works closely with our purchasing and marketing teams in order to quickly improve our products in response to customer feedback. We believe that we are able, as a result, to quickly improve our products in response to customer comments.

The following table lists and describes some of our significant product innovations.

Year Launched	Product	Description
1988	Papillotes	Papillotes were originally launched using tin foil. In 1998, Picard launched the first-ever papillotes in greaseproof paper (more

Year Launched	Product	Description
		convenient and quicker to heat in a microwave).
1989-1990	IQF (“Individual Quick Freeze”) ready meals	Ready meals, incorporating the latest technical innovations, such as powdered seasoning, sauce drops and coating techniques.
1995	Formule Express	A range of individual meals packed in a special microwaveable tray.
2000	Moëlleux au chocolat	Warm chocolate cake.
2002	Cuisine japonaise	Fresh frozen sushi.
2008	“Bons Petits Plats Picard”	Individually packaged pre-cooked daily meals including veal risotto, rabbit with olives and white rice, and sweet crepes and pancakes.
2009	Fruits BIO	Development of organic product line with a large offering of fruits.
2010	Nouvelle Sauces et Aides Culinaires	Line of sauces in cube form with updated packaging with a range including pepper sauce and mushroom sauce to be reheated in a few minutes in coconut milk, lemon juice or broth.
2015	Gratins	Individually packaged vegetables gratins prepared in wooden baking molds.
2015	Mini-cheeseburger	A trendy & friendly appetizer.
2018	“Bâtonnets fruités”	Renewal of ice cream range with individual healthy fruit sorbets, with original flavors (e.g., strawberry-watermelon, apple-kiwi-cucumber, lemon-lime-ginger).
2020	Vegetarian and vegan products	Acceleration of the deployment of our health offer with the launch of a new range of products from farms that are in the process of being designated as “organic” and the development of vegetarian and vegan products (new vegan product line).
2022	Mix & Miam	Customers can compose their meals according to their own tastes and desires by choosing one product out of each category (vegetables, carbohydrates and protein) and a total of 12 available choices. This creates 64 possibilities, and even more if a second product in the vegetarian category is selected in lieu of a protein product.
2024	Gamme Picard Traiteur	Made up of 15 (12 savory and 3 sweet) exclusive bite-sized products. Certain of these products are innovations with distinct recipes created specifically for the range of occasions our <i>Gamme Picard Traiteur</i> were introduced for, such as weddings, anniversaries or corporate events. They come in large pack

Year Launched	Product	Description
		sizes and are available through our Home Delivery channel and in certain stores.

Our R&D staff of 15 dedicated full-time employees benefits from close relationships with our suppliers, who frequently propose to us ideas for new prepared products hoping to take advantage of our unique position in the market and the quality of our store network. On average, it takes five to twelve months to develop and launch a new product, a period during which we work with a Picard-certified supplier, apply our quality controls to samples, perform taste tests and prepare for sales of the new product in our stores.

We believe we have remained at the forefront of product innovation and improvement by focusing on improving the quality of recipes, ingredients and user-friendliness, including average cooking times. Our staff of purchasers and product managers carries out our efforts in the area of product improvement.

### ***Purchasing and Suppliers***

We work with approximately 252 suppliers, which supply us with prepared foods and unprocessed frozen food products, including meat, fish, starters, fruits, vegetables, bakery products and ice-cream. We select our suppliers based on strict specifications related to product quality and generally reappoint our suppliers of unprocessed food annually and our suppliers of prepared foods every two to three years. We believe the caliber of our suppliers has contributed to Picard's strong track record of quality control.

We do not believe that we are dependent on any one supplier or that the loss of any one supplier would have a material adverse effect on our business. In calendar year 2024, our five largest suppliers represented 20.7% of our purchases by value, our 10 largest suppliers represented 31.9% of our purchases by value and our 20 largest suppliers represented 48.4% of our purchases by value. Our largest supplier represented approximately 6.6% of our purchases by value. We develop most of our products internally but outsource the manufacturing to our different suppliers. We invite our suppliers to diversify their own client bases as well.

For the introduction of each new product, we require that our suppliers commit to minimum volume requirements for the initial four months of the product's availability. We do not otherwise impose volume requirements contractually.

### ***Prepared Products***

We subcontract the production of prepared products, such as frozen meals, but they are prepared according to our recipes and specifications. We assign to one of our product managers the responsibility for overseeing the production process and ensuring conformity with our specifications, including the supplier origin of each ingredient. In the event a supplier does not adhere to our specifications, we have the right to terminate such supplier immediately, and have done so in the past. In calendar year 2024, at least 71% of our products were sourced from suppliers based in France including, since March 2013, 100% of our beef products, while the remainder is obtained from suppliers located abroad, including in Belgium, Germany, Italy, the Netherlands, Norway, Thailand, Spain, Vietnam and the United Kingdom. In designing our product specifications, we also focus on the length of the supply chain, choosing shorter supply chains where possible, to ensure freshness and effective traceability.

### ***Unprocessed Products***

Our suppliers are responsible for the selection and supervision of the food they deliver to us, according to our specifications. We work very closely with our suppliers, whether directly or through our importers, to ensure that our specifications as to quality and quantity are complied with. We treat our suppliers as partners, emphasizing to them that they are harvesting or fishing for us and for our brands. Our contracts with our suppliers typically fix prices for one year, which helps minimize price fluctuation. For high-volume purchases, we generally work with multiple suppliers.

In 2024, we imported products from around the globe, including, for example, Canada, Chile, Italy, New Zealand, Norway and Thailand. Notably, most of our contracts with suppliers are priced in euro, so we do not have any significant foreign exchange risk.

In order to better manage the importation of seafood and meat products from New Zealand and Norway, we co-founded Primex. For the year ended March 31, 2025, purchases from Primex amounted to €33.7 million, or 3.3% of our purchases (by value) (compared with €41.4 million for the year ended March 31, 2024 (4.1% of our purchases (by value)) and €44.0 million for the year ended March 31, 2023 (4.6% of our purchases (by value))).

## **Quality Control**

We are strongly committed to the quality and safety of our products which are attributes recognized by our customers. We apply stringent standards to surpass legal requirements and we employed a quality control team of 32 full-time employees (as of March 31, 2025) based out of Nemours and Issy-les-Moulineaux in France. This team is responsible for monitoring the quality and safety of our products. Their role includes:

- monitoring international sanitary conditions and developments in order to anticipate issues with respect to the use or origin of certain products;
- instituting and enforcing strict guidelines which our suppliers must follow and performing random spot checks each year of our suppliers' production plants or with our suppliers of unprocessed products;
- performing additional internal controls such as testing deliveries to our warehouses and collecting samples in our stores; and
- conducting laboratory analyses geared at detecting, for example, genetically modified organisms or pesticides, as well as DNA tests on meat and fish products since March 2013 (since February 2013 for beef products).

We performed more than 55,000 tests in the calendar year 2024, in addition to systematic analyses performed by our suppliers. We test our products for bacteria, radioactivity, heavy metals, additives, GMO, species (DNA), weight, ingredients, taste and texture, and as a result of these tests, we rejected approximately 0.8% of processed products before they were shipped to our warehouses. As our tests are performed throughout the cold chain cycle, we may also reject products at various other points in the chain. We believe these tests are essential to the quality and reputation of our brand, and that we are able to effectively monitor the quality and safety of all our products. Our testing practices are often more stringent than required by current regulation. In addition, all of our suppliers must be certified by either ISO 22000, IFS, BRC, or by the external audit firm Bureau Veritas.

Our quality control plan regarding scientific activities and international sanitary alerts evolves each year. This is done in order to anticipate potential crises and be in a position to provide quick and adequate answers to them if they do materialize. The horsemeat incident which took place in February 2013 further reinforced the merits of DNA tests (Polymerase Chain Reaction) in identifying different species. These tests are now systematically performed on our beef products and a reinforced control plan is in place for our seafood, fish and other meat products. We also aim to conduct regular audits of each of our suppliers and this audit program has also been reinforced by ensuring strict compliance with our specifications and, in particular, by ensuring that ingredients are correctly pre-validated by our quality service (in terms of quality and origin). The audits are conducted by a team of internal auditors and by certified third-party organizations. Despite our strict quality controls, we may need to recall certain of our products as a result of alterations or contaminations. For instance, we recalled some of our products in late 2013 in Italy when traces of Hepatitis A were allegedly found in a batch of our red berries mix, although tests conducted in public and private laboratories showed no contamination.

We have fully implemented our integrated SAP platform in all of our stores, and all lots produced by our suppliers are logged into a system for tracking both delivery and quality controls. This platform enables us to more easily track each lot and perform our controls. Our quality control tests are decisive such that products are only purchased and delivered to our stores if they meet the test specifications.

Our competitors, suppliers and customers are aware of our very high cold chain standards. We go beyond the statutory cold chain requirements to ensure the safety of our products for our customers and equip our stores with modern freezing equipment.

## Our Network of Stores and Home Delivery

We distribute our products primarily through our retail network of stores in France, Belgium and Luxembourg, all of which are operated by us. We also have an expanding network of franchised stores comprising 74 stores in mainland France, four in Corsica, five in the French West Indies, 11 in Japan, 12 in La Réunion, three in New Caledonia and one in French Polynesia as of March 31, 2025. In addition, we also provide our Japanese partner with Picard products, currently sold in 11 franchised stores located in Japan. Additionally, we sell a limited range of products in the United Kingdom through a commercial agreement with Ocado, a grocery home delivery service. We further sell our products through a partnership with Albert Heijn in the Netherlands and through a partnership with RedMart in Singapore, as well as in Hong Kong and the MENA region through partnerships with Al Futtain Group in Marks & Spencer stores, in Taiwan through a partnership with Px-Mart, in South Korea through partnerships with Kurly and Lotte and in certain countries in Africa through a partnership with AIBC. We also operate Home Delivery in parts of France, Belgium (mainly in and around Brussels), and Spain (only in Barcelona), which allows customers to order by telephone or online. It has been our continuing strategy to offer the same prices and promotions at all of our stores in France and through Home Delivery.

### Store Ownership and Leasing

As of March 31, 2025, we owned 108 of our 1,096 directly-operated stores in mainland France, most of which we acquired historically upon the exercise of purchase options under our financial leases, and we rent the remaining 988 directly-operated stores. Most of our leased stores in France are leased pursuant to “commercial leases” (*baux commerciaux*) which grant significant rights under French law to lessees compared to leases in many other jurisdictions. Most of these commercial leases are for nine-year terms (the statutory minimum) and provide termination rights for the tenant at the end of each three-year period upon six-month prior notice. One of our stores in mainland France is leased pursuant to a finance lease (*credits-bail*), which typically provide for a purchase option after a term of 12 years. We believe that our leasing strategy gives us a high level of flexibility in store management. In the year ended March 31, 2025, our total group rental expenses amounted to €82.1 million.

We rent our stores from a variety of landlords, including individuals and different types of companies.

The table below sets out our commercial lease expirations in mainland France, Belgium and Luxembourg as at March 31, 2025.

Calendar year	Number of leases	% of total leases
2025.....	60	6%
2026.....	152	15%
2027.....	200	19%
2028.....	136	13%
2029.....	109	11%
2030.....	95	9%
2031.....	126	12%
2032 and beyond.....	172	16%

The rent paid under most of our commercial lease agreements in France is a fixed sum which is annually reviewed based on either the ICC or the ILC. With the enactment of the law on craft, commerce and very small corporations, dated June 18, 2014, the ILC became mandatory for new lease agreements. Our renewed or new commercial lease agreements are subject to the ILC, with the remainder being subject to the ICC until their termination date. In the year ended March 31, 2025, the automatic adjustments in the ICC and ILC led to an increase of approximately €3.0 million, or 4.9%, in our invoiced rents. See “Risk Factors—Risks Related to Our Business—We rent most of our stores pursuant to commercial leases that may be subject to rent adjustments that could increase our expenses and have a negative impact on our profitability and results of operations”.

In addition, in accordance with applicable regulations governing commercial leases, commercial rents can be adjusted upon the renewal of the lease, failing which, in the case of some of our leases, new rents may be determined by a competent court.

### ***Stores in mainland France***

Our stores (which are equipped with closed freezers) emphasize quality, cleanliness and customer service. Picard stores have an average size of approximately 234 square meters and employ on average between three and four full-time employees. We aim, to the extent possible, to give our stores a uniform appearance and refurbish them every six to twelve years (in the last three years, approximately 173 of our stores were refurbished). Our stores are usually open from 9:00 a.m. to 7:30 p.m., except in Paris where they are usually open from 9:00 a.m. to 8:00 or 8:30 p.m., and most of them open on Sunday mornings.

Our network of stores covers the whole of mainland France. Our largest concentration of stores is in Paris and Ile-de-France (the area in and around Paris), where we have a total of 403 stores (37% of our French store network) as of March 31, 2025, including 124 in Paris. We also have a strong presence in other urban areas, including 45 stores around Lyon, 46 around Marseille and Aix-en-Provence, 42 around Nice, Antibes and Cannes, 37 around Toulouse and 29 in the Bordeaux region. We believe the size of our network is a significant barrier to entry.

In the year ended March 31, 2025, our average sales per store were €1.5 million and our average sales per square meter, representing our average sales per store divided by our stores' average surface, was approximately €6,400. Despite our expansion, the opening of new stores has not materially reduced our average sales per store. Average sales per store during the first 12 months of operation amounted to approximately €1.0 million. The economics of our stores are relatively homogeneous across our network in France.

### ***Format***

We have standardized our stores into four formats: pedestrian, urban, traffic area and hypermarkets, each of which is chosen as a function of location and customer profile in order to maximize sales. This standardized format means that set-up costs are predictable and relatively low. As of March 31, 2025, our pedestrian stores represented 26.1% of our network and are located in dense urban areas within walking distance for most of our customers. Our urban stores represented 15.2% of our network and have private parking lots. Our traffic stores comprised 34.2% of our network, are located along regional main roads and have private parking lots. Finally, our hypermarket stores accounted for 24.5% of our network, are the largest of our four store formats and are typically located on the outskirts of large and medium-sized cities.

Pedestrian and urban stores are proximity (or convenience) stores, where customers generally shop once a week and purchase in smaller quantities (the average basket amount (including VAT) was approximately €18.4 and €25.8, respectively, in the year ended March 31, 2024, and approximately €18.1 and €25.3, respectively, in the year ended March 31, 2025). Traffic areas and hypermarket stores are destination stores, where customers generally shop two to three times a month and purchase in larger quantities (the average basket amount (including VAT) was approximately €31.3 and €31.7, respectively, in the year ended March 31, 2024, and approximately €30.7 and €31.0, respectively, in the year ended March 31, 2025).

Our unique concept of stores, where starters are placed near the store's entrance and desserts by the check-out, allows customers to naturally shop for a typical three-course meal by walking through the store without the need for shopping lists. This concept has a number of advantages. It encourages customers to discover our entire product range, attracts customers to promotions placed at the entrance of the store, reduces wasted time for customers by helping them to more easily find what they are looking for, allows for easy flow within a store and optimizes space allocation.

During the year ended March 31, 2025, we remodeled 56 stores in France under our “*Bienvenue en Cuisine*” concept (introduced in 2022), a major project in our growth plan with the following objectives:

- Accommodating all shopping routes through a 360-degree checkout;

- Making the stores vehicles for communicating the brand platform and Picard's commitments; and
- Supporting our customers in their daily lives by highlighting our product assortment, expanding our grocery offering, developing a non-food offer and professionalizing our wine selection.

On March 31, 2025, 297 stores in France (including franchised stores), three stores in Belgium and one store in Luxembourg have been remodeled or opened under this new concept.

### *Positioning*

Our stores have a well-balanced geographical footprint and are mostly located in high-traffic locations in cities of 25,000 inhabitants or more. Positioning our stores in target catchment areas is a critical part of our ability to reach and serve our customer base. We position our stores and identify locations for expansion according to a demographic analysis we call "geomarketing", which allows us to analyze data from our network of existing stores and French demographic surveys in order to locate areas with untapped potential and priority zones for new development sites. The principal criteria we use to choose the locations of our new stores are:

- population density, which is adjusted for urban and non-urban areas;
- average taxable income per household; and
- socio-economics of potential customers.

We also monitor our market share and revenues in our currently covered areas. We believe that our geomarketing tools allow us to see our market as a whole, to benchmark stores and evaluate the key factors to stores' success. Geomarketing operations are conducted by a team of four, headed by our director of development and based at our headquarters in Issy-les-Moulineaux.

Our objective is to become an everyday destination for our clients to ensure high and constant traffic in stores. The majority of our customers are between the ages of 35 and 65, with an average age of approximately 51. Our younger customers tend to purchase our products for their premium quality and serve them at parties. When these customers reach their thirties, they often develop into regular daily consumers of our products as their buying power increases and they search for convenient and quality food to serve their families.

### *Expansion*

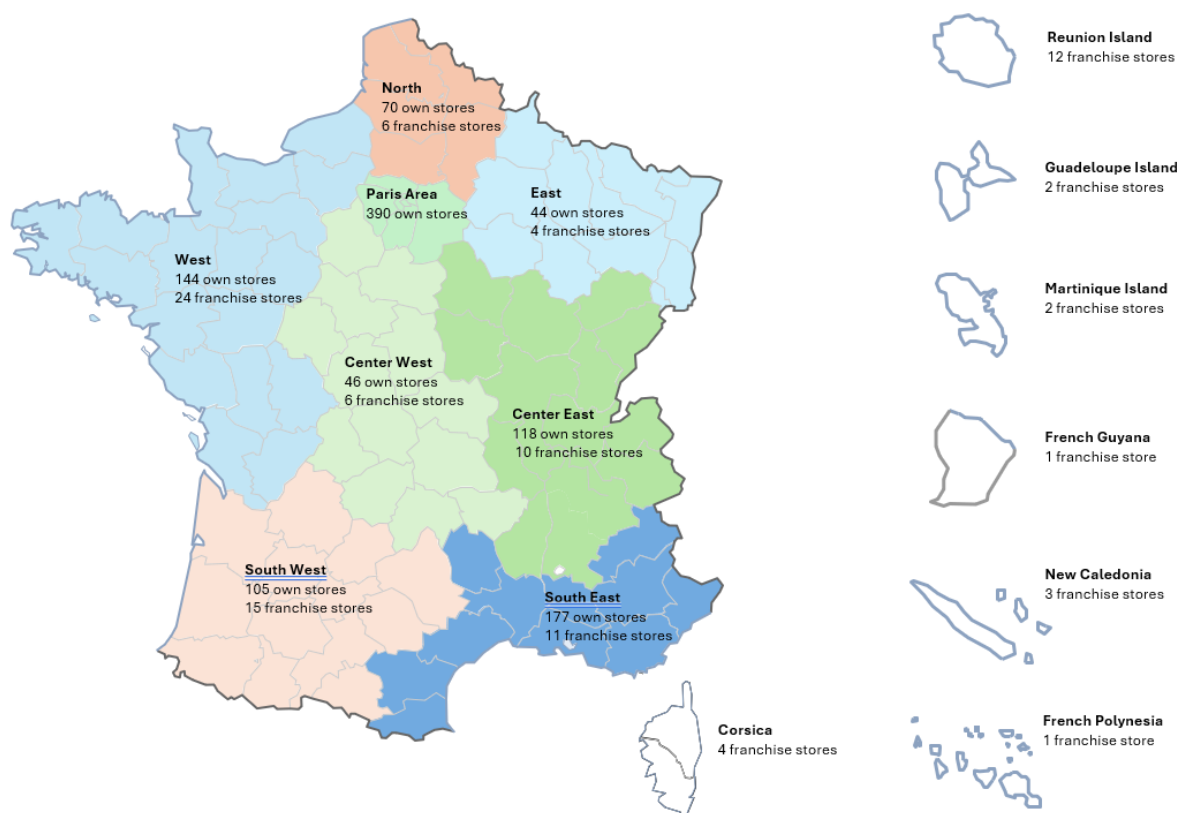
We continually seek opportunities to expand our store network in France and have opened on average 40 new stores from the year ended March 31, 2002 to the year ended March 31, 2012 and an average of 25 new stores since March 31, 2012 (both directly-operated and franchised stores). Net of closures, we opened 37 and 32 new stores during the years ended March 31, 2023 and 2024, respectively, and opened 38 new stores in the year ended March 31, 2025. The greater density of our store network results in a limited degree of sales cannibalization which we regularly monitor. Over the past three years, we continued the expansion of our network while successfully maintaining a cannibalization effect on our like-for-like sales of less than 0.5%. Our track record of opening stores without significant cannibalization is the result of a selective store expansion policy implemented by a dedicated team of 12 employees. On average, cannibalization has a short-term negative impact on sales of impacted stores, which resume their long-term trend line growth after one year and recover their initial sales level after two to four years.

We currently plan to open approximately 200 stores in France during the period from FY 2025 through FY 2029. Since our first store opening in 1974 through March 31, 2025, we have only closed a total of 33 stores in France, out of which three were closed in the last five years. Also, we have been able to locate more potential new store locations than the currently envisaged additional store openings. In FY 2025, we have begun to focus our expansion strategy on developing Picard's owned-store footprint in France where we see whitespace potential to limit margin dilution. In addition to our owned-store prioritization, we intend to continue our franchised-store model in smaller cities in France where we do not have a presence. We opened our first franchised store in mainland France in August

2015. Since then, we have opened 74 additional franchised stores in mainland France. We believe that the further implementation of our franchised store model will increase brand awareness, while helping us negotiate better terms with our suppliers through increased volumes, with no or limited additional capital expenditures. We also plan to grow internationally through key strategic partnerships.

Under the franchisee model, the franchisees operate stores that primarily sell Picard-branded frozen food products. The existing franchised stores are, and any future franchised stores are expected to be, operated by the relevant franchisee and in a similar manner to the way we operate our directly-operated stores in mainland France. Although we generally choose the location for new stores and try to maintain a certain degree of collaboration with our franchisees, franchisees retain control over the operation of the franchised stores and operate in an independent manner with respect to certain aspects of their businesses.

The graphic below shows the geographical footprint of our stores as of March 31, 2025.



### ***Digital strategy and Home Delivery***

Our stores remain and are expected to remain the main sales channel. However, in line with our strategic plan, we are further developing our e-business journey, enabling an omnichannel shopping experience. We offer our customers the possibility of ordering online, on our website or through the “Picard app” (which as of the March 31, 2025 had been downloaded 3 million times), and we offer older customers the ability to place through phone orders and orders through our print catalog for home delivery service. Home Delivery was used by approximately 259,000 active customers in the year ended March 31, 2025 and serves customers in densely populated areas in France, as well as in certain areas of Belgium (Brussels) and Spain (Barcelona). Through Home Delivery, our products are offered at retail store prices, plus a €5 delivery fee.



Three outsourced warehouses prepare and distribute products to our 21 Home Delivery regional bases. Orders are then delivered to our customers from these regional bases by leased delivery vans or by partners who are specialists of 'last mile' delivery services.

In the year ended March 31, 2025, Home Delivery sales (excluding delivery fees) were €53.0 million, representing 2.9% of our total sales. Our Home Delivery sales channel experienced strong growth during the national lockdowns in France, which led us to actively promote the Home Delivery channel for customers. The strong rise in Home Delivery sales has been observed throughout the market, as this service has been considered as safe and convenient by customers during the lockdown period. Digital orders now represent the large majority of our Home Delivery sales, while telephone orders continue their decline. Therefore, we have developed platforms that will accompany our growth in the digital segment and have turned our communication strategy into a digital strategy. Accordingly, in June 2020, we launched a new website which comprises serving suggestions and recipe plans along with a broad range of information about our products, and is intended to act both as a showcase for our entire range of Picard products and drive customers to our stores as well as to provide a user-friendly e-commerce site that is another efficient channel through which to buy Picard products. Further, in 2021, we launched a new mobile app to replace the one launched in 2016. The updated app is more modern and convenient and serves the same goal to promote our brand and encourage customers to shop at Picard under our various available channels. In addition, we extended our delivery footprint to the whole French territory in November 2020.

As part of our digital strategy, in 2020, we also introduced our Click & Collect program which had a positive impact on our sales performance. This program allows our customers to select and pay for their items online, and then pick them up in store. Since December 2021, we offer Click & Collect services in all the stores in our network. In the year ended March 31, 2025, 271,000 customers used Click & Collect. Since March 2021, we also offer a new express delivery service, initially (until March 2024) through a partnership with Deliveroo, with UberEats added as a partner in 2024. UberEats is now the Group's sole Express Delivery partner, with the service offered in 1,057 stores in almost every region in France. The UberEats partnership will ensure that the service is more widely available throughout France while at the same time adapting to French consumer habits and allowing us to recruit new, younger and more digitally savvy customers.

In addition, in 2020, we launched frozen food vending machines, offering a selected range of products at convenient locations, such as corporate workplaces and schools; this concept was launched at 25 sites during its first year in 2020, despite the constraints of the COVID-19 pandemic. As of March 31, 2025, 291 machines had been installed for corporate customers in three French cities: Paris, Lyon and Lille.

We believe that our renewed attention to this sales channel, especially through changes to our website and expected continuous updates to our app, will enhance its consumer appeal and strengthen customer loyalty, increase spending per customer and allow us to reach new customers. Moreover, we believe that Home Delivery sales will directly benefit from the implementation of an improved solution to optimize last-mile delivery rounds, the changeover of our customer service platform and the ongoing improvement of our e-commerce pathway.

### ***Stores outside of mainland France***

In line with our strategy of further overseas and international expansion, we have opened a number of Picard stores and/or sell Picard-branded products through several different business models outside of mainland France and we are considering further expanding into other countries and regions in the future.

In the past, we developed our international network by opening new stores and points of sales in different countries. More recently, we have prioritized different business models abroad that will help build brand awareness and capture customers, while also minimizing our capital expenditure and fixed costs. For example, we typically enter into partnerships with local retailers to develop "corners" in their stores. "Corners" are areas in department stores or hypermarkets dedicated to Picard-branded products and which display the Picard brand name and logo. If the initial results are positive, we may then explore the possibility of operating through multiple channels in such countries, including through opening franchised stores in those markets.

### *Corsica, the French West Indies, La Réunion, New Caledonia and French Polynesia*

In French overseas territories, where we already have high brand awareness, we are working with partners who open franchises similar to the stores we have in France. Since 2013, we have opened four franchised stores in Corsica, five franchised stores in the French West Indies, 12 stores in La Réunion, three franchised stores in New Caledonia and one in French Polynesia.

### *Belgium and Luxembourg*

We opened our first directly-operated stores in Belgium in the year ended March 31, 2013 and have reached a total of 16 stores in Belgium as at March 31, 2025. Our expansion in Belgium targets Wallonia, rather than Flanders. Our activities in Belgium have become a completely profitable business unit through a significant growth in the customer base. We aim to continue our expansion in Belgium, and a new store opened in Ixelles in December 2024. We also opened our first store in Luxembourg in October 2014, and a new store opened in Foetz in July 2024. Our stores in Belgium and Luxembourg are directly-operated by Picard, and are operated in a similar manner to our stores in mainland France.

### *Africa*

In November 2023, we entered into a distribution agreement with AIBC, a French company that operates as a food master franchisee with numerous partnerships in Africa. Our agreement covers a limited number of countries in Africa and the first corners opened in Djibouti in June 2024.

### *Hong Kong and the MENA region*

In May 2021, we entered into a distribution agreement with the group Al Futtaim, the franchisee for Marks & Spencer in several countries in the MENA region and Asia, including Hong Kong and the UAE. So far, we have opened 21 corners in the MENA region and eight in Asia.

### *Italy*

In 1999, we acquired Gelmarket S.p.A., the Italian subsidiary of Gel 2000 International S.A., a French distributor of frozen products then in administrative receivership, which became our subsidiary Picard Surgelati. This acquisition constituted our first international store expansion. Picard Surgelati's network at the time of the acquisition was comprised of 45 stores in the North of Italy and oriented towards a discount-focused clientele.

On April 10, 2015, Picard Groupe entered into a share purchase agreement with New Food for the purchase by New Food of the entire share capital of Picard Surgelati. The closing of this transaction occurred on May 13, 2015. Following the completion of this transaction, and further to a commercial agreement between Picard and New Food, Picard sold Picard-branded products to New Food in its 44 stores in Northern Italy in FY 2025.

A constant decrease of our sales and the closure by our partners of significant corners led us to decide not to renew our partnership. The contract ended in December 2024.

### *Japan*

We opened our first franchised stores in Japan in 2017 with our local partner, Aeon. Prior to opening stores in Japan and since October 2015, the first step of our partnership consisted in offering our products in several "corners" in some of Aeon's hypermarkets in Tokyo. As of March 31, 2025, there are 11 franchised stores, 37 corners and a dedicated website and the expansion of their B2B business.

### *The Netherlands*

Following an agreement entered into in January 2018, a number of Picard products are offered in certain Albert Heijn supermarkets and hypermarkets in the Netherlands. Our products are available in nearly 160 stores as well as through the online grocery offer at [www.ah.nl](http://www.ah.nl). Additionally, our croissant assortment is available in 600 stores.

The offer of Picard products features ready-made meals, an extensive range of drinks and various appetizers and desserts.

#### *Singapore*

In January 2020, we began offering Picard-branded products in Singapore through a partnership with RedMart, one of the main online retailers in Singapore. Since then, our product offering has been growing consistently up to 250 SKUs as of March 31, 2025.

#### *South Korea*

In September 2022, we started a partnership to sell Picard-branded products in South Korea with Kurly, an online retailer. The partner operated its first Picard sales in February 2023. In February 2024, a second partnership started with Lotte, one of the most important food retailers in South Korea. As of March 31, 2025, Lotte operated 36 corners in Seoul.

#### *Taiwan*

We entered the Taiwanese market in December 2021 through the opening of corners in the hypermarkets network of RT-Mart and a smaller presence. In 2024, RT-Mart was purchased by Px-Mart. Our Picard-branded products are now sold in 96 Px-Mart's supermarkets and continue to be sold via Family Mart's website.

#### *United Kingdom*

In October 2016, we began offering Picard-branded products in the United Kingdom through a partnership with Ocado, the grocery home delivery service. Since that date, we have renewed our agreement with Ocado each year, while increasing the number of SKUs supplied to Ocado under our partnership. We offer an extensive range of frozen food products through Ocado and intend to consolidate and develop this partnership, which enables us to increase our brand awareness in the United Kingdom.

