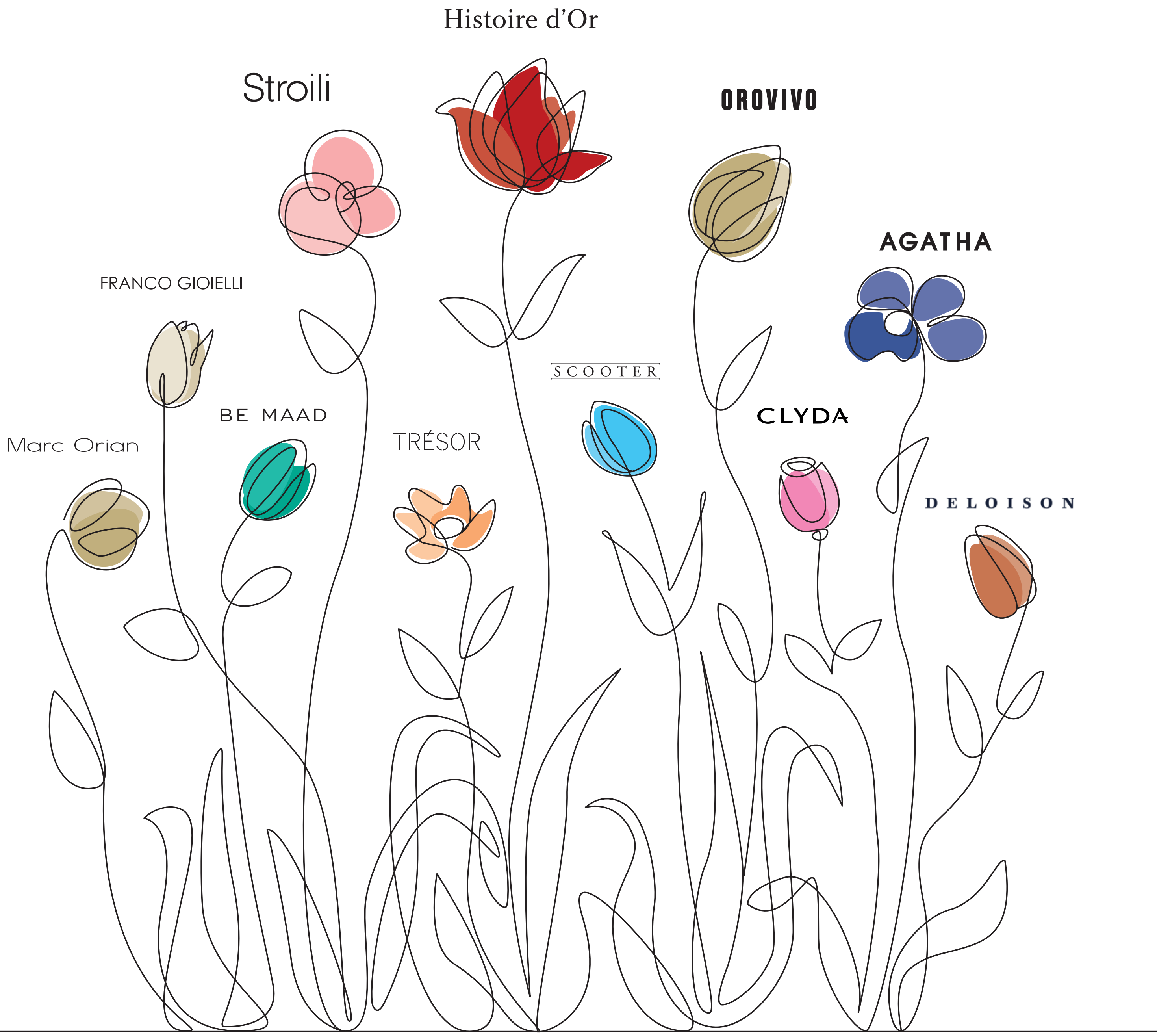
Financial Report
FY24



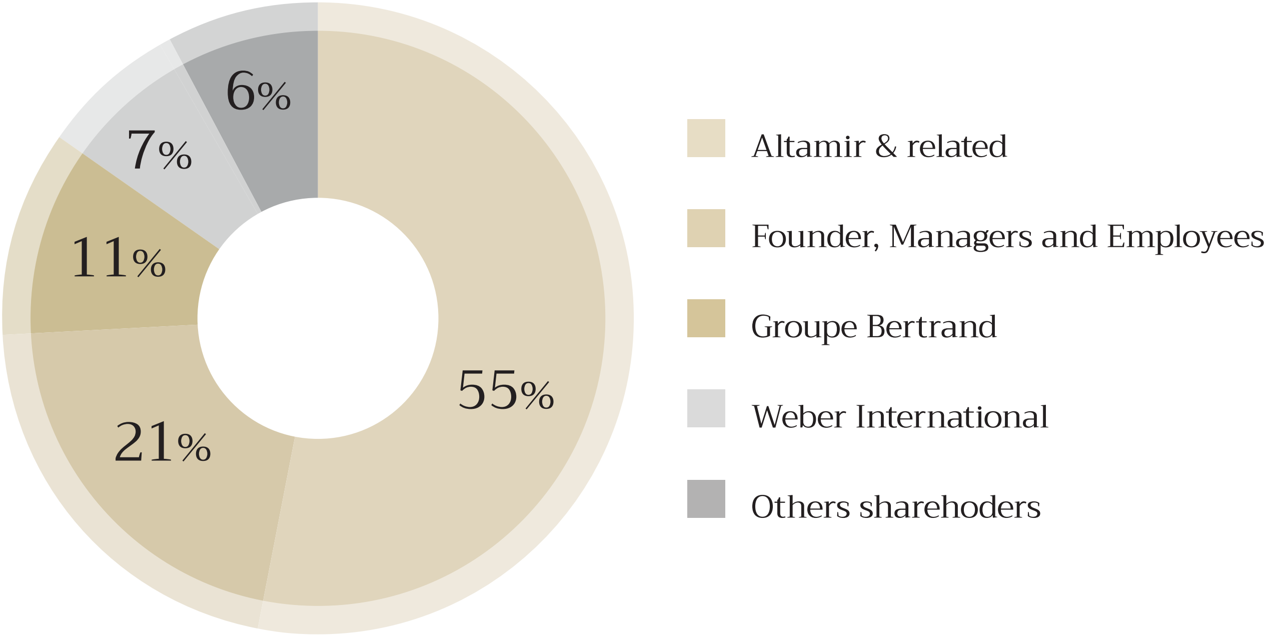
THOM

Summary

Shareholding and Governance

THOM shareholding

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



Altamir

Altamir is a seasoned international investor with strong experience

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

- Its objective is to provide shareholders with long-term capital appreciation and regular dividends by investing in a diversified portfolio of fast-growing companies
- Altamir's primary investment policy is to invest via and with the funds managed or advised by Seven2 (formerly Apax Partners S.A.S.) and Apax Partners LLP while remaining an independent company
- Portfolio of 72 companies with a €1.7bn total fair market value as of June 2024
- Altamir mainly invests in the Tech, Telecom, Consumer and Health services sectors

Founder, Managers and Employees

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

In addition, THOM Together program now enables nearly 1,300 employees to be shareholders of the Group for which the Group has significantly contributed to allow each individual to become a shareholder. Founders, Managers and Employees currently hold 21% of the Group's capital.

Groupe Bertrand

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

Weber International

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

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

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

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

Our Supervisory Board

The seven Board Members of Altastory S.A.S are chosen for their skills and experience in the fields of retail, affiliation, brand communication, international development, financial markets, audit, internal control and compliance, as well as CSR. During the financial year ended September 30, 2024, the Board approved:

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

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

Éric Belmonte

Éric Belmonte

Chairman of the Supervisory Board, THOM

Member of the Board since 2010

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

Maurice Tchenio

Vice-Chairman of the Supervisory Board

Chairman of Altamir Gérance

Member of the Board since 2010

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

Olivier Bertrand

CEO, Groupe Bertrand

Member of the Board since 2020

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

Didier Le Menestrel

Partner, Weber Investissements

Member of the Board since 2021

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

Benoît Bassi

Senior Partner, Bridgepoint

Member of the Board since 2010

Benoît Bassi is a Partner of Bridgepoint. He is a member of Bridgepoint's Group Board and joined the firm in 1991.

Bruno Candelier

Partner, Apax Partners

Member of the Board since 2010

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

Jean-Pierre Chantrel

Chairman of the Audit Committee, THOM

Member of the Board since 2021

Jean-Pierre Chantrel joined THOM in 1995, as CFO and Group Deputy until April 2016 when he left the Group.

Our Strategic Committee

Mission

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

Functioning

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

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

Board Members

- Romain Peninque
  Chairman of the Committee
  President of THOM
- Maurice Tchenio
  Member
- Jordi Constans
  Member
- Flavien d’Audiffret
  Group CEO, Presenter
- Kévin Aubert
  Group CFO, Presenter

Our specialist Committees

Remuneration Committee

Mission

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

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

Board Members

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

Audit, Control & Compliance Committee

Mission

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

Audit

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

The main responsibilities of the committee include:

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

Risks

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

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

CSR

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

- Reviewing the organisation’s policies and practices regarding CSR, including environmental, social, and governance (ESG) issues
- Assessing potential risks related to CSR and making recommendations to mitigate them
- Monitoring the organisation’s compliance with international standards and regulations concerning CSR
- Collaborating with internal and external stakeholders to promote the organisation’s CSR objectives
- Reviewing CSR reports and performance measures and making recommendations for improvement
- Ensuring the compliance with Sustainability-linked bonds commitments and the implementation of adequate action plans to meet the targets

Board Members

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

Our Executive Committee

Reporting to the Supervisory Board, the Executive Committee contributes to define and execute the strategy and plays an essential role in the coordination between headquarters and the subsidiaries, and amongst the subsidiaries. It runs the Group's business, approves its main policies, and ensures that these policies are executed. In particular, it sets and monitors financial and operational objectives, conducts regular brand and market reviews, assesses performance, and proposes any necessary adjustments.

Flavien d'Audiffret

Group CEO

Flavien d'Audiffret joined the Group in September 2020 as General Manager Europe. He previously worked for SMCP, Coca-Cola Enterprises and Amazon. In november 2023, Flavien was appointed Group CEO.

Kévin Aubert

Group CFO

Kévin Aubert joined THOM in 2017 as Group Controlling Director and was appointed France and Benelux CFO in 2022. He was promoted Group CFO on October 1, 2024. He has more than 13 years of experience in finance and management.

Franck Lesclauses

CEO France

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

Aurélien Sénéchal

CEO Italy

Aurélien has 16 years experience in jewellery industry. He joined the Group in 2021 as Supply Chain Director and became, in 2022, Chief Operating Officer. Since April 2024, Aurélien is now the CEO for Italy.

Noëlle Allara

CEO Germany

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

Stéphane Delva

CEO AGATHA

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

Arnaud Marques

CEO Timeway

Arnaud Marques has more than 20 years of experience in retail. He joined the Group in 2016 as Group Supply Chain and IT Director, before being appointed General Manager of Italy in 2021. Since the end of 2023, Arnaud was appointed CEO Italy.

Hayat Zerouali

Group Purchasing Officer

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

Vincent Duno

Group Digital, Data & Information Systems Director

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

Our Audit and Compliance Organisation

THOM continued to strengthen its internal control environment in 2024. The Group Audit, Process & Compliance department provides operational expertise and support to countries and ensures the harmonisation and implementation of the Group's procedures and policies to mitigate risks.

3 QUESTIONS TO Régis Dumur

Group Audit, Process & Compliance Director

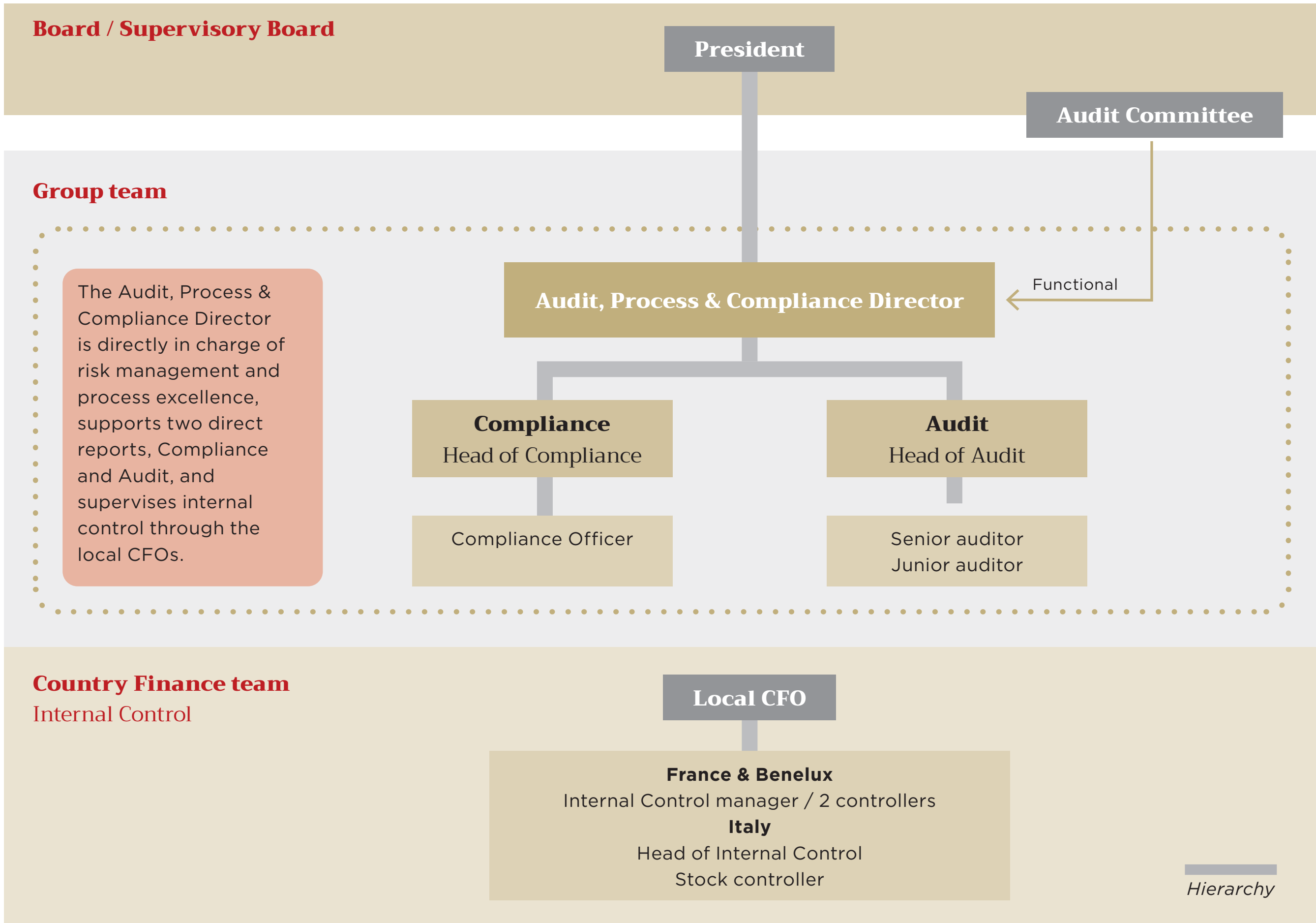
How is the Audit, Process and Compliance department organized?

