THOM

GOLDSTORY

IFRS Consolidated Financial Statements

for the six-month period ended 31 March 2024

CONTENTS

I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS In €m	Notes	31/03/2024	30/09/2023
Goodwill	9.	388.3	387.2
Other intangible assets	10.	362.3	357.6
Property, plant and equipment		80.5	76.0
Right-of-use assets	11.1.	367.7	352.9
Other non-current assets		24.8	25.1
Non-current derivative instruments - Assets		2.4	5.5
Deferred tax assets		16.9	16.7
Non-current assets		**1 242.9**	**1 221.0**
Inventories	12	289.8	292.2
Trade receivables		17.5	14.4
Current tax assets		11.6	11.5
Other current assets		51.7	55.0
Current derivative instruments - Assets		6.1	15.6
Cash and cash equivalents	15.3.	79.1	21.2
Current assets		**455.9**	**410.0**
TOTAL ASSETS		**1 698.8**	**1 630.9**

EQUITY AND LIABILITIES In €m	Notes	31/03/2024	30/09/2023
Equity			
- Share capital	14.1.	3.6	3.6
- Share premium	14.1.	31.2	186.6
- Consolidated reserves		88.9	71.7
- Translation reserves		0.6	0.5
- Net profit (loss) for the period		33.0	44.7
Equity attribuable to owners of the company		**157.3**	**307.1**
Non-controlling interests		2.9	3.0
Total equity		**160.2**	**310.1**
Non-current financial liabilities	15.1.	841.5	605.3
Non-current lease liabilities	11.2.	216.4	203.8
Post-employment benefits	5.3.2.	3.9	3.9
Non-current provisions		2.2	2.3
Other non-current liabilities	13	7.0	26.4
Deferred tax liabilities		46.1	49.3
Non-current liabilities		**1 117.0**	**891.0**
Current financial liabilities	15.1.	10.0	49.5
Current lease liabilities	11.2.	74.5	70.6
Current provisions		4.4	4.4
Trade payables		157.5	136.6
Current tax liabilities		21.4	12.7
Other current liabilities	13	153.2	154.1
Current derivative instruments - Liabilities		0.5	1.9
Current liabilities		**421.5**	**429.8**
TOTAL EQUITY AND LIABILITIES		**1 698.8**	**1 630.9**

II. CONSOLIDATED INCOME STATEMENT

In €m	Notes	FY 2024 01/10/2023 - 31/03/2024 (6 months)	FY 2023 01/10/2022 - 31/03/2023 (6 months)
Revenue	5.1.	595.8	550.9
Cost of goods sold	5.3.1.	(218.0)	(190.2)
Gross margin		**377.9**	**360.7**
Other income	5.2.	1.6	1.1
Personnel expenses	5.3.2.	(136.2)	(128.3)
External expenses	5.3.3.	(80.5)	(74.4)
Allowance for depreciation, amortisation, impairment and provisions		(55.7)	(50.6)
Other expenses		(0.7)	(2.1)
Recurring operating profit		**106.4**	**106.4**
Other non-recurring operating income		0.9	2.0
Other non-recurring operating expenses		(4.5)	(4.0)
Operating profit		**102.8**	**104.4**
Cost of net financial debt	6.	(28.5)	(20.0)
Other financial income and expenses	6.	(13.4)	(12.4)
Profit before tax		**60.9**	**72.1**
Income tax expense	7.1.	(28.1)	(26.5)
PROFIT (LOSS) FOR THE PERIOD		**32.8**	**45.6**
Profit attributable to :			
Owners of the Company		33.0	45.7
Non-controlling interests		(0.2)	(0.1)

III. OTHER COMPREHENSIVE INCOME

In €m	Notes	FY 2024 01/10/2023 - 31/03/2024 (6 months)	FY 2023 01/10/2022 - 31/03/2023 (6 months)
Profit (loss) for the period		**32.8**	**45.6**
Remeasurements of post-employment benefits	5.3.2.	(0.1)	0.2
Related tax		0.0	(0.1)
Items that will not be reclassified to profit or loss		**(0.1)**	**0.1**
Translation reserves		0.5	0.0
Cash flow hedges		(8.6)	14.1
Related tax		2.1	(3.5)
Items that will be reclassified subsequently to profit or loss		**(5.9)**	**10.5**
TOTAL OTHER COMPREHENSIVE INCOME		**26.8**	**56.3**
Attributable to :			
Owners of the Company		*(6.0)*	*10.7*
Non-controlling interests		*-*	*-*

IV. CONSOLIDATED STATEMENT OF CASH FLOWS

In €m	Notes	FY 2024 01/10/2023 - 31/03/2024 (6 months)	FY 2023 01/10/2022 - 31/03/2023 (6 months)
Cash-flow from operating activities			
Profit (loss) for the period		32.8	45.6
Adjustments for:			
Allowance for depreciation, amortisation, impairment and provisions		55.7	50.6
Income tax expense	7.1.	28.1	26.5
Net finance costs	6.	41.8	32.3
Non-cash items from recurring operating income and expenses		(0.1)	(0.2)
Non-cash items from non-recurring operating income and expenses		0.1	0.5
Operating cash before changes in working capital and income tax paid		**158.5**	**155.3**
Change in working capital requirements		21.8	(7.8)
Income tax paid		(6.0)	(10.9)
Net cash from operating activities		**174.2**	**136.5**
Acquisition of property, plant & equipment and intangible assets		(29.9)	(24.9)
Disposal of property, plant & equipment and intangible assets		0.2	0.6
Acquisition of financial assets		0.4	(0.9)
Acquisition of subsidiaries, net of cash acquired		(0.1)	(3.3)
Net cash used in investing activities		**(29.4)**	**(28.5)**
Proceeds from issue of share capital		-	-
Dividends paid		(204.2)	(25.0)
Proceeds from issue of bonds		836.1	-
Repayment of old Senior Secured Notes, Net		(620.0)	-
Premium paid for early redemption of SSN		(5.0)	-
Disposal of Interest Rate Hedging contracts		12.0	-
Repayment of lease liabilities	15.1.	(36.4)	(32.9)
Revolving credit facilities, net of repayment	15.1.	(30.0)	(10.0)
Interest paid on Senior Secured Notes		(19.2)	(17.3)
Interest paid on RCF	15.1.	(1.0)	(0.8)
Interest paid on lease liabilities	15.2.	(10.7)	(11.2)
Other interest paid		(0.2)	(0.1)
Other cash flows used in financing activities		(2.0)	(4.3)
Net cash from/ (used in) financing activities		**(80.5)**	**(101.6)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**64.4**	**6.5**
Cash and cash equivalents at the beginning of the period	15.3.	**14.7**	**5.7**
Cash and cash equivalents at the end of the period	15.3.	**79.1**	**12.2**
CHANGE IN CASH		**64.4**	**6.5**

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contents

NOTE 1 PRESENTATION OF THE GROUP

1.1 REPORTING ENTITY

The consolidated financial statements of Goldstory S.A.S (hereinafter referred to as "the Company") comprise the financial statements of the Company and its subsidiaries (together referred to as "the Group"). Goldstory S.A.S is a simplified limited liability company (*Société par Actions Simplifiée*) incorporated in France. Goldstory SAS owns all Thom Group S.A.S shares.

THOM is the market leader in affordable jewellery in Europe. The Group today operates in seven countries. It had a large portfolio of multichannel brands and directly operated 1,022 stores and 46 corners including 535 stores and wedding fairs in France (including one store in Monaco) as well as 23 corners, 398 stores in Italy, 57 stores in Germany, 25 stores and wedding fairs in Belgium, 3 stores and 23 corners in Spain, 3 stores in China and 1 store in Luxembourg as of March 31, 2024, as well as 6 e-commerce platforms in France and Belgium (histoiredor.com and marc-orian.com, agatha.fr), Italy (stroilioro.com), Spain (agatha.es) and Germany (orovivo.de). Thom also has 42 affiliated partner stores in France (4 openings during the six-month period ended March 31, 2024) as well as wholesale activity through our French subsidiary (Timeway France) and our Italian subsidiary (Timeway Italy).

1.2 SIGNIFICANT EVENTS

1.2.1 Acquisition of Be Maad

On 12 January 2024, Goldstory S.A.S, through its subsidiary Thom Group S.A.S, acquired an additional 24% of Be Maad shares for €0.4 million. The initial 51% were purchased on 29 September 2023 for €1.11 million. Be Maad is consolidated in Goldstory S.A.S. financial statements from 1st of October 2023.

1.2.2 Creation of new subsidiaries

In connection with the future development of the Group's business activities, new subsidiaries were created at the end of September 2023. At the moment, these companies do not have their own business operations and are not included in the Group's consolidated financial statements at 31 March 2024.