### **Employees**

As at March 31, 2025, we had 4,450 full-time equivalent employees under permanent employment contracts in France, 50 in Belgium and eight in Luxembourg. Approximately 64% of our employees are women. We also employ a number of temporary employees, principally in order to staff our stores during periods with higher customer demand, including, for example, during the holiday season or because extraordinary circumstances require more staffing, such as the COVID-19 pandemic in the past.

The breakdown of our average of full-time equivalent employees under permanent employment contracts in France by activity during the years ended March 31, 2023, 2024 and 2025 was as follows:

<b>As of March 31,</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Stores.....	3,563	3,654	3,739
Logistics/supply chain (packaging unit).....	53	51	50
Home Delivery .....	153	154	149
Headquarters.....	464	485	512
<b>Total.....</b>	<b>4,233</b>	<b>4,344</b>	<b>4,450</b>

The breakdown of our average of full-time equivalent employees under permanent employment contracts by country during the years ended March 31, 2023, 2024 and 2025 was as follows:

<b>As of March 31,</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
France.....	4,233	4,344	4,450
Belgium .....	45	48	50
Luxembourg .....	3	4	8

<b>Total.....</b>	<b>4,281</b>	<b>4,396</b>	<b>4,508</b>
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All our French employees benefit from a legal profit-sharing mechanism based on our financial results that in the past has been equivalent to approximately two months of salary per year. In addition, all our French employees benefit from profit-sharing based on sales performance compared to budget, pursuant to a three-year profit-sharing agreement renewed in May 2025. In some cases, we offer work-time flexibility with the possibility of part-time work.

Our employees benefit from a training program centered on our values, products, business and management, which exceeds legal requirements. We generally favor internal promotion for filling vacancies.

We have entered into various collective bargaining agreements in France. There are no material labor agreements or other arrangements whose expiry is pending and which we do not expect to be satisfactorily renewed or replaced in a timely manner. We believe that relations with our employees are good.

### **Supply chain**

Supply chain functions include forecasting, sourcing of products, storage of goods in outsourced warehouses and transportation to our stores. The entirety of our logistics operations is outsourced (except for the final delivery of our products from warehouses to customers as part of our Home Delivery), providing us with greater flexibility. Orders to suppliers are centrally managed by our procurement department, based on monthly sales forecasts for each product. Each store is responsible for placing its own orders which are subsequently processed by our centralized logistics and transportation department.

#### *Cold chain*

We believe that the strength of our logistics network is critical to the freshness of our products, quality control and customer satisfaction. To this end, we have established a high-standard cold chain to keep our products at temperatures of -18°C or less, with an ambient temperature in trucks of -22°C. These requirements apply at all stages of our logistics operations, including during the preparation and transport of our products by our suppliers.

#### *Warehousing*

Our substantial distribution network consists of nine distribution centers for stores, three of which also serve our Home Delivery channel. In France, as of March 31, 2025, we stored our products in nine warehouses (eight for frozen food and one for grocery in Nemours), three of which are located in the Paris area, where our largest concentration of stores is located.

All our warehouses in France are outsourced to our logistics partners: STEF (the leading French company in frozen storage and transportation), SOFRICA/SOFRIOLOG (the number two frozen storage specialist in France) and GXO Logistics (one of the world's leading providers of logistics solutions). Six of these warehouses are dedicated to serving our retail stores (Villeneuve sur Lot, Corbas, Rennes, Trappes, Sainghin and Nemours), while the other three warehouses (Cergy, Sorgues and Vitry) serve both our retail stores and Home Delivery. In addition, Home Delivery distribution is processed through 21 logistics bases, consisting of cross dock platforms. We also operate a packaging unit exclusively for unprocessed seafood, located in Nemours.

Our partners generally operate under three-year contracts, renewable for a one-year period.

The following figures show the volume and maximum capacity of our frozen food warehouses, excluding our Nemours warehouse, in France for the year ended March 31, 2025:

Facility	Owned/Outsourced	Volume (in tons) FY 2025	Maximum capacity (in tons)	Utilization rate (%)	Year opened
Sorgues .....	Outsourced to STEF Logistique	27,111	38,899	70%	1992
Cergy .....	Outsourced to STEF Logistique	23,505	43,090	55%	1989
Vitry sur Seine.....	Outsourced to STEF Logistique	27,094	41,542	65%	1986
Corbas.....	Outsourced to STEF Logistique	15,973	19,517	82%	2006
Villeneuve sur Lot.....	Outsourced to SOFRICA	19,891	25,298	79%	2004
Rennes .....	Outsourced to SOFRICA	15,293	21,687	71%	2007
Trappes .....	Outsourced to SOFRICA	23,314	31,943	73%	2008
Sainghin	Outsourced to GXO Logistics	13,953	17,619	79%	2023
<b>Total.....</b>		<b>152,181</b>	<b>239,595</b>	<b>69%</b>	

We believe our warehouses have sufficient capacity to support our estimated needs through March 31, 2026.

### ***Transport***

We have three principal transport needs: (i) from our suppliers to our warehouses, (ii) from our warehouses to our stores and Home Delivery bases and (iii) “last mile transport” from our Home Delivery bases to our Home Delivery customers. Deliveries from platforms to stores are conducted depending on the turnover of the store and on the physical capacity of the storage cold room, from daily frequency for bigger stores to once a week. Delivery frequency increases during peak periods, such as December. We deliver products from our warehouses to our 21 regional Home Delivery bases, and these bases ultimately dispatch deliveries to customers. The number of deliveries per week from our warehouses to the regional bases varies by region.

Transportation costs from suppliers to our warehouses are generally borne by the suppliers. Transportation of products between our warehouses or from our warehouses to our stores is outsourced to regional transporters.

In addition, last-mile transport from Home Delivery platforms is handled by about 111 delivery vans operated by us, all of which are leased, or outsourced to last mile delivery suppliers. In November 2020, we entered into a collaboration with “Chronofresh”, a Chronopost subsidiary, for delivery of our products in order to expand the geographical reach of Home Delivery.

### ***Product pricing***

Our customers expect us to provide them with premium quality products at good value. In order to remain competitive, while developing our products, we pay attention not only to the quality of our ingredients and the taste of our products, but to pricing as well. We separate our products into three price categories: basic, mid-level and premium. Having products in each of these categories allows us to cater to our range of customers and their budgets and has helped us to maintain and increase customer traffic during the economic downturn.

Due to our large share of the market, we believe that we are able to negotiate with our suppliers more effectively than other retailers. Our price positioning has allowed us to generate a gross margin representing 44.2% of sales for the year ended March 31, 2025, compared to a gross margin representing 43.8% of sales for the year ended March 31, 2024. Our products are more expensive than those of hard discounters, but frequently less expensive than those sold by other specialists, in supermarkets or the fresh alternatives. We also believe that our products are typically of a higher quality than those sold by our competitors.

### **Sustainability and Other ESG Matters**

We are committed to improving the sustainability of our products and reducing the impact of our business activities on the environment. Our annual key performance indicators for corporate social responsibility (CSR) are

monitored and collected across the relevant operational divisions, with internal compliance controls to ensure consistency with our historical figures. Our CSR strategy is built on three pillars.

The first CSR pillar reflects our commitment to the environment. Hereunder, we measure ourselves along three axes: the environmental footprint of the Group and our brand overall, our efforts with respect to environmentally friendly transport and ensuring that our stores contribute to our environmental strategy. We intend to strengthen our brand by continuing and increasing our commitment to organic foods and sustainable sourcing in order to meet both consumers' expectations and emerging environmental concerns, such as overfishing and large-scale industrial agriculture. Since we launched our first organic products in 1998, we have expanded the number of organic products we offer to approximately 125 SKUs in the year ended March 31, 2025, representing approximately 9% of our total product range. In addition to increasing the number and broadening the selection of organic products, we have improved the visibility of such products in-store with an easily identifiable trademark for our organic products ("*Le Bio par Picard*") and adopted in May 2024, in a particularly pioneering way (online) in non-specialized food retail, a Planet-Score on all our products (excluding seafood) which recognizes the impacts on climate, biodiversity and animal welfare (if applicable). The Planet-score allows us to inform customers about our products' ecological impact and guide them towards more responsible purchases and virtuous products. Our other commitments for more responsible consumption include focusing on animal welfare (for example, by aiming to have all our egg-based products made from cage-free eggs by 2025), sustainable farming and fishing (for example, by prioritizing products made in France when possible as well as seafood and fish products with a third-party sustainability certification) and locally sourced products (for example, by ensuring 70% of our products are made in France and 90% of our unprocessed meat (and 100% of beef in our products) comes from animals reared in France). We also participate in other sustainability initiatives, such as the APILeg project, which is a collaboration that aims to build innovative cropping systems by increasing the use of agroecological practices to reduce the need for fertilizers and pesticides (in 2024, the reduction in the Treatment Frequency Index was around 13%).

In addition, we are committed to improving our environmental performance in other ways that are meaningful to our business and stakeholders. For example, at the beginning of 2020, Picard committed to reducing our plastic packaging by reducing both the thickness of packaging and by replacing plastic with other materials. We are continuously working on our eco-design approach to packaging with the following priorities: reducing the weight of materials, researching and using materials from renewable resources (to limit the use of fossil fuels in production), avoiding over-packaging (while guaranteeing strict compliance with food safety) and the use of "all-in-one" containers. The work of our product development teams has enabled us to reduce the plastic used in our packaging in 2024 by 20% compared to 2018.

We are also considering ways to improve energy efficiency in our stores and to reduce carbon emissions from our shipping networks and logistics chains. Regarding energy management, we first obtained an ISO 50001 certification in 2016 for all our stores in France and our fish and seafood processing facility and have been regularly re-certified since then; we also reduced our in-store electricity consumption by approximately 10% between 2012 and 2020. In addition, in accordance with our 2023 Energy Sustainability Performance Target established in 2021, we managed to reduce energy consumption by our stores by 11% by December 31, 2023 (as compared to our 2020 baseline), which surpassed our goal of a 6% reduction. This was mainly achieved by our efficient freezer management; we have delivered a 20% decrease in the energy consumption of our freezers throughout our store network and a 30% reduction in energy consumption of our display cabinets (both compared to a 2018 baseline). In 2024, we have already reached our target of reducing energy consumption by 20% for our stores set for 2026 (compared to our 2012 baseline), in particular thanks to the night-time regulation of freezer set temperatures.

Regarding our carbon footprint, we set ourselves a 2023 Sustainability Performance Target to reduce the intensity of our carbon emissions from our shipping networks and logistics chains by 10% by December 31, 2023 (compared to our 2019 baseline). Our emissions reductions in 2023 were not sufficient and the intensity of our emissions exceeded our target of 111 gCO<sub>2</sub>e / ton-km, despite a 2.9% reduction in our total CO<sub>2</sub> emissions (compared to our 2019 baseline) and a positive trajectory in lowering the intensity of our carbon emissions since 2020. This was mainly impacted by our increase in sales which required us to change our transportation scheme to maximize sales which negatively impacted our transportation efficiency and canceled out our CO<sub>2</sub> savings. Additionally, the 2023 CO<sub>2</sub> Sustainability Performance Target comprises Scope 3 emissions which requires us to rely on our partners to make investments on their end of the supply chain, for example, by "greening" their truck fleets. Due to various reasons

since 2021, such as inflation, truck driver shortages and a disruption in the automobile industry in general, our partners' ability to invest was significantly limited. Although we did not attain our 2023 CO<sub>2</sub> Sustainability Performance Target and despite the challenges above, we managed to reduce the total annual CO<sub>2</sub> emissions of our transport network by 839 tonnes since 2019 (from 17,404 tonnes CO<sub>2</sub> in 2019 to 16,565 tonnes CO<sub>2</sub> in 2024), while, at the same time, expanding our store network by 130 stores. In 2024, we reduced our total CO<sub>2</sub> emissions (compared to our 2019 baseline) by 4.8%. While we continue to work towards reducing our carbon emissions, the impact of the COVID-19 pandemic on our customers' consumption patterns materially adversely affected our efforts in this respect and made it unrealistic to reduce the intensity of our carbon emissions by 15% by 2025 (compared to our 2019 baseline), as originally targeted. Our work has also been recognized by public bodies, including the French Environment and Energy Management Agency (ADEME). We joined the "FRET21" program in 2019 in order to limit the environmental impact of our transport and optimize the environmental performance of our supply chain. In line with our sustainable development strategy, we were awarded the "FRET21" label in May 2023, making Picard the first company in the food retail sector with this distinction. The "FRET 21" label is only awarded to contractors who have incorporated their environmental impact into their logistics strategy.

Our second pillar highlights the importance we give to our societal impact. We are committed to fostering positive change, for example, by acknowledging our responsibility as a member of the wider community. This includes purchasing raw materials responsibly and preferably from local brands. Furthermore, since 2014, our foundation has actively given back to the community, investing in philanthropic initiatives that empower individuals and communities, for example, with agroecological and educational projects or programs for the social and professional integration of vulnerable individuals. In 2024, the foundation's projects involved the support to associations on a variety of themes, such as helping young people to enter the workforce; promoting more sustainable agricultural practices (*i.e.* agroforestry practices); raising awareness among young people from disadvantaged neighbourhoods about eating well or the fight against food insecurity for the most vulnerable. Additionally, we stand in solidarity with our employees, customers and communities. Through our customers' rounding up at the checkout, we help support those in need. In both calendar years 2023 and 2024, we collected and donated around €200,000 to associations that fight against food insecurity (such as *La Mie de Pain*, *les AGORAés*, and *Fondation des Apprentis d'Auteuil*). In furtherance of our commitment to sustainability, throughout the year, Picard also makes contributions to food banks by donating some of its products which would otherwise have to be disposed of: either because they do not comply with our specifications (e.g., visual appearance or size), or because they are approaching their use-by date. In the year ended March 31, 2025, we donated €3.3 million of products to food banks and various charities (including *Resto du Coeurs* and the French Red Cross). Moreover, our loyalty program "*Picard & Nous*" allows customers to convert their loyalty points into donations. In the year ended March 31, 2025, 102,000 customers exchanged their loyalty points for donations which amounted to a total of 34.1 tonnes of Picard products being donated to regional food bank associations affiliated to the *Fédération Française des Banques Alimentaires* (the French Federation of Food Banks). In total, Picard has directly or indirectly donated almost 300 tonnes of products to food banks and associations in the year ended March 31, 2025.

Finally, under our third CSR pillar, we are committed to improving the well-being of our employees and supporting diversity and inclusion among our workforce. With respect to well-being, we have invested in advanced equipment such as our frost-free freezers and in new store designs to minimize strenuous tasks and improve safety for our staff. As regards diversity, around 64% of our workforce is made up of women and we scored 99 out of 100 in 2024 in the gender equality index established by the French government. We also employ dedicated Disability Project Managers to assist our employees with disabilities and by 2026, we aim to have employees with disabilities represent at least 6% of our workforce. We plan to continue to strive to provide more advanced equipment to our employees to minimize strenuous tasks and improve safety, as well as develop remote work policies to accommodate, even after the COVID-19 pandemic, special employee situations. In October 2018, we entered into an agreement on equality and quality of life at work with all the trade unions of which our employees are members. We renewed the agreement in 2023. The agreement reinforces our corporate policies, including with respect to equality during the recruitment process, better integration of employees with disabilities and the overarching commitment to promote the employment of people with disabilities. Picard also strives to be a mirror of our society and is therefore committed to a workforce that is composed of various generations, becoming an employer that is attractive across all generations. It is particularly important to us to train young adults and facilitate their transition from school to a work environment. During FY 2025, we recruited nearly 100 apprentices between the ages of 18 and 25 to whom we offered e-learning and additional tutoring to make their transition as easy as possible. We believe that this commitment is an important

factor for our success, which is underlined by the number of “home-grown” managers within our Group. As of March 31, 2025, 90% of people in managing positions came from within the Picard Group.

The success of our three-pillared model was publicly recognized in 2022 when the association “*Génération Responsable*”, which promotes sustainable development in the retail sector, awarded Picard with the sustainability development label of “responsible brand” (“*Enseigne Responsable*”). The “responsible brand” award was created to promote companies that have structured and integrated ESG features as part of their global strategy. We are proud that we have been awarded this label now four years in a row. While we received this label the first three times for a one-year term, it has now been awarded for a period of three years, after which we will be re-assessed by “*Génération Responsable*”.

### **Customer Marketing, Customer Relationship Management and Communication**

On November 1, 2016, a new corporate department was created with the goal to further enhance our customer marketing as well as our cross-channel strategy. The objective of the department is to align our communication and customer strategy. This department encompasses our communication, digital marketing (including our CRM department) and commercial strategy teams, as well as the Home Delivery department.

Our goal with respect to the development of consumer loyalty is to increase our interaction with customers with the aim of enhancing the consumer’s commitment to benefit our brand.

To enhance the consumer’s commitment to our brand, we launched in May 2015 an interactive platform to better understand clients’ needs and purchasing mechanisms and to increase the frequency of purchase of our products, as well as reinforce the client’s commitment to the brand.

This platform relies on four pillars:

- Reconciling all different sales channels in order to have a more precise understanding of the purchasing mechanisms used, thus enabling us to focus on clients’ needs and consumption habits;
- Gathering the maximum information on our clients, their prospects, their centers of interests and expectations with respect to Picard by leveraging social networks;
- Actively contributing to the business with a return on investment modeled to include both a relational dimension and a transactional dimension, aiming to offer rewards and incentives to our customers; and
- Presenting a clear and simple approach for the client while being flexible and using both a test and learn and a step-by-step approach.

After the first step initiated in May 2015, we have further invested in our CRM to offer our customers a complete relationship program relying on a more targeted and personalized approach, which is based on the knowledge and experience acquired in the past few years. In line with this strategy, we launched the “*Picard et moi*” customer loyalty program on October 16, 2017. Since 2017, it has grown rapidly with 9.8 million customers having joined the program as of March 31, 2025. In May 2022, we rebranded our loyalty program under the name “*Picard & Nous*” and redesigned it to improve efficiency. This redesigned program forms a pillar of our brand strategy and aims to be a real partner for everyday purchasing power, offering customers a “Picard experience”. The program has three main elements: (1) immediate discounts to all members (50 products each month, specific promotional operations, lunch menu discounts), (2) rewards and other benefits, such as annual birthday cake vouchers, and (3) loyalty points on all purchases, which can then be converted into free Picard products or experiences (e.g., a cooking lesson) or into food bank donations. Overall, it gives customers a more personalized program, adapted to their preferences. In the twelve months ended January 31, 2025, 1,340,931 loyalty program members had exchanged their loyalty points for rewards. Loyalty program members generally have a higher purchasing frequency than others, which further increased since the launch of our redesigned loyalty program.



In the year ended March 31, 2025, we acquired 1.18 million new loyalty card members, which, taking into consideration the number of inactive customers during the year, meant a net gain of approximately 0.35 million.

In addition to our CRM, we continue to focus on advertising, which is an integral part of the promotion of our products, our stores and our brand. Our preferred methods of advertising are our monthly home mailings, newsletters, catalogues, in-store signage, billboards, daily regional press, radio and television. Since the summer of 2013, we have multiplied our communication campaigns by using different advertisement platforms as well as by increasing the number of advertisements. In addition to strengthening our online presence, we reintroduced television advertisements in April 2014. In January 2025, Picard also launched a new communication platform to highlight its assets in terms of price image, including a 360° campaign, which is more visual and highlights our pricing strategy. In the year ended March 31, 2025, we spent €33.2 million in France, Belgium and Luxembourg, or 1.8% of our sales of goods, on advertising. We spent a total of €31.9 million and €31.9 million on advertising in France in the years ended March 31, 2025 and 2024, respectively. However, despite these relatively low advertising and promotion expenditures, we continue to grow and enjoy one of the best brand awareness among French retailers.

Our annual advertising budget focuses on increasing the number of customers visiting our stores. Our TV advertising enhances our visibility to our customers and emphasizes the quality of our products.

We also use commercial campaigns to increase traffic to our stores and retail opportunities and improve our strategic competitive positioning in terms of “*le plaisir de bien-manger*” (the pleasure of eating well). We run approximately 25 commercial campaigns each year, aimed at increasing interest among our customers, and these include mainly five festive campaigns for which Picard is considered as a leader (Christmas, New Year’s Eve, *la galette des rois* or kings’ cake, Valentine’s Day and Easter), four purely promotional campaigns, several “*Gourmet escapades*” around the world (such as “*Ciao Italia*” or “*Hello America*”) and campaigns focusing on eating well (for instance promoting organic food and sustainable fishing). In our stores, these campaigns translate into a product offering adapted to the relevant campaign, which comprises approximately 25 products positioned in the first two freezers of our stores and which is modified every two weeks on average. In addition, approximately 50 products (140 products in December) are presented in a “selection of the month” promotion that lasts between four to eight weeks and is changed 12 times a year. Promotions are set nationally without differentiation among regions and are made available to members of our “*Picard & Nous*” loyalty program. Every campaign is supported by in-store communication, CRM and online advertising. Furthermore, in the calendar year 2024, Picard celebrated its 50th anniversary. The celebration of our anniversary was spread out across the entire year 2024 with a series of events, including special commercial campaigns designed to echo the theme of the four seasons. Our campaigns included a deployment of highly publicized commercial activities that supported the business and demonstrated our brand commitments through attractive content with a wide reach (e.g., through partnerships with the Crous and food banks, and with Chef Thierry Marx, who supported us as an ambassador throughout the year, and the establishment of a Nutrition Observatory). Each launch of a new season was advertised through the press, regional daily press, on radio, on Replay TV (like TF1+ and France TV), VOL and Youtube, and also on all the brand’s proprietary assets, including social media, such as Instagram and Facebook. We leveraged these publications and activities to increase the awareness of our corporate social responsibility commitments, particularly among young people.

Catalogs remain an essential tool, but become less prevalent as online media is taking over as the main channel of advertising our products. While we print six prospectuses over the year, which are available in our stores, and deliver a catalogue to our customers each quarter, the number of copies distributed (several million) continues to be adjusted downwards to respond to the requirements of the digital age.

Additionally, we employ outdoor displays, which we view as highly effective as they communicate the indulgent nature of Picard’s product range.

Radio is also used to generate traffic, particularly in provincial France.

The stores themselves are also a medium of communication. The gradual roll-out of the “*Bienvenue en Cuisine*” concept, which is modern, inspirational and warm, improves the customer experience and invites them to discover Picard products. This new store concept highlights the key elements of our brand platform launched in March 2021, notably the quality of our products, our know-how regarding the cold chain and the new services offered such as Click and Collect and Express Delivery.

Due to these efforts, Picard remains one of France's favorite brands in the food sector, with a Net Promoter Score (NPS), which is an index that measures the willingness of customers to recommend a company's products or services to others, that has increased year-over-year in recent years and is the highest (28%) in the food retail sector.

In February and April 2025, OC&C and Ernst & Young, respectively, ranked Picard the favorite food retail banner of French consumers and remained in the top 5 of the favorite retail banners (ranked fourth, ahead of other well-known and highly recognized retailers such as Ikea, Leclerc or Leroy Merlin).

Finally, as part of our strategy, we aim to make Picard a more powerful and differentiated brand, improving sales and brand awareness among customers. In March 2021, we launched a new brand campaign, focusing on our products and the way customers consume Picard products. In particular, this new brand campaign highlights the advantages of frozen food compared to fresh, and of Picard compared to other frozen food brands. This new brand campaign includes a one-minute television advertisement. In addition, we have updated our tagline "*Pour le bon et le meilleur*". Over the last two years, which have been affected by inflation, we have emphasized our communication on the advantages of frozen foods, particularly in terms of their anti-waste quality with a simple but powerful manifesto: "*Less waste, more savings*".

## **Customer Service**

Our approach to customer service is characterized by responsiveness to customers' questions, suggestions and other comments. We believe this approach allows us to better know our customers, improve our products and adapt our products to our customers' preferences.

Through our various sales channels, we seek to meet our customers' expectations for convenience, quality and variety. Most of our stores are open for part or all of the day seven days per week. In addition, through Home Delivery, orders can be received online seven days per week and delivery can be made within 48 hours. We also offer to reimburse any unsatisfied customers or replace any goods with which they are dissatisfied.

We have maintained a customer service hotline that has been available to our customers since 1985. In calendar year 2024, we received approximately 510,000 contacts, either by telephone calls, email and internet-based feedback. We also offer a health service whereby customers with special medical, dietary and nutritional questions may telephone and speak to a physician or nutritionist. We have also joined certain social networks, including Facebook, Instagram, TikTok and LinkedIn, which represent a useful way for our customers to share their experiences while providing us with an additional tool to better understand our customers. Our updated internet website was re-launched in June 2020 and the "Picard app" for smartphones was updated in June 2021, both of which are also part of our plan to enhance customer outreach. The "Picard app" offers our customers the ability to order through Home Delivery, as well as a store locator, a catalogue of our products and various food recipes.

## **Information Systems**

### ***Headquarters and Network***

We have a dual IT system, which includes both the hardware and software in our retail stores and our centralized IT network and datacenters.

Each retail store is equipped with a cash register system, scanners and a computer to manage sales and supply. This local system receives pricing and other information for a given SKU from our central IT system and uploads the store's commercial activity data to our headquarters' IT system on a daily basis.

Our central IT system is based upon software which is accessible through our network. We use CODA software for general accounting purposes, recording our assets' depreciation and tracking our transactions with suppliers.

Since 2015, we have increased our level of IT investment by introducing several new initiatives, while conducting maintenance and upgrades of the current IT portfolio. During the year ended March 31, 2025 three major priorities for the Information Systems Department were addressed:

- Improving the performance of Picard’s business processes and supporting the development of new shopping channels, notably with the upgrade of our CRM software and the deployment of tablets to our personnel to simplify and improve our in-house handling of the Express Delivery service;
- Renewing hardware, especially in stores (cash registers, tablets and printers); and
- Continuing to rationalize our application and technical landscape.

Information system elements addressing our international expansion plans have been consolidated, allowing a different commercial campaign in each country. We have also developed our own applications to fulfill our specific needs in relation to the logistics of our supply chain and the management of our warehouses.

Like many other companies, we have implemented certain additional “home office” tools and hardware as a result of the COVID-19 pandemic and related lockdowns in order to facilitate remote working, which we retained after the COVID-19 pandemic. Headquarters’ teams are now able to work from home.

### ***Logistics Management***

The supply chain management information system, from our suppliers to our retail stores, is covered by an integrated information system, SAP; *i.e.*, each retail store follows the same ordering and reporting procedures, and we centralize the information relating to our retail stores’ commercial activity daily to make the necessary adjustments, in particular relating to our supply chain. We use a specific software, *Qlikview*, to analyze the information we gather from our distribution network.

The TMS (Transport Management System) project started in 2015 with the aim of structuring and digitalizing the trade flows between suppliers and platforms (upstream transport), then between platforms and stores and home delivery bases (downstream transport). The upstream part became effective in 2016 and the downstream part became effective in 2021. It also enables real-time stock management (rather than tracking by batch and each day end) and inventory value based on weighted average price (rather than based on the last-known price).

### **Intellectual Property**

We use a variety of trade names and trademarks in our business. Except for the word trademark “Picard” and the word and device trademark “Picard” with a stylized snowflake, both of which enjoy high brand recognition in France, we do not believe that any of our other trade names or trademarks is material to our business. “Picard” and “Picard with a stylized snowflake” are protected in the European Union by trademarks registered with the EUIPO (*European Union Intellectual Property Office*), as well as in other countries where we do business, such as Japan, Singapore and the United Kingdom.

### **Insurance**

We maintain insurance against various risks related to our business. This includes general third-party and product liability coverage, combined property damage, business interruption policies, coverage for losses related to product contamination and reputational risk, brand restoration coverage and cyber fraud risks, as well as directors’ and officers’ liability coverage. We also maintain the workers’ compensation and motor liability coverage that is compulsory in France and Belgium. We consider our policies adequate to cover the major risks of our business, but there can be no assurance that this coverage will be sufficient to cover the cost of defense or damages in the event of a significant claim.

### **Legal Proceedings**

We are involved in a number of claims, principally relating to social security contributions disputes, termination of employment, litigation with former suppliers, litigation with competitors and commercial rent adjustment claims that have arisen in the ordinary course of our business. As of March 31, 2025, the provisions covering certain of these operating risks amounted to €13.2 million, comprising mainly the provision recorded for the

URSSAF described in “—*Social Security Contributions Dispute (“URSSAF dispute”)*” below. From time to time, we are also subject to tax audits.

***Social Security Contributions Dispute (“URSSAF dispute”)***

On December 19, 2017, the URSSAF, the French administrative body responsible for collecting social security payments, informed us of the conclusion of an audit it conducted from June to October 2017. The URSSAF audit covered our social security contributions in France for the calendar years 2014 to 2016.

The URSSAF alleges that we applied erroneous methods of calculation for various social security contributions, including with respect to the computation of the “*allègements Fillon*” reductions. The amount of the reassessment for the calendar years 2014 to 2016 is €4.3 million, plus an additional €0.5 million as penalties for late payment. The €4.3 million reassessment, excluding the penalties for late payment, was paid in January 2018 and recorded in our profit and loss for the year ended March 31, 2018. In addition, from April 1, 2017, we have taken into account the interpretation of the URSSAF when accruing our social security contributions and have consequently recorded a provision for the penalties for late payment and for the difference between the computation using our methodology and the computation using the URSSAF methodology.

After the expiration of the three-year claims period with no audit by the relevant authorities in France, we reversed the URSSAF provision.

On April 2, 2019, the URSSAF denied our request to annul the 2018 tax reassessment. In the absence of amicable settlement, the dispute was brought before the Judicial Court of Nantes in May 2021. In its decision dated May 28, 2021, the Court confirmed the URSSAF’s interpretation with regards to the tax reassessments but ruled in our favor with respect to the €0.5 million penalties for late payment, for which we were granted a remission. We have filed an appeal against the Court’s decision.

***Certain competition proceedings***

As at March 31, 2025, Picard Surgelés was subject to an unfair competition claim, the total exposure of which amounted to approximately €9.2 million. The plaintiff’s action was dismissed in the first instance and the plaintiff has appealed the Court’s decision. On May 28, 2025, the court of appeal confirmed the judgement of the first instance and again ruled in our favor. We continue to believe we have strong defenses against this claim and as of March 31, 2025, we have made no provision relating to this claim.

## MANAGEMENT

### Management of Picard Bondco

The board of directors of Picard Bondco is composed as of the date of this annual report of the following members:

Name	Age	Title
Edouard Lacoste .....	49	Director A
Steven Coen .....	49	Director B
Tom Porter .....	29	Director B

The following paragraphs set forth biographical information regarding the individual directors of Picard Bondco.