The department is under the President of the Group and functionally reports to the Audit Committee. It fulfils 3 functions: **audit & risk management, process and compliance**, which now includes anti-bribery and anti-corruption, on top of GDPR.

Audit, risk management and process & compliance are managed at Group level in collaboration with the subsidiaries' operational teams.

Group Process & Local internal control role plays a pivotal role in elevating our global jewellery business through the development and implementation of robust process excellence frameworks and harmonizing internal controls.

Audit, Process, Compliance & Internal control organization



What were the main highlights of FY24?

The internal audit has performed the three-years audit plan with a specific focus on direct, indirect purchases and retail access system. Regarding risk management, the Group's risk mapping has been updated. Group holds monthly an Operational Risks, Audit, Compliance Committee, with Group's representatives, to manage and mitigate main risks and provide corrective action plans.

The Compliance department has implemented and deployed a privacy roadmap to ensure compliance to GDPR by managing specific projects such as maintaining governance, ensuring acculturation, updating the register of processing activities and performing privacy impact assessment, ensuring data cleaning, digitalizing consent mode obtention, participating into cybersecurity improvements, monitoring user rights management and updating GDPR policies.

In 2024, **local Internal Control departments**:

- have performed 33 store self-assessments,
- have updated and implementing retail operations procedures,
- and have deployed the Store Loss Prevention tool in France after Italy in 2024, a Database analysis tool, to identify fraud patterns, wrong application of procedures and potential IT system anomalies in the retail information system.

What is your roadmap for FY25?

In 2025, **the Audit department** will roll out the Audit plan which will focus on Sales (affiliation and e-commerce), Indirect purchases in subsidiaries, Retail compliance. It will continue to implement and monitor a set of key risk indicators to mitigate risks and will update the risk mapping (Group, cyber, anti-corruption and anti-bribery). Furthermore, the Operational Risks, Audit and Compliance Committee will continue to ensure that all majors and urgent matters are addressed.

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

In addition, the Compliance department will also:

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

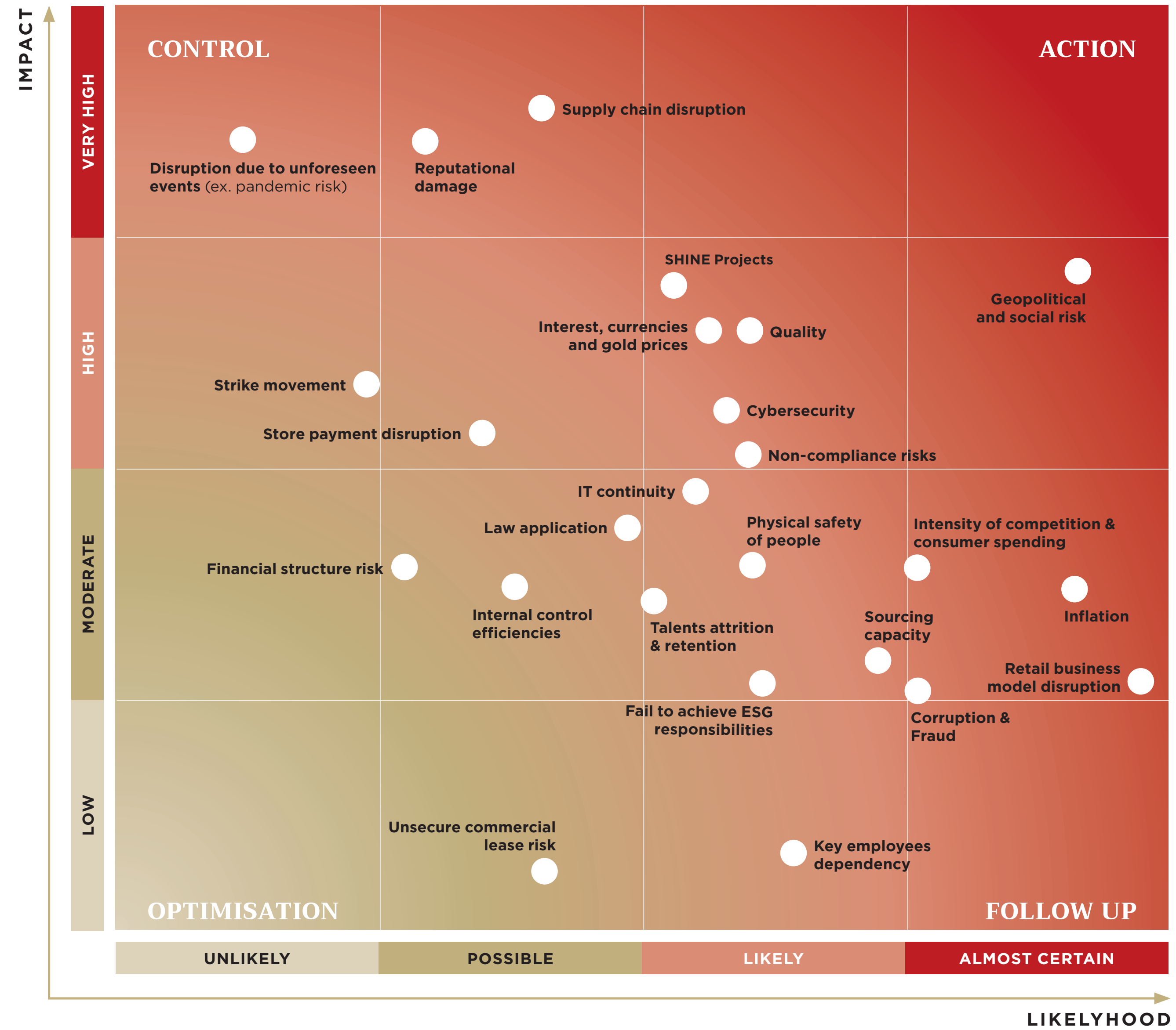
Regarding internal control activity **the process department** will:

- define group processes for all corporate topics by establishing and maintaining comprehensive process excellence guidelines to ensure consistent control practices across all regions,
- train and ensure capacity building and support users in effectively utilizing controlling tools and developing remediation plans as necessary,
- lead reporting and monitoring internal control activities,
- analyse and disseminate best practices,
- continue to develop and implement a projects and commitments management tool to keep expenditures under control, and work with the IT department to strengthen cybersecurity.

Finally, **the local Internal Control departments** will, under local CFO supervision:

- centralise and ensure compliance to Group guidelines for the implementation and / or update of sales, purchasing and cybersecurity processes,
- roll out self-assessments in France and in Italy,
- use the Store Loss Prevention tool in France and Italy to enhance control environment in retail.

Group's risk mapping



For the full Risk Factor review and action plans, refer to page 18.

Risk factors

Low risk · Moderate risk · High risk · Very high risk

Risk factors

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

External risks

Geopolitical risk

IMPACT HIGH · LIKELYHOOD ALMOST CERTAIN

Risk description

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

Potential impacts on the Group

Financial

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

Reputational

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

Implemented action plans

- Progressive increase of activity in India / Vietnam versus China

Action plans in progress

Reduction

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

Avoidance

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

Reputational damage

IMPACT VERY HIGH · LIKELYHOOD POSSIBLE

Risk description

Bad buzz or uncontrolled damage on the brand image (data leak / corruption fine and disclosure / social movement /…)

Potential impacts on the Group

Financial

- Backlash on social media causing drop of turnover
- Third parties refusing to enter into a relationship with the Company
- Over costs, stock-out and delivery delays

Implemented action plans

Avoidance

- Communication agency is under contract to help us monitor trending topics revolving around the company and identify bad buzz before it blows. Also helps the company with wording

Action plans in progress

Reduction

- Update the existing crisis management procedures to include the crisis communication

Low risk · Moderate risk · High risk · Very high risk

Social or climate crisis

IMPACT VERY HIGH · LIKELYHOOD ALMOST CERTAIN

Risk description

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

Potential impacts on the Group

Financial

- Delay or breach in procurement

Reputational

- In case of social issues

Implemented action plans

Reduction

- Develop activity in India/ Vietnam versus China: currently rationalizing supplier portfolio
- Stop contracting with non RJC suppliers : objective 100% RJC by the end of FY25
- Monitor social via RJC certification regarding social & security aspects and/or implement BSCI/SA8000/ SEDEX/WRAP & fire /safety building audit : all shipments from not certified suppliers are blocked
- Monitor social audit, safety audit, environmental audit via RJC certifications

Action plans in progress

Reduction & Transfer

- Ensure that suppliers have business continuity plan to avoid risk of late deliveries via specific clause in agreements and audit business continuity plan actions
- Increase activity in Europe versus Asia

Avoidance

- Prospect new countries of production with lower level of risk regarding social aspects, health, security

Disruption due to unforeseen events

IMPACT VERY HIGH · LIKELYHOOD UNLIKELY

Risk description

Unexpected occurrences, such as natural disasters, pandemics, political unrest, or supply chain interruptions, that can disrupt retail operations. These events may lead to store closures, inventory shortages, delays in deliveries, or decreased consumer demand

Potential impacts on the Group

Financial

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

Implemented action plans

Avoidance

- Resilience and adaptation of the group during and after COVID: develop click & collect and ship from store, e-commerce increase (then partial stores' sales transfer), 320m² added in our warehouse.
- Reinforce click & collect project in stores and social selling (Popsell)

Action plans in progress

Reduction

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

Strategic risks

Retail business model disruption

IMPACT: MODERATE · LIKELYHOOD: ALMOST CERTAIN

Risk description

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

Potential impacts on the Group

Financial

- Loss of market share
- Loss of sales and margin

Implemented action plans

Reduction

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

Avoidance

- Strengthen the affiliation organization by harmonizing procedures
- Develop a CSR and Quality policy to maintain a high-quality product range
- Define key locations for our stores in our downtown business model

Fail to achieve ESG responsabilities

IMPACT: MODERATE · LIKELYHOOD: LIKELY

Risk description

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

Potential impacts on the Group

Financial

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

Implemented action plans

Reduction

- Agreement signed by providers including social compliance, ethics & 60% of suppliers with RJC certificate
- Implementation of a CSR ROADMAP: creation of the roadmap RSE (convention 2023)
- Work with RJC suppliers (goal: 100%)

Avoidance

- Launch of We THOM (green, ethics & people)
- Implementation of LED light in store (€2.5 million) in France, Study in progress in Benelux

Action plans in progress

Reduction

- Monitor results for responsible buildings (fire, safety): no key performance indicator at the moment.
- Monitor the traceability of raw materials: for the moment, only through RJC certification.
- RJC certification for THOM finished products is on-going

Low risk · Moderate risk · High risk · Very high risk

Financial risks

Interest, currencies & gold prices

IMPACT: HIGH · LIKELYHOOD: LIKELY

Risk description

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

Potential impacts on the Group

Financial

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

Implemented action plans & on-going

Reduction

- USD hedging up to September 2025
- Gold physical stock representing a hedge of net exposure until September 2025
- Euribor, related to the floating rate senior secured notes (FRN) and to the RCF covering 90% of our total bonds
- Purchases, procurement and IT must provide reliable predictive data to build cash forecast by currencies and for gold by country
- Plugging of the Italian overall bank account scope for a streamlined Group cash management

Action plans in progress

Avoidance

- Continue to push of gold buy back activity to increase the amount of gold purchased in our stores to reduce our net exposure on gold and increase margin

Financial structure risk

IMPACT: MODERATE · LIKELYHOOD: POSSIBLE

Risk description

Unfavorable internal & external conditions that might have a negative impact of the debt financing capacity. Leverage is very high as refinancing just occurred.

Potential impacts on the Group

Financial

- Increase in financing costs
- Debt financing capacity reduced or stopped
- Inability to face debt payment

Reputation

- Relation deteriorated with stockholders or lenders

Implemented action plans

Reduction & Avoidance

- Governance: implementation of audit & control function and CSR function
- Implement a clear governance of control function
- Animate audit function and report to Audit & CSR committee
- Maintain credit rating via cautious management, ESG involvement and risk management
- Ensure that covenants regarding board, committee, information, financial statements release are respected on a short-term / mid- term basis
- Risks in relation with obligations linked to indenture managed via assistance of lawyers
- Maintain a good profitability and cash generation of the Group
- Avoid any additional debt that the Group could not refinance in a mid-term future
- Ensure that covenants are respected

Regulatory risks

COMPLIANCE APPLICATION

Data protection

IMPACT HIGH | LIKELIHOOD LIKELY

Risk description

General Data Protection Regulation (GDPR) policy partially in place

Potential impacts on the Group

Reputation

- Breach of regulation can be public

Financial

- Fine up to 4% turnover

Implemented action plans

Reduction

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

Action plans in progress

Reduction

- Steering committee with subsidiaries and a referent process to implement to ensure topic is handled locally

Anti-bribery & corruption law (Sapin 2)

IMPACT MODERATE | LIKELIHOOD POSSIBLE

Risk description

Inadequate anti-bribery & corruption policy

Potential impacts on the Group

Financial

- Fines up to €1 million

Reputation

- Negative media publication creating a risk of reputational damage

Action plans in progress

Reduction

- Code of conduct and ethics signed by each manager Alert warning framework in place and Group must communicate more on the alert warning framework
- Perform a risk mapping regarding fraud, corruption & bribery Implement a procedure of third-party valuation
- Implement internal key control at accounting level
- Trainee program via THOM academy for employees exposed