The subsidiaries, which are fully owned by Thom Group S.A.S, are: Thom Fashion, New Co 1 Thom Fashion, New Co 2 Thom Fashion.

1.2.3 Refinancement

On February 14, Goldstory S.A.S announced the closing of the offering of its €350 million aggregate principal amount of Sustainability-Linked Floating Rate Senior Secured Notes due 2030 (the "Floating Rate Notes") and its €500 million aggregate principal amount of 6.75% Ssustainability-Linked Senior Secured Notes due 2030 (the "Fixed Rate Notes" and, together with the Floating Rate Notes, the "Senior Secured Notes").

A portion of the net proceeds from this offering has been used to redeem all of Goldstory's outstanding Floating Rate Senior Secured Notes due 2026 and 5.375% Senior Secured Notes due 2026 (collectively, the "2026 Notes") respectively on February 14, 2024 and on March 4, 2024.

NOTE 2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 STATEMENT OF COMPLIANCE AND ACCOUNTING STANDARDS

The quarterly consolidated financial statements of Goldstory have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as approved and endorsed by the European Union and whose application was mandatory as at 31 March 2024.

The Group has prepared the quarterly consolidated financial statements of Goldstory S.A.S on a voluntary basis.

The amendments and interpretations applied to prepare the consolidated financial statements are those mandatory for reporting periods beginning on or after 1 October 2023.

The term IFRS refers not only to International Financial Reporting Standards, but also to International Accounting Standards (IAS) and the interpretations issued by the Standard Interpretations Committee (SIC) and the IFRS Interpretations Committee (IFRIC). The main accounting policies used to prepare the consolidated financial statements are presented below.

New standards, amendments and interpretations adopted by the European Union, mandatory for financial periods beginning on or after 1 October 2023

- IFRS 17 – Insurance Contracts, including amendments issued on 25 June 2020;
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies;
- Amendments to IAS 8 – Definition of Accounting Estimates;
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules.

Pillar Two (15% global minimum tax) is expected to come into force for several countries, including France, for reporting periods beginning on or after 31 December 2023. In France, Pilar Two’s provisions have been transposed in French law through the 2024 Finance Act and it will come into force for reporting periods beginning on or after 31 December 2023. For Goldstory, Pillar Two will therefore be applicable from the reporting period beginning on 1 October 2024 and ending on 30 September 2025. The Group is concerned by the implementation of the scheme and has begun examining its exposure to Pillar Two. In accordance with the amendments to IAS 12 published by the IASB in May 2023, no deferred tax relating to Pillar Two is or will be recognised.

New standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) adopted by the European Union, which the Group has elected not to apply early although early application is permitted

Several new standards and amendments adopted by the European Union will become mandatory for reporting periods beginning after 1 October 2023, and may be applied early.

These new standards and amendments were not applied when the consolidated financial statements were prepared.

The primary new standards and amendments are set out below. The Group does not expect them to have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback.

New standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) adopted or not yet adopted by the European Union and that may not be applied early

Several new standards and amendments adopted or not yet adopted by the European Union will become mandatory for reporting periods beginning after 1 October 2023, but may not be applied early.

The primary new standards and amendments are set out below. The Group does not expect them to have a significant impact on its consolidated financial statements:

- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements;
- Amendments to IAS 21 – Lack of Exchangeability.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in euros, which is the Company's functional currency. All financial data is rounded to the nearest million euros, with one decimal place, unless otherwise specified.

Amounts rounded to the nearest million with one decimal place may, in certain cases, result in non-significant differences in the totals and sub-totals presented in the financial statements.

The financial statements of subsidiaries with a functional currency that differs from the presentation currency are translated into euros at the reporting date:

- Assets and liabilities are translated using the exchange rate effective at the reporting date;
- Income statement and cash flow line items are translated using the average exchange rate for the reporting period, except in the event of significant fluctuations.

Foreign currency translation differences are recognised as other comprehensive income in the foreign currency translation reserve under equity.

The exchange rates used were as follows (1 EUR to CNY, 1 EUR to INR or 1 EUR to HKD):

FINANCIAL PERIOD	CURRENCY	AVERAGE RATE	CLOSING RATE
31/03/2024	CNY	7.7884	7.8144
	EUR	1.0000	1.0000
	HKD	8.4484	8.4594
	INR	89.8586	90.1365
30/09/2023	CNY	7.5304	7.7352
	EUR	1.0000	1.0000
	HKD	8.3613	8.2959
	INR	87.8990	88.0165
31/03/2023	CNY	7.2990	7.4763
	EUR	1.0000	1.0000
	HKD	8.1959	8.5367
	INR	86.0592	89.3995

2.3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires Management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, income, expenses and disclosures in the notes. Estimates and underlying assumptions are reviewed on a regular basis to ensure that they are reasonable given the Group's history, the economic environment and available information. Actual results may differ from these estimates. Major sources of uncertainty arising from estimates may result in material adjustments to the amounts of assets and liabilities recognised in the subsequent reporting period. In addition to making estimates, Management has to use judgement when selecting and/or applying the most suitable accounting treatment for certain transactions and business activities and the associated implementation arrangements.

The following judgements had the most significant impact on the amounts recognised in the consolidated financial statements:

- Determining lease terms in accordance with IFRS 16 (NOTE 11): determining whether the Group is reasonably certain to exercise its option to extend or terminate leases.
- Qualifying contracts as Software-as-a-Service arrangements and identifying the type of costs incurred in performing Software-as-a-Service arrangements qualified as service contracts in order to determine their accounting treatment.

The main estimates made by Management when preparing the consolidated financial statements were as follows:

- Determining the recoverable value of goodwill, brands and non-current non-financial assets;
- Determining the fair value of assets and liabilities assumed as part of the purchase price allocation process;
- Recoverability of deferred tax assets;
- Measurement of provisions;
- Determining the actuarial assumptions used to calculate defined benefit obligations.

2.4 MEASUREMENT PRINCIPLES

The consolidated financial statements have been prepared on a historical cost basis except for certain assets and liabilities that are measured at fair value in accordance with IFRS.

ACCOUNTING PRINCIPLES

Fair value is defined as the price that would be received for an asset or paid for the transfer of a liability in an arm's length transaction at the measurement date.

The inputs used to measure the fair value of financial and non-financial assets and liabilities are prioritised according to the following three categories:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable either directly or indirectly (including market-corroborated data);
- Level 3 inputs are unobservable inputs and are used when relevant observable inputs are not available.

2.5 CLIMATE RISK

Implementation of the Group's strategy, particularly measures relating to the supply chain, manufacturing, and shipping, and initiatives to foster a circular economy and preserve natural resources, impact some of the Group's operating performance indicators to a certain degree. They may result in an increase in manufacturing costs, shipping costs, training costs and changes in the useful lives and residual values of certain assets. However, these impacts are not currently significant for the Group. With regard to other business plan items such as revenue, growth objectives and the discount rate, the financial impact of climate risk is not deemed to be significant. As the long-term risks attached to climate continue to evolve, the management will continue to assess this risk against its judgments and estimate.

NOTE 3 OPERATING SEGMENTS

ACCOUNTING PRINCIPLES

Definition of operating segments

In accordance with IFRS 8 "Operating segments", segment information is prepared on the basis of the internal management data used to analyse performance and allocate resources by the chief operating decision-maker, a role shared by the Group's Chairman and Chief Executive Officer.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Each operating segment is regularly reviewed and the operating income of each segment regularly analysed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

3.1 BASIS OF SEGMENTATION

The Group's operating segments correspond to the following geographic areas/business activities:

- France (excluding Agatha);
- Italy;
- RoE (Rest of Europe);
- Timeway (products under license);
- Agatha and Be Maad (Be Maad only in the six-month period ended March 31, 2024).

Segmentation reflects the Group's managerial organisation and the internal reporting information submitted to the chief operating decision maker. Internal reporting information is used to assess operating segment performance, based primarily on revenue and EBITDA indicators.