*Edouard Lacoste*, 49, is currently General Manager of the Invest Group Zouari. He is also General Secretary of TERACTION. He has more than 20 years of experience in investment banking and real estate, and has deep financial and entrepreneurial expertise. Edouard held the position of General Manager of the pan-European real estate investment and asset management fund AERUM, where he contributed to the fast growth of the company, in particular by increasing foreign investment, before he joined Groupe Atland to create and manage the investment and asset management business at Foncière Atland, a listed company. He later joined NFU as a partner and took over the general management of the investment, financing and asset management segments. Then, he co-founded www.habx.fr, a “proptech” company and help tool for design and customization for promising real estate agents and customers. Edouard Lacoste is a graduate of Sciences Po Bordeaux and ESSEC Business School Paris.

*Steven Coen*, 49, is an Associate Director at Aztec Financial Services (Luxembourg) S.A., where he has been since 2020. He holds a degree in accounting and finance from Liverpool John Moores University. Prior to joining Aztec, he was a Fund Accounting Manager at State Street Services (Luxembourg) S.A.

*Tom Porter*, 29, is a Senior Client Relationship Manager at Aztec Financial Services (Luxembourg) S.A. Tom is part of the Aztec Senior Management Team in Corporate Services and has worked for more than eight years in the financial services industry with strong company secretarial experience in both the United Kingdom and Luxembourg. Tom joined the Aztec Jersey office in 2016 after obtaining his Level 4 Qualification in International Finance and Administration. In Jersey, Tom worked in the Private Equity department, primarily in the Consumer and Healthcare sectors. Tom moved to the Aztec Luxembourg office in 2019 where he worked with the Corporate Services department and the Real Estate and Infrastructure department. Tom has come from managing a large multi-jurisdictional team servicing a global Real Estate client with financing, acquisition, and sale transactions on their Luxembourg entities. Tom is in the process of obtaining his Luxembourg Company Secretarial and Governance Practice certification.

### Management of Lion/Polaris Lux 4 S.A.

#### *Chairperson*

As of the date of this annual report, Lion/Polaris Lux 4 S.A.’s chairperson is Martin Hollywood.

*Martin Hollywood*, 52, has over 25 years of experience as an international tax adviser within “Big 4” auditor firms. His expertise includes the structuring of mergers and acquisitions of alternative assets in an international context, as well as the fund structuring for private equity, hedge and real estate funds. Prior to his appointment in June 2023 as chairperson of Lion/Polaris Lux 4 S.A., Martin was a partner at PricewaterhouseCoopers, Société coopérative in Luxembourg, advising on international tax planning, structuring of cross-border transactions across multiple jurisdictions and the establishment of alternative investment funds. Martin transferred to Luxembourg in 2007, prior to which he spent nearly 11 years in the Channel Islands where he worked for a variety of clients, including global financial institutions and investment funds.

## Management of Picard Groupe S.A.S.

The President (*Président*) of the Company is Lion Polaris II.

Picard Groupe is managed by the Managing Director (*Directeur Général*). The Managing Director has full executive authority to manage Picard Groupe's affairs and broad powers to act on its behalf and to represent and bind it in dealings with third parties, subject to the powers expressly reserved by law or by Picard Groupe's by-laws (*statuts*) to the general meeting of shareholders.

Picard Groupe's business address is located at 1 route militaire – 77300 Fontainebleau, France.

### *Managing Director*

Under French law, the Managing Director in a *société par actions simplifiée* has wide powers, which are limited by the corporate purposes set out in Picard Groupe's by-laws and matters expressly reserved by Picard Groupe's by-laws to its shareholders. The Managing Director is responsible for conducting Picard Groupe's general activities.

As of the date of this annual report, Picard Groupe's Managing Director is Cécile Guillou.

### *Senior management*

As of the date of this annual report, Picard Groupe's senior management was made up of the following individuals:

<b>Name</b>	<b>Age</b>	<b>Title</b>
Cécile Guillou .....	43	Managing Director
Guillaume Degauque.....	40	Chief Financial Officer
Emmanuelle Bach Donnard.....	53	Brand, Digital & Customer Experience Director
Philippe Maitre.....	53	Sales Director
Delphine Courtier.....	56	Marketing and Purchasing Director
Christophe Vengeon.....	51	Human Resources Director
Damien Pichot.....	54	IT & Supply Chain Director

*Cécile Guillou*, 43, graduated from HEC Business School, specializing in finance. She started her career as a project manager at McKinsey in Paris. She joined Casino Group in 2009, and specifically Franprix in 2012 where she was appointed Head of Marketing and Communication, then Deputy CEO in 2013 and CEO in 2018. She joined the Casino Group Executive Committee in 2020. She was appointed President of Picard in October 2023. In December 2024, Lion Polaris II was appointed President and Cécile Guillou carried on her functions as Managing Director.

*Guillaume Degauque*, 40, graduated from ESCP Europe Business School, specializing in finance. With 14 years of professional experience, he started his career at PwC and later joined Picard in 2014. He was appointed Chief Financial Officer in 2020.

*Emmanuelle Bach-Donnard*, 53, graduated from NEOMA Business School in Paris I University. She started her career at Barilla and then held various executive positions at the Etam Group, Havas Voyages and the Camaïeu Group prior to joining Picard in September 2020 when she was appointed Brand, Digital & Customer Experience Director.

*Philippe Maitre*, 53, has a Master Degree in Public Law from University of Nice Sophia Antipolis. He joined Picard in 2004 as regional manager and became Sales Director in 2014.

*Delphine Courtier*, 56, graduated from Ecole Nationale Supérieure de Biologie Appliquée à la Nutrition et à l'Alimentation (ENSBANA), specializing as a food-processing engineer. She began her career with Picard in the marketing department and was appointed Marketing Manager in 2006 and Marketing and Purchasing Director in 2009.

*Christophe Vengeon*, 50, has been Human Resources Director for more than 22 years across several French companies, mainly in the retail sector (e.g., Naturalia and Biocoop). He joined Picard in 2024.

*Damien Pichot*, 54, graduated from the Ecole Supérieure des Affaires de Grenoble. He began his career at Clarins, then joined Monoprix where he held positions related to IT, logistics and store operations. He joined Picard in June 2024 and was appointed Director of Operations in charge of IT and Supply Chain.

## PRINCIPAL SHAREHOLDERS

All of the Issuers' shares are indirectly controlled by IGZ.

IGZ is controlled by the Zouari Group and ICG.

The Zouari Group is a French holding company mainly involved in food retail, non-food retail and real estate, that was co-founded by Moez Zouari and Soraya Zouari in 2000.

The Zouari Group has the following activities:

- (i) Operates more than 150 food retail stores including well-known brands such as Franprix, Monoprix and Monop'. The Zouari Group originated several concepts, including "Monop'", close proximity stores with a focus on catering services and organic products;
- (ii) Controls Maxi Bazar and Stokomani;
- (iii) Founded Teract together with Xavier Niel and Matthieu Pigasse, listed on Euronext since 2022, and born from the combination of 2MX Organic, a Special Purpose Acquisition Company (SPAC), with InVivo Retail, a retailing hub subsidiary of the InVivo Group that specializes in gardening, pet stores, and food distribution; and
- (iv) Owns a diversified real estate portfolio in France.

ICG is a global alternative asset manager with over 35 years of history. Founded in 1989, ICG is listed on the London Stock Exchange (ticker symbol: ICG) and is part of the FTSE 100. As of December 31, 2024, the company managed US\$ 107 billion of assets in third-party funds and proprietary capital, principally in closed-end funds. Its goal is to generate income and consistently high returns while protecting against investment downside. Investing across the capital structure, ICG combines flexible capital solutions, local access and insight with an entrepreneurial approach. ICG operates across four asset classes: structured and private equity, private debt, real assets and credit.

Through its corporate strategy, ICG invests in structured and private equity and private debt across Europe, North America, and Asia Pacific. A core part of ICG's investment approach is to support the entrepreneurial projects of strong management teams, with an ability to remain invested over long time periods. Its investment philosophy is focused on flexible financial structuring, developing capital solutions tailored around specific requirements and company's goals. ICG has an international presence (18 countries with ICG offices including Europe, Asia and the United States) which is a strong asset to support its portfolio companies' growth and internationalization strategies.



## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

### **Management Fees**

We have a management agreement with Imanes, pursuant to which Imanes provides strategic, marketing, operation, procurement and other advice to us for an agreed upon fee.

## DESCRIPTION OF CERTAIN INDEBTEDNESS

*The following summary of certain provisions of the documents below that relate to 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.*

### **The Super-Senior Revolving Credit Facility**

On July 3, 2024, Picard Groupe and Picard Surgelés entered into a revolving facility agreement as original borrowers with, *inter alios*, Picard Bondco and the subsidiaries of Picard Bondco listed therein as original guarantors, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe and Morgan Stanley Bank AG as mandated lead arrangers and Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe and Morgan Stanley Bank AG as lenders (the “Revolving Lenders”), HSBC Continental Europe as agent (the “RCF Agent”) and Deutsche Bank AG, London Branch as security agent (the “Senior Secured Security Agent”). On December 19, 2024, Picard Groupe and other entities of the Picard Group entered into an amendment agreement relating to this revolving facility agreement in order to increase the total commitments under the revolving credit facility (as so amended and as further amended and/or restated from time to time, the “Revolving Credit Facility Agreement”).

The description set forth below is a summary of the principal terms and conditions of the Revolving Credit Facility Agreement, and is qualified in its entirety by reference to the Revolving Credit Facility Agreement and the other documents which were entered into in connection therewith.

### ***Structure***

The Revolving Credit Facility Agreement originally provided for a multi-currency revolving credit facility of up to a base currency amount of €60 million (the “Original Super-Senior Revolving Credit Facility”), which was later increased to €75 million (as increased, the “Super-Senior Revolving Credit Facility”).

The proceeds of the Super-Senior Revolving Credit Facility can be used for the general corporate purposes of Lion/Polaris Lux 4 and its restricted subsidiaries (the “SSRCF Group”) (but not for any prepayment, purchase, defeasance, redemption, acquisition or retirement of any of the Notes and certain debt).

### ***The Super-Senior Revolving Credit Facility***

The Super-Senior Revolving Credit Facility is repayable at the end of each interest period (subject to a customary rollover loan mechanic) and shall be fully repaid on the earlier of (i) January 3, 2029 and (ii) if by April 1, 2027 the Senior Notes have not been redeemed in full with financial indebtedness having a maturity date after January 3, 2029, April 1, 2027 (the “Termination Date”). The Super-Senior Revolving Credit Facility may be drawn in euro, Pound Sterling, Japanese Yen, U.S. Dollars, Canadian Dollars, or any other currency which is readily available in the amount required and freely convertible into euro in the Relevant Interbank Market at the Specified Time and on the Utilisation Date for that Utilisation (each such term as defined in the Revolving Credit Facility Agreement) and approved by the RCF Agent (acting on the instructions of the requisite group of Revolving Lenders) and may also be utilized by way of ancillary facilities (including through letter of credits) (each, an “Ancillary Facility”). The Super-Senior Revolving Credit Facility may not be utilized by any borrower (including by way of Ancillary Facilities) where to do so would result in the utilized Super-Senior Revolving Credit Facility (including by way of Ancillary Facilities) being in excess of 20% of the total commitments of the Super-Senior Revolving Credit Facility at any time. The Super-Senior Revolving Credit Facility is available until and including the business day one month before the Termination Date.

### ***Interest rate and fees***

Advances in euro under the Super-Senior Revolving Credit Facility bear interest at rates per annum equal to the applicable EURIBOR or, in the case of advances drawn in Canadian Dollars, term CORRA (or, in relation to any

advances drawn in any applicable currencies other than euro or Canadian Dollars, a daily non-cumulative compounded SOFR-based rate for U.S. Dollars, SONIA-based rate (plus an agreed baseline credit adjustment spread) for Pound Sterling and TONAR-based rate (plus an agreed baseline credit adjustment spread) for Japanese Yen, in each case subject to a zero floor, plus a margin of 2.25% per annum, with certain agreed fallback mechanics applying for the EURIBOR and term CORRA base rates. The margin is subject to a ratchet linked to the Senior Secured Net Leverage Ratio (as defined in the Revolving Credit Facility Agreement) for the most recently completed relevant period (being each period of four consecutive financial quarters ending on a quarter date and commencing with the relevant period ended on September 30, 2024) with a grid with a maximum margin of 3.00% for a Senior Secured Net Leverage Ratio greater than 4.50:1 and three step downs to a minimum margin of 2.25% for a Senior Secured Net Leverage Ratio equal to or less than 4.00:1.

In addition to paying interest on loans outstanding under the Super-Senior Revolving Credit Facility, Picard Groupe is required to pay a commitment fee at a rate per annum equal to 30% of the applicable margin on the available commitments under the Super-Senior Revolving Credit Facility during the availability period of the Super-Senior Revolving Credit Facility (the “Availability Period”).

This fee is payable at the end of each successive period of three months during the Availability Period and on the last day of the Availability Period and upon cancellation during the Availability Period.

The rate and time of payment of interest, commission, fees and other remuneration in respect of any Ancillary Facility are as agreed between the borrower of that Ancillary Facility and the relevant Revolving Lender providing that Ancillary Facility based on normal market rates and terms.

Agency and certain other fees are payable in connection with the Super-Senior Revolving Credit Facility.

An upfront fee of 1% of the total commitments under the Original Super-Senior Revolving Credit Facility was also paid.

### ***Guarantees and security***

The obligations under the Super-Senior Revolving Credit Facility are guaranteed by Picard Groupe, Picard Surgelés and the initial guarantors of the Senior Secured Notes, subject to the guarantee limitations set out in the Revolving Credit Facility Agreement. In addition, the Revolving Credit Facility Agreement requires that under certain circumstances (and subject to certain qualifications), including the Guarantor Coverage Test (as described below) future material companies of the SSRCF Group are to become guarantors under the Revolving Credit Facility Agreement.

The obligations under the Revolving Credit Facility Agreement are secured by the same Collateral as the Senior Secured Notes. In addition, companies of the SSRCF Group which become guarantors under the Revolving Credit Facility Agreement after July 3, 2024 are required to grant collateral over certain types of assets in order to secure their obligations under the Revolving Credit Facility Agreement.

### ***Prepayment***

The liabilities under the Revolving Credit Facility Agreement must be prepaid upon the occurrence of certain events.

For example, in the event of a Change of Control (other than in certain circumstances) or a Sale (each as defined in the Revolving Credit Facility Agreement), the Revolving Credit Facility Agreement requires prepayment in full of all borrowings and the discharge of all other contingent liabilities thereunder and under any Ancillary Facilities.

Indebtedness under the Super-Senior Revolving Credit Facility may be voluntarily prepaid by the borrowers in whole or in part (if in part, in a minimum base currency amount of €1.0 million), upon giving at least three business days' prior notice (or such shorter period as the requisite group of Revolving Lenders may agree) in relation to loans drawn in euro or Canadian Dollars (and at least five business days applicable to the relevant currency in relation to

loans drawn in Pound Sterling, Japanese Yen and U.S. Dollars, or such shorter period as the requisite group of Revolving Lenders may agree) to the RCF Agent. Such payments may be subject to indemnification and (in relation to loans drawn in euro or Canadian Dollars or, in relation to loans drawn in Pound Sterling, Japanese Yen or U.S. Dollars, if the number of voluntary prepayments of any such loans exceeds four prepayments per twelve month rolling period) the payment of break costs if any such prepayment is not made on the last day of an interest period. Revocable payment notices may be delivered in connection with a full prepayment and cancellation of the Super-Senior Revolving Credit Facility (subject to the payment of break and any other costs if any such full prepayment is not made on the prepayment date specified.)

### ***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 customary times).

### ***Covenants***

The Revolving Credit Facility Agreement contains covenants and related definitions similar (with certain adjustments) to those that are set forth in the Indentures, as well as additional negative covenants including some restricting:

- substantial changes to the general nature of the business of Picard Bondco and its restricted subsidiaries taken as a whole;
- (in respect of Picard Groupe, Lux Midco, Lion/Polaris Lux 4, and Lion Polaris II) the ability to trade, carry on business, own, acquire or dispose of assets or incur liabilities other than customary exceptions, including circumstances arising in connection with the Super-Senior Revolving Credit Facility and the Notes and, in the case of Picard Groupe, through the provision of customary administrative services;
- changes to place of residence for tax purposes; and
- certain prohibited activity with Restricted Parties (as defined in the Revolving Credit Facility Agreement).

The Revolving Credit Facility Agreement also contains a covenant which provides that no member of the SSRCF Group shall prepay, purchase, defease, redeem or otherwise acquire or retire the Senior Secured Notes and certain other indebtedness, other than in prescribed circumstances.

The Revolving Credit Facility Agreement also requires the borrowers, the guarantors and their respective subsidiaries (as applicable) to observe certain customary affirmative covenants, including, but not limited to, covenants relating to:

- maintenance of authorizations;
- maintenance of funding of pension schemes;
- maintenance of relevant consents and licenses relating to intellectual property;
- preservation of assets;
- compliance with laws, (including environmental and food and health laws);
- further assurance, including: a requirement that, if on the date of delivery of the annual financial statements, the guarantors represent less than 85% of the Consolidated EBITDA, consolidated gross assets and turnover of the SSRCF Group (the “Guarantor Coverage Test”), within 90 days of delivery of the annual financial statements for the relevant financial year, such other members of the SSRCF Group (subject to the agreed

security principles and certain other exceptions) are required to become guarantors until the Guarantor Coverage Test is satisfied (to be calculated as if such additional guarantors had been guarantors on the last day of the relevant financial year); the accession under certain circumstances (and subject to certain qualifications) of future material companies of the SSRCF Group as guarantors under the Revolving Credit Facility Agreement; and the granting of security over certain future assets acquired; and

- maintenance of *pari passu* ranking.

In addition, the Revolving Credit Facility Agreement also contains a reporting covenant and related definitions similar (with certain adjustments) to those that are set forth in the Indentures as well as additional information covenants which require, amongst other things, Picard Groupe to deliver an annual budget to the agent, compliance certificates and certain other miscellaneous information.

### ***Financial Covenant***

The Revolving Credit Facility Agreement requires Picard Groupe to ensure that the Senior Secured Net Leverage Ratio (as defined in the Revolving Credit Facility Agreement) does not exceed 7.50:1.

Compliance is to be tested quarterly, but only if cash drawings under the Super-Senior Revolving Credit Facility (and under any cash drawings under any ancillary facilities) on the last day of the relevant quarter being tested exceed 50% of the total commitments under the Revolving Credit Facility Agreement.

### ***Events of default***

The Revolving Credit Facility Agreement contains events of default similar, with certain adjustments and conforming changes, to those applicable to the Senior Secured Notes. In addition, the Revolving Credit Facility Agreement also contains the following events of default, namely, misrepresentations, insolvency, insolvency proceedings, unlawfulness and invalidity, repudiation and rescission of agreements, failure by Lion Polaris II to maintain the relevant French tax group, cross default to other indebtedness (in excess of an aggregate €50 million threshold) of the SSRCF Group and breach of the financial covenant set out above (subject to equity cure rights).

### ***Governing law***

The Revolving Credit Facility Agreement is governed by English law, although to the extent that the meaning of words or expressions in the further information undertaking, the restrictive covenants and certain events of default would be different if construed in accordance with New York law than English law, those words will be construed in accordance with New York law.

### ***Intercreditor Agreement***

On July 7, 2021, in connection with the entry into the 2021 Revolving Credit Facility Agreement, the Senior Notes Indenture and certain other indentures governing senior secured notes which have now been refinanced, Picard Bondco, Picard Groupe and Lion/Polaris Lux 4 (together, the “Issuers”) and certain subsidiaries of Picard Bondco entered into an intercreditor agreement to govern the relationships on certain matters and relative priorities, among, *inter alios*, the holders of Senior Secured Debt (with super seniority of the holders of Super-Senior Debt), the holders of Second Lien Notes Debt, the holders of Senior Notes Debt, certain intra group lenders and subordinated creditors (as all such capitalized terms are defined below) (the “Intercreditor Agreement”) with, amongst others, HSBC Continental Europe as revolving facility agent under the 2021 Revolving Credit Facility Agreement, Deutsche Bank AG, London Branch as Senior Secured Security Agent, Deutsche Bank AG, London Branch as Senior Notes Security Agent and the lenders under the 2021 Revolving Credit Facility Agreement.

On June 22, 2024, each of the Fixed Rate SSN Trustee and the Floating Rate SSN Trustee acceded to the Intercreditor Agreement as a Senior Secured Notes Trustee pursuant to a Creditor/Accession Undertaking (as defined in the Intercreditor Agreement).

On July 3, 2024, each original lender under the Revolving Credit Facility Agreement acceded to the Intercreditor Agreement as a Credit Facility Lender pursuant to its own respective Creditor/Accession Undertaking. On July 3, 2024, HSBC Continental Europe (being the RCF Agent) acceded to the Intercreditor Agreement as a Credit Facility Agent pursuant to a Creditor/Accession Undertaking.

The Intercreditor Agreement sets out, among other things:

- the relative ranking of certain debt (including debt incurred under the Super-Senior Revolving Credit Facility, the Senior Notes and the Senior Secured Notes) of the debtors;
- the relative ranking of Transaction Security (defined below) granted by certain members of the Group (as defined below);
- when payments can be made in respect of certain indebtedness of the Group;
- when enforcement action (including acceleration and/or demand for payment and certain similar actions) can be taken in respect of certain indebtedness of the Group;
- the terms pursuant to which certain indebtedness of the Group will be subordinated upon the occurrence of certain insolvency events;
- the order for applying proceeds from the enforcement of Transaction Security and certain other amounts received by the relevant security agent; and
- turnover provisions.

The Intercreditor Agreement contains provisions related to future indebtedness permitted by the Indentures that may be incurred by Picard Bondco and its restricted subsidiaries (Picard Bondco and its restricted subsidiaries being defined as the “Group”) which may be secured by the collateral securing the Senior Secured Notes, the Senior Notes and any second lien notes that may be issued by Lion/Polaris Lux 4 (the “Floating Rate SSN Issuer”) (the “Second Lien Notes”), subject to the terms of the Intercreditor Agreement and any finance documentation then existing (including the Indentures). Such indebtedness will (i) have equivalent rights to (A) the holders of the Super-Senior Revolving Credit Facility liabilities and (B) hedge counterparties holding certain hedging liabilities (which are permitted to benefit from priority ranking) (such hedge counterparties being “Priority Hedge Counterparties”), under the Intercreditor Agreement and will vote in the same class of creditors as the holders of the Super-Senior Revolving Credit Facility and the Priority Hedge Counterparties in respect of enforcement (such indebtedness, including indebtedness under the Super-Senior Revolving Credit Facility and certain indebtedness owed to the Priority Hedge Counterparties, being the “Super-Senior Debt”), (ii) have equivalent rights to the holders of the Senior Secured Notes and the Non Priority Hedge Counterparties (such term as defined in the Intercreditor Agreement being the “Non Priority Hedge Counterparties”) under the Intercreditor Agreement and will vote in the same class of creditors as the holders of the Senior Secured Notes and the Non Priority Hedge Counterparties in respect of enforcement (such indebtedness, including indebtedness under the Senior Secured Notes and certain indebtedness owed to the Non Priority Hedge Counterparties, being the “Senior Non Priority Debt” and, together with the Super-Senior Debt, the “Senior Secured Debt”), (iii) have rights in respect of such indebtedness that will be limited as set out in the Intercreditor Agreement (such indebtedness being the “Second Lien Notes Debt”) including in respect of (A) when payments in respect of such indebtedness are permitted to be made, including the circumstances when payments in respect of Second Lien Notes Debt can be suspended (including through the issuance of a stop notice (and cure provisions in respect thereof)), (B) restrictions on when the holders of Second Lien Notes Debt can take enforcement action (including standstill provisions in respect of Second Lien Notes Debt) and (C) the ability of the holders of Second Lien Notes Debt to purchase Senior Secured Debt in certain circumstances or (iv) have equivalent rights to the holders of the Senior Notes under the Intercreditor Agreement and will vote in the same class of creditors as the holders of the Senior Notes in respect of enforcement (such indebtedness, including indebtedness under the Senior Notes, being the “Senior Notes Debt”) including in respect of (A) when payments by members of the Group in respect of such indebtedness are permitted to be made, including the circumstances when payments in respect of Senior Notes Debt can be suspended (including through the issuance of a stop notice (and cure provisions in respect thereof)), (B) restrictions on when the holders of Senior Notes Debt can take enforcement action (including standstill provisions in

respect of Senior Notes Debt); *provided* that the Intercreditor Agreement does not purport to restrict holders of Senior Notes Debt from taking enforcement action against Picard Bondco (other than in respect of any Transaction Security) or any person which is not a member of the Group and (C) the ability of the holders of Senior Notes Debt to purchase Senior Secured Debt and Second Lien Notes Debt in certain circumstances.

As set forth in “—*Ranking and priority*” below, (i) any Second Lien Notes Debt will be subordinated to any Senior Secured Debt, (ii) any Senior Notes Debt guarantees granted by members of the Group will be subordinated to the Senior Secured Debt and the Second Lien Notes Debt on the terms of the Intercreditor Agreement and (iii) any liabilities of Picard Bondco owing to the holders of the Senior Secured Debt and the Senior Notes Debt will rank *pari passu* in right and priority of payment and ahead of the liabilities owing by Picard Bondco to the holders of the Second Lien Notes Debt. The maturity date of any Second Lien Notes Debt must be at least six months after the latest maturity date of any Senior Secured Debt (excluding under any hedging agreement) and the issuer of Second Lien Notes Debt must be Lion/Polaris Lux 4. The maturity date of any Senior Notes Debt must be at least six months after the latest maturity date of any Second Lien Notes Debt, or if no such Second Lien Notes Debt is in existence at that time, any Senior Secured Debt (excluding under any hedging agreement) and the issuer of any Senior Notes Debt must be Picard Bondco.

By accepting a Note, the relevant holder thereof shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and we urge you to read that document because it, and not the discussion that follows, defines certain rights of the holders of the Senior Secured Notes and the Senior Notes.

### ***Ranking and priority***

The Intercreditor Agreement provides that (i) the liabilities owing to the holders of Senior Secured Debt rank *pari passu* in right and priority of payment between themselves and in priority to (A) the holders of Second Lien Notes Debt, (B) the holders of Senior Notes Debt (other than the Senior Notes Debt of Picard Bondco) and (C) all intra-Group liabilities and liabilities owed by any member of the Group to any subordinated creditor (including all liabilities under any loan made by any entity which is not Lion/Polaris Lux 4 or any of its restricted subsidiaries (Lion/Polaris Lux 4 and its restricted subsidiaries being the “Senior Secured Restricted Group”) for the purposes of on-lending the proceeds of any Senior Notes Debt (the “Senior Notes Proceeds Loan”)), (ii) the liabilities owing by members of the Group (other than Picard Bondco) to the holders of Second Lien Notes Debt rank *pari passu* in right and priority of payment between themselves and in priority to the Senior Notes Debt and all intra-Group liabilities and liabilities owed by any member of the Group to any subordinated creditor (including all liabilities under any Senior Notes Proceeds Loan) and (iii) the liabilities owing to the holders of Senior Notes Debt rank *pari passu* in right and priority of payment between themselves and in priority to all intra-Group liabilities (including all liabilities under any Senior Notes Proceeds Loan) and liabilities owed by any member of the Group to any subordinated creditor.

The liabilities owing by Picard Bondco to the holders of the Senior Notes Debt rank *pari passu* in right and priority of payment with the liabilities owing by Picard Bondco to the holders of the Senior Secured Debt and in priority to the liabilities owing by Picard Bondco to the holders of the Second Lien Notes Debt.

The Intercreditor Agreement does not purport to rank the intra-Group liabilities or the liabilities owed by any member of the Group to any subordinated creditor as between themselves.

### ***Guarantees and Security***

The lenders under the Super-Senior Revolving Credit Facility, the hedge counterparties, the holders of the Senior Secured Notes and other holders of Senior Non Priority Debt, any holders of the Second Lien Notes Debt, the holders of the Senior Notes and other holders of Senior Notes Debt may benefit from a common guarantee and security package (the “Transaction Security”). The liabilities owing to the Super-Senior Revolving Credit Facility lenders, the hedge counterparties, the holders of the Senior Secured Notes and other holders of Senior Non Priority Debt, the holders of Second Lien Notes Debt and holders of the Senior Notes and other holders of Senior Notes Debt may, to

the extent permitted under applicable law, be guaranteed by the same debtors and be secured by the same Transaction Security. To the extent permitted by the Indentures and our other debt documents, holders of Senior Secured Debt, Second Lien Notes Debt and/or Senior Notes Debt (together, the “Secured Parties”) are entitled under the Intercreditor Agreement to receive the benefit of such Transaction Security on the basis set forth in “—*Ranking and priority*” above (the obligations secured by Transaction Security being referred to as the “Secured Obligations”).

The Intercreditor Agreement contains covenants restricting holders of Senior Secured Debt, Second Lien Notes Debt and/or Senior Notes Debt from taking any additional guarantees or security from the Group unless given for the benefit of all holders of Senior Secured Debt and Second Lien Notes Debt. Unless there is a legal restriction on doing so, the relevant security agent shall hold the Transaction Security for the benefit of the Secured Parties to the extent each has the benefit of the relevant Transaction Security.

### ***Priority of Security***

The Transaction Security shall rank and secure the liabilities in respect of Senior Secured Debt, Second Lien Notes Debt and/or Senior Notes Debt (but only to the extent such Transaction Security is expressed to secure those liabilities and irrespective of the date on which such Transaction Security was created and/or perfected) in the following order: firstly the liabilities in respect of Senior Secured Debt *pari passu* and without any preference between them; secondly the liabilities in respect of the Second Lien Notes Debt *pari passu* and without any preference between them; and thirdly the liabilities in respect of the Senior Notes Debt *pari passu* and without any preference between them, with the proceeds of the Transaction Security to be applied as described under “—*Application of recoveries*” below.

### ***Restrictions on payments***

Prior to the final discharge date of all Senior Secured Debt, there shall be no restrictions under the Intercreditor Agreement on payments to be made to holders of Senior Secured Debt, save that the Intercreditor Agreement contains provisions regulating payments in respect of Super-Senior Revolving Credit Facility liabilities and hedging liabilities due to Priority Hedge Counterparties and Non Priority Hedge Counterparties following, in the case of Super-Senior Revolving Credit Facility liabilities, the occurrence of an acceleration event in respect of the liabilities and, in the case of hedging liabilities, the occurrence of an acceleration event and/or an insolvency event in respect of a member of the Group (amongst others).