Low risk Moderate risk High risk Very high risk

LAW APPLICATION

Customs clearance

IMPACT MODERATE | LIKELIHOOD POSSIBLE

Risk description

Absence of customs clearance due to inadequate procedures regarding punching

Potential impacts on the Group

Financial

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

Implemented action plans

Reduction / Group

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

Reduction / France

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

Avoidance / Group

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

Intellectual property

IMPACT MODERATE | LIKELIHOOD POSSIBLE

Risk description

THOM brands or products copied and used by another brand

Existing product inspiration owned by another brand

Potential impacts on the Group

Financial

- Payment of damages & interest + stock destruction

Reputational

- Loss of customers and market
- Negative publicity about THOM

Implemented action plans

Reduction

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

Low risk Moderate risk High risk Very high risk

Fire, safety and electricity regulations

IMPACT MODERATE | LIKELYHOOD POSSIBLE

Risk description

Inadequate procedures regarding fire & safety and electricity

Potential impacts on the Group

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

Reputation
- Image and social climate

People
- People hurt

Implemented action plans

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

Action plans in progress

Reduction / Belgium & Italy
- Consider Implementing a CMMS

Reduction Germany / Italy
- Ensure compliance with local regulations regarding security aspects in stores

ESG regulations

IMPACT MODERATE | LIKELYHOOD POSSIBLE

Risk description

Non respect of local ESG regulations or ESG claims

Potential impacts on the Group

Financial
- Fines & blocking of products

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

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

Implemented action plans

Reduction
- Put in place ESG regulatory monitoring to ensure that all subjects are covered in each country
- ESG Roadmap finalized and being rolled out
- ESG country committee monitors ESG risks

Avoidance
- No obligation regarding DPEF (declaration of extra- financial performance) in France
- Governance: Creation of an ESG department in 2022 and an ESG committee
- Implement Carbon footprint report
- Prepare the implementation of CSRD (Corporate Sustainability Reporting Directive – 2024)

Social regulations non compliance

IMPACT MODERATE | LIKELYHOOD POSSIBLE

Risk description

Social regulation non compliance
Gender inequality, inequality in opportunities

Potential impacts on the Group

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

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

Implemented action plans

Reduction
- Launch of a roadmap for equality of opportunities: Communication and training regarding diversity
- Specific action plan for the integration of people with disabilities with a focus on recruitment and employee awareness
- Stroili complies with local regulation
- New social equality agreement reached with the union and government

Continuous Action plans

Reduction
- Ensure that THOM reaches the legal obligations in term of disabled people
- Index professional equality must be monitored and maintained
- Specific action plan for the integration of people with disabilities with a focus on recruitment and employee awareness

Tax regulations evolution

IMPACT MODERATE | LIKELYHOOD POSSIBLE

Risk description

Non anticipation of tax regulations in production & retail countries

Potential impacts on the Group

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

Implemented action plans

Reduction
- Continuous legal tax local monitoring by each country to anticipate changes

Action plans in progress

Reduction
- External monitoring for corporate / international tax evolution

Respect of corporate law

IMPACT MODERATE | LIKELYHOOD POSSIBLE

Risk description

Non compliance with local regulation

Potential impacts on the Group

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

Reputational
- Penal condemnation

Implemented action plans

Reduction
- Monitor and anticipate legal risks including social by department managed by external lawyers

Action plans in progress

Reduction / Group
- Power of attorney for each key manager

Low risk Moderate risk High risk Very high risk

Dependency of the supplier

IMPACT MODERATE | LIKELYHOOD POSSIBLE

Risk description

Sudden stop of commercial relationship with a dependent of a supplier

Potential impacts on the Group

Financial

- Damages and interests for sudden breakdown

Implemented action plans

Reduction

- Agreement with clause obliging supplier to declare dependency percentage
- Monitor French, Italian providers regarding level of dependency and risk of sudden stop and estimate the level of risk by service (risk of breakdown and cost)
- Implement a report to highlight the risk of dependence and continuity of business

Gold buyback activity

IMPACT MODERATE | LIKELYHOOD POSSIBLE

Risk description

Regulatory risks associated with non-compliance with gold buyback activity

Potential impacts on the Group

Financial

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

Reputational

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

Implemented action plans

Reduction / France & Benelux

- Ensure via self-assessment that gold buyback procedure is applied
- Activity is under specific law and can be audited (balance calibration, annual license renewal

Reduction / Italy

- Assistance by expert consultant to put the risk under control in FY23
- Relationship with authority complex (control done by Guardia di Finanza and reports are issued by another authority) but stabilized

Operational risks

Supply chain disruption

IMPACT VERY HIGH | LIKELYHOOD POSSIBLE

Risk description

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

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

Potential impacts on the Group

Financial

- Substantial loss of sales

Action plans in progress

Reduction / Group

- Realize a yearly exercise of business continuity by activity to highlight strengths and weaknesses to improve
- Ensure that insurance covers the potential losses
- Implement business continuity plan for logistics and for supply chain
- Update the existing crisis management procedures and implement a crisis committee by subject: production & procurement, logistic, commerce, media and procedure to put crisis under control

Cybersecurity

IMPACT HIGH | LIKELYHOOD LIKELY

Risk description

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

Potential impacts on the Group

Financial

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

Reputational

- Negative publicity due to data breach

Implemented action plans

Reduction

- Compliance to data protection laws (GDPR) ISSP (Cybersecurity Policy)
- Roadmap based on a risk approach carried out and on track
- Seek best-in-class securing systems of data access points Awareness campaign to the employees
- Duplication of data in real time

Transfer

- Assistance by external sub contractors
- SOC (security operation center): Continuous global monitoring by a third party

Store payment disruption

IMPACT HIGH | LIKELYHOOD POSSIBLE

Risk description

Loss of turnover due to large scale outage / failure of in store payment methods provider impacting important number of stores

Potential impacts on the Group

Financial

- Substantial loss of sales

Action plans in progress

Reduction / Group

- Service Level Agreement with service providers to ensure continuous availability of systems

Low risk Moderate risk High risk Very high risk

Shine Project - Technological transformation

IMPACT HIGH | LIKELYHOOD LIKELY

Risk description

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

Potential impacts on the Group

Financial

- Financial losses
- Risk of business continuity
- Over costs

People

- Impact of the change on employees

Implemented action plans

Reduction / Avoidance

- Project committee including Comex members, dedicated internal team with strong expertise and knowledge of the Group for each field
- Support of a specialized consulting firm for the change management
- Regular external assessment of the project
- Full pilot on a limited perimeter (Germany) before going live
- Safety stock has been purchased and stored to prepare pre GO LIVE freezing period
- Specific risk mapping has been carried out and monitored

Action plans in progress

Reduction / Avoidance

- Focus must be on Segregation of Duties and data quality before migration

Quality

IMPACT HIGH | LIKELYHOOD LIKELY

Risk description

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

Potential impacts on the Group

Financial

- High product return rate
- Loss of sales

Reputational

- Negative publicity
- Clients dissatisfaction

Implemented action plans

Reduction / Group

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

Action plans in progress

Reduction / Group

- Harmonise the level of reporting across the organization
- Keep enhancing quality for main SKU & tend to test 100% samples for new products

Strike movement

IMPACT HIGH | LIKELYHOOD UNLIKELY

Risk description

Inability to be prepared for any social movement leading to a large scale / total blocking of operations in store

Potential impacts on the Group

Financial

- Substantial loss of sales

Reputational

- Reputation due to a negative publicity on media

Action plans in progress

Reduction / Group

- Constant contacts with unions
- Attrition and attractivity at the center of HR Department missions
- Inclusive recruitment strategy

Internal control inefficiencies

IMPACT MODERATE | LIKELYHOOD POSSIBLE

Risk description

Lack of knowledge of the risks

Insufficient procedures and controls in place

Potential impacts on the Group

Financial

- Over costs
- No preservation of assets

Regulation

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

Implemented action plans

Reduction / Avoidance

- Internal control and audit teams in place
- Yearly Group risk mapping
- Governance rules (audit committee, audit charter)
- Regular audits based on a 3 years plan including both assurance and consulting engagements
- Culture of control spread throughout the Group

Corruption & Fraud

IMPACT MODERATE | LIKELYHOOD ALMOST CERTAIN

Risk description

Non detection of Fraud

Potential impacts on the Group

Financial

- No preservation of assets,
- Loss of cash and cash equivalent Loss of stock of raw materials or finished goods
- Over costs of products or services

Implemented action plans

Reduction / Group

- Ensure via self-assessment that gold buy back procedure is applied
- Activity under specific law and can be audited (balance calibration, annual license renewal)

Reduction / Italy

- Internal control department supervises procedures and perform store self-assessment and track frauds
- Store loss prevention tool to monitor fraud & internal control level
- Governance: Power of attorney for key managers and delegation of commitment

Low risk Moderate risk High risk Very high risk

Non detection of corruption

IMPACT MODERATE — LIKELYHOOD ALMOST CERTAIN

Risk description

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

Potential impacts on the Group

Financial

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

Implemented action plans

Reduction / Group

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

Reduction

- Seek best-in-class securing systems of data access points Awareness campaign to the employees

IT continuity

IMPACT MODERATE — LIKELYHOOD LIKELY

Risk description

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

Potential impacts on the Group

Financial

- Loss of sales due to IT dysfunction

Reputational

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

Implemented action plans

Avoidance

- Maintenance contracts in place with an up-to-date response plan from the supplier
- Horizon ERP solution will be decommissioned at SAP GO LIVE
- Strong Disaster Recovery plan implemented and tested

Action plans in progress

Reduction

- Business continuity plans to be finalized

Inflation

IMPACT MODERATE — LIKELYHOOD ALMOST CERTAIN

Risk description

Inflation on Opex and Capex

Potential impacts on the Group

Financial

- Increase in costs

Implemented action plans

Reduction & Avoidance

- Develop energy sobriety plans
- Increase competition among suppliers with systematic call for tenders at Group level
- An indirect expenses Department has been created and the Legal Department has been reinforced to ensure better negotiation and contracting practices are enforced

Physical safety of people

IMPACT MODERATE — LIKELYHOOD LIKELY

Risk description

Injuries or death

Potential impacts on the Group

People

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

Financial

- Indemnity to pay in case of negligence

Regulation

- Penal condemnation

Reputation

- Negative publicity

Implemented action plans

Reduction / Avoidance

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

Action plans in progress

Reduction / Avoidance

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

Talent attrition & retention

IMPACT MODERATE — LIKELYHOOD LIKELY

Risk description

Risk of losses of attractiveness for talented people

Potential impacts on the Group

Financial

- Loss of expertise, know-how and knowledge

Reputational

- Loss of attractiveness

Implemented action plans

Avoidance / Group

- Worked on the quality of life at work
- Develop & monitor HR dashboard (turnover, promotion, illness…) tool to measure employee feeling and needs Employer brand communication internally/externally (attract & keep)
- Worked on employees' experience returns
- Alternative recruitment channel explored
- « Great place to work » label obtained

Action plans in progress

Avoidance / Group

- Smart working including balance pro / personal life (including parenthood), homeworking, integration of disabled people, internal culture based on THOM values

Intensity of Competition & consumer spending

IMPACT: MODERATE — LIKELYHOOD: ALMOST CERTAIN

Risk description

Aggressive marketing strategy or business model by a competitor to quickly gain market shares

Potential impacts on the Group

Financial

- Loss of market share
- Loss of sales and margin

Implemented action plans

Reduction

- Re-Pricing project led with external expert consultant
- Reflection around the loyalty program
- On-going Monitoring of market trends in terms of titration and products at large

Sourcing capacity

IMPACT: MODERATE — LIKELYHOOD: LIKELY

Risk description

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

Potential impacts on the Group

Financial

- Loss of sales

Implemented action plans

Avoidance

- Linked with Geopolitical risks
- Develop partnership with actual production suppliers to ensure production capacity development (help in the investments, put in place long term commitments)

Action plans in progress

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

Unsecured commercial lease risk

IMPACT: LOW — LIKELYHOOD: POSSIBLE

Risk description

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

Potential impacts on the Group

Financial

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

Implemented action plans

Reduction

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

Action plans in progress

Reduction

- Roll out Group tool to all entities to ensure ideal planification occurs

Low risk · Moderate risk · High risk · Very high risk

Key employees dependency

IMPACT: LOW — LIKELYHOOD: LIKELY

Risk description

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

Potential impacts on the Group

Financial

- Over costs
- Decrease in sales

People

- Loss of expertise, know-how and knowledge

Implemented action plans

Reduction

- Long term incentives

Avoidance

- Identified key employees and set up of succession plans in France
- People review has been performed for most of the Group

Action plans in progress

Reduction

- On-going implementation of a core HR software for the Group
- Capitalize on the people review and the Core HR tool enhance Talent management

Financial report

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

In fiscal year ended as at september 30, 2024

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

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

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

About GOLDSTORY

We are a leading European jewellery retailer by number of stores, with a strong position in Europe in the affordable jewellery sector. Our product offering comprises primarily precious jewellery, complemented by watches and costume jewellery. We are active primarily in France and Italy, where we hold a leading market position in each national market. Our products are available through our network of 1,021 stores directly operated stores and 46 corners, including 531 stores and wedding fairs in France (including one store in Monaco) as well as 21 corners, 396 stores in Italy, 58 stores in Germany, 27 stores and wedding fairs in Belgium, 3 stores and 25 corners in Spain, 5 stores in China and 1 store in Luxembourg as of September 30, 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). We also have 45 affiliated partner stores in France (7 openings during the financial year ended September, 2024) as well as wholesale activity through our French subsidiary (Timeway France) and our Italian subsidiary (Timeway Italy).

We sell our products under our seven complementary main brands: Histoire d'Or (398 stores), Stroili (349 stores), AGATHA (32 stores and 46 corners), Marc Orian (89 stores), TrésOr (61 stores), OROVIVO (58 stores) and Franco Gioielli (34 stores).

Accounting principles

We have prepared our audited Consolidated Financial Statements in accordance with IFRS.