3.2 SEGMENT INFORMATION

Information on each operating segment for the six-month period ended March 31, 2024 is presented below:

PERIOD : 01/10/2023 - 31/03/2024 (6 months)						
In m€	**France**	**Italie**	**RoE**	**Timeway**	**Agatha and Be Maad**	**TOTAL**
Total revenue before inter/intra segment revenue	367.2	171.0	34.3	15.7	23.4	611.5
Inter-segment revenue	(9.3)	(1.1)	(0.1)	(4.1)	(0.6)	(15.3)
Intra-segment revenue	(0.2)	-	-	(0.0)	(0.2)	(0.4)
REVENUE	**357.8**	**169.8**	**34.2**	**11.5**	**22.5**	**595.8**
EBITDA	**100.1**	**50.8**	**8.5**	**0.6**	**2.0**	**162.1**
Segment investments - Other intangible assets	6.9	0.6	0.0	0.0	0.2	7.7
Segment investments - Property, plant and equipment	6.1	7.6	1.5	0.5	0.4	16.1
SEGMENT INVESTMENTS	**13.0**	**8.2**	**1.5**	**0.5**	**0.7**	**23.8**
INVENTORIES	**139.6**	**113.0**	**20.3**	**12.2**	**4.8**	**289.8**

The following is showing the Group’s segment information for the six-month period ended March 31, 2023:

PERIOD : 01/10/2022 - 31/03/2023 (6 months)						
In m€	**France**	**Italie**	**RoE**	**Timeway**	**Agatha**	**TOTAL**
Total revenue before inter/intra segment revenue	338.5	164.0	32.1	16.1	14.8	565.6
Inter-segment revenue	(8.2)	(1.7)	(0.6)	(3.8)	(0.2)	(14.5)
Intra-segment revenue	(0.2)	-	-	(0.0)	(0.0)	(0.2)
REVENUE	**330.1**	**162.3**	**31.5**	**12.3**	**14.6**	**550.9**
EBITDA	**101.3**	**47.3**	**7.9**	**0.0**	**0.5**	**157.0**
Segment investments - Other intangible assets	6.6	0.8	0.0	0.0	0.1	7.5
Segment investments - Property, plant and equipment	3.2	7.9	1.3	0.6	0.4	13.3
SEGMENT INVESTMENTS	**9.8**	**8.7**	**1.3**	**0.6**	**0.5**	**20.8**
INVENTORIES	**144.5**	**101.4**	**18.5**	**13.8**	**3.6**	**281.7**

NOTE 4 CONSOLIDATION METHOD AND SCOPE

ACCOUNTING PRINCIPLES

Consolidation principles

The consolidated financial statements include the assets and liabilities, profit or loss and cash flows of the Company and its subsidiaries. Intercompany balances and transactions are eliminated when preparing the consolidated financial statements.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Equity interests acquired in these entities are consolidated on the date that control is transferred to the Group and are deconsolidated when control ceases.

4.1 LIST OF CONSOLIDATED COMPANIES

As of March, 31, 2024, entities included in the consolidation scope under full consolidation method are as follows:

Scope of consolidation		31/03/2024		30/09/2023		31/03/2023	
Company	**Country**	**Interest %**	**Consolidation Method**	**Interest %**	**Consolidation Method**	**Interest %**	**Consolidation Method**
Goldstory	France	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Thom Group	France	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Thom	France	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Histoire d'Or Monaco	Monaco	99.94%	Full Consolidation	99.94%	Full Consolidation	99.94%	Full Consolidation
Histoire d'Or Belgium	Belgium	99.99%	Full Consolidation	99.99%	Full Consolidation	99.99%	Full Consolidation
Thom Asia	Hong-Kong	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Thom India	India	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
OroVivo	Germany	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Stroili Oro	Italy	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Histoire d'Or Luxembourg	Luxembourg	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Thom Trade	France	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Thom Trade Italy	Italy	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Venson Paris	France	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Duo Mu Jewellery (China)	China	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
NewCo Sell Platform	France	65.03%	Full Consolidation	65.03%	Full Consolidation	65.03%	Full Consolidation
Popsell	France	65.03%	Full Consolidation	65.03%	Full Consolidation	65.03%	Full Consolidation
Agatha	France	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Agatha Spain	Spain	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Agatha Asia	Hong-Kong	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
RLC China	China	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Agatha Shanghai Distribution	China	100.00%	Full Consolidation	100.00%	Full Consolidation	100.00%	Full Consolidation
Be Maad	France	75.00%	Full Consolidation				

4.2 CHANGES IN CONSOLIDATION SCOPE

ACCOUNTING PRINCIPLES

Business combinations

Business combinations are recognised in accordance with IFRS 3 “Business Combinations”, using the acquisition method.

Goodwill corresponds to:

- the fair value of the consideration transferred, plus;
- the amount of any non-controlling interest in the acquiree, plus;
- in a business combination achieved in stages, the fair value of the acquirer’s previously held equity interest in the acquiree; less
- the net of the acquisition-date amounts (generally at fair value) of identifiable assets acquired and liabilities assumed.

If the difference is negative, it is immediately recognised as a gain on a bargain purchase in profit or loss.

The consideration transferred is measured at fair value, which corresponds to the sum of the acquisition-date fair values of the assets acquired, liabilities assumed or incurred and equity instruments issued in exchange for control of the acquiree. If the consideration transferred by the Company in a business combination is subject to a contingent consideration arrangement, the contingent consideration is measured at fair value. Subsequent changes in fair value of the contingent consideration corresponding to debt instruments are recorded in profit or loss.

Acquisition costs are expensed as incurred as directly attributable transaction costs. They are presented under other non-recurring operating expenses.

At the acquisition date, the Group recognises the individual identifiable assets acquired and liabilities assumed (identifiable net assets) of the subsidiaries, on the basis of their relative fair values at the date of purchase (barring exceptions). The assets and liabilities recognised may be adjusted over a maximum period of 12 months as of the acquisition date to reflect new information obtained on facts and circumstances that existed at the acquisition date

4.2.1 Acquisition of Be Maad

On 30 September 2023, Thom Group S.A.S acquired 51% of Be Maad S.A.S shares. On 12 January 2024, Thom Group acquired additional 24% of Be Maad S.A.S shares to reach 75% of ownership

4.2.1.1 Consideration transferred

The transaction financing arrangements are presented in Note 1.2.1.

The table below presents the breakdown by type of the fair value at the acquisition date of the consideration transferred.

Be Maad

Acquisition Thom Group

In m€	At acquisition date
Cash	1.4
Convertible bonds repayment	-
Total consideration transferred	**1.4**

4.2.1.2 Acquisition-related costs

The Group incurred acquisition-related costs in the form of lawyers' and due diligence fees amounting to €0.1 million. This amount was recognised under other non-recurring operating expenses.

4.2.1.3 Identifiable assets acquired and liabilities assumed

The table below presents the amounts of assets acquired and liabilities assumed recognised at the acquisition date:

ASSETS

In m€	At acquisition date
Non-current assets	**0.1**
Current assets	**0.4**
TOTAL ASSETS	**0.5**

EQUITY AND LIABILITIES

In m€	At acquisition date
Total equity	**0.2**
Non-current liabilities	**0.2**
Current liabilities	**0.1**
TOTAL EQUITY AND LIABILITIES	**0.5**

Brands were measured based on royalty income discounted to infinity. Using this method, brand value is calculated by discounting theoretical royalty streams net of tax and other costs incurred to maintain the brand. In this way, it is possible to determine the amounts that the owner of the brand may receive every year over the period in which the brand is operated by a third party, depending on the revenue progression rate, which itself depends on the market outlook and the royalty rate.

4.2.1.4 Goodwill

Goodwill resulting from the acquisition was calculated as follows:

In €m	THOM GROUP
CONSIDERATION TRANSFERRED	**1.4**
Acquisition date fair value of net assets acquired	0.3
Goodwill	**1.1**

NOTE 5 OPERATING INCOME AND CASH FLOWS

5.1 REVENUE

ACCOUNTING PRINCIPLES

Revenue includes operating revenue and other sales.

Operating revenue

Operating revenue corresponds to in-store and online jewellery sales, as well as sales to affiliated stores and independent stores (wholesale business through Timeway).

The Group recognises revenue when it transfers control of the related asset to the customer. Control is deemed to be transferred at the time of delivery when the customer accepts and takes possession of the asset.

In the case of in-store sales, revenue is recognised at the time of sale or upon subsequent delivery to the customer if the product was not immediately available in-store. Retail sales are generally paid for in cash or by credit or debit card.

On the e-commerce websites, sales are recognised when the product is delivered to the customer. Transactions are generally settled by credit or debit card, cheque, other payment card or electronic payments.

Sales to affiliated stores are recognised upon delivery of the merchandise to the latter.

Other sales

Other sales include sales of precious metals bought back through the network or smelters and resold. The Group buys back gold in-store: the customer can choose to be paid either by gift voucher or in cash. Revenue is recognised at the sales price in force at the time of sale.

Customer loyalty programmes

The Group has set up a loyalty card system in which customers receive a discount after five purchases at Histoire d'Or and Marc Orian. The discount equals 10% of the total purchase amount and may only be used against future purchases.