Notwithstanding the foregoing, following the occurrence of an acceleration of Senior Secured Debt (other than in the case of certain hedging arrangements), Second Lien Notes Debt or Senior Notes Debt (until the occurrence of the discharge date of all Super-Senior Debt), no member of the Group may make (and no Senior Non Priority Debt creditor may receive) payments of the Senior Non Priority Debt except from recoveries distributed in accordance with the payment waterfall described under “—*Application of recoveries*” 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.

Payments of liabilities to holders of Second Lien Notes Debt by debtors shall be permitted (i) to the extent: (A) the payment is not prohibited from being made under the terms of any agreement or instrument in respect of Senior Secured Debt and the Second Lien Notes Debt, (B) there is not then a non-payment event of default outstanding in respect of any Senior Secured Debt and (C) a period of 179 days has elapsed or, as the case may be, such other applicable period set out in the Intercreditor Agreement has elapsed following the occurrence of an event of default (excluding any non-payment event of default) in respect of any Senior Secured Debt (the occurrence of which has been notified by the relevant representative, agent and/or trustee of any Senior Secured Debt to Picard Groupe, the security agent and (to the extent there is any Second Lien Notes Debt at that time) the trustee of any Second Lien Notes Debt); (ii) if the consent of an instructing group is obtained as contemplated in the Intercreditor Agreement; (iii) the payment is for liabilities incurred by a trustee of any Second Lien Notes Debt in its capacity as trustee; (iv) payments of certain costs, commissions, taxes, consent fees, premiums and expenses, including incurred in respect of any agreement or instrument in respect of Second Lien Notes Debt and in certain circumstances in connection with Second Lien Notes Debt; and (v) on or after discharge of the Senior Secured Debt.



Payments of liabilities to holders of Senior Notes Debt by debtors shall be permitted (i) to the extent: (A) the payment is not prohibited from being made under the terms of any agreement or instrument in respect of Senior Secured Debt and the Second Lien Notes Debt, (B) there is not then a non-payment event of default outstanding in respect of any Senior Secured Debt and any Second Lien Notes Debt and (C) a period of 179 days has elapsed or, as the case may be, such other applicable period set out in the Intercreditor Agreement has elapsed following the occurrence of an event of default (excluding any non-payment event of default) in respect of any Senior Secured Debt and any Second Lien Notes Debt (the occurrence of which has been notified by the relevant representative, agent and/or trustee of any Senior Secured Debt or (on or after the discharge of the Senior Secured Debt) any Second Lien Notes Debt to Picard Groupe, the security agent and the trustee of the Senior Notes Debt and (to the extent there is any Second Lien Notes Debt at that time) any Second Lien Notes Debt); (ii) if the payment is made by Picard Bondco and funded, directly or indirectly, with amounts which have not been received by Picard Bondco from any other member of the Group nor received in reliance (whether in whole or in part) on any Transaction Security or any guarantee, indemnity or other assurance against loss provided by any other member of the Group (whether directly or indirectly); (iii) if the consent of an instructing group is obtained as contemplated in the Intercreditor Agreement; (iv) the payment is for liabilities incurred by a trustee of the Senior Notes Debt in its capacity as trustee; (v) payments of certain costs, commissions, taxes, consent fees, premiums and expenses, including incurred in respect of any agreement or instrument in respect of Senior Notes Debt and in certain circumstances in connection with Senior Notes Debt; and (vi) on or after discharge of the Senior Secured Debt and (to the extent there is any Second Lien Notes Debt at that time) any Second Lien Notes Debt.

Payments of liabilities to intra-Group lenders and subordinated creditors shall be permitted to the extent expressly permitted in the circumstances contemplated by the Intercreditor Agreement or if the consent of an instructing group is obtained as contemplated in the Intercreditor Agreement.

Payments of subordinated liabilities shall be restricted at the level of Lion/Polaris Lux 4 in respect of any liabilities owed to Lux Midco and any other person that becomes a Subordinated Creditor under the Intercreditor Agreement (the “Parent Subordinated Liabilities”) and at the level of Picard Bondco in respect of any liabilities owed to any person that becomes a Senior Notes Issuer Subordinated Creditor under the Intercreditor Agreement (the “Senior Notes Issuer Subordinated Liabilities”), *provided that* (i) payments under the Parent Subordinated Liabilities shall be permitted to the extent not prohibited under the Senior Secured Debt finance documents or the Second Lien Notes Debt finance documents and in the case of payments in respect of any Senior Notes Proceeds Loan liabilities, that payment would, if it were a payment of Senior Notes Debt liabilities, constitute a permitted Senior Notes Debt payment, and (ii) payments under the Senior Notes Issuer Subordinated Liabilities shall be permitted to the extent not prohibited under the Senior Secured Debt finance documents, the Second Lien Notes Debt finance documents or the Senior Notes Debt finance documents.

### ***Entitlement to enforce Transaction Security***

Subject to the Transaction Security having become enforceable in accordance with its terms and subject to the consultation 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.

Prior to the final discharge date of all Senior Secured Debt, the holders of Second Lien Notes Debt may only take certain enforcement action against any member of the Group in respect of liabilities in relation to Second Lien Notes Debt and/or any Transaction Security (i) if (A) an event of default under any agreement or instrument in respect of Second Lien Notes Debt is continuing (the occurrence of which has been notified to the relevant representatives, agents and/or trustees of any Senior Secured Debt by the relevant trustee of the Second Lien Notes Debt) and (B) a period of 179 days has elapsed since the date of such notice referred to in (A) (or such earlier time contemplated in the Intercreditor Agreement) and the applicable event of default referred to in (A) is continuing, (ii) in the circumstance where holders of Senior Secured Debt take enforcement action in relation to a particular guarantor of Second Lien Notes Debt, *provided that* the applicable holders of Second Lien Notes Debt may only take the same enforcement action in relation to such guarantor as taken by the applicable holders of Senior Secured Debt, (iii) in respect of enforcement action in relation to a particular guarantor of Second Lien Notes Debt that is the subject of an insolvency event or (iv) if the consent of an instructing group is obtained as contemplated in the Intercreditor Agreement.

Prior to the final discharge date of all Senior Secured Debt and (to the extent there is any Second Lien Notes Debt at that time) all Second Lien Notes Debt, the holders of Senior Notes Debt may only take certain enforcement action against any member of the Group (provided that such restriction shall not apply to enforcement action against Picard Bondco other than in respect of any Transaction Security) in respect of liabilities in relation to Senior Notes Debt and/or any Transaction Security (i) if (A) an event of default under any agreement or instrument in respect of Senior Notes Debt is continuing (the occurrence of which has been notified to the relevant representatives, agents and/or trustees of any Senior Secured Debt and Second Lien Notes Debt by the relevant trustee of the Senior Notes Debt) and (B) a period of 179 days has elapsed since the date of such notice referred to in (A) (or such earlier time contemplated in the Intercreditor Agreement) and the applicable event of default referred to in (A) is continuing, (ii) in the circumstance where holders of Senior Secured Debt or (to the extent entitled to take such action) the holders of Second Lien Notes Debt take enforcement action in relation to a particular guarantor of Senior Notes Debt, provided that the applicable holders of Senior Notes Debt may only take the same enforcement action in relation to such guarantor as taken by the applicable holders of Senior Secured Debt or Second Lien Notes Debt (as the case may be), (iii) in respect of enforcement action in relation to a particular guarantor of Senior Notes Debt that is the subject of an insolvency event or (iv) if the consent of an instructing group is obtained as contemplated in the Intercreditor Agreement. For the avoidance of doubt, such provisions shall not restrict the requisite majority of the holders of Senior Notes Debt taking any enforcement action against (x) Picard Bondco (other than in respect of any Transaction Security granted by Picard Bondco) or (y) any person which is not a member of the Group and is a provider of any Transaction Security and/or any guarantee, indemnity or other assurance against loss in respect of the Senior Notes Debt (including in respect of any Security granted by such person).

#### ***Additional restrictions***

The Intercreditor Agreement restricts (among other things) with respect to each Issuer and the Group:

- the ability of the hedge counterparties to take any enforcement action except for certain specified permitted enforcement actions;
- the ability of intra-Group debtors to pay, prepay, repay, redeem, defease or discharge or acquire intra-Group liabilities except for certain specified permitted payments and acquisitions;
- the ability of the intra-Group lenders to take any enforcement action except for certain specified permitted enforcement actions;
- the ability of the intra-Group lenders to take the benefit of certain guarantees or security;
- the ability of members of the Group to pay, prepay, repay, redeem, defease or discharge or acquire any liabilities owing to the subordinated creditors except for certain specified permitted payments and acquisitions;
- the ability of subordinated creditors to take enforcement action except for certain specified permitted enforcement action; and
- the ability of the subordinated creditors to take the benefit of any guarantees or security.

In addition, the Intercreditor Agreement provides that the Transaction Security and guarantees relating to Senior Secured Debt, Second Lien Notes Debt and/or Senior Notes Debt will be released in certain circumstances described further below in “—*Release of Security and Guarantees—Non-distressed disposals*” and “—*Release of Security and Guarantees—Distressed disposals*”. Moreover, certain proceeds received by holders of Senior Secured Debt, Second Lien Notes Debt and/or Senior Notes Debt must be turned over to the relevant security agent pursuant to the Intercreditor Agreement for application in accordance with the Intercreditor Agreement. See further below in “—*Turnover*”.

### ***Effect of an insolvency event***

After the occurrence of an insolvency event in relation to any member of the Group (other than, in respect of the Senior Notes Debt, Picard Bondco), any debtor, intra-Group lender, subordinated creditor or holders of Second Lien Notes Debt and Senior Notes Debt entitled to receive a distribution out of the assets of that member of the Group in respect of liabilities owed to it shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to pay that distribution to the security agent until the liabilities owing to the secured parties have been paid in full. After the occurrence of an insolvency event in relation to any member of the Group (other than, in respect of the Senior Notes Debt, Picard Bondco), each debtor, intra-Group lender, subordinated creditor and holder of Second Lien Notes Debt and Senior Notes Debt irrevocably authorizes the relevant security agent (acting in accordance with the terms of the Intercreditor Agreement) to, *inter alia*:

- (a) exercise any right it may otherwise have in respect of that member of the Group with respect to that member of the Group's liabilities to, amongst other things, accelerate any of that member of the Group's 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 liabilities;
- (c) collect and receive any payment in respect of any liabilities of that member of the Group; or
- (d) claim and prove in the liquidation of that member of the Group for such liabilities owing to it.

Each of the holders of Second Lien Notes Debt, Senior Notes Debt and the subordinated creditors shall (a) do all things the security agent (acting in accordance with the terms of the Intercreditor Agreement) requests in order to give effect to the above actions and (b) if the relevant security agent is not entitled to take any of the above actions or requests that such creditor takes that action, undertake that action itself in accordance with the instructions of the relevant security agent (acting in accordance with the terms of the Intercreditor Agreement) or grant a power of attorney to the security agent to enable it to take such actions.

### ***Release of Security and Guarantees—Non-distressed disposals***

The relevant security agent shall be permitted to release Transaction Security over any asset if, in respect of a disposal of an asset by a debtor or an asset which is subject to the Transaction Security (including (in each case) in connection with any permitted or pre-approved reorganisation):

- (a) prior to the discharge date in respect of the Senior Secured Debt, such disposal is not prohibited under the terms of any agreement or instrument in respect of Senior Secured Debt and Picard Groupe has confirmed to the relevant security agent in writing that such disposal is not so prohibited;
- (b) prior to the discharge date in respect of Second Lien Notes Debt, such disposal is not prohibited under the terms of any agreement or instrument in respect of Second Lien Notes Debt and Picard Groupe has confirmed to the relevant security agent in writing that such disposal is not so prohibited;
- (c) prior to the discharge date in respect of the Senior Notes Debt, such disposal is not prohibited under the terms of any agreement or instrument in respect of Senior Notes Debt and Picard Bondco has confirmed to the relevant security agent in writing that such disposal is not so prohibited; and
- (d) such disposal is not a distressed disposal (as set out more fully in “—*Release of Security and Guarantees—Distressed disposals*” below).

### ***Release of Security and Guarantees—Distressed disposals***

In relation to the disposal of an asset of a member of the Group which is (i) being effected at the request of an instructing group in circumstances where the Transaction Security has become enforceable, (ii) being effected by the

enforcement of the Transaction Security, (iii) being effected, following an acceleration of Senior Secured Debt, Second Lien Notes Debt and/or Senior Notes Debt or the enforcement of any Transaction Security, by a debtor to a person which is not a member of the Group, including an Exit Disposal (a “Distressed Disposal”) or (iv) in connection with a Foreclosure as a result of an enforcement of Transaction Security, the security agent is irrevocably authorized (at the cost of the relevant debtor or Picard Groupe and without any consent, sanction, authority or further confirmation from any creditor, subordinated creditor or debtor) to:

- (a) release the Transaction Security or any other claim over that asset and execute and deliver or enter into any release of that Transaction Security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the security agent, be considered necessary or desirable;
- (b) (i) if the asset subject to the Distressed Disposal or Foreclosure consists of shares in the capital of a debtor, to release:
  - (A) that debtor and any subsidiary of that debtor from all or any part of
    - (1) its borrowing liabilities;
    - (2) its guarantee liabilities; and
    - (3) its other liabilities;
  - (B) any Transaction Security granted by that debtor or any subsidiary of that debtor over any of its assets; and
  - (C) any other claim of a subordinated creditor, intra-Group lender or another debtor over that debtor’s assets or over the assets of any subsidiary of that debtor,

on behalf of the relevant creditors, subordinated creditors and debtors;

- (ii) if the asset subject to the Distressed Disposal or Foreclosure consists of shares in the capital of any holding company of a debtor, to release:
  - (A) that holding company and any subsidiary of that holding company from all or any part of:
    - (1) its borrowing liabilities;
    - (2) its guarantee liabilities; and
    - (3) its other liabilities;
  - (B) any Transaction Security granted by that holding company and any subsidiary of that holding company over any of its assets; and
  - (C) any other claim of a subordinated creditor, intra-Group lender or another debtor over that holding company’s assets and the assets of any subsidiary of that holding company,

on behalf of the relevant creditors, subordinated creditors and debtors;

- (iii) if the asset subject to the Distressed Disposal or Foreclosure 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:
  - (A) the liabilities; or
  - (B) the debtor liabilities,

owed by that debtor or holding company or any subsidiary of that debtor or holding company:

- (C) (if the relevant security agent does not intend that any transferee of those liabilities or debtor liabilities (the “Transferee”) will be treated as a senior creditor or a secured party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or debtor liabilities provided that the Transferee shall not be treated as a senior creditor or a secured party for the purposes of the Intercreditor Agreement; and
- (D) (if the relevant security agent does intend that any Transferee will be treated as a holder of Senior Secured Debt, Second Lien Notes Debt or, as applicable, Senior Notes Debt or as a secured party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of:
  - (1) all (and not part only) of the liabilities owed to the senior creditors; and
  - (2) all or part of any other liabilities and the debtor liabilities,

on behalf of, in each case, the relevant creditors, subordinated creditors and debtors;

- (iv) if the asset subject to the Distressed Disposal or Foreclosure consists of shares in the capital of a debtor or the holding company of a debtor (the “Disposed Entity”) and the security agent decides to transfer 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 debtor liabilities; or
  - (C) the subordinated liabilities, to execute and deliver or enter into any agreement to:
  - (D) agree to the transfer of all or part of the obligations in respect of those intra-Group liabilities, debtor 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
  - (E) (provided the Receiving Entity is a holding company of the Disposed Entity) to accept the transfer of all or part of the obligations in respect of those intra-Group liabilities, debtor liabilities or subordinated liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-Group liabilities, debtor liabilities or, as the case may be, subordinated liabilities are to be transferred.

The proceeds in connection with the realization or enforcement (or any transaction in lieu thereof) of any Transaction Security shall be paid to the relevant security agent for application as described under “—*Application of recoveries*” below.

In the case of a Distressed Disposal (or a disposal of liabilities as described in paragraph (b)(iii)(D) above) effected by or at the request of the relevant security agent at a time when any Senior Secured Debt is outstanding, unless the Majority Super-Senior Creditors and the Majority Senior Non Priority Creditors (as defined below) otherwise agree, it is a further condition to any release or disposal described above that:

- (a) the proceeds of such disposal are in cash (or substantially in cash);
- (b) all claims of the holders of the Senior Secured Debt against any member of the Group and any subsidiary of that member of the Group which are sold or disposed of pursuant to such Distressed Disposal, are unconditionally released and discharged concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all Transaction Security 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 applicable instructing group determine acting reasonably and in good faith that the holders of the Senior Secured Debt will recover more than if such claim was released or discharged; and
- (B) the applicable instructing group serve a notice on the relevant security agent notifying the relevant security agent of the same, in which case the relevant security agent shall be entitled immediately to sell or dispose such claim to such purchaser (or an affiliate of such purchaser); and
- (c) such sale or disposal is made:
  - (A) pursuant to a public auction; or
  - (B) a fairness opinion in respect of such sale or disposal is obtained and delivered to, amongst others, the relevant security agent.

In the case of a Distressed Disposal (or a disposal of liabilities as described in paragraph (b)(iii)(D) above) effected by or at the request of the relevant security agent at a time when any Senior Notes Debt/Second Lien Notes Debt is outstanding, unless the requisite majority of holders of Senior Notes Debt/Second Lien Notes Debt agree, it is a further condition to any release or sale or disposal described above pursuant to which any guarantees for any Senior Notes Debt/Second Lien Notes Debt and/or any Transaction Security which is expressed to secure any Senior Notes Debt/Second Lien Notes Debt and/or any shares of and/or any assets of a guarantor of any Senior Notes Debt/Second Lien Notes Debt and/or any assets subject to Transaction Security expressed to secure any Senior Notes Debt/Second Lien Notes Debt are to be released and/or sold or disposed of, that either:

- (a) the applicable trustee(s) in respect of such Senior Notes Debt/Second Lien Notes Debt has approved that release or, as the case may be, sale or disposal; or
- (b) where any shares of and/or any assets of a guarantor of any Senior Notes Debt/Second Lien Notes Debt and/or any assets subject to Transaction Security expressed to secure any Senior Notes Debt/Second Lien Notes Debt are to be sold or disposed of (in each case, whether directly or indirectly):
  - (A) (1) the proceeds of such disposal are in cash (or substantially in cash) or (2) the consideration in respect of such disposal does not comprise cash (or substantially all cash) in circumstances where the relevant security agent determines that the cash consideration payable under the highest of the other bona fide and fully committed offers made in relation to that disposal is less than the outstanding Senior Secured Debt, in which case the non-cash consideration can, without limitation, take the form of the holders of Senior Secured Debt (or any of them acting alone or together) bidding by any appropriate mechanic all or part of their Senior Secured Debt (such that the Senior Secured Debt would, on completion, be discharged to the extent of an amount equal to the amount of the offer made by the relevant holders of Senior Secured Debt);
  - (B) all claims of the holders of Senior Secured Debt (and in case of a Distressed Disposal (or a disposal of liabilities as described in paragraph (b)(iii)(D) above) effected by or at the request of the relevant security agent at a time when any Senior Notes Debt is outstanding, all claims of the holders of Second Lien Notes Debt) against such guarantor and any subsidiary of such guarantor which are sold or disposed of pursuant to such Distressed Disposal, are unconditionally released and discharged concurrently with such sale or disposal (and are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of such assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale or disposal, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):
    - (1) the applicable instructing group determine acting reasonably and in good faith that the holders of Senior Secured Debt will recover more than if such claim was released or discharged; and
    - (2) the applicable instructing group serve a notice on the security agent notifying the relevant security agent of the same, in which case the relevant security agent shall be entitled

immediately to sell or dispose such claim to such purchaser (or an affiliate of such purchaser); and

(c) such sale or disposal is made:

(A) pursuant to a public auction; or

(B) a fairness opinion in respect of such sale or disposal is obtained and delivered to, amongst others, the relevant security agent.

If the instructing group is constituted by the Majority Senior Non Priority Creditors, the provisions of the Intercreditor Agreement described in the third paragraph under “—*Release of Security and Guarantees— Distressed disposals*” above shall not apply to a release or disposal of Super-Senior Debt provided that sufficient cash proceeds are received from the relevant Distressed Disposal and applied towards the irrevocable discharge in full of all the Super-Senior Revolving Credit Facility liabilities and cash cover is provided to the Priority Hedge Counterparties in respect of each of their priority hedging liabilities.

If a Distressed Disposal is being effected at a time when the requisite majority of the holders of Senior Notes Debt or, as the case may be, the holders of Second Lien Notes Debt are entitled to give, and have given, enforcement instructions in accordance with the Intercreditor Agreement, the relevant security agent is not authorized to release any debtor or any subsidiary or holding company of a debtor from any borrowing, guarantee or other liabilities owed to any creditors of Senior Secured Debt or Second Lien Notes Debt unless those liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a bank guarantee or an ancillary facility, made subject to cash collateral arrangements acceptable to the relevant creditor of Senior Secured Debt), upon that release.

### ***Turnover***

Subject to certain exclusions, if at any time prior to the final discharge date, any subordinated creditor, intra-Group lender or any holder of any Second Lien Notes or any Senior Notes Debt or Secured Parties SPV receives or recovers (in the case of holders of the Senior Notes Debt in respect of a receipt or recovery from Picard Bondco, only in the case of paragraph (d) below):

- (a) any amount which is not a permitted payment or made in accordance with the enforcement proceeds waterfall described below under “—*Application of recoveries*”;
- (b) any amount by way of set off in respect of any of the liabilities owed to it which does not give effect to a permitted payment;
- (c) any amount on account of, or in relation to, or by way of set off in respect of any liabilities after an acceleration of Senior Secured Debt (other than under any hedging agreement), any Second Lien Notes or any Senior Notes Debt or enforcement of the Transaction Security or as a result of any litigation or other proceeding against a member of the Group (other than after the occurrence of an insolvency event in respect of such member of the Group) other than in accordance with the enforcement proceeds waterfall described below under “—*Application of recoveries*”;
- (d) the proceeds in connection with the realization or enforcement (or any transaction in lieu thereof) of any Transaction Security or any other Distressed Disposal, any Exit Disposal, any Cash Proceeds and amounts received under or in respect of any Assigned Recourse Rights other than in accordance with the enforcement proceeds waterfall described below under “—*Application of recoveries*”; or
- (e) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by an insolvent member of the Group, in each case where such payment is not made in accordance with the enforcement proceeds waterfall described below under “—*Application of recoveries*”,

or any holder of any Senior Secured Debt or Secured Parties SPV in respect of Senior Secured Debt receives proceeds in connection with the realization or enforcement (or any transaction in lieu thereof) of any Transaction Security or

any other Distressed Disposal, any Exit Disposal, any Cash Proceeds and amounts received under or in respect of any Assigned Recourse Rights other than in accordance with the enforcement proceeds waterfall described below under “—*Application of recoveries*”, then that creditor (including in its capacity as Foreclosed Assets Holder as the case may be) or subordinated creditor or Secured Parties SPV will (x) in relation to receipts and recoveries not received or recovered by way of set-off, hold the relevant portion of an amount of that receipt or recovery on trust for (or otherwise on behalf and for the account of) the security agent and promptly pay the relevant portion of that amount to the security agent for application in accordance with the terms of the Intercreditor Agreement and promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant amount to the security agent for application in accordance with the terms of the Intercreditor Agreement and (y) in relation to receipts and recoveries received or recovered by way of set-off, 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.

### ***Payment of the Soulte***

- (a) If in the context of a Foreclosure of French law Transaction Security, a Soulte is owed by the Secured Parties to any debtor, such Soulte shall be payable:
  - (i) only by the relevant Secured Parties having participated to the relevant Foreclosure (*pro rata* to the amount of Liabilities which have been discharged as a result of such Foreclosure);
  - (ii) only on the earlier of:
    - (A) the date on which the Security Agent shall have received Cash Proceeds in an amount sufficient to fund the payment of such Soulte and capable of being applied towards such payment in accordance with the payment waterfall described in “—*Application of recoveries*” below; and
    - (B) the date falling 12 (twelve) months after the date of such Foreclosure.
- (b) The obligations of each Secured Party to pay its proportionate share of any Soulte are several.
- (c) Any payment of the Soulte to any relevant debtor which shall occur prior to final discharge date shall be made by the relevant security agent in a blocked bank account of such relevant debtor held with the relevant security agent and pledged pursuant to a Transaction Security document in a manner satisfactory to the relevant security agent as security for any obligation of the relevant debtor under any of the debt documents to which it is party including any obligation under the Intercreditor Agreement to pay back any recoveries by the relevant debtor prior to the final discharge date in accordance with the turnover provisions described above.
- (d) Each of the debtors authorizes the relevant security agent to make from such pledged bank account any payment required to be fulfilled pursuant to the Intercreditor Agreement or any other debt documents (including pursuant to any turnover provisions described above).

### ***Assignment of Recourse Rights***

- (a) Each debtor which has granted French law Transaction Security irrevocably assigns under the Intercreditor Agreement with immediate effect all of its Recourse Rights which it has or may have in the future (the “Assigned Recourse Rights” and the amount thereof at any time being hereinafter referred to as the “Amount of the Assigned Recourse Rights”).
- (b) The consideration (the “Assigned Recourse Rights Deferred Consideration”) for the assignment of the Assigned Recourse Rights shall be equal to the Amount of the Assigned Recourse Rights but shall be payable for an amount of one euro to each relevant party by the relevant security agent on the signing date of the Intercreditor Agreement (and each such party confirms receipt of such amount in the Intercreditor Agreement) or date of accession by the relevant debtor (as the case may be) and for the remaining portion,



only to the extent and when there are enough Cash Proceeds to be applied by the relevant security agent to pay such Assigned Recourse Rights Deferred Consideration in accordance with the payment waterfall described in “—*Application of recoveries*” below.

- (c) These assignments shall be notified to each relevant debtor in accordance with the provisions of Article 1324 of the French Civil Code.
- (d) Each party to the Intercreditor Agreement acknowledges and agrees that:
  - (i) the relevant security agent may itself subsequently assign any such Assigned Recourse Rights to the Secured Parties, any of their affiliates or Secured Parties SPV which shall accede to the Intercreditor Agreement in accordance with the terms thereof, whereupon the provisions of this sub-paragraph shall apply mutatis mutandis to it; and
  - (ii) upon any such assignment of the Assigned Recourse Rights the relevant assignee shall agree to turn over any recovery made under the Assigned Recourse Rights to the relevant security agent in accordance with the turnover provisions described above.
- (e) Each party to the Intercreditor Agreement acknowledges and agrees that the Assigned Recourse Rights may be transferred by the relevant security agent in the context of an Exit Disposal or to facilitate such Exit Disposal.

#### ***Other definitions***

“instructing group” means either (a) in relation to any consent or instructions relating to enforcement, (i) prior to the discharge date of all Super-Senior Debt (A) the Majority Super-Senior Creditors and the Majority Senior Non Priority Creditors, (B) the Majority Senior Non Priority Creditors or (C) the Majority Super-Senior Creditors, as determined pursuant to the consultation provisions of the Intercreditor Agreement described under “—*Consultation and enforcement of Transaction Security*” below, (ii) prior to the discharge date of all Senior Secured Debt and subject to, and in accordance with, the consultation provisions of the Intercreditor Agreement described in the seventh paragraph under “—*Consultation and enforcement of Transaction Security*” below, a creditor representative in respect of Senior Secured Debt, (iii) on or after the discharge date of all Super-Senior Debt but prior to the discharge date of all Senior Non Priority Debt, the Majority Senior Non Priority Creditors, (iv) on or after the discharge date of all Senior Secured Debt but prior to the discharge date of all Second Lien Notes Debt, the requisite majority of holders of Second Lien Notes Debt or (v) on or after the later to occur of the discharge date of all Senior Secured Debt and (to the extent there is any Second Lien Notes Debt at that time) Second Lien Notes Debt, the requisite majority of holders of Senior Notes Debt or (b) where any matter requires the consent of or instruction from (but excluding any in relation to enforcement as set out in paragraph (a) above) an instructing group (i) prior to the discharge date of all Senior Secured Debt (A) the Majority Super-Senior Creditors (prior to the discharge date of all Super-Senior Debt) and (B) where the relevant matter requiring consent or instructions is prohibited by any Senior Non Priority Debt document, the requisite majority of such holders of Senior Non Priority Debt (as applicable) and/or the relevant Non Priority Hedge Counterparties, (ii) on or after the discharge date of all Senior Secured Debt, but prior to the discharge date of all Second Lien Notes Debt, where the relevant matter requiring consent or instructions is prohibited by any Second Lien Notes Debt finance document, the requisite majority of such holders of Second Lien Notes Debt and (iii) on or after the later to occur of the discharge date of all Senior Secured Debt and (to the extent there is any Second Lien Notes Debt at that time) Second Lien Notes Debt, where the relevant matter requiring consent or instructions is prohibited by any Senior Notes Debt finance document, the requisite majority of such holders of Senior Notes Debt.

“Cash Proceeds” means (a) all amounts or distributions received in cash by the Foreclosed Assets Holders in respect of Foreclosed Assets or Investment Instruments issued by a Secured Parties SPV (including in connection with a liquidation or a winding-up of a Secured Parties SPV) and (b) all proceeds received in cash by Foreclosed Assets Holders as a result of an Exit Disposal, in each case before deducting any liabilities for taxes incurred and required to be paid by Foreclosed Assets Holders in connection with those distributions but, in the case of a sale of Foreclosed Assets by a Secured Parties SPV, after deducting any taxes payable by the seller.

“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.

“Foreclosed Asset” means (i) any assets subject to Transaction Security foreclosed by Secured Parties following a Foreclosure, (ii) (where such assets subject to Transaction Security include shares in any company) any asset of such company(ies) or any subsidiary(ies) thereof, (iii) any asset of the type referred to in paragraphs (i) or (ii) above transferred to any Secured Parties SPV and/or (iv) any share or other Investment Instruments of any Secured Parties SPV having acquired assets of the type referred to in paragraphs (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 French law 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 commissaire* 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.

“Investment Instruments” means shares of any class, loans, bonds or other equity or debt instruments issued by an entity.