Factors Impacting Our Results of Operations

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

Key performance indicators

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

- **Network sales.** Network sales represents total revenue recognized in our stores located in France, Italy and Rest of the World, through our e-commerce platforms, to our affiliated partners and from our wholesale business. It excludes sales of precious metals and other services.
- **Network sales by perimeter.** Network sales by perimeter represents the apportionment of our Like-for-Like network sales among perimeters, including (i) geography, (ii) sales channels, and (iii) brand. *To improve the clarity of the presentation, when a change of perimeter takes place due to a conversion among brands, the perimeter reported for such store in a conversion year is also used as the perimeter reported for such store for the preceding year (regardless of what its brand was in the previous year).*
- **E-commerce sales.** E-commerce sales represents total revenue recognized through our e-commerce platforms (including our directly-operated websites and third-party digital platforms).
- **Like-for-Like e-commerce sales by perimeter.** Like-for-Like e-commerce sales by perimeter represents the apportionment of our Like-for-Like e-commerce sales among perimeters, including geography, and excluding change in perimeter.
- **Gross Margin by perimeter.** Gross Margin by perimeter represents the apportionment of our Like-for-Like Gross Margin among perimeters, including geography. *To improve the clarity of the presentation, when a change of perimeter takes place due to a conversion among brands, the perimeter reported for such store in a conversion year is also used as the perimeter reported for such store for the preceding year (regardless of what its brand was in the previous year).*
- **Like-for-Like Gross Margin.** Like-for-Like Gross Margin excludes Gross Margin from our affiliated partners, our wholesale business, the AGATHA and Be Maad businesses and any directly operated stores / brands that opened during the financial year ended September 30, 2023 or the fiscal year ended September 30, 2024 or closed during the fiscal year ended September 30, 2024 (*i.e.*, only stores / brands open before September 30, 2022 are included), as well as any network sales adjustments from the customer loyalty program. We allocate certain income and expenses among perimeters such as rebates received from suppliers and packaging and transportation costs based on business assumptions.
- **Like-for-Like network sales.** Like-for-Like network sales excludes network sales from our affiliated partners, our wholesale business, the AGATHA and Be Maad business and any directly operated stores / brands that opened during the financial year ended September 30, 2023 or the fiscal year ended September 30, 2024 or closed during the fiscal year ended September 30, 2024 (i.e., only stores / brands open before September 30, 2022 are included) as well as any network sales adjustments from the customer loyalty program.
- **Like-for-Like network sales growth, e-commerce sales growth and Gross Margin growth.** Like-for-Like network sales growth consists of Like-for-Like network sales per perimeter in any given period compared with the corresponding financial period of the previous financial year, expressed as a percentage change between the two periods. Like-for-Like e-commerce sales growth consists of Like-for-Like e-commerce sales per perimeter in any given period compared with the corresponding financial period of the previous financial year, expressed as a percentage change between the two periods. Like-for-Like Gross Margin growth represents Like-for-Like Gross Margin per perimeter in any given period compared with the corresponding period of the previous financial year, expressed as a percentage change between the two periods.
- **Total network direct costs.** Total network direct costs represent the operational expenses (*e.g.*, personnel costs, marketing costs and overheads) directly incurred by the network of stores.

- **Total network indirect costs.** Total network indirect costs represent the operational expenses (*e.g.*, personnel costs, rent expenses and overheads) related to headquarters, logistics and strategic marketing, as well as profit sharing.
- **Network contribution.** Network contribution represents our Gross Margin less our total network direct costs.
- **Reported EBITDA.** Reported EBITDA is defined as profit (loss) for the period excluding (i) profit (loss) for the period attributable to non-controlling interests, (ii) income tax, (iii) net finance costs, (iv) depreciation, amortization and provisions, and (v) non-recurring income and expenses, corresponding to all items that are not directly related to our operations or core businesses and that are deemed by management to be non-recurring by their nature.
- **Adjusted EBITDA.** Adjusted EBITDA represents Reported EBITDA adjusted to (i) give proforma effect to the actual or forecasted full-year profitability of (x) stores opened within the relevant period and (y) stores refurbished, relocated or rebranded within the relevant period, (ii) exclude the EBITDA losses of AGATHA, consolidated from October 1, 2022, which is undergoing operational restructuring and is projected by management to generate positive EBITDA in the financial year ending September 30, 2025, (iii) normalize the impact of volatile electricity costs in France, Italy and Germany, by applying electricity costs as contractually fixed by the Group for the financial year ending September 30, 2025, and (iv) exclude the impact of non-recurring subsidies and credit notes received by the Group, as compensation for operating losses incurred as a result of the COVID-19 pandemic in respect of prior years.
- **Free cash flow conversion rate.** Free cash flow conversion rate represents free cash flow divided by Reported EBITDA generated during the relevant period.

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

Description of Key Income Statement Line Items

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

- **Revenue.** Revenue represents total network sales (as described above) and other sales (including sales of precious metals and other services).
- **Cost of goods sold.** Cost of goods sold is our single largest cost item. It comprises the purchase of gold bought from individuals (including in exchange for gift vouchers), raw materials consumption, rebates and discounts, customs, breakages and packaging costs.
- **Gross Margin.** Gross Margin represents the sum of our network sales, revenue from the sale of precious metals, proceeds from insurance for theft and rebates re-invoiced to our suppliers, net of our total cost of goods sold.
- **Other income.** Other income mainly represents government aid subsidies related to the COVID-19 pandemic and royalties received from our affiliated partners.
- **Personnel expenses.** Personnel expenses represents wages, salaries and pension of the employees located in our stores and in our headquarters and logistics centers. It includes the gross fixed amount due to our employees and the social contributions that must be paid by employers. Charges related to any legal profit-sharing schemes are also reported under this line item, as well as any bonus or variable remuneration paid to our employees, based mainly on sales results.
- **External expenses.** External expenses represents mainly our rental costs (i.e., for leases out of the scope of IFRS 16, mainly short-term leases and leases with variable component), maintenance costs, marketing and advertising costs, transport costs, professional fees, consultancy fees, communication costs, utilities and other supplies and bank fees mainly associated with payments from customers and taxes and duties including taxes other than on income such as taxes on salaries (mainly training taxes) and social construction tax (tax effort construction).
- **Depreciation, amortization and provisions.** Depreciation, amortization and provisions represents the depreciation and amortization of our fixed assets, the provisions for depreciation of our current assets (such as inventories and trade receivables) and the provisions for contingencies and liabilities. Reversals of provisions are also reported in this line item. This line item also includes depreciation of right-of-use assets, as per IFRS 16.
- **Other expenses.** Other expenses represent other operating expenses such as stamps, waste during transportation and membership contributions.
- **Recurring operating profit.** Recurring operation profit represents operating income before non-recurring operating income and expenses.
- **Other non-recurring operating income and expenses.** Other non-recurring operating income and expenses represents all items that are not directly related to our operations or core businesses, and that are considered by management as non-recurring by their nature.
- **Operating profit.** Operating profit represents operating revenue net of operating expenses described above, before cost of net financial debt, other financial income and expenses, and income tax expense.
- **Cost of net financial debt.** Cost of net financial debt mostly represents interest on Senior Secured bonds and revolving credit facility.
- **Other financial income and expenses.** Other financial income and expenses mainly represents interest on lease liabilities, the impact of gold hedging and foreign currency income and expenses.
- **Income tax expense.** Income tax consists of income tax, including French CVAE, Italian IRAP, and deferred taxes.

Key events during the fiscal year ended September 30, 2024

Refinancing

On February 14, 2024, Goldstory S.A.S announced the closing of the offering of its €350 million aggregate principal amount (at EURIBOR 3M margin plus 400 bps) of Sustainability-Linked Floating Rate Senior Secured Notes due in 2030 (the "Floating Rate Notes") and its €500 million 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 "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 in 2026 (collectively, the "2026 Notes") respectively on February 14, 2024 and on March 4, 2024.

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 out of €350.0 million total Floating Rate Senior Secured Notes.

Acquisition of additional shares in Be Maad

On January 12, 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 September 29, 2023, for €1.1 million. Be Maad is consolidated in Goldstory S.A.S. financial statements from October 1, 2023.

Acquisition of THOM Horizon and I2TS

On June 28, 2024, Goldstory S.A.S, through its subsidiary THOM GROUP S.A.S, acquired 100% of THOM Horizon and I2TS to Albalogic. Albalogic is the Group's Point-of-Sales software provider (named Horizon).

This strategic acquisition was made to internalize this key asset which has been developed jointly with Albalogic for 20 years. THOM Horizon and I2TS are not yet consolidated (currently being integrated, not significant) over the fiscal year ended September 30, 2024.

Acquisition of Deloison

On July 16, 2024, Goldstory S.A.S, via its subsidiary THOM GROUP S.A.S, acquired 75% shares of Deloison, a French jeweler, founded in 2021 and specializing in wedding rings, for €6.6 million. Deloison has an innovative distribution model, via showrooms accessible by appointment and via e-commerce. This model enables Deloison to offer affordable prices while targeting a customer base that complements our generalist brands (average shopping basket around €1,500). Deloison is not yet consolidated as of September 30, 2024, in Goldstory's financial statements, as the entity is still being integrated to the group operationally (non-significant impact on the group financial statements).

Corporate mutual fund scheme (FCPE)

In April 2024, the Group launched its third Corporate Mutual Fund ("Fonds Commun de Placement d'Entreprise" or FCPE), the THOM Together project, enabling all employees with over three months of seniority to invest. As part of this initiative, the Group matched employees' investments with a contribution of up to €300.0 per person. This year, the program was extended to include employees of Timeway in France and Italy, as well as AGATHA in France and Spain.

As a result, 7.5% of employees (approximately 500 individuals) participated in the fund, with an average investment of €1,200 per person. Notably, 21.0% of the Group's eligible employees are now individual shareholders, reflecting the Group's ongoing commitment to fostering employee engagement and shared ownership. The shares were transferred to employees on June 28, 2024.

Financial restructuring and recapitalization of developing entities

On September 30, 2024, the Group executed a series of transactions impacting its equity investments as well as its intra-group receivables and payables. The aim of these financial restructuring operations was to rationalize the existing intercompany receivables and payables and the recapitalization of developing subsidiaries. Key transactions are follows:

- The distribution of a €100.0 million dividends by the Italian subsidiary Stroilli to THOM, and the transfer of the associated €99.0 million dividend receivable to THOM GROUP, allowing the clearance of Stroili's receivable from THOM GROUP under the cash-pooling agreement;
- A €22.5 million cash capital increase in OROVIVO allowing the clearance of OROVIVO's receivable from THOM GROUP for the same amount;
- AGATHA SAS received an equity injection of €19.6 million from THOM, capitalizing a cash-pooling receivable to support its development and the development of its subsidiaries in China;
- Similarly, Timeway SAS was recapitalized by THOM GROUP through the capitalization of a cash-pooling receivable for a total amount of €9.2 million.

Conversion of franchise agreements to the commission-affiliation model

The new commission-affiliation model, selected after an extensive study for its legal and economic benefits, was successfully tested in fiscal year 2024.

In fiscal year 2024, the company initiated the conversion of all its franchise contracts to the commission-affiliation model, with 22 conversions completed and 14 more planned for FY25 (first half of the year). This transition aims to have all partners operating exclusively on the commission-affiliation model by April 2025. Under this model, THOM holds the inventory operated by the Affiliate and fully controls its commercial policy.

As of September 30, 2024, THOM operated 45 partner and affiliated jewellery stores, 14 of which were franchised and 31 under the commission-affiliation model.

Key changes in Management

In the fiscal year 2024, several changes in Executive Committee composition took place as follows:

- Flavien d'Audiffret, Group General Manager was promoted Chief Executive Officer of the Group in October 2023;
- Kevin Aubert, Chief Financial Officer for France and BeNeLux, took over from Cyrille Palitzyne as Group Chief Financial Officer as of October 1, 2024;
- Aurélien Sénéchal, Chief Operating Officer, was appointed Stroili Chief Executive Officer in April 2024;
- Arnaud Marques, Stroili Chief Executive Officer, was appointed Timeway Chief Executive Officer in April, 2024;
- Hayat Zerouali, in charge of Clyda and Scooter brands development, was appointed Group Purchasing Director;
- Stéphane Delva, former General Manager of Stella Mac Cartney Beauty (LVMH), was appointed AGATHA Chief Executive Officer in January 2024.

Results of Operations

Financial year ended September 30, 2024 compared to the financial year ended September 30, 2023

The table below sets forth certain line items from our income statement for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Revenues	222.2	240.6	18.3	8.2%	1,011.8	1,089.6	77.8	7.7%
Cost of goods sold	(74.4)	(88.9)	(14.5)	(19.5)%	(343.8)	(397.1)	(53.3)	(15.5)%
Gross Margin	147.8	151.7	3.8	2.6%	668.0	692.5	24.5	3.7%
Other income	1.0	3.9	2.9	288.8%	2.7	6.8	4.1	150.3%
Personnel expenses	(64.0)	(64.4)	(0.4)	(0.6)%	(254.2)	(265.1)	(10.9)	(4.3)%
External expenses	(32.0)	(36.0)	(4.0)	(12.4)%	(141.6)	(153.0)	(11.4)	(8.0)%
Other expenses	(0.2)	(0.3)	(0.1)	(55.9)%	(2.0)	(1.6)	0.4	19.7%
Reported EBITDA	**52.6**	**54.8**	**2.3**	**4.3%**	**272.9**	**279.6**	**6.7**	**2.5%**
Depreciation, amort., impair. and prov., Net	(33.9)	(31.5)	2.4	7.1%	(109.5)	(114.3)	(4.8)	(4.4)%
Recurring operating profit	**18.7**	**23.4**	**4.7**	**25.0%**	**163.4**	**165.3**	**1.9**	**1.1%**
Other non-recurring operating income	1.5	0.1	(1.4)	(96.5)%	1.6	0.7	(0.9)	(56.9)%
Other non-recurring operating expenses	(2.6)	(7.6)	(5.0)	(194.5)%	(10.5)	(13.3)	(2.8)	(26.7)%
Operating profit	**17.6**	**15.8**	**(1.7)**	**(9.9)%**	**154.6**	**152.7**	**(1.9)**	**(1.2)%**
Cost of net financial debt	(10.7)	(15.1)	(4.4)	(40.9)%	(41.3)	(59.4)	(18.1)	(43.7)%
Other financial income and expenses	(6.5)	(6.2)	0.3	4.7%	(24.7)	(25.1)	(0.3)	(1.3)%
Net finance costs	(17.2)	(21.3)	(4.1)	(23.7)%	(66.0)	(84.4)	(18.4)	(27.8)%
Profit before tax	**0.4**	**(5.4)**	**(5.8)**	**(1,530.2)%**	**88.5**	**68.3**	**(20.3)**	**(22.9)%**
Income tax expense	(9.2)	(2.4)	6.8	74.0%	(44.1)	(38.1)	6.1	13.8%
Profit for the period	**(8.8)**	**(7.8)**	**1.0**	**10.9%**	**44.4**	**30.2**	**(14.2)**	**(32.0)%**
Profit attributable to owners of the parent	*(8.7)*	*(7.1)*	*1.6*	*18.6%*	*44.7*	*31.3*	*(13.4)*	*(29.9)%*
Profit attributable to non-controlling interests	*(0.1)*	*(0.8)*	*(0.6)*	*(539.0)%*	*(0.3)*	*(1.1)*	*(0.8)*	*(310.2)%*

The table below sets forth our operating key performance indicators derived from the income statement, namely Gross Margin, network contribution and Reported EBITDA, for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Gross Margin	147.8	151.7	3.8	2.6%	668.0	692.5	24.5	3.7%
Personnel expenses - network	(46.2)	(46.2)	(0.1)	0.1%	(191.9)	(197.1)	(5.2)	2.7%
Rent & charges - network	(3.2)	(1.5)	1.7	(52.6%)	(17.1)	(14.3)	2.8	(16.4%)
Marketing costs - network	(4.5)	(7.5)	(3.0)	66.0%	(23.3)	(26.9)	(3.6)	15.7%
Taxes - network	(2.3)	(2.0)	0.3	(13.7%)	(8.6)	(8.5)	0.1	(0.9%)
Overheads - network	(9.9)	(9.3)	0.6	(0.1)	(39.5)	(40.3)	(0.8)	0.0
Network direct costs	(66.1)	(66.5)	(0.4)	0.6%	(280.3)	(287.1)	(6.8)	2.4%
Network contribution	**81.7**	**85.1**	**3.5**	**4.2%**	**387.7**	**405.3**	**17.7**	**4.6%**
As a % of network sales	*37.9%*	*38.3%*		*0.5pp*	*40.1%*	*40.1%*		*0.0pp*
Indirect costs	(29.1)	(30.3)	(1.2)	4.1%	(114.7)	(125.7)	(11.0)	9.6%
Reported EBITDA	**52.6**	**54.8**	**2.3**	**4.3%**	**272.9**	**279.6**	**6.7**	**2.5%**

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, network contribution totaled €85.1 million, an increase of €3.5 million, or 4.2%, from €81.7 million in the three-month period ended September 30, 2023. As a percentage of network sales, the network contribution increased by 0.5 percentage point from 37.9% in the three-month period ended September 30, 2023 to 38.3% in the three-month ended September 30, 2024.