Income from the sale of merchandise is allocated to the loyalty programme and the other sales components. The amount allocated to the loyalty programme is deferred and recognised as revenue when the Group meets its discount obligations under the programme or when customers' loyalty points expire.

Other items

Sales are measured at the fair value of the consideration received or receivable in exchange for goods or services, excluding VAT and net of discounts granted to customers. They are based on the invoiced price.

The invoiced price does not include variable amounts requiring the use of estimates.

The Group has established partnerships with companies specialised in consumer credit to enable Group customers to pay in instalments. However, contracts with customers do not include a financing component as the use of consumer credit has no impact on the Group, i.e. the sales price remains identical whether or not customers use consumer credit to help finance a purchase.

Customers may return items purchased in-store and online. Where applicable, the Group recognises a liability for future refunds and an asset for the items it expects to recover.

5.1.1 Breakdown of revenue

SALES	FY 2024	FY 2023
In €m	01/10/2023 - 31/03/2024 (6 months)	01/10/2022 - 31/03/2023 (6 months)
France	329.6	321.9
Foreign	211.0	193.7
Sales to affiliates	7.8	5.7
NETWORK SALES	**548.4**	**521.3**
Sales of precious metals	46.5	28.5
Supplier invoices	0.1	0.0
Logistics and purchasing services invoicing	0.2	0.2
Other revenue	0.7	0.8
OTHERS	**47.5**	**29.5**
TOTAL REVENUE	**595.8**	**550.9**

Revenue totaled €595.8 million for the six-month period ended on March 31, 2024, representing a €45.0 million increase compared to €550.9 million recorded for the six-month period ended March 31, 2023.

This growth can be primarily explained by an increase of €27.1 million in network sales during the six-month period ended on March 31, 2024 which was driven by the sustained growth of the Group's established brands, following targeted marketing efforts from the Group in recent years as well as the perimeter effect of opening new stores. These targeted efforts included new marketing campaigns for the our Histoire d'Or and Stroili brands, developing broader product offerings across such brands and the deployment of a new store concept in Italy.

Additionally, the increase in revenue was also explained by a €18.0 million rise in sales of precious metals during the six-month period ended on March 31, 2024, compared to the same period in 2023. The increase was primarily driven by a significant gold sale totaling €14 million in October and November 2023 for hedging purposes (resale of a stock purchased in fiscal year ended September 30, 2023).

5.2 OTHER INCOME

ACCOUNTING PRINCIPLES

Other operating income includes government grants, which are initially recognised as deferred income at fair value, if there is reasonable assurance that they will be received and the Group will comply with the conditions attached to them.

Investment grants are recognised as other operating income on a systematic basis over the useful life of the asset.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs that the grants are intended to cover, unless the conditions for obtaining the grant are only met after the related expenses have been recognised. In this case, the grant is only recognised once the conditions for obtaining it are met

OTHER INCOME	FY 2024	FY 2023
In €m	01/10/2023 - 31/03/2024 (6 months)	01/10/2022 - 31/03/2023 (6 months)
Partner royalties	0.7	0.7
Other	0.9	0.3
TOTAL OTHER INCOME	1.6	1.1

In the six-month ended March 31, 2024, other income totaled €1.6 million, an increase of €0.5 million from €1.1 million in the six-month ended March 31, 2023.

5.3 OPERATING EXPENSES

5.3.1 Cost of goods sold

COST OF GOODS SOLD	FY 2024	FY 2023
In €m	01/10/2023 - 31/03/2024 (6 months)	01/10/2022 - 31/03/2023 (6 months)
Purchase of raw materials	(17.8)	(31.2)
Change in inventories - raw materials	(25.9)	(8.9)
COGS - RAW MATERIALS	**(43.6)**	**(40.1)**
Purchase of merchandise	(200.1)	(176.9)
Change in inventories - merchandise	25.7	26.8
COGS - MERCHANDISE	**(174.3)**	**(150.1)**
TOTAL COST OF GOODS SOLD	(218.0)	(190.2)

The cost of goods sold totaled €218.0 million for the six-month period ended on March 31, 2024, marking an increase of €27.8 million compared to €190.2 million reported in the corresponding period ended on March 31, 2023. This increase was driven by an increase in network sales across the board, combined with an inflation of purchase prices.

Besides, the Group hedged against fluctuations in the U.S. dollar/euro foreign exchange rate by entering into forwards and collars. As of March 31, 2024, we had entered into forwards in a notional amount of $80.0 million (49% of which had maturities of less than one year) and into collars in a notional amount of $30.3 million (100% of which had maturities of less than one year). As of September 30, 2023, we had entered into forwards in a notional amount of $71.7 million (61% of which had maturities of less than one year) and into collars in a notional amount of $35.3 million (89% of which had maturities of less than one year).

5.3.2 Personnel expenses

ACCOUNTING PRINCIPLES

Short-term employee benefits

Short-term employee benefits are expensed when the corresponding service is rendered. A liability is recognised for the amount that the Group expects to pay if it has a present legal or constructive obligation to make such payments as a result of past events and if a reliable estimate of the obligation can be made.

Defined benefit plans

Defined benefit plans refer to plans under which an entity has a legal or constructive obligation for a fixed amount or level of benefits. Consequently, the Group bears the risk in the medium and long term.

These plans are reflected in the financial statements, with the service cost presented in the income statement and statement of other comprehensive income.

Actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions are recognised in "Other comprehensive income" and are not released to profit or loss. Paste service costs are recognised immediately in profit or loss.

Defined contribution plans

Defined contribution plans are those for which the Group's obligation is limited to the payment of a contribution, without any commitment regarding the level of benefits provided.

Contributions paid under defined contribution plans are expensed as incurred.

Plans applicable to the Group

Defined benefit plans which are composed of post-employment benefits are calculated once a year. As of 30 September 2023, post employment benefits liability amounted to €3.9 million.

Personnel expenses

PERSONNEL EXPENSES	FY 2024	FY 2023
In €m	01/10/2023 - 31/03/2024 (6 months)	01/10/2022 - 31/03/2023 (6 months)
Wages and salaries	(98.8)	(93.3)
Social security contributions	(31.1)	(28.8)
Employee profit-sharing	(6.3)	(6.2)
TOTAL PERSONNEL EXPENSES	(136.2)	(128.3)

During the six-month period ended March 31, 2024, personnel expenses amounted to €136.2 million, reflecting an increase of €7.9 million compared to €128.3 million recorded in the corresponding period ending March 31, 2023. This increase primarily results from the collective impact of wage inflation.

5.3.3 External expenses

EXTERNAL EXPENSES	FY 2024	FY 2023
In €m	01/10/2023 - 31/03/2024 (6 months)	01/10/2022 - 31/03/2023 (6 months)
Utilities and other supplies	(6.9)	(7.4)
Real property leases	(1.7)	0.0
Expenses related to real property leases	(5.9)	(6.8)
Advertising	(22.4)	(19.8)
Transport	(5.5)	(5.3)
Insurance	(0.8)	(0.7)
Maintenance	(3.2)	(3.4)
Consultancy fees	(9.2)	(8.6)
Bank fees	(2.6)	(2.5)
Information system and technology	(5.0)	(4.3)
Telecommunication and network expenses	(2.1)	(2.1)
Travel, accommodation and courtesy costs	(3.0)	(3.0)
Other	(7.3)	(5.9)
Regional levy on French companies (CFE)	(0.8)	(0.7)
Payroll-related taxes	(1.6)	(1.8)
Taxes on commercial premises	(0.5)	(0.5)
Levy on French companies to fund social security (CSS)	(1.0)	(1.0)
Other taxes and duties	(0.8)	(0.5)
TOTAL EXTERNAL EXPENSES	(80.5)	(74.4)

For the six-month period ended March 31, 2024, external expenses totaled €80.5 million, showing an increase of €6.2 million from €74.4 million accounted in the six-month period ended March 31, 2023.

The increase in external expenses was mainly attributed to several key factors:

- A change in perimeter with the inclusion of Agatha China in the Group's consolidated financial statements for the six-month period ended March 31, 2024, which contributed €2.8 million to external expenses,
- an increase of €2.7 million in advertising costs related to the development of e-commerce,
- a €1.7 million increase in rents not eligible to IFRS16 and in variable rents, including associated charges.

5.3.4 Non-recurring operating income and expenses

ACCOUNTING PRINCIPLES

Unusual and material items in the consolidated financial statements are presented separately in operating income under other non-recurring operating income and expenses. This line item primarily includes:

- transaction costs relating to changes in consolidation scope, expensed as incurred in accordance with IFRS 3 "Business Combinations";
- costs relating to restructuring plans; and
- impairment of non-current assets primarily recognised following impairment tests on cash-generating units and goodwill.