“Recourse Rights” means any and all rights (including accessory rights such as security interests), actions and claims that any debtor which has granted any French law Transaction Security or a guarantee in order to secure or guarantee all or part of the Secured Obligations may have against any other person (whether a debtor or not), in each case as a result of enforcement action in respect of any French law Transaction Security, enforcement of that guarantee or otherwise as a result of the payment of such Secured Obligations in lieu of such other person, and including any right to be repaid by, to receive any amount from or to be indemnified by, that other person (whether prior to or after enforcement), any right of recourse by way of subrogation, *recours subrogatoire*, *recours personnel*, contribution or any other similar right, action or claim under any applicable law, whether such right arises by law, contract or otherwise.

“Secured Parties SPV” means a special purpose limited liability vehicle acquiring or holding Investment Instruments or assets pledged under the Transaction Security pursuant to a Foreclosure and where all or part of its share capital is held (directly or indirectly) by the Foreclosed Assets Holders and/or the affiliate(s) of the Foreclosed Assets Holders and which becomes a party to the Intercreditor Agreement as a Secured Parties SPV.

“Soulte” means, in relation to any Foreclosure, the amount by which the value of the collateral so appropriated or foreclosed as a result of such Foreclosure (as determined in accordance with the relevant Transaction Security Document) exceeds the amount of the Secured Obligations secured under the corresponding Transaction Security Document immediately prior to the occurrence of such Foreclosure (which, for the avoidance of doubt, shall not include any Assigned Recourse Rights arising from such Foreclosure).

### ***Application of recoveries***

Subject to certain exceptions (including in relation to certain amounts received or recovered by the relevant security agent from or in respect of Picard Bondco (only as described below)), proceeds of enforcement (or any transaction in lieu thereof) of Transaction Security or any other Distressed Disposal, any other amounts received by the security agent from time to time pursuant to the provisions described under “—*Effect of an Insolvency Event*” and

“—*Turnover*” above and any other amounts received by the relevant security agent for such application (in addition to certain other amounts) shall be held by the relevant security agent on trust and applied in the following order of priority:

- (a) first, *pro rata* and *pari passu* to each representative, agent and/or trustee of Senior Secured Debt, Second Lien Notes Debt and/or Senior Notes Debt and each security agent (including any receiver or delegate thereof) in respect of their costs and expenses and any other amounts due and payable to them at such time;
- (b) second, if the Foreclosure Date has occurred, in payment or distribution to the Foreclosed Assets Holders of their tax liabilities (if any) (in each case on a *pro rata* and *pari passu* basis amongst themselves);
- (c) third, if the Foreclosure Date has occurred, in payment or distribution to the Foreclosed Assets Holders which have paid (or are liable to pay) all or part of any Soulte in connection with the enforcement of any Transaction Security for distribution to each such Foreclosed Asset Holder in an amount equal to the Soulte paid (or owed) by them (in each case on a *pro rata* and *pari passu* basis amongst themselves) but solely to the extent not already repaid to such Foreclosed Asset Holders by the relevant payee pursuant to a clawback or in accordance the provisions of the Intercreditor Agreement described under “—*Turnover*” above;
- (d) fourth, *pro rata* and *pari passu* to (i) the agent of the Super-Senior Revolving Credit Facility on behalf of the Super-Senior Revolving Credit Facility lenders in respect of all amounts due and payable to them at such time, (ii) each Priority Hedge Counterparty in respect of the hedging liabilities designated as priority hedging liabilities due and payable to them at such time, (iii) the arrangers as referred to in the Intercreditor Agreement in respect of any amounts due and payable to them at such time and (iv) (as applicable) the agent of and on behalf of such other holders of Super-Senior Debt in respect of all amounts due and payable to them at such time;
- (e) fifth, *pro rata* and *pari passu* to (i) the Senior Secured Notes Trustee on behalf of the holders of the Senior Secured Notes in respect of all amounts due and payable to them at such time, (ii) the Non Priority Hedge Counterparties in respect of the hedging liabilities not designated as priority hedge liabilities due and payable to them at such time and (iii) (as applicable) the representative, agent and/or trustee of and on behalf of such other holders of Senior Non Priority Debt in respect of all amounts due and payable to them at such time;
- (f) sixth, *pro rata* and *pari passu* to any trustee of and on behalf of such holders of Second Lien Notes Debt in respect of all amounts due and payable to them at such time;
- (g) seventh, *pro rata* and *pari passu* to (i) the trustee of the Senior Notes on behalf of the holders of the Senior Notes in respect of all amounts due and payable to them at such time and (ii) to the trustee of and on behalf of such other holders of Senior Notes Debt in respect of all amounts due and payable to them at such time;
- (h) eighth, to any person to whom the security agent is obliged to pay in priority to any debtor;
- (i) ninth, if the Foreclosure Date has occurred, *pro rata* and *pari passu* amongst themselves:
  - (i) to any member of the Group or any entity to which a Soulte has been paid or remains payable and if paid, only to the extent paid back to the Foreclosed Assets Holders by the relevant payee pursuant to a clawback or in accordance with the Intercreditor Agreement; and
  - (ii) to any relevant debtor, in payment of the amount of the Assigned Recourse Rights Deferred Consideration; and
- (j) tenth, the balance,
  - (i) subject to paragraph (ii) below, if any, in payment or distribution to the relevant debtor; or

- (ii) if the Foreclosure Date has occurred if any, in payment or distribution to the Foreclosed Assets Holders and Secured Parties (*pro rata* to each Foreclosed Assets Holder's holding of Foreclosed Assets).

Subject to certain exceptions, amounts received or recovered by the relevant security agent from time to time from or in respect of Picard Bondco (only) pursuant to the provisions described under “—*Effect of an Insolvency Event*” and “—*Turnover*” above and any other amounts received by the relevant security agent from or in respect of Picard Bondco for such application (but excluding (in each case) in connection with the realization or enforcement of all or any part of the Transaction Security or any other Distressed Disposal) shall be held by the relevant security agent on trust and applied in the following order of priority:

- (a) first, *pro rata* and *pari passu* to each representative, agent and/or trustee of the Senior Secured Debt, Second Lien Notes Debt and/or Senior Notes Debt and each security agent (including any receiver or delegate thereof) in respect of their costs and expenses and any other amounts due and payable to them at such time;
- (b) second, *pro rata* and *pari passu* to (i) the agent of the Super-Senior Revolving Credit Facility on behalf of the Super-Senior Revolving Credit Facility lenders in respect of all amounts due and payable to them at such time, (ii) the arrangers as referred to in the Intercreditor Agreement in respect of any amounts due and payable to them at such time, (iii) each Priority Hedge Counterparty in respect of the hedging liabilities designated as priority hedging liabilities due and payable to them at such time, (iv) (as applicable) the agent of and on behalf of such other holders of Super-Senior Debt in respect of all amounts due and payable to them at such time, (v) the trustee(s) of the Senior Secured Debt on behalf of the holders of the Senior Secured Debt in the form of Senior Secured Notes in respect of all amounts due and payable to them at such time, (vi) the Non Priority Hedge Counterparties in respect of the hedging liabilities not designated as priority hedge liabilities due and payable to them at such time, (vii) (as applicable) the representative, agent and/or trustee of and on behalf of other holders of Senior Non Priority Debt in respect of all amounts due and payable to them at such time and (viii) to the trustee(s) of and on behalf of holders of Senior Notes Debt in respect of all amounts due and payable to them at such time;
- (c) third, *pro rata* and *pari passu* to any trustee(s) of and on behalf of holders of Second Lien Notes Debt in respect of all amounts due and payable to them at such time;
- (d) fourth, to any person to whom the security agent is obliged to pay in priority to Picard Bondco; and
- (e) fifth, the balance, in payment or distribution to Picard Bondco.

### ***Consultation and enforcement of Transaction Security***

As soon as reasonably practicable following receipt from any of the agent under the Super-Senior Revolving Credit Facility, any trustee of the Senior Secured Notes and/or any representative, agent and/or trustee of any holders of Senior Secured Debt (or, in each case, any person appointed to act on such person's behalf) (each a “creditor representative”) of any enforcement instructions to the Senior Secured Security Agent, the Senior Secured Security Agent shall provide a copy of such enforcement instructions to the other creditor representatives, the trustee of any Second Lien Notes Debt and any Senior Notes Debt and the hedge counterparties. The Senior Secured Security Agent shall commence implementation of the enforcement instructions received from such creditor representative promptly and in any event by no later than the tenth business day (or such shorter period as may be agreed) following receipt of the first such enforcement instructions (the “enforcement instruction effective date”) provided that it receives consent to do so from holders of Super-Senior Debt holding more than 66⅔% of Super-Senior Debt credit participations (the “Majority Super-Senior Creditors”) and holders of Senior Non Priority Debt holding more than 50% of Senior Non Priority Debt credit participations (the “Majority Senior Non Priority Creditors”) before the enforcement instruction effective date.

If the Senior Secured Security Agent has not received consent from the Majority Super-Senior Creditors and the Majority Senior Non Priority Creditors to commence implementation of the enforcement instructions or has received conflicting enforcement instructions from any other creditor representative in respect of Senior Secured Debt, in each

case, before the enforcement instruction effective date, then the creditor representatives in respect of Senior Secured Debt must consult with each other in good faith during the 30-day period (or such shorter period as may be agreed) following the enforcement instruction effective date (the “consultation period”), with a view to formulating joint enforcement instructions. In such case, the enforcement instruction effective date shall be deemed extended to the end of the consultation period.

If the creditor representatives in respect of Senior Secured Debt are able to agree on the terms of joint enforcement instructions prior to the end of the consultation period, the terms of any previous enforcement instructions shall be deemed revoked and the Senior Secured Security Agent shall enforce the Transaction Security in accordance with the terms of the joint enforcement instructions agreed to by all the creditor representatives in respect of Senior Secured Debt provided that such enforcement instructions are consented to by the Majority Super-Senior Creditors and the Majority Senior Non Priority Creditors.

If the creditor representatives in respect of Senior Secured Debt are not able to agree on the joint enforcement instructions by the end of the consultation period, the Senior Secured Security Agent shall enforce the Transaction Security in accordance with the terms of the enforcement instructions (if any) given by the Majority Senior Non Priority Creditors and the terms of all enforcement instructions given by any other creditor representative in respect of Senior Secured Debt shall be deemed revoked.

Notwithstanding the foregoing, if:

- (a) the holders of the Super-Senior Debt have not been fully repaid within six months of the end of the consultation period;
- (b) the Senior Secured Security Agent has not received any enforcement instructions from the Majority Senior Non Priority Creditors within 90 days of the end of the consultation period; or
- (c) an insolvency event has occurred and the security agent has not commenced any enforcement action at that time, then the Senior Secured Security Agent shall follow the enforcement instructions given by the Majority Super-Senior Creditors.

No creditor may take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the collateral by the security agent acting on the instructions of an instructing group.

The consultation provisions described above shall not apply if an event of default is continuing and:

- (a) the Transaction Security has become enforceable as a result of an insolvency event; or
- (b) one of the creditor representatives in respect of Senior Secured Debt determines in good faith (and confirms the same to the security agent in writing) that delaying the enforcement of Transaction Security could reasonably be expected to affect the ability to enforce, or realize proceeds of, the Transaction Security materially and adversely; or
- (c) any holder of Second Lien Notes Debt or, as applicable, any holder of Senior Notes Debt has taken enforcement action which it is not permitted to take under the Intercreditor Agreement,

in which case the Senior Secured Security Agent shall act in accordance with the enforcement instructions of a creditor representative in respect of Senior Secured Debt first received (such instructions limited to those necessary to protect or preserve the interests of the holders of the Senior Secured Debt on behalf of which the relevant creditor representative is acting).

Prior to the discharge date in respect of the Senior Secured Debt and subject to the Transaction Security becoming enforceable in accordance with its terms:

- (a) if an instructing group has instructed the security agent not to enforce or to cease enforcing the Transaction Security; or

- (b) in the absence of instructions from an instructing group and subject to any applicable time period for the giving of instructions by an instructing group contained in the Intercreditor Agreement (including, without limitation, any consultation period),

and, in each case, an instructing group has not required any debtor to make a Distressed Disposal, the relevant security agent shall give effect to any instructions to enforce the Transaction Security which the requisite majority of holders of Second Lien Notes Debt or, as applicable, the Senior Notes Debt who are then entitled to give to the relevant security agent as described above in “—*Entitlement to enforce Transaction Security*” under the terms of the applicable agreement or instrument in respect of such Second Lien Notes Debt or Senior Notes Debt.

Notwithstanding the foregoing, if at any time the instructing group is then entitled to provide the relevant security agent instructions to enforce the Transaction Security and the requisite majority of the holders of Second Lien Notes Debt or, as applicable, the holders of Senior Notes Debt either provide such instruction or indicate any intention to provide such instruction, then the instructing group may give instructions to the relevant security agent to enforce the Transaction Security as the instructing group sees fit in lieu of any instructions to enforce the Transaction Security given by the requisite majority of the holders of Second Lien Notes Debt or, as applicable, the holders of Senior Notes Debt (in each case, in accordance with the Intercreditor Agreement) and the relevant security agent shall act on the instructions received from the instructing group.

#### ***Equalization of the Senior Non Priority Debt creditors***

If, for any reason, any Senior Non Priority Debt remains unpaid after the enforcement date and the resulting losses are not borne by the holders of the Senior Non Priority Debt in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the holders of the Senior Non Priority Debt at the enforcement date, the holders of the Senior Non Priority Debt will make such payments amongst themselves as the security agent shall require to put the holders of the Senior Non Priority Debt in such a position that (after taking into account such payments) those losses are borne in those proportions.

In addition, the Intercreditor Agreement includes certain equalization provisions with respect to the Super-Senior Debt, Second Lien Notes Debt and Senior Notes Debt including in connection with any Soulte.

#### ***Consents, amendments and override***

The Intercreditor Agreement provides that, subject to certain exceptions, it may be amended or waived only with the consent of Picard Groupe and Picard Bondco, the requisite majority of lenders under the Super-Senior Revolving Credit Facility, the requisite majority of holders of the Senior Secured Notes, the requisite majority of certain other Senior Non Priority Debt (other than in the case of certain hedging arrangements) creditors, the requisite majority of holders of Second Lien Notes Debt, the requisite majority of holders of Senior Notes Debt (or, in each case, the relevant agent acting on their behalf) and the security agent(s), provided that to the extent an amendment, waiver or consent only affects one class of any such creditor, and such amendment, waiver or consent could not reasonably be expected to materially and adversely affect the interests of the other classes of creditor, only written agreement from the affected class (or, in each case, the relevant agent acting on their behalf) and the relevant security agent shall be required.

Any term of the Intercreditor Agreement or a Security Document may be amended or waived by the relevant security agent and each of Picard Groupe and Picard Bondco without the consent of any other party if that amendment or waiver is (i) to cure defects or omissions, resolve ambiguities or inconsistencies or to reflect changes of a minor technical or administrative nature or (ii) otherwise for the benefit of all Secured Parties and (to the extent not constituting Secured Parties) holders of Senior Notes Debt.

Subject to certain exceptions, and unless the provisions of any debt document expressly provide otherwise, the security agent may, with the consent of an instructing group, and if each of Picard Groupe and Picard Bondco consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Transaction Security Documents which shall be binding on each party to the Intercreditor Agreement. Subject to certain exceptions, unless permitted or not prohibited under the relevant debt documents, the prior consent of each agent (acting on the

instructions of the requisite majority of lenders under the Super-Senior Revolving Credit Facility, the requisite majority of holders of the Senior Secured Notes, the requisite majority of certain other Senior Non Priority Debt (other than in the case of certain hedging arrangements) creditors, the requisite majority of holders of Second Lien Notes Debt, the requisite majority of holders of Senior Notes Debt, in each case, that such agent represents) is required to authorize any amendment or waiver of, or consent under, any Transaction Security Document which would affect the nature or scope of the assets subject to the Transaction Security.

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

### ***Option to purchase***

Following an acceleration event or the enforcement of any Transaction Security, the Majority Senior Non Priority Creditors shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Lender Liabilities (as defined in the Intercreditor Agreement, including the liabilities owed to lenders under the Revolving Credit Facility Agreement) (and the Assigned Recourse Rights relating thereto).

Following an acceleration event or the enforcement of any Transaction Security, the holders of Second Lien Notes Debt holding more than 50% of Second Lien Notes Debt credit participations shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of Senior Secured Debt (and the Assigned Recourse Rights relating thereto).

Following an acceleration event or the enforcement of any Transaction Security, the holders of Senior Notes Debt holding more than 50% of Senior Notes Debt credit participations shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of Senior Secured Debt and the Second Lien Notes Debt.

## **Senior Notes**

### ***Overview***

On July 7, 2021, Picard Bondco issued €310,000,000 aggregate principal amount of Senior Notes (the “Senior Notes”) under an indenture dated July 7, 2021 (the “Senior Notes Indenture”) among, *inter alios*, Picard Bondco, Deutsche Trustee Company Limited, as the trustee (in such capacity, the “Senior Notes Trustee”) and Deutsche Bank AG, London Branch, as the security agent (in such capacity, the “Senior Notes Security Agent”). As of March 31, 2025, there were €310,000,000 aggregate principal amount of Senior Notes outstanding.

### ***Ranking***

The Senior Notes are general senior obligations of Picard Bondco and are *pari passu* in right of payment to any future Indebtedness (as defined in the Senior Notes Indenture) of Picard Bondco that is not subordinated in right of payment to the Senior Notes, including its guarantee of the Senior Secured Notes and the Super-Senior Revolving Credit Facility. The Senior Notes are guaranteed on a subordinated basis by the Senior Notes Guarantors and secured by the Senior Notes Collateral (as described below) on a junior-ranking basis pursuant to the Intercreditor Agreement. In addition, the Senior Notes are structurally subordinated to all obligations of Picard Bondco’s Subsidiaries that are not Senior Notes Guarantors.

### ***Interest Rates, Payment Dates and Maturity***

Until June 15, 2024, the Senior Notes bore interest at a rate of 5.375% per annum. From and including the interest period commencing on June 15, 2024, the interest rate payable on the Senior Notes is 5.500% per annum, as Picard Bondco was unable to attain the 2023 CO<sub>2</sub> Sustainability Performance Target.

Interest on the Senior Notes is payable semi-annually in arrear on June 15 and December 15 of each year. The Senior Notes will mature on July 1, 2027.

## *Guarantees*

The Senior Notes are guaranteed by the Senior Notes Guarantors. The Senior Notes Guarantee (as defined in the Senior Notes Indenture) of each Senior Notes Guarantor is a general subordinated obligation of that Senior Notes Guarantor and is secured by the Senior Notes Collateral on a junior-ranking basis pursuant to the Intercreditor Agreement. Each such Senior Notes Guarantee is subordinated in right of payment to all existing and future senior debt of that Senior Notes Guarantor, including without limitation, the obligations under the Senior Secured Notes, the Senior Secured Notes Indenture and the Super-Senior Revolving Credit Facility. In addition, the Senior Notes Guarantee of each Senior Notes Guarantor is *pari passu* in right of payment to any future subordinated indebtedness of that Senior Notes Guarantor.

## *Security*

The Senior Notes and the related guarantees are secured by the Senior Notes Collateral on a junior-ranking basis pursuant to the Intercreditor Agreement. The Senior Notes Collateral also secures the obligations under the Senior Secured Notes, the Super-Senior Revolving Credit Facility and certain Hedging Obligations on a first-ranking basis pursuant to the Intercreditor Agreement.

The Senior Notes and/or the Senior Notes Guarantees are secured by:

1. Pledges over the following assets of Picard Bondco: the bank accounts in Luxembourg, the receivables under an intercompany loan by Picard Bondco and the ordinary shares of Lux Midco;
2. Pledges over the following assets of Lux Midco: the bank accounts in Luxembourg, the receivables under an intercompany loan by Lux Midco, the ordinary shares of Lion/Polaris Lux 4, one ordinary share of Picard Groupe and two ordinary shares of Lion Polaris II;
3. Pledges over the following assets of Lion/Polaris Lux 4: the bank accounts in Luxembourg, the receivables under two intercompany loans by Lion/Polaris Lux 4, one ordinary share of Picard Groupe and the ordinary shares of Lion Polaris II.

## *Optional Redemption and Change of Control*

Picard Bondco may on any one or more occasions redeem all or a part of the Senior Notes upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Senior Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on January 1, 2025 of the years indicated below, subject to the rights of holders of Senior Notes on the relevant record date to receive interest on the relevant interest payment date:

<b>Year</b>	<b>Redemption Price</b>
2025.....	101.37500%
2026 and thereafter.....	100.00000%

Picard Bondco or its affiliates may repurchase Senior Notes at any time and from time to time in the open market, in privately negotiated transactions, pursuant to one or more tender or exchange offers or otherwise, upon such terms and with such consideration as Picard Bondco or any such affiliate may determine.

In connection with certain tender offers or offers to purchase all of the Senior Notes (including with respect to a Change of Control Offer), in the event that holders of not less than 90% of the aggregate principal amount of the then outstanding Senior Notes validly tender and do not validly withdraw such Senior Notes in such tender offer or offer to purchase Picard Bondco will have the right to redeem all (but not less than all) the Senior Notes that remain outstanding following such purchase at a redemption price equal to the highest price (excluding any early tender premium or similar payment and accrued and unpaid interest) paid to each other holder in such tender offer or offer to purchase, plus accrued and unpaid interest, if any, thereon, to, but excluding, the date of such redemption (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date).



Upon the occurrence of certain change of control events, each holder of Senior Notes will have the right to require Picard Bondco to repurchase all or a portion of that holder's Senior Notes at a purchase price equal to 101% of the aggregate principal amount of Senior Notes repurchased, plus accrued and unpaid interest and certain additional amounts, if any, on the Senior Notes repurchased to the date of purchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date). The occurrence of certain events that might otherwise constitute a change of control under the Senior Notes Indenture will be deemed not to be a change of control and will not require Picard Bondco to make a change of control offer, provided that upon consummation thereof, a certain specified consolidated leverage ratio of Picard Bondco and its restricted subsidiaries is met.

In addition, in the event that Picard Bondco or any Senior Notes Guarantor becomes obligated to pay Additional Amounts (as defined in the Senior Notes Indenture) to holders of the Senior Notes as a result of certain changes affecting taxes applicable to payments on the Senior Notes, it may redeem the Senior Notes in whole but not in part at any time at 100% of the principal amount of the Senior Notes plus accrued and unpaid interest to the redemption date.

### *Covenants*

The Senior Notes Indenture contains covenants that, among other things, limit our ability and the ability of our subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- layer debt;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to Picard Bondco;
- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis;
- impair the security interests for the benefit of the holders of the Senior Notes; and
- amend certain documents.

These covenants are subject to a number of important limitations and exceptions. Currently, all of Picard Bondco's subsidiaries are Restricted Subsidiaries (as defined in the Senior Notes Indenture).

### *Events of Default*

The Senior Notes Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the Senior Notes, certain failures to perform or observe any other obligation under the Senior Notes Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of Picard Bondco or any Restricted Subsidiaries that constitute individually, or taken together as a group would constitute, a Significant Subsidiary (as defined in the Senior Notes Indenture). The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the Senior Notes.

## Picard Groupe S.A.S. Fixed Rate Senior Secured Notes due 2029

### *Overview*

On July 3, 2024, Picard Groupe S.A.S. issued €650,000,000 aggregate principal amount of 6.375% Senior Secured Notes due 2029 (the “Fixed Rate SSNs”) under an indenture dated July 3, 2024 (the “Fixed Rate SSN Indenture”) among, the Fixed Rate SSN Issuer, the Floating Rate SSN Issuer, Picard Bondco and the other guarantors party thereto, HSBC Bank USA, National Association, as the trustee (in such capacity, the “Fixed Rate SSN Trustee”) and Deutsche Bank AG, London Branch, as the security agent (in such capacity, the “Senior Secured Notes Security Agent”). As of March 31, 2025, there were €650,000,000 aggregate principal amount of Fixed Rate SSNs outstanding.

### *Ranking*

The Fixed Rate SSNs are general senior obligations of the Fixed Rate SSN Issuer and are *pari passu* in right of payment to any future Indebtedness (as defined in the Fixed Rate SSN Indenture) of the Fixed Rate SSN Issuer that is not subordinated in right of payment to the Fixed Rate SSNs, including its guarantee of the Floating Rate SSNs and the Super-Senior Revolving Credit Facility. The Fixed Rate SSNs are guaranteed on a senior basis by Lux Midco, Lion/Polaris Lux 4, Lion Polaris II and Picard Bondco (the “Fixed Rate SSN Guarantors”) and secured by the Senior Secured Notes Collateral (as described below) on a senior-ranking basis pursuant to the Intercreditor Agreement. In addition, the Fixed Rate SSNs are structurally subordinated to all obligations of the Fixed Rate SSN Issuer’s Subsidiaries that are not Fixed Rate SSNs Guarantors.

### *Interest Rate, Payment Dates and Maturity*

The Fixed Rate SSNs bear interest at a rate of 6.375% per annum. From and including the interest period commencing on June 15, 2024, the interest rate payable on the Fixed Rate SSNs is 4.000% per annum, as Picard Bondco was unable to attain the CO<sub>2</sub> Sustainability Performance Target.

Interest on the Fixed Rate SSNs is payable semi-annually in arrear on July 1 and January 1 of each year. The Fixed Rate SSNs will mature on July 1, 2029.

### *Guarantees*

The Fixed Rate SSNs are guaranteed by the Fixed Rate SSN Guarantors. The guarantee of each Fixed Rate SSN Guarantor is a general senior obligation of that Fixed Rate SSN Guarantor and is secured by the Senior Secured Notes Collateral on a senior-ranking basis pursuant to the Intercreditor Agreement. Each such Fixed Rate SSN Guarantee ranks *pari passu* in right of payment to all existing and future senior debt of that Fixed Rate SSN Guarantor, including without limitation, the obligations under the Fixed Rate SSNs, the Fixed Rate SSN Indenture and the Super-Senior Revolving Credit Facility and, in the case of the guarantee of the Fixed Rate SSNs by Picard Bondco, the Senior Notes and the Senior Notes Indenture. In addition, the Fixed Rate SSN Guarantee of each Fixed Rate SSN Guarantor is senior in right of payment to any future subordinated indebtedness of that Fixed Rate SSN Guarantor, including without limitation, in the case of the guarantees of the Fixed Rate SSNs by each of Lux Midco and the Floating Rate SSN Issuer, its guarantee of the Senior Notes.

### *Security*

The Fixed Rate SSNs and the related guarantees are secured by the Senior Secured Notes Collateral on a senior-ranking basis pursuant to the Intercreditor Agreement. The Senior Secured Notes Collateral also secures (i) the obligations under the Floating Rate SSNs, the Super-Senior Revolving Credit Facility and certain Hedging Obligations and/or related guarantees on a *pari passu* basis pursuant to the Intercreditor Agreement and (ii) in the case of the Senior Secured Notes Collateral owned by Picard Bondco, Lux Midco and the Floating Rate SSN Issuer, the obligations under the Senior Notes and/or the related guarantee on a junior-ranking basis pursuant to the Intercreditor Agreement.

The Fixed Rate SSNs and/or the Guarantees are secured by:

1. Pledges over the following assets of Picard Bondco: certain bank accounts in Luxembourg, the receivables under an intercompany loan by Picard Bondco and the ordinary shares of Lux Midco.
2. Pledges over the following assets of Lux Midco: certain bank accounts in Luxembourg, the receivables under an intercompany loan by Lux Midco, the ordinary shares of Picard Bondco, one ordinary share of Picard Groupe and two ordinary shares of Lion Polaris II.
3. Pledges over the following assets of Lion/Polaris Lux 4: certain bank accounts in Luxembourg, the receivables under two intercompany loans by the Lion/Polaris Lux 4, one ordinary share of Picard Groupe and the ordinary shares of Lion Polaris II.
4. Pledges over the following assets of Lion Polaris II: certain bank accounts in France, the receivables under an intercompany loan by Lion Polaris II and the ordinary shares of Picard Groupe.
5. Pledges over the following assets of Picard Groupe: certain bank accounts in France, the receivables under an intercompany loan by Picard Groupe, the ordinary shares of Picard Surgelés and the ordinary shares of Picard International S.A.S.

#### *Optional Redemption and Change of Control*

Until June 30, 2026, the Fixed Rate SSN Issuer may on any one or more occasions redeem all or a part of the Fixed Rate SSNs upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount redeemed, plus the Applicable Premium (as defined in the Fixed Rate SSN Indenture) as of, and accrued and unpaid interest and Additional Amounts (as defined in the Fixed Rate SSN Indenture), if any, on the Fixed Rate SSNs redeemed, to the applicable date of redemption, subject to the rights of holders of Fixed Rate SSNs on the relevant record date to receive interest on the relevant interest payment date.

Until June 30, 2026, the Fixed Rate SSN Issuer may on any one or more occasions redeem up to 40% of the original aggregate principal amount of the Fixed Rate SSNs (including the aggregate principal amount of any additional Fixed Rate SSNs), 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 (as defined in the Fixed Rate SSN Indenture) at a redemption price of 106.375% 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); provided that:

- (1) at least 50% of the original aggregate principal amount of the Fixed Rate SSNs (including the aggregate principal amount of any additional Fixed Rate SSNs) remains outstanding after each such redemption; and
- (2) the redemption occurs within 180 days after the closing of such Equity Offering.

Any redemption notice given in respect of the redemption referred to in the preceding paragraph may be given prior to completion of the related Equity Offering.

On or after July 1, 2026, the Fixed Rate SSN Issuer may on any one or more occasions redeem all or a part of the Fixed Rate SSNs upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts (as defined in the Fixed Rate SSN Indenture), if any, on the Fixed Rate SSNs redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on July 1 of the years indicated below, subject to the rights of holders of Fixed Rate SSNs on the relevant record date to receive interest on the relevant interest payment date:

<b>Year</b>	<b>Redemption Price</b>
2026.....	103.18750%
2027.....	101.59375%
2028 and thereafter.....	100.00000%

The Fixed Rate SSN Issuer or its affiliates may repurchase Fixed Rate SSNs at any time and from time to time in the open market, in privately negotiated transactions, pursuant to one or more tender or exchange offers or otherwise, upon such terms and with such consideration as the Fixed Rate SSN Issuer or any such affiliate may determine.