The underlined increase in network contribution margin resulted from the combination of (i) resilient Like-for-Like net sales growth across all geographies together with Group Network expansion, partly offset by (ii) a (0.3) percentage point decrease in Gross Margin as a percentage of Network sales from 68.5% in the three-month period ended September 30, 2023 to 68.3% in the three-month period ended September 30, 2024 driven by COGS inflation (gold price increase and goods manufacturing inflation) for (0.6) percentage point, which is below the guidance provided at the beginning of the year, and favorable activity mix effect for 0.3 percentage point and (iii) a strong focus on cost efficiency (productivity of in-store staffs and overall savings in overheads) leading to +0.7pp improvement in Network direct costs as a percentage of Network sales from 30.7% in the three-month period ended September 30, 2023 to 29.9% in the three-month period ended September 30, 2024.

Total indirect costs totaled €30.3 million in three-month period ended September 30, 2024, an increase of €1.2 million, or 4.1%, from €29.1 million in the three-month period ended September 30, 2023 mainly related to (i) Headquarter' staff expenses (inflation and AGATHA strengthening mainly), (ii) IT costs to develop services to customers, operational efficiency and reinforce cybersecurity as well as (ii) logistics variable costs driven by business growth.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, network contribution totaled €405.3 million, an increase of €17.7 million, or 4.6%, from €387.7 million in the financial year ended September 30, 2023. As a percentage of network sales, the network contribution remained stable at 40.1% in the financial years ended September 30, 2023 and 2024 fully offsetting the (0.6) percentage point decrease in Gross Margin rate by leveraging on direct operating expenses over-absorption (in-store productivity mainly).

Total indirect costs totaled €125.7 million in the financial year ended September 30, 2024, an increase of €11.0 million, or 9.6%, from €114.7 million in the financial year ended September 30, 2023 mainly related to (i) Headquarter' staff expenses (inflation and AGATHA strengthening mainly), (ii) IT costs to develop services to customers, operational efficiency and reinforce cybersecurity as well as (ii) logistics variable costs driven by business growth.

Result of operations for the financial year ended September 30, 2024

- Increase in network sales across all segments, resulting from positive Life-for-Like net sales performance of our key brands (Histoire d'Or, Stroili and AGATHA) driven by volumes (limited targeted price increases) as well as our expansion strategy to strengthen our retail footprint on current operated geographies (Directly Operated Stores and Affiliated Partners).
- Network contribution margin remained stable at 40.1% in the financial years ended September 30, 2023 and 2024 fully offsetting the (0.6) percentage point decrease in Gross Margin rate by leveraging on direct operating expenses over-absorption (in-store productivity mainly).
- The Gross Margin rate adverse impact has been offset by direct operating expenses over-absorption (in-store productivity mainly) allowing us to maintain long-term investment efforts on indirect costs (strategic marketing initiatives, staff training or IT developments) to strengthen our leader brands and to be ready for catching growth opportunities as soon as the market will speed up.
- Reported EBITDA of €279.6 million compared to €272.9 million for the financial year ended September 30, 2023 increasing by €6.7 million, or 2.5%.

Revenue

The table below presents the detail of our revenue for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Network sales IFRS	215.7	222.1	6.4	3.0%	966.7	1,010.7	44.0	4.5%
Sales of precious metals	5.9	18.0	12.0	202.3%	43.2	77.3	34.1	79.0%
Other	0.6	0.5	(0.1)	(18.1%)	1.9	1.6	(0.3)	(14.5%)
Other Sales	6.6	18.5	11.9	180.8%	45.1	78.9	33.9	75.2%
Revenue	**222.2**	**240.6**	**18.3**	**8.2%**	**1,011.8**	**1,089.6**	**77.8**	**7.7%**

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, revenue amounted to €240.6 million, an increase of €18.3 million, or 8.2%, from €222.2 million in the three-month period ended September 30, 2023, due to an increase of €6.4 million (or 3.0%) in network sales as well as €12.0 million increase in sales of precious metals during the three-month period ended September 30, 2024.

The increase of €6.4 million of Network sales has been mainly driven by network sales growth on a Like-for-Like basis which increased by €4.8 million, or +2.5%, in the three-month period ended September 30, 2024 compared respectively to the three-month period ended September 30, 2023 with positive growth across all geographies and distribution channels, with no changes in our limited discount policy despite an intensive promotional environment.

Like-for-Like growth kept benefitting from increasing attractiveness of Group's leading brands due to long term targeted marketing efforts ("Made in Italy" advertising campaign for Histoire d'Or in April 2024 and Mother's Day advertising campaign for Stroili in May 2024), the development of a broader product offerings across such brands and the deployment of a new store concept in Italy.

Complementary to Like-for-Like growth, Network sales development was supported by the dynamic growth of AGATHA brand, in all operated geographies, the development of our Affiliates network and the opening of new stores notably in Italy.

Sales of precious metals increased by €12.0 million, or 202.3%, in the three-month period ended September 30, 2024 as compared to the three-month period ended September 30, 2023 following our gold hedging strategy for the year ended September 30, 2024 combining financial and physical gold.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, revenue amounted to €1,089.6 million, an increase of €77.8 million, or 7.7%, from €1 011.8 million in the financial year ended September 30, 2023, mainly due to an increase of €44.0 million (or 4.5%) in network sales during the financial year ended September 30, 2024.

Network sales on a Like-for-Like basis increased by €19.1 million, or 2.1%, from €891.3 million in the financial year ended September 30, 2023 to €910.4 million in the financial year ended September 30, 2024.

The repositioning of AGATHA brand delivering strong results across current operated geographies generated €11.9 million additional revenues in the financial year ended September 30, 2024 compared to the financial year ended September 30, 2023.

The opening of new stores to capture remaining white space on well-leading geographies combined with contribution of closure following recurring store portfolio review brought +€10.4m additional revenues (32 stores opened in the financial year ended September 30, 2024 compared to 27 in the financial year ended September 30, 2023).

Sales of precious metals increased by €34.1 million, or 79.0%, In the financial year ended September 30, 2024 as compared to the financial year ended September 30, 2023, for hedging purposes.

Network sales

The table below presents our network sales by activity for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	2023	2024	Var. m€	Var. %	2023	2024	Var. m€	Var. %
Directly Operated stores & corners	188.1	190.2	2.2	1.2%	852.2	874.2	22.0	2.6%
E-commerce	11.8	13.7	1.9	16.0%	57.7	64.1	6.4	11.1%
Customer Loyalty Program	(0.5)	(0.9)	(0.3)	(64.8%)	(3.5)	(3.6)	(0.1)	(4.0%)
Total BtoC	199.4	203.1	3.7	1.9%	906.3	934.7	28.3	3.1%
Wholesale	4.7	3.9	(0.8)	(17.2%)	21.4	19.9	(1.5)	(7.0%)
Affiliates	1.8	2.7	0.9	48.7%	8.8	13.0	4.2	47.8%
Total BtoB	6.5	6.6	0.1	1.1%	30.2	33.0	2.7	9.0%
AGATHA	7.0	9.4	2.4	34.9%	29.9	41.8	11.9	39.7%
Other Incubating Projects	2.8	3.0	0.2	7.1%	0.2	1.3	1.1	501.3%
Total Incubating Projects	9.8	12.4	2.6	27.0%	30.1	43.1	12.9	n/a
Total Network Sales	**215.7**	**222.1**	**6.4**	**3.0%**	**966.7**	**1,010.7**	**44.0**	**4.5%**

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

The table below presents the details of our Like-for-Like network sales by geographic perimeter for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	2023	2024	Var. m€	Var. %	2023	2024	Var. m€	Var. %
Network sales France	117.8	117.9	0.1	0.1%	552.5	556.6	4.0	0.7%
Network sales Italy	64.0	68.8	4.8	7.4%	280.0	293.5	13.5	4.8%
Network sales RoE	13.7	13.7	0.0	0.1%	58.8	60.3	1.6	2.7%
Total network sales on a LFL basis	195.5	200.3	4.8	2.5%	891.3	910.4	19.1	2.1%
Change in perimeter	20.2	21.7	1.6	7.8%	75.4	100.2	24.8	32.9%
Network sales	**215.7**	**222.1**	**6.4**	**3.0%**	**966.7**	**1,010.7**	**44.0**	**4.5%**

The table below presents the detail of our Like-for-Like network sales by sales channel perimeter for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	2023	2024	Var. m€	Var. %	2023	2024	Var. m€	Var. %
Directly Operated stores & corners	183.7	186.6	3.0	1.6%	833.5	846.2	12.7	1.5%
E-commerce	11.8	13.7	1.9	16.0%	57.7	64.1	6.4	11.1%
Other	0.0	0.0	(0.0)	n/a	0.2	0.2	(0.0)	(3.8%)
Total network sales on a LFL basis	195.5	200.3	4.8	2.5%	891.3	910.4	19.1	2.1%
Change in perimeter	20.2	21.7	1.6	7.8%	75.4	100.2	24.8	32.9%
Network sales	**215.7**	**222.1**	**6.4**	**3.0%**	**966.7**	**1,010.7**	**44.0**	**4.5%**

The table below presents the detail of our Like-for-Like network sales by brand perimeter for the three-month and the fiscal year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	2023	2024	Var. m€	Var. %	2023	2024	Var. m€	Var. %
Histoire d'Or	107.6	108.8	1.2	1.1%	499.9	509.5	9.6	1.9%
Stroili	58.9	63.4	4.5	7.6%	256.8	270.5	13.6	5.3%
Marc Orian	14.2	13.5	(0.8)	(5.4%)	69.0	65.3	(3.7)	(5.3%)
Franco Gioielli	3.5	3.7	0.2	5.5%	16.2	16.0	(0.2)	(1.4%)
TrésOr	4.0	3.9	(0.1)	(2.8%)	19.1	19.0	(0.1)	(0.6%)
OROVIVO	7.3	7.2	(0.1)	(1.9%)	30.2	30.1	(0.0)	(0.1%)
Total network sales on a LFL basis	195.5	200.3	4.8	2.5%	891.3	910.4	19.1	2.1%
AGATHA	7.0	9.4	2.4	34.9%	29.9	41.8	11.9	39.7%
Change in perimeter	13.2	12.3	(0.9)	(6.5%)	45.5	58.5	12.9	28.4%
Total network sales	**215.7**	**222.1**	**6.4**	**3.0%**	**966.7**	**1,010.7**	**44.0**	**4.5%**

Three-month period ended September 30, 2024

On a Like-for-Like basis, our network sales increased by €4.8 million, or 2.5%, to €200.3 million in the three-month period ended September 30, 2024 compared to €195.5 million in the three-month period ended September 30, 2023 with positive growth across the board by country and by distribution channels, driven by the embedded growth of the Group's leading brands (Histoire d'Or and Stroili), following targeted marketing efforts and continues customer experience improvements carried-out over recent years.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, the network sales on a Like-for-Like basis, increased by €19.1 million, or 2.1%, to €910.4 million compared to €891.3 million in the financial year ended September 30, 2023. The Like-for-Like sales showed positive trends in all our key brands in each country, however, the performances of secondary brands (Marc Orian, Trésor, Franco Gioielli), typically more in line with the market trends, were more affected by the deterioration of the consumption environment.

The table below presents the detail for the change in perimeter for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Wholesale	4.7	3.9	(0.8)	(17.2%)	21.4	19.9	(1.5)	(7.0%)
AGATHA	7.0	9.4	2.4	34.9%	29.9	41.8	11.9	39.7%
Affiliates	1.8	2.7	0.9	48.7%	8.8	13.0	4.2	47.8%
Customer Loyalty Program	(0.5)	(0.9)	(0.3)	64.8%	(3.5)	(3.6)	(0.1)	4.0%
Other change in perimeter	7.2	6.6	(0.6)	(8.2%)	18.7	29.1	10.4	55.3%
Total Change in perimeter	**20.2**	**21.7**	**1.6**	**7.8%**	**75.4**	**100.2**	**24.8**	**32.9%**

Three-month period ended September 30, 2024

In the three-month ended September 30, 2024, the change in perimeter increased by €1.6 million, or 7.8% to €21.7 million, from €20.2 million in the three-month period ended September 30, 2023.

The increase is mainly due to (i) the dynamic growth of AGATHA for €2.4 million as the new positioning of the brand is starting to delivering excellent outcomes in all operated countries, (ii) the development of affiliation for €0.9 million (7 stores opened in the financial year ended September 30, 2024 compared to 3 in the financial year ended September 30, 2023), not offset by (iii) the negative impact of wholesale activity for €(0.8) million reflecting tough market environment for independent jewelers and (iv) the lower net sales contribution of stores openings net from closures during the period for €0.6 million.

Financial Year ended September 30, 2024

For the financial year ended September 30, 2024, the change in perimeter increased by €24.8 million, or 32.9% to €100.2 million, from €75.4 million in the financial year ended September 30, 2023.