OTHER NON-RECURRING OPERATING INCOME AND EXPENSES	FY 2024	FY 2023
In €m	01/10/2023 - 31/03/2024 (6 months)	01/10/2022 - 31/03/2023 (6 months)
Proceeds from disposal of assets	0.4	0.6
Other income	0.6	1.4
OTHER NON-RECURRING OPERATING INCOME	**0.9**	**2.0**
Pre-opening expenses	(1.2)	(0.7)
Net book values of disposed assets	(0.6)	(0.7)
Other expenses	(2.7)	(2.6)
OTHER NON-RECURRING OPERATING EXPENSES	**(4.5)**	**(4.0)**
TOTAL OTHER NON-RECURRING OPERATING INCOME AND EXPENSES	**(3.6)**	**(2.0)**

For the six-month ended March 31, 2024, other non-recurring operating income totaled €0.9 million, reflecting a decrease of €1.1 million from €2.0 million in the six-month ended March 31, 2023.

During the same period, other non-recurring expenses amounted to €4.5 million, an increase of €0.5 million compared to the six-month ended March 31, 2023. This increase was contributed by €1.2 million in pre-opening expenses, €0.6 million from the net book values of disposed assets and €2.7m from other expenses.

Pre-opening expenses were €1.2 million for the six-month period ended 31 March 2024 (mainly from Stroili for €0.8 million and Orovivo for €0.3 million) compared to €0.7 million for the same period in 2023. These expenses represent costs incurred in preparing for the opening of stores or during renovation projects that require extended closure of sales outlets. The increase resulted from a higher number of openings.

The breakdown of other expenses totalling €2.7 million as of 31 March 2024 (over six months) is as follows:

- €1.3 million related to the implementation of group financial and governance structures,
- €0.7 million for extraordinary severance payments,
- and €0.7 million for other non-recurring operating activitites.

For the six-month period ended March 31, 2023, other expenses totalled €2.6 million and mainly consists of:

- €0.6 million in acquisition costs related to the purchase of Agatha,
- €0.9 million for an arbitration settlement related to a dispute over the use of the Agatha trademark with a former partner in China (with whom Agatha collaborated prior to its acquisition by the Group),
- €0.3 million for extraordinary severance payments,
- and €0.8 million for other non-recurring operating expenses.

NOTE 6 NET FINANCIAL INCOME (EXPENSE)

ACCOUNTING PRINCIPLES

Net financial income (expense) primarily includes interest on bank loans, recognised using the effective interest method. Application of the effective interest method involves amortising, using actuarial assumptions, items included in the carrying amount of the financial instrument (commissions and spreads paid and received, transaction costs, premiums and discounts) over the expected useful life of the instrument.

It also includes interest expenses on lease liabilities determined in accordance with IFRS 16 for all leases (barring exemptions).

Transactions denominated in a foreign currency are translated into the functional currencies of Group companies using the exchange rate effective at the transaction date. Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate effective at the reporting date. Non-monetary items measured at historical cost, denominated in a foreign currency, are translated using the exchange rate effective at the transaction date. The resulting foreign exchange differences are generally recognised under net financial income (expense) and included in foreign exchange gains and losses.

Foreign exchange gains and losses on payables and receivables denominated in a foreign currency are classified as financial income or expense.

Net financial income (expense) includes changes in the fair value of derivatives.

Net financial income (expense) breaks down as follows:

FINANCIAL INCOME AND EXPENSES	FY 2024	FY 2023
In €m	01/10/2023 - 31/03/2024 (6 months)	01/10/2022 - 31/03/2023 (6 months)
Interest on Senior Secured Notes ("High Yield")	(26.9)	(19.1)
Interest on bank loan and Revolving Credit Facility	(1.6)	(0.9)
Costs relating to 2021 refinancing	-	-
Other	-	0.1
COST OF NET FINANCIAL DEBT	**(28.5)**	**(20.0)**
Foreign currency exchange	2.4	2.8
Other	0.6	0.1
Other financial income	**3.0**	**2.8**
IFRS 16 expenses	(10.7)	(11.2)
Foreign currency exchange	(3.3)	(3.0)
Financial expenses for customer deferred payments	(0.5)	(0.5)
Other	(1.9)	(0.4)
Other financial expenses	**(16.4)**	**(15.2)**
OTHER FINANCIAL INCOME AND EXPENSES	**(41.8)**	**(32.3)**

In the six-month ended March 31, 2024, total net financial expense totalled to €41.8 million, an increase of €9.5 million compared to €32.3 million in the six-month ended March 31, 2023.

The cost of net financial debt amounted to €28.5 million in the six-month ended March 31, 2024, an increase of €8.5 million from €20.0 million in the six-month period ended on March 31, 2023. This increase is mainly driven by:

- a €5.0 million premium paid for the exit of the previous Senior Secured Notes (SSN) repaid in March 2024,
- a €12 million issuance costs disposal offset by €12 million proceed from the sales of an hedging instruments related to the former SSN,
- a €2.8m net increase in the Floating Rate Note (FRN) interests due to the increase of the EURIBOR rate and the increase in interests related to the new Sustainability-Linked Bond SSN compared to the previous SSN,
- and a €0.7 million increase in other cost of net financial debt.

It should be noted that on March 22, 2024, the Group implemented a new EURIBOR hedge to hedge against increases in interest rates related to the Sustainability-Linked Floating Rate Senior Secured Notes for a total notional amount of €265.0 million, while the remaining amount of our indebtedness under the Sustainability-Linked Floating Rate Senior Secured Notes is not covered by hedging. The hedging contract is composed of a swap from May 2024 to May 2027 at 3M-EURIBOR at 3.08% and a cap from May 2027 to May 2029 at 3M-EURIBOR at 3% and at floor 0. This represents a 76% coverage of the Floating Rates Notes and 90% coverage for the total Sustainability-Linked Senior Secured Notes.

Other financial income totaled €3.0 million in the six-month period ended March 31, 2024, showing a slight increase of €0.2 million from €2.8 million in the six-month period ended March 31, 2023.

Other financial expenses totaled €16.4 million in the six-month period ended March 31, 2024, increasing by €1.2 million from €15.2 million in the six-month period ended March 31, 2023.

NOTE 7 INCOME TAX

ACCOUNTING PRINCIPLES

Income tax expense comprises current and deferred tax. Income tax expense is calculated using tax rates enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

French value-added business tax (Cotisation sur la Valeur Ajoutée des Entreprises (CVAE)) is deemed by the Group to meet the definition of income tax.

Current and deferred tax are recognised in profit or loss, unless they relate to items recognised in other comprehensive income or directly in equity. If current or deferred tax results from the initial recognition of a business combination, the tax impact is included in the recognition of the business combination.

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes (barring exceptions).

The impact on deferred tax assets and liabilities of a change in tax rates and tax legislation is generally recognised under tax income/expense in the period in which the change is substantively enacted. Deferred tax assets and liabilities are measured using the tax rates expected for the period in which the assets are used or the liabilities settled, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax credits, tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilised. Future taxable profit is measured based on the reversal of taxable temporary differences. If the amount of temporary differences is not sufficient to recognise a deferred tax asset in full, future taxable profit, net of the reversal of temporary differences is measured based on the business plan of each Group subsidiary. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that taxable profit will be realised. The reductions are reversed if the probability of future taxable profit increases.

Unrecognised deferred tax assets are remeasured at each reporting date and recognised if it becomes probable that future taxable profit will be available against which they can be utilised.

MANAGEMENT ESTIMATES AND ASSUMPTIONS

Management's judgement is necessary to determine to what extent tax losses may be recovered by the Group, giving rise to the recognition of a deferred tax asset. To evaluate the recognition of deferred tax assets, Management assesses whether or not it is probable that they will be utilised. Deferred tax assets will be utilised if sufficient taxable profit net of the reversal of temporary differences will be available in the periods when the temporary differences become deductible. Estimates of taxable profit and use of tax loss carry-forwards are made on the basis of budget forecasts, the mid-term (five-year) business plan and additional forecasts when required.

7.1 INCOME TAX

INCOME TAX EXPENSE	FY 2024	FY 2023
In €m	01/10/2023 - 31/03/2024 (6 months)	01/10/2022 - 31/03/2023 (6 months)
Current income tax	(27.6)	(24.0)
French value-added business tax (CVAE)	(0.6)	(0.8)
Deferred tax	0.0	(1.7)
TOTAL INCOME TAX EXPENSE	**(28.1)**	**(26.5)**

Income tax expense totaled €28.1 million in the six-month ended March 31, 2024, an increase of €1.7 million from €26.5 million in the six-month ended March 31, 2023, mainly due to a €3.6 million increase in income tax expenses, not offset by the €1.7 million decrease in deferred tax losses and €0.2 million decrease in CVAE (Cotisation sur la Valeur Ajoutée des Entreprises – a French value-added business tax). Such decrease is mainly due to the reduction by half of the CVAE rate as a consequence of the gradual elimination of the CVAE tax over two years.