In connection with certain tender offers or offers to purchase all of the Fixed Rate SSNs (including with respect to a Change of Control Offer), in the event that holders of not less than 90% of the aggregate principal amount of the then outstanding Fixed Rate SSNs validly tender and do not validly withdraw such Fixed Rate SSNs in such tender offer or offer to purchase, the Fixed Rate SSN Issuer will have the right to redeem all (but not less than all) the Fixed Rate SSNs that remain outstanding following such purchase at a redemption price equal to the highest price (excluding any early tender premium or similar payment and accrued and unpaid interest) paid to each other holder in such tender offer or offer to purchase, plus accrued and unpaid interest, if any, thereon, to, but excluding, the date of such redemption (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date).

Upon the occurrence of certain change of control events, each holder of Fixed Rate SSNs will have the right to require the Fixed Rate SSN Issuer to repurchase all or any part portion of that holder's Fixed Rate SSNs at a purchase price equal to 101% of the aggregate principal amount of Fixed Rate SSNs repurchased, plus accrued and unpaid interest and certain additional amounts, if any, on the Fixed Rate SSNs repurchased to the date of purchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date). The occurrence of certain events that might otherwise constitute a change of control under the Fixed Rate SSN Indenture will be deemed not to be a change of control and will not require the Fixed Rate SSN Issuer to make a change of control offer, provided that upon consummation thereof, a certain specified consolidated leverage ratio of the Fixed Rate SSN Issuer and its restricted subsidiaries is met.

In addition, in the event that the Fixed Rate SSN Issuer or any Fixed Rate SSN Guarantor becomes obligated to pay Additional Amounts to holders of the Fixed Rate SSNs as a result of certain changes affecting taxes applicable to payments on the Fixed Rate SSNs, it may redeem the Fixed Rate SSNs in whole but not in part at any time at 100% of the principal amount of the Fixed Rate SSNs plus accrued and unpaid interest to the redemption date.

#### *Covenants*

The Fixed Rate SSN Indenture contains covenants that, among other things, limit our ability and the ability of our subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to Picard Bondco;
- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis;
- impair the security interests for the benefit of the holders of the Fixed Rate SSNs; and

- amend certain documents.

These covenants are subject to a number of important limitations and exceptions. Currently, all of the Fixed Rate SSN Issuer's subsidiaries are Restricted Subsidiaries (as defined in the Fixed Rate SSN Indenture).

### *Events of Default*

The Fixed Rate SSN Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the Fixed Rate SSNs, certain failures to perform or observe any other obligation under the Fixed Rate SSN Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of the Fixed Rate SSN Issuer or any Restricted Subsidiaries that constitute individually, or taken together as a group would constitute, a Significant Subsidiary (as defined in the Fixed Rate SSN Indenture). The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the Fixed Rate SSNs.

## **Lion/Polaris Lux 4 S.A. Floating Rate Senior Secured Notes due 2026**

### *Overview*

On July 3, 2024, Lion/Polaris Lux 4 S.A. issued €575,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2029 under an indenture dated July 3, 2024 (the "Floating Rate SSN Indenture") among the Floating Rate SSN Issuer, the Fixed Rate SSN Issuer, Picard Bondco and the other guarantors party thereto, HSBC Bank USA, National Association, as the trustee (in such capacity, the "Floating Rate SSN Trustee") and Deutsche Bank AG, London Branch, as the security agent (in such capacity, the "Security Agent"). On November 6, 2024, the Floating Rate SSN Issuer issued an additional €200,000,000 aggregate principal amount of Floating Rate Senior Secured Notes (together with the initial €575,000,000 aggregate principal amount of Floating Rate Senior Secured Notes, the "Floating Rate SSNs") pursuant to a supplemental indenture dated as of November 6, 2024. As of March 31, 2025, there were €775,000,000 aggregate principal amount of Floating Rate SSNs outstanding.

### *Ranking*

The Floating Rate SSNs are general senior obligations of the Floating Rate SSN Issuer and are *pari passu* in right of payment to any future Indebtedness (as defined in the Floating Rate SSN Indenture) of the Floating Rate SSN Issuer that is not subordinated in right of payment to the Floating Rate SSNs, including its guarantee of the Fixed Rate SSNs and the Super-Senior Revolving Credit Facility. The Floating Rate SSNs are guaranteed on a senior basis by Lux Midco, Picard Groupe, Lion Polaris II and Picard Bondco (the "Floating Rate SSN Guarantors") and secured by the Senior Secured Notes Collateral (as described below) on a senior-ranking basis pursuant to the Intercreditor Agreement. In addition, the Floating Rate SSNs are structurally subordinated to all obligations of the Floating Rate SSN Issuer's Subsidiaries that are not Floating Rate SSNs Guarantors.

### *Interest Rate, Payment Dates and Maturity*

The Floating Rate SSNs bear interest at a rate per annum, reset quarterly, equal to (i) the greater of (x) three-month EURIBOR and (y) zero, *plus* (ii) 3.625% per annum.

Interest on the Floating Rate SSNs is payable quarterly in arrear on October 1, January 1, April 1 and July 1 of each year. The Floating Rate SSNs will mature on July 1, 2029.

### *Guarantees*

The Floating Rate SSNs are guaranteed by the Floating Rate SSN Guarantors. The guarantee of each Floating Rate SSN Guarantor is a general senior obligation of that Floating Rate SSN Guarantor and is secured by the Senior Secured Notes Collateral on a senior-ranking basis pursuant to the Intercreditor Agreement. Each such Floating Rate SSN Guarantee ranks *pari passu* in right of payment to all existing and future senior debt of that Floating Rate SSN Guarantor, including without limitation, the obligations under the Fixed Rate SSNs, the Fixed Rate SSN Indenture and the Super-Senior Revolving Credit Facility and, in the case of the guarantee of the Floating Rate SSNs by Picard Bondco, the Senior Notes and the Senior Notes Indenture. In addition, the Floating Rate SSN Guarantee of each

Floating Rate SSN Guarantor is senior in right of payment to any future subordinated indebtedness of that Floating Rate SSN Guarantor, including without limitation, in the case of the guarantees of the Floating Rate SSNs by each of Lux Midco and the Floating Rate SSN Issuer, its guarantee of the Senior Notes.

### *Security*

The Floating Rate SSNs and the related guarantees are secured by the Senior Secured Notes Collateral on a senior-ranking basis pursuant to the Intercreditor Agreement. The Senior Secured Notes Collateral also secures (i) the obligations under the Fixed Rate SSNs, the Super-Senior Revolving Credit Facility and certain Hedging Obligations and/or related guarantees on a *pari passu* basis pursuant to the Intercreditor Agreement and (ii) in the case of the Senior Secured Notes Collateral owned by Picard Bondco, Lux Midco and the Floating Rate SSN Issuer, the obligations under the Senior Notes and/or the related guarantee on a junior-ranking basis pursuant to the Intercreditor Agreement.

The Floating Rate SSNs and/or the Guarantees are secured by:

Pledges over the following assets of Picard Bondco: the bank accounts in Luxembourg, the receivables under an intercompany loan by Picard Bondco and the ordinary shares of Lux Midco.

1. Pledges over the following assets of Lux Midco: certain bank accounts in Luxembourg, the receivables under an intercompany loan by Lux Midco, the ordinary shares of Picard Bondco, one ordinary share of Lion/Polaris Lux 4 and two ordinary shares of Lion Polaris II.
2. Pledges over the following assets of Lion/Polaris Lux 4: certain bank accounts in Luxembourg, the receivables under two intercompany loans by Lion/Polaris Lux 4, one ordinary share of Picard Groupe and the ordinary shares of Lion Polaris II.
3. Pledges over the following assets of Lion Polaris II: certain bank accounts in France, the receivables under an intercompany loan by Lion Polaris II and the ordinary shares of Picard Groupe.
4. Pledges over the following assets of Picard Groupe: certain bank accounts in France, the receivables under an intercompany loan by Picard Groupe, the ordinary shares of Picard Surgelés and the ordinary shares of Picard International S.A.S.

### *Optional Redemption and Change of Control*

From July 1, 2025, the Floating Rate SSN Issuer may on any one or more occasions redeem all or a part of the Floating Rate SSNs upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts (as defined in the Floating Rate SSN Indenture), if any, on the Floating Rate SSNs redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on July 1 of the years indicated below, subject to the rights of holders of Floating Rate SSNs on the relevant record date to receive interest on the relevant interest payment date:

<b>Year</b>	<b>Redemption Price</b>
2025.....	101.000000%
2026 and thereafter.....	100.000000%

The Floating Rate SSN Issuer or its affiliates may repurchase Floating Rate SSNs at any time and from time to time in the open market, in privately negotiated transactions, pursuant to one or more tender or exchange offers or otherwise, upon such terms and with such consideration as the Floating Rate SSN Issuer or any such affiliate may determine.

In connection with certain tender offers or offers to purchase all of the Floating Rate SSNs (including with respect to a Change of Control Offer), in the event that holders of not less than 90% of the aggregate principal amount of the then outstanding Floating Rate SSNs validly tender and do not validly withdraw such Floating Rate SSNs in such tender offer or offer to purchase, the Floating Rate SSN Issuer will have the right to redeem all (but not less than

all) the Floating Rate SSNs that remain outstanding following such purchase at a redemption price equal to the highest price (excluding any early tender premium or similar payment and accrued and unpaid interest) paid to each other holder in such tender offer or offer to purchase, plus accrued and unpaid interest, if any, thereon, to, but excluding, the date of such redemption (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date).

Upon the occurrence of certain change of control events, each holder of Floating Rate SSNs will have the right to require the Floating Rate SSN Issuer to repurchase all or a portion of that holder's Floating Rate SSNs at a purchase price equal to 101% of the aggregate principal amount of Floating Rate SSNs repurchased, plus accrued and unpaid interest and certain additional amounts, if any, on the Floating Rate SSNs repurchased to the date of purchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date). The occurrence of certain events that might otherwise constitute a change of control under the Floating Rate SSN Indenture will be deemed not to be a change of control and will not require the Floating Rate SSN Issuer to make a change of control offer, provided that upon consummation thereof, a certain specified consolidated leverage ratio of the Floating Rate SSN Issuer and its restricted subsidiaries is met.

In addition, in the event that the Floating Rate SSN Issuer or any Floating Rate SSN Guarantor becomes obligated to pay Additional Amounts to holders of the Floating Rate SSNs as a result of certain changes affecting taxes applicable to payments on the Floating Rate SSNs, it may redeem the Floating Rate SSNs in whole but not in part at any time at 100% of the principal amount of the Floating Rate SSNs plus accrued and unpaid interest to the redemption date.

#### *Covenants*

The Floating Rate SSN Indenture contains covenants that, among other things, limit our ability and the ability of our subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to Picard Bondco;
- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis;
- impair the security interests for the benefit of the holders of the Floating Rate SSNs; and
- amend certain documents.

These covenants are subject to a number of important limitations and exceptions. Currently, all of the Floating Rate SSN Issuer's subsidiaries are Restricted Subsidiaries (as defined in the Floating Rate SSN Indenture).

### *Events of Default*

The Floating Rate SSN Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the Floating Rate SSNs, certain failures to perform or observe any other obligation under the Floating Rate SSN Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of the Floating Rate SSN Issuer or any Restricted Subsidiaries that constitute individually, or taken together as a group would constitute, a Significant Subsidiary (as defined in the Floating Rate SSN Indenture). The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the Floating Rate SSNs.

### **Hedging Activities**

From time to time, we enter into hedging transactions and use derivative financial instruments, pursuant to established internal guidelines and policies. As of March 31, 2025, our exposure to changes in future interest payments is hedged by Caps that were entered into on March 6, 2025 and March 21, 2025. The Caps cover €200 million and €100 million in aggregate principal amount, up to a EURIBOR Spread of 2% (with respect to €100 million in aggregate principal amount) and 2.5% (with respect to €200 million in aggregate principal amount), respectively. They are valid through January 3, 2028.

### **Rollover Finance Leases**

As of March 31, 2025, we operated one store in France under a financial lease.





## **Picard Bondco**

**Consolidated Financial Statements**  
As at and for the year ended March 31, 2025

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## **Audit report**

To the Shareholder of  
**Picard Bondco**

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## **Report on the audit of the consolidated financial statements**

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### **Our opinion**

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Picard Bondco (the “Company”) and its subsidiaries (the “Group”) as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

### *What we have audited*

The Group’s consolidated financial statements comprise:

- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 March 2025;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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### **Basis for opinion**

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

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

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

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### **Other information**

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

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

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

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**Responsibilities of the Board of Directors for the consolidated financial statements**

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

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

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**Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements**

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities and business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

## **Report on other legal and regulatory requirements**

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

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 26 June 2025

Guillaume Kuhn

## Consolidated Income Statement

<i>In thousands of €</i>		March 31, 2025	March 31, 2024
	Notes		
Sales of goods	6	1 823 361	1 802 048
Cost of goods sold		(1 018 259)	(1 012 301)
<b>Gross profit</b>		<b>805 102</b>	<b>789 747</b>
Other operating income	7.1	10 311	8 534
Other purchases and external expenses	10.2	(245 037)	(263 239)
Taxes		(21 370)	(20 919)
Personnel expenses	7.3	(239 785)	(225 125)
Depreciation and amortization	10.3	(115 875)	(110 724)
Other operating expenses	7.2	(2 778)	(3 151)
<b>Operating profit</b>		<b>190 568</b>	<b>175 124</b>
Finance costs	7.4	(141 477)	(114 026)
Finance income	7.4	18 100	14 682
Share of result in an associate	8	(6 061)	1 117
<b>Income before tax</b>		<b>61 130</b>	<b>76 896</b>
Income tax expense	9	(29 480)	(29 444)
<b>Net income</b>		<b>31 651</b>	<b>47 452</b>
Attributable to:			
Equity holders of the parent		31 651	47 452
Non-controlling interests		-	-
Earnings per share:			
Basic earnings per share ( <i>in euros</i> )	20	11,98	17,96
Fully diluted earnings per share ( <i>in euros</i> )	20	11,98	17,96

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

## Consolidated Statement of Comprehensive Income

<i>In thousands of €</i>		March 31, 2025	March 31, 2024
	Notes		
<b>Net income</b>		<b>31 651</b>	<b>47 452</b>
<b>Items to be reclassified to profit and loss:</b>			
Net gain on cash flow hedges	13.4	111	-
		111	-
<b>Items not to be reclassified to profit and loss:</b>			
Actuarial gains of the period	22	784	58
Income tax		(203)	(15)
		582	43
<i>Other comprehensive income for the period, net of tax</i>		<i>693</i>	<i>43</i>
<b>Comprehensive income</b>		<b>32 343</b>	<b>47 495</b>
Attributable to:			
Equity holders of the parent		32 343	47 495
Non-controlling interests		-	-

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



## Consolidated Statement of Financial Position

<i>In thousands of €</i>	Notes	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>			
Goodwill	14	815 170	815 170
Property, plant and equipment	12	245 453	240 487
Right-of-use assets	10.1	471 413	456 686
Other intangible assets	11	804 877	804 898
Investment in an associate	8	-	6 061
Other non-current financial assets	13.1	204 706	24 009
<b>Total non-current assets</b>		<b>2 541 619</b>	<b>2 347 311</b>
Inventories	15	110 806	110 535
Trade and other receivables	16	54 702	55 099
Income tax receivable		4 423	6 045
Current financial assets	13.1	66	64
Cash and cash equivalents	17	176 636	311 117
<b>Total current assets</b>		<b>346 633</b>	<b>482 859</b>
<b>Total assets</b>		<b>2 888 253</b>	<b>2 830 171</b>
<b>Equity and liabilities</b>			
Issued capital	18	2 642	2 642
Share premium	18	97	97
Other comprehensive income		2 914	2 221
Retained earnings		149 899	101 924
Net income of the period		31 651	47 452
<b>Equity attributable to equity holders of the parent</b>		<b>187 203</b>	<b>154 336</b>
Non-controlling interests		-	-
<b>Total equity</b>		<b>187 203</b>	<b>154 336</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	13.2	1 709 662	1 698 717
Other non-current financial liabilities	13.3	376 523	361 182
Provisions	21	13 189	11 704
Employee benefit liability	22	10 826	10 140
Deferred tax liability	9	216 636	218 268
<b>Total non-current liabilities</b>		<b>2 326 837</b>	<b>2 300 011</b>
<b>Current liabilities</b>			
Trade and other payables	23	295 754	300 445
Income tax payable		427	433
Interest-bearing loans and borrowings	13.2	15 409	15 670
Other current financial liabilities	13.3	62 625	59 277
<b>Total current liabilities</b>		<b>374 215</b>	<b>375 824</b>
<b>Total liabilities</b>		<b>2 701 051</b>	<b>2 675 835</b>
<b>Total equity and liabilities</b>		<b>2 888 253</b>	<b>2 830 171</b>

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

## Consolidated Statement of Changes in Equity

<i>In thousands of €</i>	Issued capital	Share premium	Cash flow hedge reserve	Actuarial gain / (losses)	Total other comprehensive income	Retained earnings	Net income	Equity attributable to owners of the parent	Total Equity
<b>As at April 1, 2023</b>	<b>2 642</b>	<b>97</b>	-	<b>2 178</b>	<b>2 178</b>	<b>34 987</b>	<b>66 936</b>	<b>106 841</b>	<b>106 840</b>
Net income attribution	-	-	-	-	-	66 936	(66 936)	-	-
Net income for the period	-	-	-	-	-	-	47 452	47 452	47 452
Other comprehensive income	-	-	-	43	43	-	-	43	43
<b>Total comprehensive income</b>	-	-	-	<b>43</b>	<b>43</b>	-	<b>47 452</b>	<b>47 495</b>	<b>47 495</b>
<b>As at March 31, 2024</b>	<b>2 642</b>	<b>97</b>	-	<b>2 221</b>	<b>2 221</b>	<b>101 924</b>	<b>47 452</b>	<b>154 336</b>	<b>154 336</b>
Net income attribution	-	-	-	-	-	47 452	(47 452)	-	-
Net income for the period	-	-	-	-	-	-	31 651	31 651	31 651
Other comprehensive income	-	-	111	582	693	-	-	693	693
<b>Total comprehensive income</b>	-	-	<b>111</b>	<b>582</b>	<b>693</b>	-	<b>31 651</b>	<b>32 343</b>	<b>32 343</b>
Other (Share Based Payment)	-	-	-	-	-	524	-	524	524
<b>As at March 31, 2025</b>	<b>2 642</b>	<b>97</b>	<b>111</b>	<b>2 802</b>	<b>2 914</b>	<b>149 899</b>	<b>31 651</b>	<b>187 203</b>	<b>187 203</b>

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

## Consolidated Statement of Cash Flows

<i>In thousands of €</i>		March 31, 2025	March 31, 2024
	Notes		
<b>Operating activities</b>			
Operating profit		190 568	175 124
Depreciation and impairment of property, plant and equipment		103 384	99 887
Amortization and impairment of intangible assets		12 491	11 012
Other non-cash operating items		1 149	938
Income tax paid		(27 553)	(33 145)
<i>Operating cash flows before change in working capital requirements</i>		<i>280 039</i>	<i>253 815</i>
Change in inventories		(271)	6 877
Change in trade and other receivables and prepayments		397	2 709
Change in trade and other payables		(1 792)	(12 136)
<b>Net cash flows from operating activities, total</b>		<b>278 372</b>	<b>251 265</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment		161	740
Purchase of property, plant and equipment		(38 717)	(47 843)
Purchase of intangible assets		(11 631)	(13 475)
Purchase of financial instruments		(492)	(8 341)
Proceeds from sale of financial instruments		66	261
<b>Net cash used in investing activities</b>		<b>(50 612)</b>	<b>(68 658)</b>
<b>Financing activities</b>			
Proceeds from borrowings		1 425 000	-
Repayment of borrowings		(1 400 000)	-
Refinancing costs		(24 835)	-
Interest paid		(97 517)	(81 203)
Interest paid related to lease contracts		(13 792)	(9 001)
Payments related to lease contracts		(65 195)	(62 717)
Loans to related parties		(185 932)	-
<b>Net cash flows used in financing activities</b>		<b>(362 271)</b>	<b>(152 921)</b>
Net increase / decrease in cash and cash equivalents	17	(134 511)	29 686
Net cash at the beginning of the year	17	311 117	281 430
<b>Net cash</b>	<b>17</b>	<b>176 608</b>	<b>311 117</b>
<i>of which classified in continued operations</i>		<i>176 608</i>	<i>311 117</i>

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

# Notes to the Consolidated Financial Statements

## 1. Corporate information

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

The Company was incorporated for the purpose of acquiring Picard Groupe S.A.S., the leader in the frozen food production and distribution business in France. The acquisition was completed on October 14, 2010.

The Company and its subsidiaries (together the “Group”) operate in the frozen food production and distribution business, mainly in France. The Group’s financial year ends on March 31.

On June 24, 2025, the board of the Company approved the consolidated financial statements as of and for the year ended March 31, 2025, which will be submitted for approval to the Company’s shareholders within one month.

## 2. Accounting principles

### 2.1 Basis of preparation

The consolidated financial statements cover the financial year started on April 1, 2024 and ended on March 31, 2025. The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments). The consolidated financial statements are presented in euro and all values are rounded to the nearest thousand (€000) except where otherwise indicated.

### Going concern

The financial statements have been prepared on a going concern basis.

### Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and as adopted by the European Union and effective for financial years beginning on or after April 1, 2024.

IFRS as adopted by the European Union (“IFRS-EU”) can be viewed on the European Commission’s website ([http://ec.europa.eu/commission/index\\_en](http://ec.europa.eu/commission/index_en)).

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

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

- ▶ Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements (applicable according to the IASB in accounting periods beginning on or after January 1, 2024);
- ▶ Amendments to IFRS 16 Lease Liability in a Sale and Leaseback (applicable according to the IASB in accounting periods beginning on or after January 1, 2024);
- ▶ Amendments to IAS 1 Non-current Liabilities with Covenants (applicable according to the IASB in accounting periods beginning on or after January 1, 2024); and
- ▶ Amendments to IAS 1 Classification of Liabilities as Current or Non-current (applicable according to the IASB in accounting periods beginning on or after January 1, 2024).

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

#### ▶ IAS 12 International Tax Reform - Pillar Two Model Rules

On December 30, 2023, the 2024 Finance Bill transposed in the French tax code, the "Pillar 2" European directive 2022/2523 aiming at ensuring a minimum level of global taxation for groups of companies as part of the global anti-erosion rules of the tax base approved by the OECD in December 2021. Basically, these rules aim to ensure that, effective in 2024, multinational groups of companies support a minimum tax rate of 15% on their profits in each jurisdiction. The effective tax rate must be calculated, for each jurisdiction, by dividing the sum of the adjusted amounts of the covered taxes of the constituent entities located in that jurisdiction by their net qualified profit. In the event of insufficient taxation, a top-up tax, calculated based on the net qualified profit of the group in the jurisdiction reduced by a deduction based on substance, must be paid. Typically, this additional tax must be paid by the ultimate parent entity of the group in its country of residence. Alternatively, this tax must be collected, proportionally in the jurisdictions applying Pillar 2 rules in which the other constituent entities of the group are established. In addition, countries may decide to introduce a national additional tax to collect this additional tax themselves for the constituent entities established on their territory. The Finance Bill provides for some transitional safe harbor measures in accordance with OECD clarifications. These safe harbor measures establish a temporary presumption of no top up tax under Pillar 2 rules in jurisdictions considered to be low risk to allow for a gradual implementation and to avoid the complexity associated with calculations leading to the determination of minimum tax in states where the Group's presence is not significant or where the tax rate is higher than 15% or where the substance is significant.

There is no impact for Picard Bondco, as the Group operated in countries where income tax rate is over 15%.

### **2.1.2 New accounting standards and interpretations with effect in future periods**

No new or amended standards or interpretations were adopted for use in the European Union and available for early adoption.

The new or amended standards and interpretations not yet adopted by the European Union are as follows:

- ▶ Amendments to IAS 21 Lack of Exchangeability (applicable according to the IASB in accounting periods beginning on or after January 1, 2025);

- ▶ Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (applicable according to the IASB in accounting periods beginning on or after January 1, 2026);
- ▶ IFRS 18: Presentation and Disclosure in Financial Statements (applicable according to the IASB in accounting periods beginning on or after January 1, 2027);
- ▶ IFRS 19: Subsidiaries without Public Accountability: Disclosures (applicable according to the IASB in accounting periods beginning on or after January 1, 2027);
- ▶ Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity” (applicable according to the IASB in accounting periods beginning on or after January 1, 2026); and
- ▶ Annual Improvements Vol.11 (applicable according to the IASB in accounting periods beginning on or after January 1, 2026).

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

The potential impacts of climate change are taken into account in the Group’s strategic plan and risk management. In preparing these annual consolidated financial statements, the Group took these impacts into account. In view of the risks faced, no significant provision of this kind has been recognized in the financial statements. The Group believes that the long-term consequences of climate change are not yet measurable. The Group has defined several annual key performance indicators for corporate social responsibility (CSR), monitored and collected across the relevant operational divisions, notably focused on the improvement of our environmental performance. In order to achieve its ambitions, the Group has implemented a clear governance structure with responsibility to ensure the operations are aligned to the sustainability priorities.

## **2.2 Summary of significant accounting policies**

### **a. Foreign currency translation**

The consolidated financial statements are presented in euro (€), which is the Company’s functional and the Group’s presentation currency.

### **b. Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

For each business combination, the non-controlling interest in the acquired business is measured either at fair value or at the proportionate share of the acquired business’s identifiable net assets. Acquisition costs incurred are expensed and included in “Other operating expenses”.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquired business is remeasured to fair value at

the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, is recognized in accordance with IFRS 9 in profit or loss. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of (i) the consideration transferred and (ii) the fair value of non-controlling interest and the identifiable assets acquired net of liabilities assumed. If the consideration is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units or group of cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Under the definition of IAS 36, the Group identified cash-generating units, and group of cash-generating units, which are defined in Note 2.2. Summary of significant accounting policies.

### **c. Investment in associate**

The Group's investment in its associates is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the Group's share of the results of operations of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

The share of result of the associate is shown on the face of the income statement on the line "Share of result in an associate". This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the Company and using the same accounting policies. Where necessary, adjustments are made to bring the accounting policies of the associate in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If such is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement.

#### **d. Revenue recognition**

In accordance with IFRS 15, revenue is recognized under sales when the control of goods or services is transferred to the customer. The amount recognized corresponds to the consideration the entity expects to receive in exchange for the goods or services.

##### *Sale of goods*

The Group operates a chain of retail outlets for selling their products. Sales of goods are recognized when an entity sells a product to the customer. Retail sales are usually paid in cash or by credit card. Wholesale sales are recognized when the goods are delivered to the franchisee.

##### *Dividends*

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

##### *Loyalty program*

The Group operates a loyalty program that enables customers to obtain discounts or award credits on their future purchases. Customers can benefit from the award credits granted during each civil year until January 31 of the following civil year. Unused credits are reset after January 31. Award credits granted to customers under the loyalty program represent a performance obligation that is separately identifiable from the initial sales transaction. This performance obligation gives rise to the recognition of a contract liability included in Trade and other payables. The corresponding revenue is deferred until the award credits are used by the customer.

#### **e. Operating expenses & Other purchases and external expenses**

The Group benefits from certain tax credits generated by its activity. Such tax credits are deemed to be equivalent to grants related to income and are thus deducted from related expenses.

#### **f. Income taxes**

##### *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

For the years ended March 31, 2024, and March 31, 2025, the French tax Business Contribution on Added Value (CVAE) is shown and accounted for under the "Income tax expense" line.

##### *Deferred income tax*

Deferred taxes are determined using the liability method on temporary differences at the



reporting date between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except for specific conditions (initial recognition of an asset or liability in a transaction that is not a business combination that affects neither the accounting profit nor taxable profit or loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realized or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes relating to items recognized outside profit or loss are recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **g. Pensions and other post-employment benefits**

The Group operates one defined benefit pension scheme, as detailed in Note 22. Employee benefits. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses are recognized in other comprehensive income in the period in which they occur.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds, as explained in Note 22. Employee benefits).

The defined benefit expense is recognized through “Personnel expenses” (under pension costs) for the service cost component of the expense and through “Finance costs” (under interest costs of employee benefits) for the interest cost component.

#### **h. Share based payment**

In accordance with IFRS 2 – Share-based Payment (“IFRS 2”), an expense is recognized for share-based payments. This expense is spread over the vesting period, the period during which the beneficiaries acquire the rights and render services. The amount of this expense is determined as follows: (i) determination of the fair value of the shares at the grant date and (ii) application of any probability of turnover assumption.

The total expense corresponds to the fair value of the instruments measured at the grant date multiplied by the number of shares finally acquired by the beneficiary. The majority of the expense is recognized over a period of one year.

A free share plan was allocated to an employee on December 20, 2024, the “AGADP” plan. The allocated share “ADP A” will entitle the holder to a specific share in the event of a majority

sale of the Group's shares held by Imanes and ICG or upon the sale of all the shares held by ICG. This share is 1.5% of the net capital gain in case of an exit, above a certain threshold. This threshold is calculated from a reference value of the Group capitalized at an annual rate of 8.0%.

Without any cash implication for Picard Bondco, these instruments are defined as equity settled under IFRS 2, so the unit fair value is defined at the grant date and not updated. Only the departure of the beneficiary can modify the expense.

As an equity settled scheme, the expense (through the income statement) has to be recognized against equity, measured at the grant date and not thereafter, as the instruments will be settled in shares.

The results of the valuation are presented below:

<i>In thousands of€</i>	<b>Total expense of the AGADP</b>	<b>For the period ended March 31, 2025</b>
AGADP	2 951	706

## **i. Financial liabilities – initial recognition and subsequent measurement**

### ***Initial recognition and measurement***

The Group determines the classification of its financial liabilities at initial recognition. The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss. Financial liabilities within the scope of IFRS 9 – Financial Instruments are classified as loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft, loans and borrowings, and derivative financial instruments.

### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification as follows:

#### ***Loans and borrowings***

After initial recognition, interest bearing loans and borrowings are measured at amortized cost using the effective interest rate ("EIR") method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the EIR method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in "Finance costs" in the income statement.

#### ***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement through "Finance costs".

### ***Fair value of financial instruments***

The fair value of financial instruments that are traded in active markets is determined at each reporting date by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 13. Financial assets and financial liabilities.

## **j. Derivative financial instruments and hedge accounting**

### ***Initial recognition and subsequent measurement***

The Group uses interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, those derivatives that meet the criteria of hedge effectiveness are classified as cash flow hedges.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

### ***Fair value hedges***

The change in the fair value of a hedging derivative is recognized in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognized in the income statement.