The increase is mainly due to (i) the increase in AGATHA network sales for €11.9 million in France and Spain as a result of all the efforts, in the last few months, to reinforce the brand repositioning and to restructure the entity, and to the development in Asia that just started in the financial year ended September 30, 2023 versus twelve-month of business In the financial year ended September 30, 2024 and (ii) the higher net sales contribution of stores openings net from closures during the period, resulting in higher network sales through other changes in perimeter. We opened 32 stores in the financial year ended September 30, 2024 (as compared to 27 stores in the financial year ended September 30, 2023) and closed 43 stores during the same period (as compared to 25 stores in the financial year ended September 30, 2023) driven notably by the repositioning of AGATHA in France on prime city center locations leading to 25 closures over the period and the continues store portfolio review to close or relocate underperforming stores.

The increase in affiliates sales for €4.2 million In the financial year ended September 30, 2024 compared to the financial year ended September 30, 2023 is resulting from the strength of our main brand in France, Histoire d'Or, and from the development of the network with 7 new affiliated stores open in the financial year ended September 30, 2024 (as compared to 3 stores in the financial year ended September 30, 2023). Sales to affiliates include the conversion of 22 franchisees (sell-in model) to the new commission affiliation contract (sell-out model) affecting the comparability with the prior financial year ended September 30, 2023. As of September 30, 2024, THOM is operated 14 franchised expected to be converted early 2025 and 31 point of sales under the commission-affiliation model.

Wholesale sales decreased by (7.0)% in the financial year ended September 30, 2024 compared to the financial year ended September 30, 2023, due to difficult market conditions for independent jewelers. The reorganization of Timeway, including pooled teams across France and Italy, will be effective October 1st, optimizing synergies.

E-commerce sales by perimeter

The table below presents the details of our Like-for-Like e-commerce sales by geographic perimeter for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Wholesale	9.6	10.9	1.3	13.3%	47.7	52.2	4.5	9.4%
AGATHA	1.7	2.3	0.5	31.4%	7.8	9.3	1.5	19.3%
Affiliates	0.5	0.6	0.1	14.8%	2.2	2.6	0.5	20.8%
Customer Loyalty Program	11.8	13.7	1.9	16.0%	57.7	64.1	6.4	11.1%
Other change in perimeter	4.0	11.7	7.6	189.5%	5.2	15.2	10.0	191.6%
Total Change in perimeter	**15.9**	**25.4**	**9.5**	**60.1%**	**62.9**	**79.3**	**16.4**	**26.1%**

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, on a Like-for-Like basis, e-commerce sales amounted to €13.7 million, an increase of €1.9 million, or 16.0%, with unchanged discount policy, from €11.8 million in the three-month period ended September 30, 2023. Change in perimeter e-commerce sales amounted to €7.6 million and correspond to AGATHA's sales on its websites in France, Spain and China as the new positioning of the Brand is starting to deliver excellent results.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, on a Like-for-Like basis, e-commerce sales amounted to €64.1 million, an increase of €6.4 million, or 11.1%, with unchanged discount policy, from €57.7 million in the financial year ended September 30, 2023, driven by targeted media campaigns and digital innovations for our leader brands optimizing on-line customers' experience and traffic conversion. In the financial year ended September 30, 2024, change in perimeter e-commerce sales amounted to €15.2 million and correspond to AGATHA's sales on its websites in France, Spain and China. The increase of €10.0 million, or 191.6%, is explained is explained by the development of historical geographies on a Like-for-Like basis (+3.6 million) and the development of new geographies, mainly China, with +€6.4 million including a full year effect (only 7 month of activity last year).

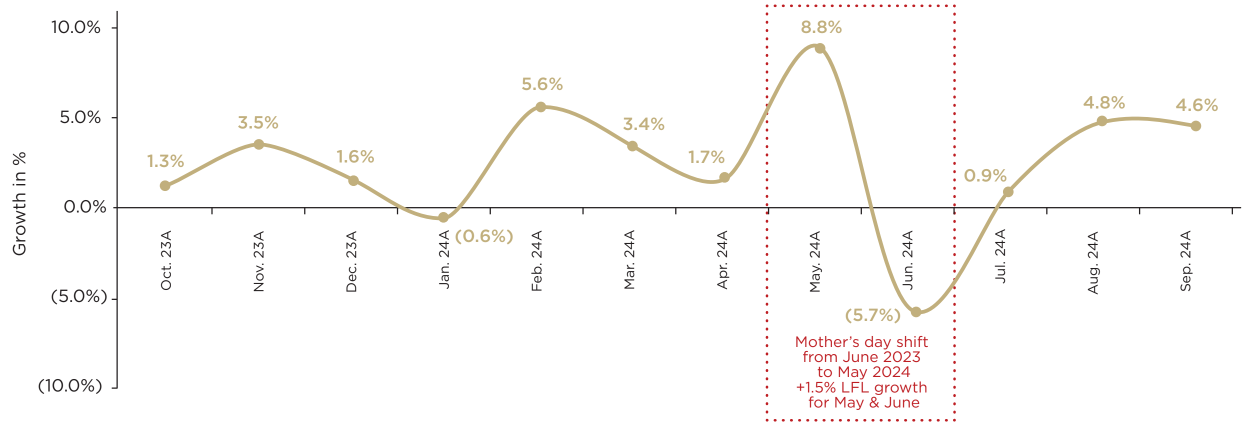
Quarterly network sales

The table below presents our network sales on a quarterly basis for the financial year ended September 30, 2024 and for the financial year ended September 30, 2023. Our business is seasonal, with network sales being the highest in Quarter 1 due to the Christmas season.

	French GAAP				IFRS	
In €m	Audited **2019**	Audited **2020**	Audited **2021**	Audited **2022**	Audited **2023**	Audited **2024**
Quarter 1 (Oct - Dec)	239.2	254.4	232.4	304.9	320.0	334.2
Quarter 2 (Jan - Mar)	146.2	129.6	106.0	179.5	201.4	214.2
Quarter 3 (Apr - June)	162.5	82.0	143.2	203.4	229.7	240.2
Quarter 4 (July - Sep)	155.9	171.3	194.8	201.0	215.7	222.1
Total Network sales FY	**703.8**	**637.3**	**676.5**	**888.7**	**966.7**	**1,010.7**

Group LFL Network sales on a monthly basis

The graph below presents the growth of our total network sales on a monthly basis for the financial year ended September 30, 2024 as compared to the same period in the prior year.

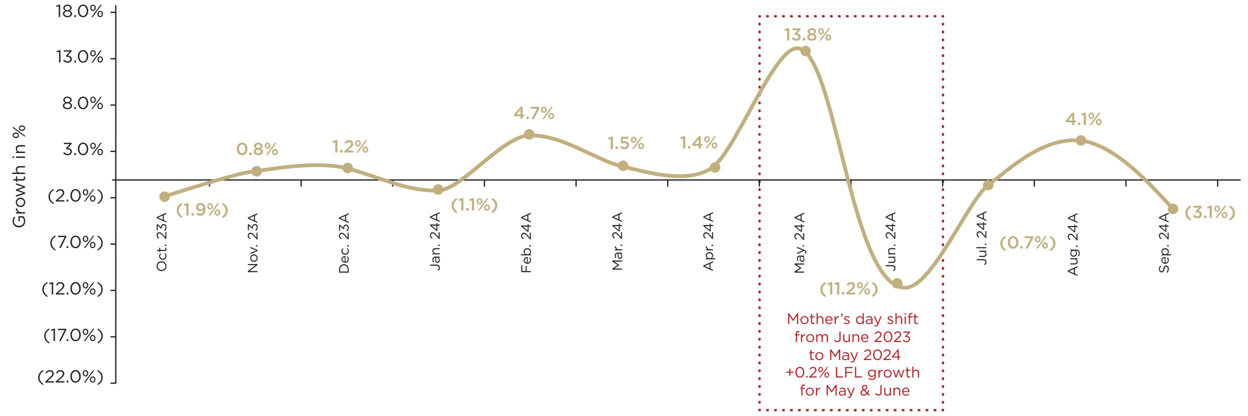


On a Like-for-Like basis, our network sales in each month in the financial year ended September 30, 2024 increased as compared to the corresponding month in the financial year ended September 30, 2023, with the exception of the month of January and June. In January 2024, significant social movements have triggered disruptions of traffic in France and Germany with an impact on stores' frequency. Mother's Day took place in June in 2023 as opposed to May in 2024 in France. The combined Like-for-Like network sales for the months of May and June 2024 increased by 1.5% as compared to the same period in 2023.

In the financial year ended September 30, 2024, the group showed good performance as compared to the financial year ended September 30, 2023, in a negative growth market environment. The comparison with 2023 is also distorted by the shift of Easter from April in 2023 to March in 2024. March 2024 is hence positively impacted for c. €1.4m Network sales (2%), and the opposite effect had an impact in April 2024.

France LFL Network sales on a monthly basis

The graph below presents the growth of our total network sales in France on a monthly basis for the financial year ended September 30, 2024 as compared to the same period in the prior year.



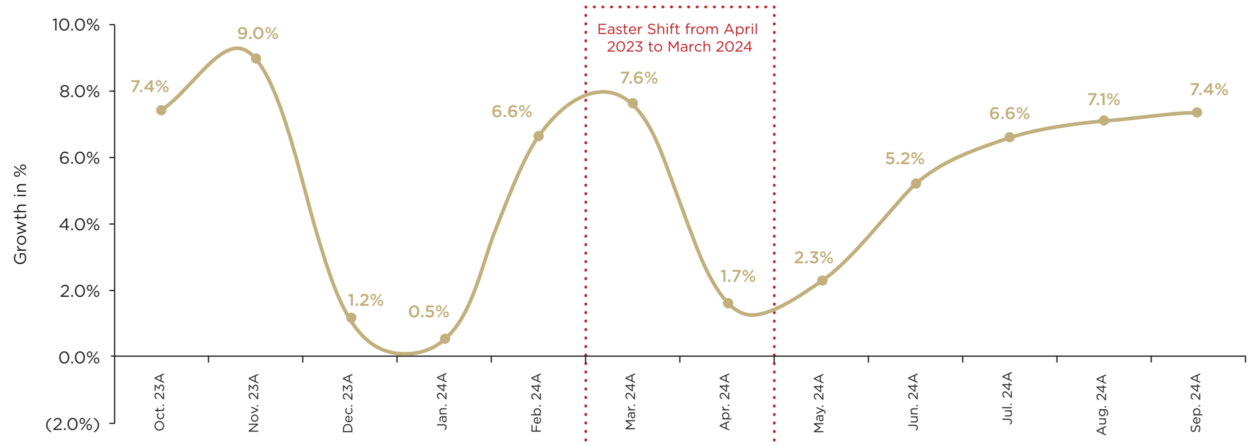
In France, our Like-for-Like network sales recorded an overall increase over the financial year ended September 30, 2024, as compared with the financial year ended September 30, 2023.

Our Like-for-Like network sales in France in October 2023 were impacted by deteriorated market conditions. In January 2024, significant social movements have triggered disruptions of traffic in France with an impact on stores' frequency. Mother's Day took place in June in 2023 as opposed to May in 2024 in France. The combined Like-for-Like network sales for the months of May and June 2024 increased by 0.2% as compared to the same period in 2023. In July 2024, our Network sales were adversely impacted by the Olympic Games with a strong drop in traffic following restrictions in greater Paris as well as national interest for the events. September 2024 was impacted by a negative calendar effect of (6.9)%.

Once restated from this effect, the Network sales would have increased by +3.8% as compared to the September 2023.

Italy LFL Network sales on a monthly basis

The graph below presents the growth of our total network sales in Italy on a monthly basis for the financial year ended September 30, 2024 as compared to the same period in the prior year.



In Italy, our Network Sales recorded an overall increase in the financial year ended September 30, 2024, as compared with the financial year ended September 30, 2023, mainly due to the success of our new Stroili concept deployed in the financial year ended September 30, 2023 together with the roll-out of key initiatives to nurture growth and operating excellence (in-store staff training, assortment optimization, targeted marketing efforts…). The slowdown in December 2023 and January 2024 was explained by a very good performance in December 2022 and a difficult market in January 2024. The shift of Easter from April 2023 to March 2024 explained the strong variation from March 2024 versus March 2023 and April 2024 versus April 2023. Since May 2024, Italy demonstrated a positive monthly Like-for-Like growth compared to the same periods in the prior years.

Network sales

- Positive Like-for-Like growth across the board by country and by distribution channels with no change in our rigorous full price policy, driven by Group's leading brands (Histoire d'Or and Stroili) benefitting from targeted marketing efforts and continues customer experience improvements. Performances of secondary brands (Marc Orian, Trésor, Franco Gioielli) affected by tough market conditions (intensive promotional competitive environment).
- E-commerce activity kept performing well delivering +11% growth in the financial year ended September 30, 2024 compared to previous year.
- AGATHA delivered strong results in France, Spain and China leveraging notably on the repositioning of the brand in France in prime city center locations (25 store closed over the period ended September 30, 2024).

Cost of goods sold

The table below presents the detail of our cost of goods sold for the three-month and the fiscal year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Purchases of Finished Goods	(67.9)	(78.3)	(10.4)	15.3%	(282.7)	(333.9)	(51.2)	18.1%
Raw materials consumption	(6.5)	(10.6)	(4.1)	62.9%	(61.0)	(63.2)	(2.1)	3.5%
Cost of goods sold	**(74.4)**	**(88.9)**	**(14.5)**	**19.5%**	**(343.8)**	**(397.1)**	**(53.3)**	**15.5%**

Three-month period ended September 30, 2024

In the three-month ended September 30, 2024, cost of goods sold totaled €88.9 million, an increase of €14.5 million, or 19.5%, from €74.4 million in the three-month period ended September 30, 2023.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, cost of goods sold totaled €397.1 million, an increase of €53.3 million, or 15.5%, from €343.8 million in the financial year ended September 30, 2023.

These increases were driven by an increase in network sales across the board, combined with an expected inflation of purchase prices (increase in gold prices and manufacturing costs).

Moreover, the Group managed the risk associated with fluctuations in the U.S. dollar/euro foreign exchange rate by entering forwards contracts and collars options (see § Liquidity price risk), and the risk associated with fluctuations of gold prices with physical hedging (purchase of gold inventories) as well as with derivative financial instruments, such as synthetic swaps and calls or SWAP (see § Commodities price risk).