NOTE 8 EBITDA

EBITDA is the main performance indicator monitored by Management:

RECONCILIATION WITH OPERATING PROFIT	FY 2024	FY 2023
In €m	01/10/2023 - 31/03/2024 (6 months)	01/10/2022 - 31/03/2023 (6 months)
Recurring operating profit	**106.4**	**106.4**
Allowance for depreciation, amortisation, impairment and provisions	55.7	50.6
EBITDA	**162.1**	**157.0**

During the six-month period ended March 31, 2024, Reported EBITDA reached €162.1 million, marking an increase of €5.1 million compared to €157.0 million for the same period in 2023. This growth was driven by the following factors:

- an increase in network sales across all segments, particularly due to the strong performance of our key brands (Histoire d'Or, Stroili and AGATHA). This was achieved while maintaining stable Network Gross Margin rates compared to the three-month ended March 31, 2023, with inflation being offset by favorable activity mix effect, notably due to the increasing weight of Agatha with higher Gross Margin rate,
- a reduction in energy costs following the commencement of new supply contracts effective from January 1, 2024.
- and a strong emphasis on costs management, particularly in marketing expenditures.
- Additionally, the shift of Easter from April in fiscal year ended 30 September 2023, to March in fiscal year ended 30 September 2024, positively impact-ed EBITDA by approximately €1.0 million in March 2024, which reverse in April 2024.

NOTE 9 GOODWILL

ACCOUNTING PRINCIPLES

At the acquisition date, goodwill is measured in accordance with accounting standards applicable to business combinations, as described in Note 4.2.

Goodwill is not amortised but is tested for impairment at each reporting date, or whenever there is an indication of impairment as a result of events or a change in circumstances.

GOODWILL					
In €m	Opening 01/10/2023	Change in scope	Acquisition	Disposal	Closing 31/03/2024
Gross					
France	313.7	-	-	-	313.7
Italy	31.2	-	-	-	31.2
RoE	39.7	-	-	-	39.7
Timeway	0.2	-	-	-	0.2
Agatha	2.3	-	-	-	2.3
Be Maad	-	1.1	-	-	1.1
GOODWILL, GROSS	**387.2**	**1.1**	**-**	**-**	**388.3**
IMPAIRMENT	**-**	**-**	**-**	**-**	**-**
Net					
France	313.7	-	-	-	313.7
Italy	31.2	-	-	-	31.2
RoE	39.7	-	-	-	39.7
Timeway	0.2	-	-	-	0.2
Agatha	2.3	-	-	-	2.3
Be Maad	-	1.1	-	-	1.1
GOODWILL, NET	**387.2**	**1.1**	**-**	**-**	**388.3**

As of March 31, 2024, goodwill amounted to €388.3 million in net book value. The increase of €1.1 million compared to €387.2 million as of September 30, 2023 is related to the acquisition of Be Maad. The purchase price allocation for the goodwill has not yet been finalized and will be done before the end of the financial year.

NOTE 10 OTHER INTANGIBLE ASSETS

ACCOUNTING PRINCIPLES

Other intangible assets primarily relate to:

- software,
- brands.

They are initially recognised:

- at acquisition cost, in the event of acquisition;
- at their fair value at the date control is obtained, in the event of business combinations; or
- at production cost for the Group, if they are produced internally (for software only, as brands generated internally are not recognised).

Intangible assets are recognised in the balance sheet at their initial cost, less accumulated amortisation and impairment losses.

The useful lives and amortisation schedule for intangible assets are as follows:

- software solutions: straight-line 1 to 5 years

Brands are analysed as assets with an indefinite useful life, and therefore are not amortised. However, they are tested for impairment at each reporting date, or whenever there is an indication of impairment as a result of events or a change in circumstances.

OTHER INTANGIBLE ASSETS

In €m	Opening 01/10/2023	Change in scope	Increase	Decrease	Reclassification	Closing 31/03/2024
Gross						
Brands	311.1	0.1	0.0	(0.0)	0.0	311.2
Software	51.5	0.0	(0.1)	(0.1)	0.4	51.8
Other	0.7	-	-	-	(0.1)	0.6
Intangible assets in progress	17.7	-	7.8	-	(0.4)	25.0
OTHER INTANGIBLE ASSETS, GROSS	**381.1**	**0.1**	**7.7**	**(0.1)**	**(0.1)**	**388.6**
Accumulated depreciation and impairment losses						
Brands	(0.3)	-	0.0	0.0	-	(0.4)
Software	(22.8)	(0.0)	(3.0)	0.1	-	(25.7)
Other	(0.3)	-	(0.1)	-	0.1	(0.3)
Intangible assets in progress	-	-	-	-	-	-
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	**(23.4)**	**(0.0)**	**(3.1)**	**0.1**	**0.1**	**(26.4)**
Net						
Brands	310.8	0.1	0.0	(0.0)	0.0	310.8
Software	28.7	(0.0)	(3.1)	0.0	0.4	26.1
Other	0.4	-	(0.1)	-	-	0.3
Intangible assets in progress	17.7	-	7.8	-	(0.4)	25.0
OTHER INTANGIBLE ASSETS, NET	**357.6**	**0.0**	**4.6**	**(0.0)**	**-**	**362.3**

As of March 31, 2024, brands were recognized on the Group's balance sheet for €310.8 million net book value and mainly included: Histoire d'Or at €185.7 million, Stroili at €93.7 million, Marc Orian at €13.6 million, Agatha at €8.0 million, Orovivo at €7.7 million and Franco Gioielli at €1.1 million. Each brand was subject to an annual impairment test. They were valued based on the discounted cash-flows method, i.e. by discounting forecast royalties to perpetuity.

Besides, software was recognized on the Group's balance sheet for €26.1 million net book value.

There is an increase of €7.8 million in intangible assets in progress for the first six months of fiscal year 2024 is mainly related to the IT project such as: SAP for €6.9 million and Horizon for €0.8 million.

NOTE 11 LEASES

ACCOUNTING PRINCIPLES

In accordance with IFRS 16, a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the commencement date.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of assets with a value of less than USD 5,000 and short-term leases with a term of one year or less. The Group recognises the lease payments associated with the leases as an expense on a straight-line basis over the lease term. The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date and any initial direct costs incurred by the lessee such as payment to prior tenants for leaseholds.

The right-of-use asset is subsequently depreciated on a straight-line basis over the lease term, unless the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In the latter case, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset, determined on the same basis as for property, plant and equipment. The right-of-use asset is also regularly written down if there are indications of impairment, or adjusted for any remeasurement of the lease liability.

As mentioned above, leaseholds are included in right-of-use assets. The leasehold portion of the right-of-use asset is not amortised if leaseholds are legally protected, as is the case in France where commercial lessees are legally entitled to an almost unlimited number of lease renewals. Consequently, a leasehold reflects the residual value of the right-of-use asset.

The value of leaseholds is tested for impairment. An impairment loss is recognised if the carrying amount in the consolidated financial statements is above the market value determined by expert appraisal.

The legal protection granted to stores outside France was not deemed sufficient to qualify the leasehold portion of right-of-use assets. The full amount paid for these leaseholds is therefore depreciated in the same way as the rest of the right-of-use asset.

The lease liability is initially measured at the present value of the lease payments due and not paid at the commencement date. The discount rate used corresponds to the lessee's incremental borrowing rate (based on terms and not maturities).

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is then increased to reflect interest on the lease liability and reduced to reflect the lease payments made.

It is remeasured to reflect any lease modifications resulting from a change in an index or a rate used to determine future lease payments or the Group's reassessment of the probability of exercising a purchase, termination or renewal option.

The Group's main leases relate to real estate and vehicles.

MANAGEMENT ESTIMATES AND ASSUMPTIONS

The judgement of management in cooperation with operating staff is necessary to determine the dates the leases end, based on termination or renewal options provided for in certain property leases. The contract end date is determined according to the characteristics of the contract and the performance of the stores.