For fair value hedges relating to items carried at amortized cost, the adjustment to carrying value is amortized through the income statement over the remaining term to maturity. Amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedge item is derecognized, the unamortized fair value is recognized immediately in the income statement. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the

hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the income statement.

#### *Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while any ineffective portion is recognized immediately in the income statement.

Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in equity remain in equity until the forecast transaction or firm commitment occurs.

For the effectiveness analysis of the Caps subscribed for by the Group, see note 13.4 *Hedging activities and derivatives*.

### **k. Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Land is not depreciated. Historical cost includes expenditures directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- |                                       |                |
|---------------------------------------|----------------|
| • Buildings and building improvements | 12 to 20 years |
| • Operating equipment                 | 5 to 10 years  |
| • Transportation equipment            | 4 years        |
| • Computers and hardware              | 3 to 5 years   |
| • Furniture                           | 10 years       |

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the line item “Other operating expenses”.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

## **I. Leases**

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

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

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

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

### **• Lease terms**

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

This estimated lease term corresponds to:

- the non-cancellable period subsequent to the valuation date; plus
- the period covered by a lessee's renewal option if such renewal is reasonably certain.

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

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

### **• Discount rate**

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

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

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

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

- **Leasehold rights**

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

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

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

### **m. Intangible assets**

#### *Trademarks*

Trademarks acquired through business combination are not amortized when their useful lives are deemed to be indefinite.

Trademarks which are not amortized are tested for impairment annually and upon each indication that they may be impaired.

The useful lives of trademarks have been defined according to their strategic market position (for instance, a strong international trademark will be deemed to have an indefinite useful life). As at March 31, 2025, the trademark recognized corresponds to the Picard brand which is deemed to have indefinite useful life.

#### *Software*

Software acquired by the Group is booked as an intangible asset at its original cost when definition of the intangible asset is met. It is depreciated following the straight-line method over a maximum period of 3 to 10 years.

Software developed by the Group for its internal use is recorded as an intangible asset at its

development cost and is depreciated following the straight-line method over a maximum period of 3 years.

#### **n. Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined under the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

An inventory impairment is recorded in the following cases:

- 50%: on products permanently deleted from the catalog but which are disposed of in the stores;
- 75%: on products whose inventory quantities are higher than the sales forecasts in the expected time-to-market (Group decision);
- 75%: on products likely to be impaired due to the regulations of sales period; and
- 100%: on unmarketable products definitively deleted from the catalog.

#### **o. Impairment of non-financial assets**

##### ***Cash-generating units (CGU)***

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The cash-generating unit is defined by management as the store level, with two main groups of cash-generating units, based on geographical implantation in:

- France, and
- Other.

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

##### ***Impairment analysis***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Such indication includes lower store profitability and changing market trends. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the groups of cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For the terminal value, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill and other indefinite useful life intangible assets (trademark), an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount.

### *Goodwill*

Goodwill is tested for impairment annually at year end and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit or group of cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Goodwill is totally related to France cash-generating unit.

### *Other intangible assets*

Other intangible assets with indefinite useful lives (including mainly brand and leasehold rights) are tested for impairment annually either individually or at the cash-generating unit or group of cash-generating units level, as appropriate and when circumstances indicate that the carrying value may be impaired. Brand is tested for impairment based on the Relief from Royalty method.

## **p. Cash and cash equivalents**

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at banks and on hand, short-term deposits and highly liquid securities with an original maturity of three months or less.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash, short-term deposits and highly liquid securities as defined above, net of outstanding



bank overdrafts.

#### **q. Provisions and Contingent Liabilities**

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

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

Amounts are discounted when the effect of time is significant.

Contingent liabilities are not recognized and consist of:

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

### **3. Significant accounting judgments, estimates and assumptions**

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

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Impairment of non-financial assets*

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model for Goodwill and the Relief from Royalty method for brands. The cash flows are derived from the budget. The recoverable amount is mostly sensitive to the

discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Further details about assumptions and sensitivity of valuations are disclosed in Note 14. Impairment test of goodwill and other intangible assets with indefinite useful lives.

#### *Employee benefits liabilities*

The cost of defined benefit pension plans and the present value of pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future withdrawal rates of employees. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds with high quality ratings, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on a publicly available mortality table. Future salary increases and expected turnover rates of employees are based on the expectation of management and on past practices over recent years.

Further details about the assumptions used are given in Note 22. Employee benefits.

#### *Deferred income tax*

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits.

The assessment of the Group's ability to utilize tax losses carried forward is to a large extent judgment-based. If the future taxable results of the Group are significantly different from those expected, the Group will be obliged to increase or decrease the carrying amount of deferred tax assets, with a potentially material impact on the Consolidated Statement of Financial Position and Consolidated Income Statement of the Group.

### **4. Financial risk management objectives and policies**

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to raise finances for the Group's operations. The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that result directly from its operations.

The Group is exposed to market risk, interest rate risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The board of directors of the Company reviews and agrees policies for managing each of these risks which are summarized below. It is the Group's policy that no trading in derivatives for speculative

purposes shall be undertaken.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings (including listed bonds), deposits, and derivative financial instruments. Substantially all of our revenues, expenses and obligations are denominated in euro. As a result, we are not subject to material market risk relating to exchange rate fluctuations.

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. To manage this risk effectively, we enter into hedging transactions and use derivative financial instruments, pursuant to established internal guidelines and policies. We do not enter into financial instruments for trading or speculative purposes. Below is presented the sensitivity to interest rate variation:

Year ended March 31, 2025	Sensitivity to +20bps change		Sensitivity to -20bps change	
	P&L Impact	OCI Impact	P&L Impact	OCI Impact
Interest rate cap	1 154	22	(1 154)	(22)
Floating rate debt	(1 550)	-	1 550	-
	<b>(396)</b>	<b>22</b>	<b>396</b>	<b>(22)</b>

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss for the Group.

Considering its activity, the Group is only exposed to limited credit risk from operating activities. Furthermore, the Group is not exposed to material credit risk from its financing activities (deposits with banks and financial institutions and other financial instruments) as investments of surplus funds are made only with approved counterparties.

The Group's policy to manage this risk is to place funds only with banks that have strong credit ratings.

### Liquidity risk

The Group monitors its exposure to a risk of shortage of funds using a recurring liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, and finance leases. 0.9% of the Group's interest-bearing loans and borrowings mature less than one year after March 31, 2025, based on the carrying value of borrowings reflected in the financial statements.

### *Maturity profile of the Group's financial liabilities*

The table below summarizes the maturity profile of the Group's financial liabilities:

<b>Year ended March 31, 2025</b>	<b>Less than one year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>over 5 years</b>	<b>Total</b>
Fixed rate borrowings	(58 100)	(455 720)	(661 074)	-	(1 174 894)
Obligations under finance lease	(18)	-	-	-	(18)
Floating rate borrowings	(55 496)	(166 487)	(788 874)	-	(1 010 856)
Other financial liabilities	(62 625)	(123 669)	(130 470)	(122 384)	(439 148)
Trade and other payables	(295 754)	-	-	-	(295 754)
Income tax payable	(427)	-	-	-	(427)
	<b>(472 419)</b>	<b>(745 875)</b>	<b>(1 580 418)</b>	<b>(122 384)</b>	<b>(2 921 097)</b>

*In thousands of €*

<b>Year ended March 31, 2024</b>	<b>Less than one year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>over 5 years</b>	<b>Total</b>
Fixed rate borrowings	(45 673)	(819 747)	(314 220)	-	(1 179 640)
Obligations under finance lease	(39)	(18)	-	-	(57)
Floating rate borrowings	(26 000)	(682 525)	-	-	(708 525)
Other financial liabilities	(59 277)	(117 493)	(123 844)	(119 845)	(420 458)
Trade and other payables	(300 445)	-	-	-	(300 445)
Income tax payable	(433)	-	-	-	(433)
	<b>(431 866)</b>	<b>(1 619 782)</b>	<b>(438 064)</b>	<b>(119 845)</b>	<b>(2 609 558)</b>

### *Maturity profile of the Group's projected contractual undiscounted cash-flows:*

The table below summarizes the maturity profile of the Group's projected contractual undiscounted cash-flows:

*In thousands of €*

<b>Year ended March 31, 2025</b>	<b>Less than one year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>over 5 years</b>	<b>Total</b>
Fixed rate borrowings	(58 488)	(419 160)	(712 156)	-	(1 189 804)
Floating rate borrowings	(46 777)	(93 681)	(833 439)	-	(973 896)
	<b>(105 264)</b>	<b>(512 842)</b>	<b>(1 545 595)</b>	<b>-</b>	<b>(2 163 701)</b>

## **5. Significant events of the financial year ended March 31, 2025**

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

Picard Groupe S.A.S. issued M€ 650 aggregate principal amount fixed rate senior secured notes due 2029 (the “2024 Fixed Rate Notes”) and Lion Polaris Lux 4 S.A. issued M€ 575 aggregate principal amount of floating rate senior secured notes due 2029 (the initial “2024 Floating Rate Notes”) and on November 6, 2024, Lion/Polaris Lux 4 S.A. issued M€ 200 aggregate principal amount of additional floating rate senior secured notes due 2029 (the “Additional 2024 Floating Rate Notes” and, together with the initial 2024 Floating Rate Notes, the “2024 Floating Rate Notes”). The gross proceeds from the sale of the 2024 Fixed Rate Notes and the 2024 Floating Rate Notes were used, together with cash on hand, to (i) redeem the outstanding 2021 Floating Rate SSNs (as defined below), including paying accrued and unpaid interest to the date of redemption, (ii) pay for the consideration to be paid in a concurrent cash tender offer (the “Tender Offer”) for the 2021 Fixed Rate SSNs (as defined below) and satisfy and discharge the 2021 Fixed Rate SSNs that were not tendered pursuant to the Tender Offer (the “Remaining 2021 Fixed Rate SSNs”) and (iii) pay all fees and expenses related to the transactions.

On September 30, 2024, the Picard Group announced that Invest Group Zouari (IGZ), which as of September 30, 2024 owned approximately 45.4% of the shares in the Picard Group, had entered into a put option agreement to purchase from Lion Capital its ownership interest of approximately 51.8% in the Picard Group. The transaction closed on December 20, 2024. IGZ therefore now controls the Picard Group. IGZ funded the transaction with a combination of fresh equity and loans from its shareholders and a c. M€ 120 vendor loan from Lion Capital, as well as a c. M€ 200 cash loan from the Picard Group, funded by the incurrence of the additional 2024 Floating Rate Notes. Picard Bondco is consolidated within the Imanes Group.

## **6. Operating geographical segment information**

For management purposes, the Group is organized into business units based on distribution networks. Following the development of the activity of the Group outside France, the Group has two reportable business units as follows:

- France; and
- Other.

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Business units performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to business units.

<i>In thousands of €</i>	March 31, 2025		
	France	Other	Total
Sales	1 786 252	37 109	1 823 361
Other operating income	10 098	213	10 311
Other operating expenses	(2 735)	(43)	(2 778)
<b>Operating profit before amortization</b>	<b>302 442</b>	<b>4 002</b>	<b>306 444</b>
Amortization for the year	(114 131)	(1 744)	(115 875)
<b>Operating profit</b>	<b>188 311</b>	<b>2 257</b>	<b>190 568</b>

<i>In thousands of €</i>	March 31, 2024		
	France	Other	Total
Sales	1 761 596	40 452	1 802 048
Other operating income	8 329	205	8 534
Other operating expenses	(2 554)	(597)	(3 151)
<b>Operating profit before amortization</b>	<b>280 794</b>	<b>5 053</b>	<b>285 847</b>
Amortization for the year	(109 040)	(1 684)	(110 724)
<b>Operating profit</b>	<b>171 754</b>	<b>3 369</b>	<b>175 124</b>

Total operating profit increased by M€ 15.4, from M€ 175.1 for the year ended March 31, 2024 to M€ 190.6 for the year ended March 31, 2025.

## 7. Other operating income/expenses

### 7.1. Other operating income

<i>In thousands of €</i>	March 31, 2025	March 31, 2024
Home Services shipping fees	1 471	1 542
Store rentals	1 719	1 073
Franchises	3 085	2 721
Other operating income	4 037	3 199
<b>Total other operating income</b>	<b>10 311</b>	<b>8 534</b>

### 7.2. Other operating expenses

<i>In thousands of €</i>	March 31, 2025	March 31, 2024
Royalties	(581)	(589)
Losses on bad debt	(1 015)	(820)
Other operating expenses	(1 182)	(1 743)
<b>Total other operating expenses</b>	<b>(2 778)</b>	<b>(3 151)</b>

### 7.3. Personnel expenses

<i>In thousands of €</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Wages and salaries	(160 319)	(149 788)
Social security costs	(44 702)	(40 611)
Pension costs	(1 097)	(657)
Employee profit sharing	(23 523)	(23 551)
Other employee benefit expenses	(10 144)	(10 518)
<b>Total personnel expenses</b>	<b>(239 785)</b>	<b>(225 125)</b>

Total personnel expenses increased by M€ 14.7, from M€ 225.1 for the year ended March 31, 2024 to M€ 239.8 for the year ended March 31, 2025.

### 7.4. Finance income and costs

<i>In thousands of €</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Interest expense	(121 122)	(100 278)
Net interest related to leases commitment	(13 757)	(10 402)
Interest costs of employee benefits	(374)	(357)
Foreign exchange losses	(17)	(9)
Financial expense on derivative instruments - Fair value	(5 769)	(2 559)
Other financial expenses	(438)	(421)
<b>Finance costs</b>	<b>(141 477)</b>	<b>(114 026)</b>
Income on loans and receivables	5 957	156
Income on short term investment	5 145	9 597
Other financial income on derivative instrument	4 418	4 894
Financial income on deposit	1 953	-
Other financial income	627	34
<b>Finance income</b>	<b>18 100</b>	<b>14 682</b>

Interest expense increased by M€ 20.8, from M€ 100.3 for the year ended March 31, 2024 to M€ 121.1 for the year ended March 31, 2025.

This increase includes one-off expenses of:

- M€ 8.7 relating to the update of the effective interest rate (amortizing 2021 issuance fees on a shorter period) following the refinancing of the M€ 650 of 2021 Floating Rate SSNs and the M€ 750 of 2021 Fixed Rate SSNs prior to their contractual maturity in 2026 (see note 13.2 *Interest-bearing loans and borrowings*); and
- M€ 4.7 of interest paid in order to satisfy and discharge the M€ 750 of 2021 Fixed Rate SSNs (see note 13.2 *Interest-bearing loans and borrowings*).

The K€ 13,757 net interest related to lease commitments for the year ended March 31, 2025 represents the financial interest calculated on lease liabilities recognized in accordance with IFRS 16.

The K€ 5,769 financial expense on derivative instruments for the year ended March 31, 2025 represents the change in fair value of the Caps entered into by the Group in December 2022 and March 2025 to hedge the Group's exposure to changes in future interest payment cash flows (see note 13.4 *Hedging activities and derivatives*).

The K€ 1,953 financial income on deposit is related to the deposit of cash sufficient to redeem on July 1, 2025 the Remaining 2021 Fixed Rate SSNs in connection with their satisfaction and discharge (see note 13.4 *Hedging activities and derivatives*).

## 8. Investment in an associate

The Group has a 37.21% interest in Primex International S.A., which is involved in the importation and wholesale of frozen meat and seafood.

Primex International S.A. is a private entity incorporated in France that is not listed on any public exchange. The following table illustrates summarized financial information of the Group's investment in Primex International S.A.:

<i>In thousands of €</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Share of the associate's statement of financial position:		
Non-current assets	6 064	6 041
Current assets	9 625	9 174
Current liabilities	13 691	7 404
Non-current liabilities	1 929	1 545
<b>Equity</b>	<b>69</b>	<b>6 266</b>
Share of the associate's revenue and result:		
Revenue	20 970	22 693
Profit / Loss	(6 061)	1 117
<b>Carrying amount of the investment</b>	<b>(0)</b>	<b>6 060</b>

Variations during the period were the following:

<i>In thousands of €</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
<b>Carrying value at opening</b>	<b>6 060</b>	<b>4 943</b>
Share of result in an associate	(6 060)	1 117
<b>Carrying value as of March 31</b>	<b>(0)</b>	<b>6 060</b>

Primex Norway, a subsidiary of Primex International S.A., developed a fish plant in Norway in 2018 and has since faced significant start-up costs in connection with the operation of this facility. Primex International S.A. recorded on March 31, 2020 a non-cash impairment of its investment in Primex Norway to reflect these operational losses. Based on the activity of the plant and its valuation, the Group recorded two additional depreciations in September 2020 and



in December 2023 as the net book value exceeded the fair value computed by the Group. Following a safeguard proceeding (“*procédure de sauvegarde*”) that was initiated by Primex International S.A. on February 4, 2025 and that is expected to last until August 4, 2025, the Group recorded additional depreciation in December 2024 and in March 2025. The valuation of Primex International S.A. will continue to be closely monitored by the Group following the end of the safeguard period.

## 9. Income tax expense

<i>In thousands of €</i>	For the twelve-month period ended March 31, 2025	For the twelve-month period ended March 31, 2024
Current tax	(31 497)	(31 606)
Deferred tax	2 017	2 162
<b>Total income tax expense</b>	<b>(29 480)</b>	<b>(29 444)</b>
Income tax recognized in other comprehensive income	(203)	(15)
<b>Total income tax</b>	<b>(29 682)</b>	<b>(29 459)</b>

A tax audit of Picard Groupe S.A.S. was initiated by the French tax authorities in February 2024 for the fiscal years ended March 31, 2021, March 31, 2022 and March 31, 2023. The French tax authorities issued their final conclusions in December 2024 without any reassessment.

<i>In thousands of €</i>	For the twelve-month period ended March 31, 2025	For the twelve-month period ended March 31, 2024
Income before tax	61 130	76 896
Tax rate	25,83%	25,83%
At French statutory income tax rate	(15 790)	(19 862)
Effect of non-deductible expenses/taxable income:	(12 047)	(8 029)
- <i>Share of result in associate</i>	(1 566)	289
- <i>Other non taxable income</i>	3 928	4 259
- <i>Other non-deductible expenses</i>	(14 409)	(12 577)
Unrecognised tax losses	(50)	25
Effect of CVAE expense	(1 229)	(1 508)
Other (OCI)	(203)	-
Change in tax rate	(162)	(69)
<b>Total income tax expense</b>	<b>(29 480)</b>	<b>(29 444)</b>

Income tax rate applicable in Luxembourg as at March 31, 2025 is 23.87%.

Other non-deductible expenses mainly comprise financial interest expenses on our indebtedness that are not tax deductible in Luxembourg.

## Deferred tax

Deferred tax relates to the following:

<i>In thousands of €</i>	March 31, 2025	March 31, 2024	Variation	Of which, through P&L	Of which, through OCI	Of which, through retained earnings
Intangible assets - Picard brand	(201 474)	(201 474)	-	-	-	-
Other intangible assets	(2 263)	(2 263)	-	-	-	-
Right-of-use Assets (deferred tax assets)	86 306	3 542	82 764	82 764	-	-
Right-of-use Assets (deferred tax liabilities)	(81 797)	-	(81 797)	(81 797)	-	-
Property and Equipment	(23 794)	(23 940)	147	147	-	-
Inventories	(310)	(281)	(29)	(29)	-	-
Financial instruments	(1 781)	(1 837)	56	56	-	-
Long term Employee benefits	2 797	2 619	177	380	(203)	-
Profit sharing	5 552	5 098	454	454	-	-
Share Based Payment	-	-	-	182	-	(182)
Other temporary differences	129	269	(139)	(139)	-	-
<b>Deferred Tax asset/(liability)</b>	<b>(216 635)</b>	<b>(218 267)</b>	<b>1 632</b>	<b>2 017</b>	<b>(203)</b>	<b>(182)</b>
Reflected in the statement of financial position as follows :						
Deferred tax assets	-	-				
Deferred tax liabilities	(216 635)	(218 267)				
<b>Deferred Tax asset/(liability)</b>	<b>(216 635)</b>	<b>(218 267)</b>				

## 10. Leases

### 10.1. Breakdown of right of use recognized under IFRS 16

<i>In thousands of €</i>	Leasehold rights	Land & Buildings	Vehicles	Right-of-use-assets
<b>Cost:</b>				
<b>As at March 31, 2023</b>	<b>48 318</b>	<b>618 565</b>	<b>8 310</b>	<b>675 194</b>
Additions	-	67 900	2 498	<b>70 398</b>
Disposals	(369)	(5 697)	(1 673)	<b>(7 739)</b>
<b>As at March 31, 2024</b>	<b>47 949</b>	<b>680 769</b>	<b>9 134</b>	<b>737 852</b>
Additions	100	76 911	3 343	<b>80 354</b>
Disposals	-	(2 084)	(3 031)	<b>(5 116)</b>
<b>As at March 31, 2025</b>	<b>48 049</b>	<b>755 595</b>	<b>9 446</b>	<b>813 091</b>
<b>Depreciation and impairment:</b>				
<b>As at March 31, 2023</b>	<b>(561)</b>	<b>(217 696)</b>	<b>(5 127)</b>	<b>(223 384)</b>
Additions	-	(59 260)	(1 952)	<b>(61 212)</b>
Disposals	485	1 291	1 655	<b>3 430</b>
<b>As at March 31, 2024</b>	<b>(76)</b>	<b>(275 666)</b>	<b>(5 424)</b>	<b>(281 166)</b>
Additions	(493)	(60 921)	(2 255)	<b>(63 668)</b>
Disposals	-	299	2 857	<b>3 156</b>
<b>As at March 31, 2025</b>	<b>(569)</b>	<b>(336 288)</b>	<b>(4 822)</b>	<b>(341 678)</b>
<b>Net book value:</b>				
<b>As at March 31, 2023</b>	<b>47 456</b>	<b>384 102</b>	<b>3 975</b>	<b>435 533</b>
<b>As at March 31, 2024</b>	<b>47 873</b>	<b>405 103</b>	<b>3 711</b>	<b>456 687</b>
<b>As at March 31, 2025</b>	<b>47 481</b>	<b>419 308</b>	<b>4 625</b>	<b>471 413</b>

### ***Leasehold rights***

Leasehold rights are tested annually at the store level. Their value in use is compared to their carrying value amount. If carrying value of the leasehold rights exceeds their value in use, an impairment is recognized for the difference. As at March 31, 2025 the total amount of depreciation and impairment was M€ 341.7, of which K€ 569 were related to impairment on leasehold rights.

### **10.2. Breakdown of other purchases and external expenses**

<i>In thousands of €</i>	<b>For the twelve month period ended March 31, 2025</b>	<b>For the twelve month period ended March 31, 2024</b>
Rent expenses	(7 815)	(6 619)
Other purchases and external expenses (excluding Rent expenses)	(237 223)	(256 620)
<b>Total Other purchase and external expenses</b>	<b>(245 037)</b>	<b>(263 239)</b>

For the financial year ended March 31, 2025, rent expenses of K€ 7,815 represent leases (following the adoption of IFRS 16) that have a term shorter than 12 months and leases valued at less than K\$ 5.

### **10.3. Breakdown of depreciation and amortization**

<i>In thousands of €</i>	<b>For the twelve month period ended March 31, 2025</b>	<b>For the twelve month period ended March 31, 2024</b>
Depreciation & amortization of tangible Right of Use assets	(63 668)	(61 212)
Depreciation & amortization of other fixed assets	(52 207)	(49 512)
<b>Total Depreciation &amp; amortization</b>	<b>(115 875)</b>	<b>(110 724)</b>

The M€ 63.7 of depreciation and amortization of right-of-use assets for the financial year ended March 31, 2025 relate to the depreciation of the right-of-use assets recognized in accordance with IFRS 16.

## **11. Other intangible assets**

<i>In thousands of €</i>	Software	Brand	Other intangible assets	Total intangible assets
<b>Cost:</b>				
<b>As at March 31, 2023</b>	<b>87 007</b>	<b>780 000</b>	<b>6 666</b>	<b>873 673</b>
Transfer	3 679	-	(3 679)	-
Additions	10 395	-	2 495	12 891
Disposals	(3 713)	-	-	(3 713)
<b>As at March 31, 2024</b>	<b>97 369</b>	<b>780 000</b>	<b>5 482</b>	<b>882 851</b>
Transfer	2 692	-	(2 692)	-
Additions	6 197	-	5 781	11 977
<b>As at March 31, 2025</b>	<b>106 257</b>	<b>780 000</b>	<b>8 571</b>	<b>894 829</b>
<b>Depreciation and impairment:</b>				
<b>As at March 31, 2023</b>	<b>(70 730)</b>	-	-	<b>(70 730)</b>
Addition	(10 936)	-	-	(10 936)
<b>As at March 31, 2024</b>	<b>(77 953)</b>	-	-	<b>(77 953)</b>
Addition	(11 998)	-	-	(11 998)
Disposals	-	-	-	-
<b>As at March 31, 2025</b>	<b>(89 952)</b>	-	-	<b>(89 952)</b>
<b>Net book value:</b>				
<b>As at March 31, 2023</b>	<b>16 277</b>	<b>780 000</b>	<b>6 666</b>	<b>802 943</b>
<b>As at March 31, 2024</b>	<b>19 416</b>	<b>780 000</b>	<b>5 482</b>	<b>804 898</b>
<b>As at March 31, 2025</b>	<b>16 306</b>	<b>780 000</b>	<b>8 571</b>	<b>804 877</b>

As at March 31, 2025 no impairment has been recognized on other intangible assets.

## 12. Property, plant and equipment

<i>In thousands of €</i>	Land	Buildings	Technical fittings Machinery and equipment (1)	Other tangible assets (2)	Total tangible assets
<b>Cost:</b>					
As at March 31, 2023	33 346	75 232	262 549	301 352	672 478
Transfer	-	4	2 792	(2 795)	-
Additions (3)	-	2	20 351	20 508	40 861
Disposals	(362)	(3)	(6 188)	(3 144)	(9 698)
As at March 31, 2024	32 984	75 234	279 504	315 920	703 642
Transfer	-	-	2 885	(2 885)	-
Additions	-	6	22 468	22 828	45 302
Disposals	-	(12)	(8 275)	(6 438)	(14 726)
As at March 31, 2025	32 984	75 228	296 582	329 424	734 219
<b>Depreciation and impairment:</b>					
As at March 31, 2023	-	(54 248)	(166 809)	(212 581)	(433 638)
Addition	-	(460)	(18 814)	(19 401)	(38 675)
Disposals	-	-	6 141	3 016	9 157
As at March 31, 2024	-	(54 707)	(179 481)	(228 967)	(463 155)
Addition	-	(444)	(19 497)	(20 268)	(40 209)
Disposals	-	8	8 215	6 376	14 599
As at March 31, 2025	-	(55 143)	(190 764)	(242 858)	(488 766)
<b>Net book value:</b>					
As at March 31, 2023	33 346	20 984	95 740	88 770	238 841
As at March 31, 2024	32 984	20 527	100 022	86 953	240 486
As at March 31, 2025	32 984	20 085	105 818	86 566	245 453

As at March 31, 2025 no impairment has been recognized on property, plant and equipment.

- (1) Technical fittings-Machinery and equipment mainly include frozen equipment such as cold room, freezer.
- (2) Other tangible assets mainly include IT equipment, furniture and layout of stores.
- (3) Main additions concern store openings (26) and remodeling campaign (56).

## 13. Financial assets and financial liabilities

### 13.1. Other financial assets

<i>In thousands of €</i>	As at March 31, 2025	As at March 31, 2024
Deposits and guarantees	10 842	10 356
Related party loan	193 641	7 709
Other financial assets on derivate instrument	(546)	5 112
Other	835	895
<b>Other financial assets</b>	<b>204 772</b>	<b>24 073</b>
<i>Of which non-current</i>	<i>204 706</i>	<i>24 009</i>
<i>Of which current</i>	<i>66</i>	<i>64</i>

The K€193.6 of related party loans represent a loan granted by Lion Polaris Lux 4 S.A. to Lion/Polaris Lux Holdco S.à r.l.

## 13.2. Interest-bearing loans and borrowings

<i>In thousands of €</i>			As at March 31, 2025	As at March 31, 2024
	Coupon interest rate	Maturity		
<b>Current</b>				
Current portion of interest bearing loans and borrowings			15 380	15 670
Bank overdrafts		On demand	29	0
<b>Total current interest-bearing loans and borrowings</b>			<b>15 409</b>	<b>15 670</b>
<b>Non current</b>				
Senior secured notes 2026 (M€ 750)	3.875%	2026	-	744 792
Senior secured notes 2026 (M€ 650)	Euribor 3M + margin 4%	2026	-	646 191
Senior notes 2027 (M€ 310)	5.375%	2027	308 392	307 734
Senior secured notes 2029 (M€ 775)	Euribor 3M + margin 3.625%	2029	759 632	-
Senior secured notes 2029 (M€ 650)	6.375%	2029	641 639	-
<b>Total non-current interest-bearing loans and borrowings</b>			<b>1 709 662</b>	<b>1 698 717</b>
<b>Total interest-bearing loans and borrowings</b>			<b>1 725 071</b>	<b>1 714 387</b>

On July 7, 2021, the Company issued M€ 310 aggregate principal amount of sustainability-linked senior notes due 2027 (the “Senior Notes”), together with M€ 750 sustainability-linked fixed rate senior secured notes due 2026 (the “2021 Fixed Rate SSNs”) and M€ 650 sustainability-linked floating rate senior secured notes due 2026 (the “2021 Floating Rate SSNs” and, together with the Senior Notes and the 2021 Fixed Rate SSNs, the “2021 Notes”). The Senior Notes are payable after six years on July 1, 2027, and interest is paid twice a year based on a fixed interest rate of 5.500% per annum, since (and including) June 15, 2024 (previously 5.375%) as a result of a failure to meet a sustainability performance target, as described below. The Senior Notes are refundable “in fine”.

On July 3, 2024, the Group successfully refinanced the 2021 Fixed Rate SSNs and the 2021 Floating Rate SSNs.