Gross Margin

The tables below present the details of Gross Margin in value and as a percentage of network sales for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Network sales	215.7	222.1	6.4	3.0%	966.7	1,010.7	44.0	4.5%
Sales of precious metals	5.9	18.0	12.0	202.3%	43.2	77.3	34.1	79.0%
Other	0.6	0.5	(0.1)	(18.1%)	1.9	1.6	(0.3)	(14.5%)
Revenue	222.2	240.6	18.3	8.2%	1,011.8	1,089.6	77.8	7.7%
Cost of goods sold	(74.4)	(88.9)	(14.5)	(19.5%)	(343.8)	(397.1)	(53.3)	(15.5%)
Gross Margin	**147.8**	**151.7**	**3.8**	**2.6%**	**668.0**	**692.5**	**24.5**	**3.7%**
As a % of network sales	*68.5%*	*68.3%*		*(0.3)pp*	*69.1%*	*68.9%*		*(0.6)pp*

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, Gross Margin totaled €151.7 million, an increase of €3.8 million, or 2.6%, as compared to €147.8 million in the three-month period ended September 30, 2023.

Our Gross Margin as a percentage of network sales was 68.3% in the three-month period ended September 30, 2024, a 0.3 percentage point decrease compared to the three-month period ended September 30, 2023 at 68.5%, mainly due to the negative rate effect due to inflation of cost of goods sold (gold price and manufacturing costs), however limited thanks to targeted price increase, for 0.6 percentage point partly offset by the positive effect of our business mix for the remaining 0.3 percentage point.

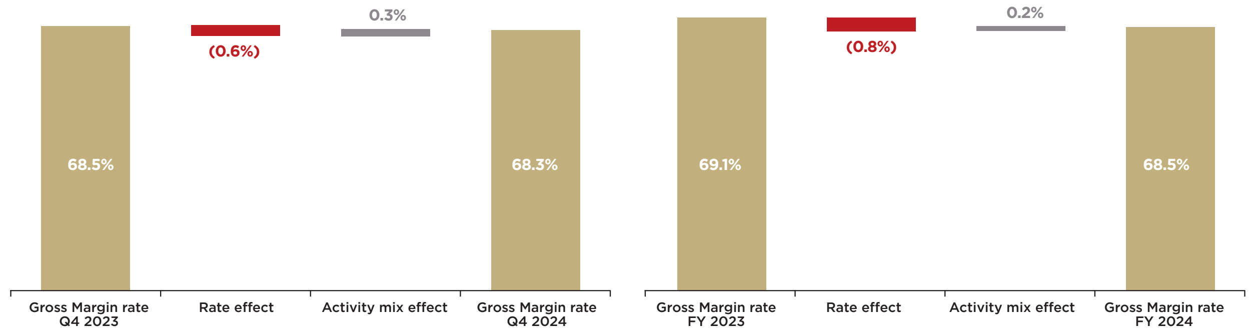
Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, Gross Margin totaled €692.5 million, an increase of €24.5 million, or 3.7%, as compared to €668.0 million in the financial year ended September 30, 2023.

Our Gross Margin as a percentage of network sales was 68.5% In the financial year ended September 30, 2024, a decrease by 0.6 percentage point compared to the financial year ended September 30, 2023, mainly due to the impact on our cost of goods sold following increases in manufacturing costs and an increase in gold price (which were not yet passed through to our customers), however limited thanks to targeted price increase, for (0.8) percentage point (in line with our expectations as announced in Q1 2024 results presentation), partly offset by a 0.2 percentage point positive activity mix effect (AGATHA brand working at a higher Gross Margin rate with no precious metals exposure and the weight of the Wholesale activity in a lesser extent).

Sales of precious metals increased by €34.1 million, or 79.0%, for the financial year ended September 30, 2024 as compared to the financial year ended September 30, 2023, for hedging purposes.

The bridge below sets forth the change in Gross Margin as a percentage of network sales between the three-month and financial year ended September 30, 2023 and September 30, 2024.



Gross Margin by perimeter

The tables below present the detail of Like-for-Like Gross Margin in value and as a percentage of network sales by geographic perimeter for the three-month and the financial year ended September 30, 2024 and 2023.

Like-for-Like Gross Margin by geographic perimeter in value

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Gross Margin France	83.8	81.6	(2.2)	(2.6%)	388.3	385.2	(3.1)	(0.8%)
Gross Margin Italy	42.3	44.9	2.7	6.3%	193.5	199.9	6.5	3.4%
Gross Margin RoE	9.2	9.0	(0.1)	(1.6%)	40.1	40.8	0.7	1.8%
Gross Margin on a LFL basis	135.3	135.6	0.3	0.3%	621.8	626.0	4.1	0.7%
Change in perimeter	12.6	16.1	3.5	27.9%	46.1	66.5	20.4	44.1%
Gross Margin	**147.8**	**151.7**	**3.8**	**2.6%**	**668.0**	**692.5**	**24.5**	**3.7%**

Like-for-Like Gross Margin by geographic perimeter in percentage

	Fourth Quarter			Financial year ended September		
In €m	**2023**	**2024**	**Var in pp**	**2023**	**2024**	**Var in pp**
Gross Margin France	71.1%	69.3%	(1.9)	70.3%	69.2%	(1.1)
Gross Margin Italy	66.0%	65.3%	(0.7)	69.1%	68.1%	(1.0)
Gross Margin RoE	67.1%	65.9%	(1.1)	68.3%	67.6%	(0.6)
Gross Margin on a LFL basis	69.2%	67.7%	(1.5)	69.8%	68.8%	(1.0)
Change in perimeter	62.3%	73.8%	11.6	61.2%	66.4%	5.2
Gross Margin	**68.5%**	**68.3%**	**(0.3)**	**69.1%**	**68.5%**	**(0.6)**

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, Like-for-Like Gross Margin totaled €135.6 million, an increase of €0.3 million, or 0.3%, from €135.3 million in the three-month period ended September 30, 2023.

Our Like-for-Like Gross Margin as a percentage of Like-for-Like network sales was 67.7% in the three-month period ended September 30, 2024, a decrease of 1.5 percentage points compared to the three-month period ended September 30, 2023, mainly attributable to gold price fluctuation and an overall inflation of manufacturing costs not fully passed through to our customers following our strategy to promote volume acquisitions.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, Like-for-Like Gross Margin totaled €626.0 million, an increase of €4.1 million, or 0.7%, from €621.8 million in the financial year ended September 30, 2023.

Our Like-for-Like Gross Margin as a percentage of Like-for-Like network sales was 68.8% In the financial year ended September 30, 2024, a reduction of 1.0 percentage points from 69.8% in the financial year ended September 30, 2023. This (1.0) percentage point decrease in Gross Margin rate is mainly attributable to gold price fluctuation and an overall inflation of manufacturing costs not yet passed through to our customers sticking to our strategy to promote volume acquisitions with targeted price increases. Effect on Gross Margin rate due to inflation over the fiscal year ended September 30, 2024 is in line with our expectations as announced in Q1 2024 results presentation with a full year effect expected around (1.0) percentage point for the year ended September 30, 2024 thanks to our rolling twelve-month hedging strategy providing us visibility and time to implement actions mitigating adverse impacts. We have started to implement targeted price increases by waves in the fiscal year 2024 with limited effects on the fiscal year ended September 30, 2024.

The table below presents the Gross Margin for the items that we present as part of the total change in perimeter for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Wholesale	1.9	1.9	0.0	0.5%	8.8	8.4	(0.4)	(4.6%)
AGATHA	5.6	7.4	1.9	33.4%	23.4	33.2	9.7	41.4%
Affiliates	0.4	0.7	0.3	66.7%	2.3	3.8	1.5	68.1%
Other change in perimeter and reconciling items (*)	4.6	6.0	1.3	28.6%	11.7	21.2	9.5	81.5%
Total Change in Perimeter	**12.6**	**16.1**	**3.5**	**27.9%**	**46.1**	**66.5**	**20.4**	**44.1%**

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

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, the change in perimeter's Gross Margin increased by €3.5 million, or 27.9% to €16.1 million, from €12.6 million in the three-month period ended September 30, 2023, resulting from the increase in all the categories of change in perimeters, especially (i), AGATHA brand delivering excellent results across the board and working at a higher Gross Margin rate (fashion products with no precious metal exposure) and (ii) the higher Gross Margin contribution of stores opened or closed during the three-month period ended September 30, 2024 compared to stores opened or closed during the three-month period ended September 30, 2023 for €1.4 million.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, the change in perimeter's Gross Margin increased by €20.4 million, or 44.1% to €66.5 million, from €46.1 million in the financial year ended September 30, 2023. The increase is mainly due to (i) AGATHA for €9.7 million explained by the strong development of AGATHA in all countries and by the full-period effect of AGATHA China, as the activity in China was just starting last year, and to (ii) the higher Gross Margin contribution of stores opened or closed during the fiscal year ended September 30, 2024 compared to stores opened or closed during the financial year ended September 30, 2023 for €9.5 million.

Quarterly Gross Margin

The table below presents our Gross Margin on a quarterly basis for the financial year ended September 30, 2024 and for the LTM ended September 30, 2023.

In €m	Audited **2023**	Audited **2024**
Quarter 1 (Oct - Dec)	223.1	231.7
Quarter 2 (Jan - Mar)	137.6	146.2
Quarter 3 (Apr - June)	159.5	163.0
Quarter 4 (July - Sep)	147.8	151.7
Total Gross Margin FY	**668.0**	**692.5**

The table below presents our Gross Margin on a quarterly basis for the fiscal year ended September 30, 2024 and for the financial year ended September 30, 2023, as a percentage of total Gross Margin.

In €m	Audited **2023**	Audited **2024**
Quarter 1 (Oct - Dec)	69.7%	69.3%
Quarter 2 (Jan - Mar)	68.3%	68.3%
Quarter 3 (Apr - June)	69.4%	67.8%
Quarter 4 (July - Sep)	68.5%	68.3%
Total Gross Margin FY	**69.1%**	**68.5%**

Gross Margin

- Relevant strategy not to fully pass-through gold price fluctuation, via targeted price increases, to end-customers in order to promote volumes with a Like-for-Like Gross Margin increasing by +0.7% in the financial year ended September 30, 2024 despite highly promotional market environment.
- Contained decrease of 1.0 percentage point to 68.8% (aligned with our guidance released in Q1 2024) through efficient rolling twelve-month hedging strategy, combining physical gold and financial instruments, providing us visibility and time to implement actions mitigating adverse impacts.
- Strong development of AGATHA in all countries bringing an additional €9.7 million Gross Margin in the fiscal year 2024.

Reported EBITDA

The table below presents the bridge from Profit for the period to Reported EBITDA for the three-month and the financial year ended September 30, 2024 and 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Profit for the period	**(8.8)**	**(7.8)**	**1.0**	**10.9%**	**44.4**	**30.2**	**(14.2)**	**(32.0)%**
Income tax expenses	9.2	2.4	(6.8)	(74.0)%	44.1	38.1	(6.1)	(13.8)%
Cost of net financial debt	10.7	15.1	4.4	40.9%	41.3	59.4	18.1	43.7%
Other financial income and expenses	6.5	6.2	(0.3)	(4.7)%	24.7	25.1	0.3	1.3%
Depreciation, amortisation & provisions, net	33.9	31.5	(2.4)	(7.1)%	109.5	114.3	4.8	4.4%
Other non-recurring operating income	(1.5)	(0.1)	1.4	96.5%	(1.6)	(0.7)	0.9	56.9%
Other non-recurring operating expenses	2.6	7.6	5.0	194.5%	10.5	13.3	2.8	26.7%
Reported EBITDA	**52.6**	**54.8**	**2.3**	**4.3%**	**272.9**	**279.6**	**6.7**	**2.5%**

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, Reported EBITDA of €54.8 million compared to €52.6 million for the three-month period ended September 30, 2023 increasing by €2.3 million, or 4.3%.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, Reported EBITDA of €279.6 million compared to €272.9 million for the financial year ended September 30, 2023 increasing by €6.7 million, or 2.5%.

EBITDA increase has been driven by (i) an increase in network sales across all segments, resulting from good Like-for-Like performance of our key brands (Histoire d'Or, Stroili and AGATHA) driven by volumes (very limited price increases) as well as our expansion strategy to strengthen our retail footprint on current operated geographies (Directly Operated Stores and Affiliated Partners), (ii) strong focus on costs efficiency management including notably in-store staff productivity and decrease in energy costs following the renegotiation of new supply contracts effective from January 1, 2024, not offset by (iii) (0.6) percentage point decrease in Network Gross Margin rate compared to the financial year ended September 30, 2023 unfavorably impacted by inflation of gold price and manufacturing costs as expected (strategy to promote volume growth).

The strong focus on cost efficiency aimed at scaling-down cost base to current business trend to protect Group' profitability and enabling the Group to maintain long term investment efforts on targeted marketing campaign notably to be ready for catching growth opportunities as soon as the market will speed up.

Other income

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, other income totaled €6.8 million, an increase of €4.1 million, from €2.7 million in the financial year ended September 30, 2023.

The increase was primarily driven by (i) a sales and leaseback operation for furniture in stores for €1.9 million with a counterpart accounted for the same amount in the external expenses line item, (ii) a sponsorship with the Italian government for the promotion of Italian products in France with a counterpart accounted for the same amount in the external expenses line item as well as (iii) increase in insurance compensation for store damages during the riots in July 2024 (inventory theft compensation).

Personnel expenses

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, personnel expenses totaled €64.4 million, an increase of €0.4 million, or 0.6%, from €64.0 million in the three-month period ended September 30, 2023.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, personnel expenses totaled €265.1 million, an increase of €10.9 million, or 4.3%, from €254.2 million in the financial year ended September 30, 2023, mainly attributable to the development of the network sales (including openings of new stores) as well as minimum wages increase gradually implemented within our geographies (inflation index) in the financial year ended September 30, 2024. The group has a proactive salary, and bonuses increase policy to retain and motivate its employees. The know-how and the quality of our employees are key to ensure the strong development of our brands. These efforts are supported by a strong focus on optimizing in-store staff productivity, enabling the Group to maintain its profitability while continuing to invest in its employees and the sustainable growth of its brands.

External expenses

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, external expenses totaled €36.0 million, an increase of €4.0 million, or 12.4% from €32.0 million in the three-month period ended September 30, 2023 mainly driven by marketing expenses following the strong development of AGATHA for €2.0 million (acquisition costs) and by costs related to sales and lease back operation for €1.9 million, with the counterpart in Other Income for the same amount.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, external expenses totaled €153.0 million, an increase of €11.4 million, or 8.0% from €141.6 million in the financial year ended September 30, 2023. The increase of external expenses was mainly due to (i) the development of AGATHA in all countries for which the external expenses have increased by €5.8 million to support the strong growth (of which €3.8 million of advertising costs, mainly in China for €2.7 million, as the business is mainly digital), (ii) a €3.5 million increase in advertising costs in France and Italy (mainly acquisition costs for e-commerce), (iii) a €1.9 million increase in IT maintenance and (iv) a €0.2 million increase in other external expenses net from savings in electricity supply contracts.