11.1 RIGHT-OF-USE ASSETS

RIGHT-OF-USE ASSETS							
In €m	**Opening 01/10/2023**	**Change in scope**	**Increase**	**Decrease**	**Termination of contract**	**Others**	**Closing 31/03/2024**
Gross							
Buildings	526.0	0.2	69.2	(0.3)	(17.4)	-	577.7
Vehicles	1.2	0.0	0.8	-	(0.3)	-	1.8
Technical installations, idustrial equipment and machinery	1.3	-	0.0	-	(0.1)	-	1.1
Other property, plant and equipment	9.3	-	-	(0.4)	-	-	8.9
RIGHT-OF-USE ASSETS, GROSS	**537.8**	**0.2**	**70.1**	**(0.7)**	**(17.8)**	**-**	**589.6**
Accumulated depreciation and provisions							
Buildings	(176.1)	-	(38.5)	-	1.4	0.1	(213.1)
Vehicles	(0.7)	-	(0.3)	-	0.2	-	(0.8)
Technical installations, idustrial equipment and machinery	(1.2)	-	(0.2)	-	0.1	-	(1.2)
Other property, plant and equipment	(7.0)	-	(0.1)	0.4	-	-	(6.7)
ACCUMULATED DEPRECIATION AND PROVISIONS	**(185.0)**	**-**	**(39.1)**	**0.4**	**1.7**	**0.1**	**(221.9)**
Net							
Buildings	349.9	0.2	30.7	(0.3)	(16.1)	0.1	364.6
Vehicles	0.5	0.0	0.5	-	(0.1)	-	1.0
Technical installations, idustrial equipment and machinery	0.1	-	(0.1)	-	(0.0)	-	(0.1)
Other property, plant and equipment	2.4	-	(0.1)	-	-	-	2.2
RIGHT-OF-USE ASSETS, NET	**352.9**	**0.2**	**31.0**	**(0.3)**	**(16.2)**	**0.1**	**367.7**

As of March 31, 2024, the Group's balance sheet showed a net book value of €367.7 million for the Right-of-Use. This figure mainly drives by the leasing arrangements pertaining to stores and buildings, amounting to €364.6 million, compared to €349.9 million reported as of September 2023. The main variance is principally attributable to the initiation or renewal of lease agreements within the markets of France and Italy for €30.7 million.

11.2 LEASE LIABILITIES

The change in lease liabilities breaks down as follows:

CURRENT AND NON-CURRENT LEASE LIABILITIES		
In €m		
AT 1 OCTOBER 2023		**274.4**
Non-current liabilities		203.8
Current liabilities		70.6
	Scope changes	0.2
	Increases	80.2
	Repayment	(47.4)
	Decreases	(16.5)
	Foreign exchange differences	(0.0)
AT 31 MARCH 2024		**290.9**
Non-current liabilities		216.4
Current liabilities		74.5

As of March, 31, 2024 the total lease liabilitites amounted to €290.9 million including €74.5 million classified as short-term obligations, while €216.4 represented long-term commitements.

Breakdown of lease liabilities by maturity are reported as below:

LEASE LIABILITIES In €m	Less than one year	1 to 5 years	More than 5 years	31/03/2024
Non-current lease liabilities	-	191.8	24.6	216.4
Current lease liabilities	74.5	-	-	74.5
TOTAL LEASE LIABILITIES	**74.5**	**191.8**	**24.6**	**290.9**

NOTE 12 INVENTORIES

ACCOUNTING PRINCIPLES

Inventories are measured at actual acquisition cost if they are tracked on a unit basis (such as all jewellery and watches sold by the Group) and at weighted average cost when tracked on a reference basis (such as spare parts, batteries, etc.). Actual cost and weighted average cost include discounts and rebates granted by suppliers, and the cost of gold hedges and U.S. dollar hedges (on the date of disbursement).

Impairment is recognised by comparing losses from defective products during the year to inventories at the previous year-end. The loss rate thus calculated is applied to year-end inventories by age bracket, after deducting reinvoicing to suppliers and/or the recovery value of gold products. The proportion of inventory in each age bracket is also tested, and impaired items in the oldest inventory bracket (as a percentage of total inventory) are written off.

Impairment is recognised for inventories of raw materials when their market price falls below their purchase price.

INVENTORIES		
In €m	**31/03/2024**	**30/09/2023**
Gross		
Raw materials and packaging inventories	18.1	43.9
Merchandise	290.3	264.5
Inventories, gross	**308.4**	**308.4**
Impairment losses		
Raw materials and packaging inventories	(0.3)	(0.4)
Merchandise	(18.2)	(15.9)
Impairment losses on inventories	**(18.6)**	**(16.3)**
Net		
Raw materials and packaging inventories	17.7	43.6
Merchandise	272.1	248.6
INVENTORIES AND WORK-IN-PROGRESS, NET	**289.8**	**292.2**

Inventories consist of two components: raw materials and merchandise. As of March 31, 2024, total net inventories were €289.8 million, showing a decrease of €2.4 million compared to €292.2 million as of September 30, 2023.

Raw materials inventories mainly include gold, valued at €17.7 million as of March 31, 2024 (down from €31.7 million on September 30, 2023). Gold inventories are recorded at their actual acquisition cost, which is lower than the recoverable amount determined by market fixings as of March 31, 2024. The Group optimises hedging costs by prioritising physical gold storage over the purchase of market options (customers can deposit gold at stores in exchange for cash or purchase vouchers). The other raw materials mainly consist of packaging and inventories of other metals, such as silver.

Merchandise inventories are mainly held in stores. These inventories typically peak on 30th September as a result of a build-up stock for the year end and a preparation for Christmast season.

Merchandise inventories are written down by comparing losses from defective and unsold products during the reporting period with inventories at the end of the previous reporting period. Addition to this impairment, inventory is tested by age bracket. Besides, raw material inventories are written down based on gold price fluctuations. The provision for impairment is low as a percentage of gross inventories, reflecting the Group's effectient inventory management and seletive write-off items (6.0% at March 31, 2024 and 5.3% at September 30, 2023).

NOTE 13 OTHER LIABILITIES

ACCOUNTING PRINCIPLES

Trade payables and other current liabilities are initially recognised at fair value, then at amortised cost using the effective interest method. Trade payables, other current liabilities and accrued expenses are generally due within one year. Consequently, their nominal amounts are close to their fair value.

13.1 OTHER CURRENT AND NON-CURRENT LIABILITIES

OTHER CURRENT LIABILITIES In €m	31/03/2024	30/09/2023
Payroll liabilities	30.5	34.0
Social security contributions	19.8	20.9
Employee profit-sharing	16.4	11.6
VAT	13.7	15.1
Other taxes and duties	7.2	7.8
PAYROLL & TAX PAYABLES	**87.5**	**89.4**
FIXED ASSET PAYABLES	**10.1**	**14.4**
Advances and deposits received on orders	9.3	6.4
Other	2.6	2.9
OTHER MISCELLANEOUS LIABILITIES	**12.0**	**9.2**
PREPAID INCOME	**43.6**	**41.1**
TOTAL OTHER CURRENT LIABILITIES	**153.2**	**154.1**

OTHER NON-CURRENT LIABILITIES In €m	31/03/2024	30/09/2023
Tax consolidation current-account (Altastory)	7.0	26.4
TOTAL OTHER NON-CURRENT LIABILITIES	**7.0**	**26.4**

Employee profit-sharing reserve

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

NOTE 14 EQUITY

14.1 SHARE CAPITAL AND SHARE PREMIUM

There were no changes in the number of shares, share capital and additional paid-in capital during the six-month period ended on 31 March 2023.

	Number of shares	Nominal value (in €)	Share premium (in €)	Total (in €)
ON 1 OCTOBER 2023	359 880 999	3 598 810	186 615 877	190 214 687
ON 31 MARCH 2024	359 880 999	3 598 810	31 219 864	34 818 674

Changes in shareholders equity during the six-month period ended on the 31 March 2023 are as follows:

STATEMENT OF CHANGES IN EQUITY In €m	Share capital	Share premium	Consolidated reserves	Translation reserves	Profit (loss) attributable to owners of the Company	Equity attributable to owners of the Company	Equity attribuable to non-controlling interests	Shareholders' equity
Shareholders' equity as of 30 September 2023	**3.6**	**186.6**	**71.8**	**0.5**	**44.7**	**307.1**	**3.0**	**310.1**
Total comprehensive income for the period								
Profit (loss) for the period					33.0	33.0	(0.2)	32.8
Other comprehensive income			(8.7)	0.1		(8.6)		(8.6)
Total comprehensive income for the period	**-**	**-**	**(8.7)**	**0.1**	**33.0**	**24.4**	**(0.2)**	**24.2**
Contributions from owners and distributions to owners of the Company								
Profit appropriation			44.7		(44.7)	-		-
Dividends		(155.4)	(18.8)			(174.2)		(174.2)
Total contributions from owners and distributions to owners of the Company	**-**	**(155.4)**	**25.8**	**-**	**(44.7)**	**(174.2)**	**-**	**(174.2)**
Shareholders' equity as of 31 March 2024	**3.6**	**31.2**	**88.9**	**0.6**	**33.0**	**157.3**	**2.8**	**160.1**

Note: The share capital is divided into 359,880,999 ordinary shares of €0.01 each.