Picard Groupe S.A.S. issued M€ 650 aggregate principal amount fixed rate senior secured notes due 2029 (the “2024 Fixed Rate Notes”) and Lion Polaris Lux 4 S.A. issued M€ 575 aggregate principal amount of floating rate senior secured notes due 2029 (the “initial 2024 Floating Rate Notes”). On November 6, 2024, Lion/Polaris Lux 4 S.A. issued M€200 aggregate principal amount of additional floating rate senior secured notes due 2029 (the “Additional 2024 Floating Rate Notes” and, together with the Initial 2024 Floating Rate Notes, the “2024 Floating Rate Notes” and, together with the 2024 Fixed Rate Notes, the “2024 Notes”). The gross proceeds from the sale of the 2024 Notes issued in July 2024 were used, together with cash on hand, to (i) redeem the outstanding 2021 Floating Rate SSNs, including paying accrued and unpaid interest to the date of redemption, (ii) pay for the consideration to be paid a concurrent cash tender offer (the “Tender Offer”) for the 2021 Fixed Rate SSNs (as defined below) and satisfy and discharge the 2021 Fixed Rate SSNs that were not tendered pursuant to the Tender Offer (the “Remaining 2021 Fixed Rate SSNs”) and (iii) pay all fees and expenses related to the transactions.

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

The net proceeds from the sale of the Additional 2024 Floating Rate Notes issued in November 2024 were on-lent to a shareholder of the Company to partially fund the acquisition of the Picard Group by IGZ.

The 2024 Notes have the following characteristics:

- Picard Groupe S.A.S., a subsidiary of the Company, issued M€ 650 of fixed rate senior secured notes due 2029 in July 2024. These fixed rate senior secured notes are payable after five years on July 1, 2029. Interest is paid twice a year at a fixed interest rate of 6.375% per annum. The senior secured notes are refundable “in fine”.
- Lion Polaris Lux 4 S.A., a subsidiary of the Company, issued M€ 575 of floating rate senior secured notes due 2029 in July 2024 and issued an additional M€ 200 of floating rate senior secured notes due 2029 in November 2024. These floating rate senior secured notes are payable after five years on July 1, 2029. Interest is paid quarterly based on a variable interest rate fixed in reference to a market rate (three-month EURIBOR, subject to a 0% floor) increased by a margin of 3.625% per annum. The floating rate senior secured notes are refundable “in fine”.

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

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

The interest-bearing loans and borrowings change is only related to the non-cash impact of the amortization of the effective interest rate.

### 13.3. Other financial liabilities

<i>In thousands of €</i>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
<b>Current</b>		
Lease debt	62 625	59 277
<b>Total other current financial liabilities</b>	<b>62 625</b>	<b>59 277</b>
<b>Non current</b>		
Lease debt	376 437	361 098
Others	86	84
<b>Total other non-current financial liabilities</b>	<b>376 523</b>	<b>361 182</b>
<b>Total other financial liabilities</b>	<b>439 148</b>	<b>420 458</b>

In accordance with IFRS 16, the Group has recognized, as of April 1, 2019, the lease liabilities relating to the accounting of the right-of-use asset. This debt amounted to M€ 439.1 as of March 31, 2025.

### 13.4. Hedging activities and derivatives

On December 2, 2022, the Group entered into a Cap Spread, a derivative instrument used to hedge the Group's exposure to changes in future interest payment cash flows (see note 13.2 *Interest-bearing loans and borrowings*). The changes in fair value of this contract are recorded in the income statement.

The Group does not apply the hedge accounting method to this Cap Spread.

	Notional (K€)	Premium paid (K€)	Faire value as at March 31, 2025 (K€)	Value date	Maturity date	Underlying index	Strike purchase	Strike sale
CAP Spread	300 000	6 010	378	15/12/2022	15/06/2025	EUR3M	2%	4%

During the period ended March 31, 2025, the interest received on this derivative instrument represented a financial income of M€ 4.4 and the change in the fair value of the instrument represented a financial expense of M€ 4.7.

On March 6, 2025 and March 21, 2025, Lion Polaris Lux 4 S.A. entered into two Caps to hedge the Group's exposure to changes in future interest payment cash flows linked to the M€ 775 floating rate senior secured notes due 2029 (see note 13.2 *Interest-bearing loans and borrowings*). These derivatives elected to hedge accounting and the Group decided to apply it. The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while any ineffective portion is recognized immediately in the income statement. These two caps have the following characteristics:

	Notional (K€)	Quartely premium	Fair value as at March 31, 2025 (K€)	Value date	Maturity date	Underlying index	Strike purchase
CAP	100 000	0,514%	-787	16/06/2025	03/01/2028	EUR3M	2%

During the period ended March 31, 2025, the change in the fair value of the instrument represented a financial expense of M€ 1.03 and OCI impact of K€ 239.0.

	Notional (K€)	Quartely premium	Fair value as at March 31, 2025 (K€)	Value date	Maturity date	Underlying index	Strike purchase
CAP	200 000	0,190%	-137	01/07/2025	03/01/2028	EUR3M	2,50%

During the period ended March 31, 2025, the change in the fair value of the instrument represented a financial expense of K€ 8.0 and OCI impact of K€ 137.0.

### 13.5. Fair values

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



<i>In thousands of €</i>	Carrying amount	Fair value	Carrying amount	Fair value
	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2024
<b>Financial assets</b>				
Trade and other receivables	31 026	31 026	33 630	33 630
Income tax receivable	4 423	4 423	6 045	6 045
Other financial assets	204 772	204 772	24 073	24 073
Cash and cash equivalents	176 636	176 636	311 117	311 117
<b>Total</b>	<b>416 858</b>	<b>416 858</b>	<b>374 865</b>	<b>374 865</b>
<b>Financial liabilities</b>				
Fixed rate borrowings	(950 031)	(974 085)	(1 052 526)	(1 035 713)
Obligations under finance leases	-	-	(39)	(39)
Floating rate borrowings	(759 632)	(772 032)	(646 191)	(650 676)
Lease commitments	(439 148)	(439 148)	(420 458)	(420 458)
Trade and other payables	(295 129)	(295 129)	(299 704)	(299 704)
Interest-bearing loans and borrowings	(15 380)	(15 380)	(15 670)	(15 670)
Income tax payable	(427)	(427)	(433)	(433)
Bank overdraft	(29)	(29)	(0)	(0)
<b>Total</b>	<b>(2 459 776)</b>	<b>(2 496 229)</b>	<b>(2 435 022)</b>	<b>(2 422 693)</b>

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, provision allowances are taken into account for the expected losses relating to these receivables. As at March 31, 2025, the carrying amounts of such receivables, net of provision allowances, approximated their fair values.
- Fair value of quoted notes and bonds is based on price quotations at the reporting date.
- The fair value of unquoted instruments, loans from banks and other financial indebtedness, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities. Because of the lack of similar transactions due to the current economic context, credit spreads of fixed rate borrowings have been considered to be equal to the credit spread applied at the inception of the debt.
- From time to time, the Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The calculation of fair value for derivative financial instruments depends on the type of instruments. For derivative interest rate contracts, the fair values of derivative interest rate contracts (e.g., interest rate swap agreements) are estimated by discounting expected future cash flows using current market interest rates and yield curve over the remaining term of the instrument.

### ***Fair value hierarchy***

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

- *Level 1*: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- *Level 2*: other techniques for which all inputs which have a significant effect on the

recorded fair value are observable, either directly or indirectly.

- *Level 3*: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of all interest rate derivatives is determined through valuation techniques of level 2. The fair value of long-term debt is determined using price quotations at the reporting date (see *Note 4. Financial risk management objectives and policies*).

#### 14. Impairment test of goodwill and other intangible assets with indefinite useful lives

As of March 31, 2025, goodwill and the brand recognized through business combinations have been fully allocated to the group of CGU composed of directly operated stores in France. As of March 31, 2025, the net book value of goodwill and other intangible with indefinite useful lives is the following:

<i>In thousands of €</i>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Goodwill gross value	815 170	815 170
Brand gross value	780 000	780 000
<b>Total</b>	<b>1 595 170</b>	<b>1 595 170</b>

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

#### ***Goodwill and brand***

The recoverable amounts of goodwill and brand have been computed through a value in use calculation. The value in use was computed based on financial projections approved by Picard senior management covering a five-year period. A Compound Annual Growth Rate of 3.7% is expected for revenue over the 2026-2030 period, driven by (i) a resilient business model, (ii) further stores openings (both owned and franchised stores, with a new strategic focus on prioritizing owned stores to limit margin dilution), (iii) the development of digital services (notably Click & Collect and Express Delivery) and (iv) the development of new services such as vending machines and snack bars.

Terminal value was computed as the sum of discounted normative cash flows to perpetuity, through a Gordon Shapiro method factoring the discount rate and long-term growth rate assumptions detailed below.

#### *Key assumptions used in the determination of the value in use*

The calculation of value-in-use was mostly sensitive to the following assumptions:

- Discount rate;
- EBITDA; and
- Long-term growth rate used to extrapolate cash flows beyond the budget period.

The discount rate applied to cash flow projections was 9% (compared to 8.6% in the prior year

mainly resulting from the increase in interest rates over the period) and cash flows used for the terminal value beyond the five-year period were extrapolated using a 1.74% long-term growth rate (in line with the level reported for the previous year). As a result of this analysis, no impairment has been recognized by the Group.

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

The recoverable amount of brand has been computed through the relief from royalty method, based on the same financial projections as for the goodwill. The royalty rate is 5% (same as in the prior year).

#### *Sensitivity to changes in assumptions*

With regards to the assessment of value-in-use of the goodwill and brand, the Group estimated that a 50 bps increase in the discount rate or a 50 bps decrease in the long-term growth rate would have no impact on the result of the tests. Similarly, a 50 bps decrease in the normative EBITDA (earnings before interest, taxes, depreciation & amortization) margin would have no impact on the result of the tests.

## 15. Inventory

<i>In thousands of €</i>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Packaging	978	1 003
Non-packaged finished goods	9 181	10 860
Packaged finished goods	101 503	99 643
Depreciation	(855)	(971)
<b>Inventory</b>	<b>110 807</b>	<b>110 535</b>

## 16. Trade and other receivables

<i>In thousands of €</i>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Trade receivables	10 451	11 176
Prepaid expenses	27 343	24 960
VAT receivables and other sales taxes	14 052	14 747
Other receivables	2 856	4 215
<b>Trade and other receivables</b>	<b>54 702</b>	<b>55 099</b>

## 17. Cash and cash equivalents

<i>In thousands of €</i>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Cash at banks and on hand	176 636	138 258
Securities	-	172 859
<b>Cash and cash equivalents</b>	<b>176 636</b>	<b>311 117</b>

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

<i>In thousands of €</i>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Cash and cash equivalents	176 636	311 117
Bank overdrafts	(29)	(0)
<b>Net cash position</b>	<b>176 607</b>	<b>311 117</b>

## 18. Issued capital

<i>In thousands of €</i>	<b>Number of shares</b>	<b>Share Capital</b>	<b>Share Premium</b>
<b>As at March 31, 2023</b>	<b>2 641 726</b>	<b>2 642</b>	<b>97</b>
<b>As at March 31, 2024</b>	<b>2 641 726</b>	<b>2 642</b>	<b>97</b>
<b>As at March 31, 2025</b>	<b>2 641 726</b>	<b>2 642</b>	<b>97</b>

The share capital amounts to EUR 2 641 726 and is divided into 2 641 726 fully paid-up ordinary shares with a nominal value of EUR 1 per share.

### *Capital Management*

The capital used by the Group is managed so as to:

- ensure the continuity of the Group's operations; and
- continually optimise its financial structure by maintaining an optimum balance between net debt, EBITDA and equity in order to minimize the cost of capital.

In addition, in order to maintain or adjust its capital structure, the Group may be prompted to take out new debt or repay existing debt, adjust the amount of its dividends paid to shareholders, conduct a capital repayment to shareholders, issue new shares or sell assets in order to reduce debt levels.

## 19. Dividends paid

The Group did not pay or declare any dividends during the period ended March 31, 2024 and March 31, 2025.

## 20. Earnings per share

Information on the earnings and number of ordinary and potential dilutive shares included in the calculation is presented below:

	As at March 31, 2025	As at March 31, 2024
Net income attributed to Company shareholders (in thousands of euros)	31 651	47 452
Weighted average number of common shares outstanding (in thousands)	2 642	2 642
Non dilutive potential shares (in thousands)	-	-
Weighted average number of issued common shares and non dilutive potential shares (in thousands)	2 642	2 642
Basic earnings per share (in euros)	11,98	17,96
Net income attributed to Company shareholders (in thousands of euros)	31 651	47 452
Weighted average number of issued common shares and non dilutive potential shares (in thousands)	2 642	2 642
Weighted average number of common shares used for the calculation of fully diluted earnings per share (in thousands)	2 642	2 642
Fully diluted earnings per share (in euros)	11,98	17,96

## 21. Provisions

<i>In thousands of €</i>	Risks related to the operations	Dispute and litigation	Total
Provision as at March 31, 2023	226	9 072	9 297
Allowances	82	5 349	5 431
Reversal	(67)	(2 957)	(3 024)
Provision as at March 31, 2024	241	11 464	11 704
Allowances	80	4 570	4 650
Reversal	(90)	(3 075)	(3 165)
Provision as at March 31, 2025	231	12 959	13 189

Provisions at the end of March 2025 mainly comprise the risk for the URSSAF litigation. On December 19, 2017, the URSSAF, the French administrative body responsible for collecting social security payments, informed us of the conclusion of an audit it conducted from June to October 2017. The URSSAF audit covered our social security contributions in France for the calendar years 2014 to 2016. The URSSAF alleges that we applied erroneous methods of calculation for various social security contributions, including with respect to the computation of the “allègements Fillon” reductions. The amount of the reassessment for the calendar years 2014 to 2016 is €4.3 million, plus an additional €0.5 million as penalties for late payment. The €4.3 million reassessment, excluding the penalties for late payment, was paid in January 2018 and recorded in our profit and loss for the year ended March 31, 2018. In addition, from April 1, 2017, we have taken into account the interpretation of the URSSAF when accruing our social security contributions and have consequently recorded a provision for the penalties for late

payment and for the difference between the computation using our methodology and the computation using the URSSAF methodology.

On April 2, 2019, the URSSAF denied our request to annul the 2018 tax reassessment. In the absence of amicable settlement, the dispute was brought before the Judicial Court of Nantes in May 2021. In its decision dated May 28, 2021, the Court confirmed the URSSAF's interpretation with regards to the tax reassessments but ruled in our favor with respect to the €0.5 million penalties for late payment, for which we were granted a remission. We have filed an appeal against the Court's decision.

Picard Surgelés is subject to an unfair competition claim. As at March 31, 2025, the net exposure of such claim amounts to approximately M€ 9.2. The plaintiff's action was dismissed in the first instance and the plaintiff has appealed the Court's decision. On May 28, 2025, the court of appeal confirmed the judgement of the first instance and again ruled in our favor. As of March 31, 2024 and 2025, we have made no provision relating to these claim.

## 22. Employee benefits

The Picard defined benefit pension plan covers substantially all of the Group's French employees. The plan is not funded.

French employees are entitled to a lump sum when they retire depending on their length of service and on final salary.

The following tables summarize the components of net benefit expense recognized in the income statement and the unfunded status and amounts recognized in the statement of financial position for these plans:

<i>In thousands of €</i>		
	As at March 31, 2025	As at March 31, 2024
Current service cost	830	803
Interest cost	374	357
Past Service Cost	392	-
Benefit paid	(125)	(146)
<b>Net benefit expense</b>	<b>1 471</b>	<b>1 014</b>
recognized in operating income	1 097	657
recognized in financial income	374	357

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

<i>In thousands of €</i>		
	As at March 31, 2025	As at March 31, 2024
Benefit obligation	10 827	10 140
Fair value of plan assets		
<b>Funded status</b>	<b>10 827</b>	<b>10 140</b>
Unrecognized prior service cost		
<b>Benefit liability</b>	<b>10 827</b>	<b>10 140</b>

The Group's liability for defined benefit plans is K€ 10,827 as of March 31, 2025.

Changes in employee benefit obligations are as follows:

<i>In thousands of €</i>		
	As at March 31, 2025	As at March 31, 2024
Benefit obligation at April 1	10 140	9 185
Current service cost	830	803
Interest cost	374	357
Past Service Cost	392	-
Actuarial gains	(784)	(58)
Benefits paid	(125)	(146)
<b>Benefit obligation at March 31</b>	<b>10 827</b>	<b>10 140</b>
<i>of which classified in continued operations</i>	<i>10 827</i>	<i>10 140</i>

The cumulative amounts of actuarial gains (before taxes) recognized in the consolidated statements of comprehensive income are as follows :

<i>In thousands of €</i>		
	As at March 31, 2025	As at March 31, 2024
Balance at April 1	(4 615)	(4 557)
Net actuarial gains during the period	(784)	(58)
<b>Balance at March 31</b>	<b>(5 399)</b>	<b>(4 615)</b>

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

<i>In thousands of €</i>		
	As at March 31, 2025	As at March 31, 2024
Benefit obligation at April 1	10 140	9 185
Experience adjustments generated on the benefit obligation		
In amount	(314)	(213)
In percentage of the benefit obligation	-3.1%	-2.32%

The principal assumptions used in determining defined benefit obligation for the French retirement indemnities plan are shown below:

<i>In thousands of €</i>		
	As at March 31, 2025	As at March 31, 2024
Discount rate	3.92%	3.42%
Average expected rate of salary increase	2%	2.00%
Withdrawal rates	[0% - 37.78%]	[0% - 37.78%]

A single equivalent discount rate has been calculated using a cash flow matching method on future cash flows.

For the French retirement indemnities plan, a decrease of 0.25% of the discount rate would increase the defined benefit obligation by approximately K€ 351. An increase of 0.25% of the discount rate would decrease the defined benefit obligation by approximately K€ 336.

## 23. Trade and other payables

<i>In thousands of €</i>		
	As at March 31, 2025	As at March 31, 2024
Trade payables	194 513	211 894
Payables to suppliers of fixed assets	14 081	9 263
Social liabilities	77 986	71 351
Tax payables	4 142	2 885
Other payables	5 031	5 052
<b>Trade and other payables</b>	<b>295 754</b>	<b>300 445</b>

Social liabilities include variable components of salaries which are not due for payment yet, accrued costs in relation with paid vacations, “recoverable” days in accordance with the French legal regime of “Reduction of working time”, and legal and contractual profit sharing.



## 24. Related party disclosures

The list of Group entities is disclosed in note 28.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

<i>In thousands of €</i>		Dividends from related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
<b>Associate:</b>					
Primex International S.A.	As at March 31, 2024	0	41 414	231	1 130
<b>Associate:</b>					
Primex International S.A.	As at March 31, 2025	0	33 650	0	768

The following loans have been entered with related parties:

<i>In thousands of €</i>	As at March 31, 2025	As at March 31, 2024
Lion/Polaris Lux Topco S.à r.l.	-	3
Lion/Polaris Lux Holdco S.à r.l.	187 533	7 543
Interest accrued	6 107	163
<b>Total</b>	<b>193 641</b>	<b>7 709</b>

The following current asset receivables have been entered with related parties:

<i>In thousands of €</i>	As at March 31, 2025
Lion/Polaris Lux Holdco S.à r.l.	43
<b>Total</b>	<b>43</b>

The following fees have been entered with related parties:

<i>In thousands of €</i>	As at March 31, 2025
IGZ	1 313
Imanes	708
<b>Total</b>	<b>2 021</b>

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

<i>In thousands of €</i>	As at March 31, 2025	As at March 31, 2024
Total compensation paid to key management personnel	1 856	2 381

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel (amount relates to-short term benefits).

### **Compensation of the Board of Directors**

Directors fee for the members of the Board of Lion Polaris II S.A.S. were paid in the amount of K€ 172 for the year ended March 31, 2025 (as compared to K€ 300 for the year ended March 31, 2024).

## **25. Commitments and contingencies**

### **Mortgages and pledges**

The following security interests have been granted to secure the 6.375% senior secured notes issued by Picard Groupe S.A.S. in an aggregate principal amount of M€ 650, the floating rate senior secured notes issued by Lion/Polaris Lux 4 S.A. in an aggregate principal amount of M€ 775 and the M€ 75 multi-currency revolving credit facility:

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

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

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

S.à r.l. to Lion/Polaris Lux 4 S.A. (and certain future receivables), the ordinary shares of Lion/Polaris Lux 4 S.A., one ordinary share of Picard Groupe S.A.S. and two ordinary shares of Lion Polaris II S.A.S.; and

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

## Framework agreements

Picard Surgelés S.A.S., a subsidiary of the Company, enters into framework agreements with some of its suppliers with a commitment on an annual volume of purchase. Under those framework agreements, suppliers may produce and store products dedicated to Picard Surgelés S.A.S. Nevertheless, the transfer of ownership of those products occurs only at delivery of goods to Picard Surgelés S.A.S. or subcontractors warehouses.

## 26. Events after the reporting period

No significant event occurred after March 31, 2025.

## 27. Employees

<i>Average number of employees</i>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
France	5 296	5 193
Belgium	62	56
Luxembourg	8	5
<b>Total employees</b>	<b>5 366</b>	<b>5 254</b>

The staffing table above represents the average number of full-time equivalent employees as of March 31, 2025.

## 28. Consolidated entities

Name	Country of incorporation	As of March 31, 2025			As of March 31, 2024		
		Consolidation method	% of interest	% of control	Consolidation method	% of interest	% of control
Picard Bondco	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Lion/Polaris Lux 4 S.A.	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Luxembourg S.A.	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Lion/Polaris Lux Midco S.à r.l.	Luxembourg	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Groupe S.A.S	France	Full	100.00%	100.00%	Full	100.00%	100.00%
Lion Polaris II S.A.S	France	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Surgelés S.A.S	France	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Belgique – S.A.	Belgium	Full	100.00%	100.00%	Full	100.00%	100.00%
Picard Frozen UK Limited	England	Full	100.00%	100.00%	Full	100.00%	100.00%
Primex International S.A.	France	Equity method	37.21%	37.21%	Equity method	37.21%	37.21%

## 29. Statutory Auditor's fees

The total fees paid by the Group to the statutory auditors and their networks are as follow:

<i>In thousands of €</i>	<b>As at March 31, 2025</b>		<b>As at March 31, 2024</b>	
	<b>Certification of accounts</b>	<b>Other services</b>	<b>Certification of accounts</b>	<b>Other services</b>
PricewaterhouseCoopers	1 095	655	842	74
<b>Total fees</b>	<b>1 095</b>	<b>655</b>	<b>842</b>	<b>74</b>



## **Picard Bondco**

**Sustainability Report**  
For the year ended March 31, 2025

## SUSTAINABILITY-LINKED FINANCING

In April 2021, we adopted a Sustainability-Linked Financing Framework, which is aligned with the Sustainability-linked Bond Principles released and administered by the ICMA in June 2020 and can be found on our website at [www.picard.fr](http://www.picard.fr).

For purposes of the 2021 Notes, we identified the following sustainability performance targets: (1) a 6% reduction in energy consumption by our stores by 2023 (the “2023 Energy Sustainability Performance Target”) compared to the baseline of 12,363 kWh °C / m<sup>3</sup> of cold in energy consumed in 2020 (the “Energy Consumption Baseline”) and (2) a 10% reduction in carbon emissions from our shipping networks and logistics chains by 2023 (the “2023 CO<sub>2</sub> Sustainability Performance Target”) and, together with the 2023 Energy Sustainability Performance Target, the “2023 Sustainability Performance Targets”) compared to the baseline of 123 gCO<sub>2</sub>e / ton-km emitted in 2019 (the “CO<sub>2</sub> Emissions Baseline”). In addition, we identified the following sustainability performance targets independent of the Notes: (1) a 10% reduction in energy consumption by our stores by 2025 compared to the Energy Consumption Baseline and (2) a 15% reduction in carbon emissions from our shipping networks and logistics chains by 2025 compared to the CO<sub>2</sub> Emissions Baseline (collectively, the “2025 Sustainability Performance Targets” and, together with the 2023 Sustainability Performance Targets, the “Sustainability Performance Targets”). The Energy Consumption Baseline and the CO<sub>2</sub> Emissions Baseline were calculated in good faith by us and have not been independently verified or audited by any third party.

From and including the interest period commencing on June 15, 2024, the interest rate payable on the 2021 Fixed Rate SSNs and the Senior Notes and the margin on the 2021 Floating Rate SSNs was increased by 12.5 basis points per annum. Our emissions reductions in 2023 were not sufficient and the intensity of our emissions exceeded our target of 111 gCO<sub>2</sub>e / ton-km, despite a 2.9% reduction in our total CO<sub>2</sub> emissions (compared to our 2019 baseline) and a positive trajectory in lowering the intensity of our carbon emissions since 2020. This was mainly impacted by our increase in sales which required us to change our transportation scheme to maximize sales which negatively impacted our transportation efficiency and canceled out our CO<sub>2</sub> savings. Additionally, the CO<sub>2</sub> Sustainability Performance Target comprises Scope 3 emissions which requires us to rely on our partners to make investments on their end of the supply chain, for example, by “greening” their truck fleets. Due to various reasons since 2021, such as inflation, truck driver shortages and a disruption in the automobile industry in general, our partners’ ability to invest was significantly limited. However, we notified the relevant trustee, the relevant paying agent and (in respect of the 2021 Floating Rate SSNs) the calculation agent, each under the 2021 Notes, in writing on May 30, 2024, that we had attained the 2023 Energy Sustainability Performance Target and received an Assurance Letter.

Under the Sustainability-Linked Financing Framework we report on our performance with respect to the Sustainability Performance Targets for the preceding calendar year as of December 31, 2024. The report on our 2024 performance has not been externally verified.

### Energy Key Performance Indicator and Sustainability Performance Target

	<u>2020 (baseline)</u>	<u>2023 (actual)</u>	<u>2023 (target)</u>	<u>2024 (actual)</u>	<u>2025 (target)</u>
Energy Consumption (kWh °C / m <sup>3</sup> of cold)	12,363	11,032	11,621	10,803	11,126
% reduction	—	11%	6%	13%	10%

#### *Methodology*

Energy consumption is calculated per m<sup>3</sup> of cold equipment (freezers & cold storage volume at constant outside temperature, measured as kWh °C / m<sup>3</sup> of cold). Our developed “energy” tool has enabled us to estimate the theoretical energy consumption of a selling point by taking into account all criteria judged as having a significant impact on consumption. It gives a detailed thermal summary per store. Theoretical energy consumption is derived from a formula incorporating various factors applicable to the energy consumption of our individual stores, including

degree days, sunshine hours, the indoor store temperature, and the opening hours, in relation to constants from a 2012 reference year.

The algorithm that determines the theoretical (or reference) store consumptions also provides the evolution of the key energy performance indicator for each selling point.

The energy performance indicator (IPE = “*Indice de performance énergétique*”) is defined as the difference between the real energy consumed in store ( $C_R$ ) and the theoretical one computed by the algorithm ( $C_T$ ).

$C_R$  being the invoiced consumption and  $C_T$  being the theoretical consumption:

$$IPE = (C_R - C_T) / C_T$$

Each store has its own performance indicator (IPE). The tracking and analysis indicators are:

- Degree days (comparison of the mean outdoor temperatures recorded relative to a determined threshold);
- Number of sunshine hours;
- Stores’ equipment rate (in m<sup>3</sup> of cold per m<sup>2</sup> of selling surface area);
- Frozen showcases’ rate = showcases’ volume / total cold volume;
- Type of air conditioning (central or split);
- Number of freezers & showcases;
- Average age of equipment; and
- Frequency of visits (number of sales receipts in the IT system):
  - Commercial sales unit (*UVC – Unité de Vente Commercial*); and
  - Traffic (number of checkouts).

When calculating the IPE of any directly-operated store it is necessary to obtain data points for each of the tracking and analysis indicators (set out above). With respect to new directly-operated stores, it is also necessary to obtain the identification number of the electricity meters attached to such stores.

Our methodology for the calculation of IPE excludes store energy consumption data which falls outside the statistical thresholds. Consistent with our methodology, our major investments in refrigeration and energy-consuming equipment in stores over the last few years have led us to reduce the 2023 calendar year low-end statistical thresholds when there are only freezers in a store (from 330 kWh °C / m<sup>3</sup> to 250.5 kWh °C / m<sup>3</sup>).

### *Impact*

This reduction in our energy consumption is in line with our commitments and is the result of our investments in more efficient equipment in our stores. In particular, several actions have been taken to reduce our energy consumption:

- Installation of energy-efficient freezers in remodeled and new stores;
- Installation of voltage reducers enabling us to track and monitor extra consumption by certain equipment; and

- Tests on night-time regulation of freezers and shops.

As a result of these measures, in calendar year 2024 we obtained the renewal of our ISO 50001 certification and continued to pursue our trajectory of reduction in electricity started more than 10 years ago.

#### CO<sub>2</sub> Key Performance Indicator and Sustainability Performance Target

	<u>2019 (baseline)</u>	<u>2023 (actual)</u>	<u>2023 (target)</u>	<u>2024 (actual)</u>	<u>2025 (target)</u>
Greenhouse gas emitted (gCO <sub>2</sub> e / ton-km)	123	129	111	123	105
% increase (reduction)	—	5%	(10%)	0%	(15%)

#### Methodology

The methodology used for the calculation of carbon emissions from our shipping networks and logistics chains, measured in gCO<sub>2</sub> equivalent / ton-km, relies on four parameters:

- Truck average consumption – theoretical CO<sub>2</sub> emission;
- Number of pallets;
- Average weight of pallets; and
- Average distance between sites (industrial, platforms, stores).

#### Impact

The COVID-19 pandemic and the strong increase in our sales significantly impacted our supply chain and delivery to stores. In particular, the peaks in consumption in connection with lockdowns, the slight change in the mix of products, the increase in sales per store with limited excess cold room capacity in each store, as well as the scarcity of certain SKUs required us to change our transportation scheme throughout the year to maximize our sales but sometimes negatively impacting our transportation efficiency and cancelling out our CO<sub>2</sub> savings, which were mainly driven by the use of biofuels. Therefore, this indicator deteriorated significantly in 2020 but has shown a positive trajectory since. Although our emissions levels were not sufficient to attain our 2023 CO<sub>2</sub> Sustainability Performance Target, in a difficult environment we were able to decrease our CO<sub>2</sub> emissions in 2024 compared to 2023, which in turn was an improvement to 2021. Management is however fully focused on achieving its reduction of CO<sub>2</sub> due to transportation and has therefore subsequently launched several internal projects to correct the trajectory of this indicator. These initiatives mainly comprise:

- Continued deployment of trucks using biogas;
- Increasing the load of each truck;
- Reshaping the organization of the supply team to optimize deliveries from suppliers to warehouses to make sure each warehouse has the adequate level of SKUs for the stores within the relevant perimeter; and
- Rethinking the delivery to stores by optimizing the moment when stores will receive the goods, based on expected sales.



The Group is also working on broader projects to modernize its supply chain, such as automatic store replenishment, and management believes all these projects together will help to improve the indicator.