Financial capital management policy:

The Group implements a stringent, prudent financial capital management policy to ensure satisfactory returns for shareholders.

NOTE 15 FINANCIAL LIABILITIES

15.1 NET FINANCIAL DEBT

NET FINANCIAL DEBT		CASH TRANSACTIONS			NON-CASH TRANSACTIONS			
In €m	Opening 01/10/2023	Increase	Reimbursment / interests paid	Change in the financial year	Scope changes	Increase	Termination of contract	Closing 31/03/2024
Bank loan - RCF (revolving credit facility)	29.6	-	(31.0)	-	-	1.6	-	0.2
Bonds	614.1	848.6	(627.2)	-	-	11.4	-	846.9
Lease liabilities	274.4	-	(47.4)	-	0.2	80.2	(16.5)	290.9
Other financial debt ("PGE")	4.6	-	(0.5)	-	-	-	-	4.1
Other financial liabilities, Current	0.1	-	(0.0)	(0.0)	0.1	0.2	-	0.3
Bank overdrafts	6.5	-	-	(6.5)	-	-	-	-
Gross liabilities	**929.2**	**848.6**	**(706.0)**	**(6.5)**	**0.3**	**93.3**	**(16.5)**	**1 142.4**
Total cash and cash equivalents	**21.2**			**57.9**	**-**			**79.1**
Net financial debt	**908.0**	**848.6**	**(706.0)**	**(64.4)**	**0.3**	**93.3**	**(16.5)**	**1 063.3**
Non-current financial liabilities	605.3							841.5
Non-current lease liabilities	203.8							216.4
Current financial liabilities	49.5							10.0
Current lease liabilities	70.6							74.5

Bank loans – RCF (revolving credit facility)

Under the former refinancing (February 2021), a revolving credit facility ("RCF") of €90.0 million was available for a period of 4.5 years, that is a due date on September 1, 2025, bearing interest at 2.75% margin plus EURIBOR (with a 0% floor) for the drawn amount and 30% of the same rate for the undrawn amount.

Under the new refinancing (February 2024), a Revolving Credit Facility ("RCF") of €120.0 million, of which €6.0 million ancillary facility, is available for a period of 5.5 years, that is a due date on 1 August 2029, bearing interest at margin (2.75% to 3.50% depending on the leverage ratio) plus EURIBOR (with a 0% floor) for the drawn amount and 30% of the same rate for the undrawn amount.

As of 31 March 2024, the RCF was not drawn.

Bonds

On 26 February 2021, Goldstory S.A.S. financed the acquisition of Thom Group S.A.S. by the issuance of high yield notes, with a maturity date on March 1, 2026, for a total amount of €620 million divided between €370 million aggregate principal amount of fixed rate 5.375% senior secured notes and €250 million aggregate principal amount of floating rate notes (with a margin of EURIBOR plus 550bps) (collectively, the "Notes").

On 14 February 2024, Goldstory S.A.S. successfully refinanced its high yield notes through the launch of Sustainability-Linked Senior Secured Notes amounting to €850 million (subsequent to March 31, 2024). This financing comprises two parts: €350 million of its aggregate principal amount of sustainability-linked senior secured notes due 2030, at six-month EURIBOR (subject to a 0% floor) plus 400 basis points per annum (the "Floating Rate Notes") and €500 million of its aggregate principal amount of 6.75% sustainability-linked senior secured notes due 2030 (the "Fixed Rate Notes" and, together with the Floating Rate Notes, the "Notes").

Lease liabilities

Information on lease liabilities is disclosed in the note 11.2.

Other financial debt

Other financial debt mainly corresponds to a state guaranted loan ("PGE") granted to Agatha during Covid-19 pandemic.

15.2 MATURITIES OF LIABILITIES

ACCOUNTING PRINCIPLES

The Group recognises the following items in other comprehensive income:

- foreign currency translation differences from the consolidation of Group companies whose functional currency is different from the presentation currency;
- the effects of actuarial gains and losses on post-employment benefits;
- changes in the value of interest rate derivatives, foreign exchange derivatives and gold-indexed derivatives qualified as cash flow hedges.

The maturities of the Group's liabilities break down as follows:

GROSS DEBTS In €m	Accounting value at 31/03/2024	Less than one year	1 to 5 years	More than 5 years	Transaction costs restatement
Principal	838.6	0.6	1.7	850.0	(13.6)
Accrued interest	8.2	8.0	(0.0)	-	0.2
SENIOR SECURED NOTES ("HIGH YIELD DEBT")	**846.9**	**8.6**	**1.7**	**850.0**	**(13.4)**
RCF	-	0.5	-	-	(0.5)
Other financial debt ("PGE")	4.4	1.0	3.4	-	-
Accrued interest on RCF	0.2	0.2	-	-	-
BANK LOANS	**4.6**	**1.7**	**3.4**	**-**	**(0.5)**
Non-current lease liabilities	216.4	-	191.8	24.6	-
Current lease liabilities	74.5	74.5	-	-	-
LEASE LIABILITIES	**290.9**	**74.5**	**191.8**	**24.6**	**-**
BANK OVERDRAFTS	**-**	**-**	**-**	**-**	**-**
TOTAL GROSS DEBT	**1 142.4**	**84.8**	**196.9**	**874.6**	**(13.9)**

15.3 CASH AND CASH EQUIVALENTS

ACCOUNTING PRINCIPLES

Cash and cash equivalents comprise cash, less bank overdrafts.

CASH AND CASH EQUIVALENTS In €m	31/03/2024	30/09/2023
Cash & cash equivalents	79.1	21.2
CASH AND CASH EQUIVALENTS - ASSETS	**79.1**	**21.2**
Bank overdrafts	-	6.5
CASH AND CASH EQUIVALENTS - LIABILITIES	**-**	**6.5**
TOTAL NET CASH	**79.1**	**14.7**

NOTE 16 OTHER INFORMATION

16.1 OFF-BALANCE SHEET COMMITMENTS

OFF BALANCE SHEET COMMITMENTS			
In €m	Entity	31/03/2024	30/09/2023
Commitments given			
Corporate sureties	Goldstory SAS	6.0	6.0
Bank sureties	Thom Group SAS	0.6	0.6
Bank sureties	Thom SAS	2.4	2.9
Bank Guarantees	Histoire d'Or Belgium	1.0	1.0
Bank Guarantees	Stroili Oro S.p.A.	13.0	12.1
Bank Guarantees	Orovivo AG	1.4	1.4
Bank Guarantees	Agatha SAS	0.2	0.2
Total commitments given		**24.6**	**24.2**
Received commitments			
Loan - RCF (credit facility)		114.0	60.0
Other bank facilities		40.5	34.0
Total commitments received		**154.5**	**94.0**

Covenants

According to terms of the RCF (Revolving Credit Facilities), contracted 14 February 2024, the Group must respect a debt ratio (Net financial debt/ Reported BITDA) which must be maintained below 7.2x. A reduction in the Group's debt (financial leverage) gives rise to a contractual margin bonus (minimum 2.75%).

Pledges

The pledges listed below are given on behalf of the bond lenders and on behalf of the banks for the new super senior revolving credit facility.

- Pledge of Thom Group S.A.S. shares held by Goldstory S.A.S.;
- Pledge of Goldstory S.A.S.'s main bank accounts;
- Pledge on certain receivables exceeding a predefined threshold, and arising from intra-group loans and current accounts between Goldstory S.A.S. and other Group subsidiaries;
- Pledge of Thom S.A.S. shares held by Thom Group S.A.S.;
- Pledge of Thom Group S.A.S.'s main bank accounts;
- Pledge on certain receivables exceeding a predefined threshold, and arising from intra-group loans and current accounts between Thom Group S.A.S. and other Group subsidiaries;
- Pledge of Stroili Oro S.p.A shares held by Thom S.A.S.;
- Pledge of Thom S.A.S.'s main bank accounts;
- Pledge on certain receivables exceeding a predefined threshold, and arising from intra-group loans and current accounts between Thom S.A.S. and other Group subsidiaries;
- Pledge of Thom S.A.S. trademarks of significant value (Histoire d'Or and Marc Orian);
- Pledge of Stroili Oro S.p.A.'s main bank accounts;
- Pledge on certain receivables exceeding a predefined threshold, and arising from intra-group loans and current accounts between Stroili Oro S.p.A. and other Group subsidiaries.

16.2 SUBSEQUENT EVENTS

No key developments since March 31, 2024.