Allowance for depreciation, amortization, impairment and provisions

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, allowance for depreciation, amortization, impairment and provisions net of provision reversals totaled €31.5 million, a decrease of €2.4 million, or 7.1%, from €33.9 million in the three-month period ended September 30, 2023. During the three-month period ended September 30, 2024, the €31.5 million depreciation, amortization and provisions were mainly composed of (i) €32.2 million in net depreciation and amortization of intangible assets, property, plant and equipment, and right-of-use assets, (ii) a €2.2 million reversal of provision of inventories and (iii) a €1.7 million provision for litigation as regards to the Employment Protection Plan of AGATHA France.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, allowance for depreciation, amortization, impairment and provisions net of provision reversals totaled €114.3 million, an increase of €4.8 million, or 4.4%, from €109.5 million in the financial year ended September 30, 2023. During the financial year ended September 30, 2024, the €114.3 million depreciation, amortization and provisions were mainly composed of (i) €113.0 million in net depreciation and amortization of intangible assets, property, plant and equipment, and right-of-use assets, (ii) a €1.6 million provision for litigation (AGATHA employment protection plan) and (iii) a €0.2 million reversal of provision of inventories.

The change in the level of depreciation between the financial year ended September 30, 2023, and September 30, 2024, is primarily due to a higher level of depreciation on right-of-use assets, which is mainly linked to rent inflation and change in perimeter.

Other non-recurring operating income

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, other non-recurring operating income totaled €0.1 million, a decrease of €1.4 million, or 96.5% from €1.5 million in the financial year ended September 30, 2023, mainly due to a reversal of impairment of assets in Stroili following underperforming store closures or relocations.

Other non-recurring operating expenses

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, other non-recurring operating expenses totaled €13.3 million, an increase of €2.8 million, or 26.7% from €10.5 million in the financial year ended September 30, 2023.

Other non-recurring operating expenses for the financial year ended September 30, 2024 are mainly made of:

(i) €2.5 million of pre-opening store expenses ;

(ii) €1.8 million related to the impairment of the Social Commerce solution (intangible asset) held by Popsell SAS to align its Net Book Value to its value in use following its transfer to THOM SAS (Group reorganization) currently operating the solution for Histoire d'Or and licensing the solution to Stroili in Italy ;

(iii) €1.6 million for extraordinary severance payments, of which €0.8 million for the Employment Protection Plan in AGATHA France following the restructuring of the entity ;

(iv) €1.6 million for the loss generated by the buy-back of inventories from our partners as a result from the change of economic model from franchise to commission-affiliation model ;

(v) €1.6 million related to Harmonie Project to reorganize the Group from a legal and financial perspective (rationalization of the existing intercompany receivables, recapitalization of developing subsidiaries, delegation of power for Group key executives) and to employee shareholding plan (THOM Together);

(vi) €0.9 million for acquisition fees for purchased entities and for aborted acquisition projects ;

(vii) €0.3 million for social litigation in Timeway France related to social contribution exemption during Covid-19 period and ;

(viii) €0.8 million for other non-recurring operating activities.

Other non-recurring operating expenses for the financial year ended September 30, 2023 were mainly made of:

(i) €1.9 million of pre-opening store expenses;

(ii) €2.1 million related to legal 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) ;

(iii) €1.0 million for acquisition fees for purchased entities and for aborted acquisition projects,

(iv) €1.0 million for extraordinary severance payments, of which €0.3 million for the Employment Protection Plan in AGATHA France following the restructuring of the entity,

(v) €1.0 million attributed to legal fees arising from the examination of a tax issue in Italy,

(vi) €0.9 million for legal costs related to the Employee Shareholding plan (THOMTogether), and

(vii) €1.0 million allocated for other operating expenses for events not related to the company's ordinary activities.

Cost of net financial debt

Three-month period ended September 30, 2024

In the three-month ended September 30, 2024, cost of net financial debt totaled €15.1 million, an increase of €4.4 million, or 40.9% from €10.7 million in the three-month period ended September 30, 2023.

The €4.4 million increase in the three-month period ended September 30, 2024 is due to the increase in financial interests related to the new Senior Secured Notes issued on 14 February 2024 compared to the previous Senior Secured Notes that runed out in the three-month period ended September 30, 2023.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, cost of net financial debt increased by €18.1 million, or 43.7% from €41.3 million in the financial year ended September 30, 2023 to €59.4 million in the financial year ended September 30, 2024 resulted from the combination of:

(i) €16 million increase in interests related to the new Sustainability-Linked Bond SSN issued on February 14, 2024 compared to the previous SSN issued on February 2021;

(ii) €9.5 million issuance cost disposal related to the previous SSN financing;

(iii) €5.0 million premium paid for the exit of the previous SSN repaid in March 2024;

(iv) these effects were partly offset by €12.0 million proceed from the sales of a hedging interest rate instrument related to the former Floating Rate Notes.

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 out of €350.0 million total Floating Rate SSN. 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 c. 75% coverage of the Floating Rates Notes and 90% coverage for the total Sustainability-Linked Senior Secured Notes.

Other financial income and expenses

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, other financial income and expenses totaled €6.2 million, a decrease of €0.3 million, or 4.7% from €6.5 million in the three-month period ended September 30, 2023.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, other financial income and expenses totaled €25.1 million, an increase of €0.3 million, or 1.3% from €24.7 million in the financial year ended September 30, 2023. The €0.3 million increase of other financial expenses is mainly due to the increase in interest on lease.

Income tax

Three-month period ended September 30, 2024

In the three-month period ended September 30, 2024, income tax expense totaled €2.4 million, a decrease of €6.8 million, or 74.0%, from €9.2 million in the three-month period ended September 30, 2023, mainly due to a €5.3 million decrease in income tax expenses and €1.4 million in deferred taxes.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, income tax expense totaled €38.1 million, a decrease of €6.1 million, or 13.8%, from €44.1 million in the financial year ended September 30, 2023, mainly due to a €2.6 million decrease in income tax expenses, €3.1 million increase in deferred tax profit and €0.4 million decrease in CVAE (Cotisation sur la Valeur Ajoutée des Entreprises – a French value-added business tax). This decrease is mainly due to the reduction of CVAE rate from 0.38% to 0.28% because of the gradual elimination of the CVAE tax over two years.

Liquidity and Capital Resources

Cash flow statement and Free Cash Flow

Our Free Cash Flow is seasonal, with a peak in December after the Christmas season once we have recorded payment for our products sold, and a low point in September to November reflecting inventory build-up ahead of the Christmas season. The main drivers of the seasonality of our Free Cash Flow are Reported EBITDA, change in working capital (mainly trade payables and, to a lesser extent, inventories) and capital expenditure, consisting of openings capital expenditure, maintenance capital expenditure and refurbishment capital expenditure.

Fiscal year ended September 30, 2024 compared to the fiscal year ended September 30, 2023

The following table summarizes our cash flow statement, including our Free Cash Flow, for the fiscal year ended September 30, 2024 and September 30, 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
Reported EBITDA	52.6	54.8	2.3	4.3%	272.9	279.6	6.7	2.5%
Change in working capital requirements	(1.8)	(4.4)	(2.6)	142.6%	(32.3)	(19.1)	13.2	(40.9%)
Income tax paid	(11.4)	(8.8)	2.6	(23.1%)	(26.8)	(23.3)	3.5	(13.2%)
Non-recurring operating income and expenses	(1.1)	(7.5)	(6.4)	578.7%	(8.9)	(12.6)	(3.7)	42.3%
Non-cash items from operating income and expenses	0.1	3.9	3.8	5094.5%	0.9	4.3	3.4	357.9%
Net cash from operating activities	38.4	38.1	(0.3)	(0.7%)	205.9	228.9	23.0	11.2%
Acquisition of property, plant & equipment and intangible assets	(12.5)	(9.5)	2.9	(23.5%)	(48.4)	(51.4)	(3.0)	6.2%
Disposal of property, plant & equipment and intangible assets	(0.3)	0.6	0.9	(318.7%)	0.3	0.6	0.3	83.6%
Acquisition of financial assets	0.1	-	(0.1)	(100.0%)	(0.9)	0.7	1.6	(180.2%)
Acquisition of subsidiaries, net of cash acquired	-	(7.1)	(7.1)	n.a.	(2.9)	(10.7)	(7.8)	271.8%
Net cash used in investing activities	(12.6)	(16.0)	(3.4)	26.5%	(51.9)	(60.8)	(8.9)	17.2%
Free Cash Flow	**25.7**	**22.1**	**(3.6)**	**(14.1%)**	**154.0**	**168.2**	**14.1**	**9.2%**
Free Cash Flow conversion rate	48.9%	40.3%		(8.6)pp	56.4%	60.1%		3.7 pp
Proceeds from issue of bonds	-	0.2	0.2	n.a.	-	835.2	835.2	n.a.
Repayment of old Senior Secured Notes, Net	-	-	-	n.a.	-	(620.0)	(620.0)	n.a.
Dividends paid to shareholders and cash upstreamed to parent entity		-	-	n.a.		(204.2)	(204.2)	717.0%
Premium paid for early redemption of SSN	-	(0.0)	(0.0)	n.a.	-	(5.0)	(5.0)	n.a.
Disposal of Interest Rate Hedging contracts	-	0.0	0.0	n.a.	-	12.0	12.0	n.a.
Net cash from/ (used) - FY24 Refinancing	-	0.2	0.2	n.a.	-	18.0	18.0	n.a.
Repayment of lease liabilities	(17.5)	(20.0)	(2.5)	14.4%	(67.7)	(75.5)	(7.8)	11.6%
Revolving credit facilities, net of repayment	(0.0)	(0.0)	(0.0)	116.7%	8.0	(30.0)	(38.0)	(475.0%)
Interest paid on Senior Secured Notes	(14.0)	(22.2)	(8.1)	58.1%	(35.2)	(47.3)	(12.0)	34.2%
Interest paid on RCF	(0.7)	(0.3)	0.4	(57.3%)	(2.1)	(1.6)	0.4	(20.9%)
Interest paid on lease liabilities	(5.1)	(5.6)	(0.4)	8.6%	(21.7)	(21.9)	(0.2)	0.8%
Dividends paid - Repurchase of Vendor Bonds	(0.0)	-	0.0	(100.0%)	(25.0)	-	25.0	(100.0%)
Other interest paid	(0.0)	(0.0)	0.0	(0.9%)	(0.2)	(0.2)	(0.1)	43.5%
Other cash flows used in financing activities	2.3	(3.1)	(5.4)	(238.7%)	(1.1)	(3.6)	(2.4)	213.1%
Net cash from/ (used) - Other financing activities	(35.1)	(51.2)	(16.1)	45.9%	(145.0)	(180.1)	(35.1)	24.2%
Net cash from/ (used in) financing activities total	(35.1)	(51.1)	(16.0)	45.4%	(145.0)	(162.1)	(17.1)	11.8%
Net increase / (decrease) in cash and cash equivalents	**(9.4)**	**(29.0)**	**(19.6)**	**208.8%**	**9.0**	**6.1**	**(3.0)**	**(33.0%)**
Cash and cash equivalents at the beginning of the period	**24.1**	**49.7**	**25.6**	**106.3%**	**5.7**	**14.7**	**9.0**	**158.3%**
Cash and cash equivalents at the end of the period	**14.7**	**20.8**	**6.1**	**41.1%**	**14.7**	**20.8**	**6.1**	**41.1%**
Change in cash	**(9.4)**	**(29.0)**	**(19.6)**	**208.8%**	**9.0**	**6.1**	**(3.0)**	**(33.0%)**

Net cash from / (used in) operating activities

Net cash from operating activities totaled €228.9 million for the fiscal year ended September 30, 2024, an increase of €23.0 million, or 11.2%, as compared to net cash from operating activities of €205.9 million in the fiscal year ended September 30, 2023.

Reported EBITDA

Reported EBITDA totaled €279.6 million for the fiscal year ended September 30, 2024, an increase of €6.7 million, or 2.5%, as compared to a Reported EBITDA of €272.9 million in the fiscal year ended September 30, 2023.

Change in working capital

The increase in net cash from operating activities in the financial year ended September 30, 2024 as compared to the financial year ended September 30, 2023 was also due to the negative impact of change in working capital of €(19.1) million in the financial year ended September 30, 2024, as compared to a negative impact of change in working capital of €(32.3) million in the financial year ended September 30, 2023.

The following table summarizes our working capital drivers for the fiscal year ended September 30, 2024 and the fiscal year ended September 30, 2023.

	Fourth Quarter				Financial year ended September			
In €m	**2023**	**2024**	**Var. m€**	**Var. %**	**2023**	**2024**	**Var. m€**	**Var. %**
(Increase) / Decrease of inventories	(2.3)	(14.7)	(12.5)	549.3%	(29.9)	(37.3)	(7.5)	25.0%
(Increase) / Decrease of trade receivables	0.7	1.8	1.1	158.2%	1.0	(1.4)	(2.5)	(242.7%)
Increase / (Decrease) of trade payables (excluding capital expenditure trade payables)	3.1	6.5	3.5	112.6%	(16.3)	15.7	32.0	(195.7%)
Change in Trade Working Capital (a)	1.5	(6.4)	(7.9)	-521.7%	(45.2)	(23.1)	22.1	n.a.
Change in Non-Trade Working Capital	(3.3)	2.0	5.3	-160.5%	12.9	4.0	(8.9)	(68.7%)
Change in Working Capital	**(1.8)**	**(4.4)**	**(2.6)**	**142.6%**	**(32.3)**	**(19.1)**	**13.2**	**(40.9%)**

(a) Trade Working Capital corresponds to inventories, trade receivables, less trade payables (excluding capital expenditure trade payable).

Three-month period ended September 30, 2024

Total change in working capital had a negative impact of €4.4 million in the three-month period ended September 30, 2024 compared to a negative impact of €1.8 million in the three-month period ended September 30, 2023.

The €(2.6) million variation in change in Working Capital is primarily attributable to (i) a €12.5 million change in inventories of which €6.0 million related to Christmas inventory build-up anticipation and to gold inventory build-up to secure FY 2025 gold hedging strategy in a lesser extent, and (ii) change in Non-Trade Working Capital mainly related to €5.1 million non-recurring credit notes issued for the repurchase of inventories to our partners following the change to commission-affiliation.

Once restated for these items, change in Working Capital remains stable compared to the three-month period ended September 30, 2024.

Financial Year ended September 30, 2024

In the financial year ended September 30, 2024, total change in working capital had a negative impact of €19.1 million compared to a negative impact of €32.3 million in the fiscal year ended September 30, 2023.

This variation of €13.2 million was primarily attributable to a €32.0 million increase in the change in trade payables not offset by a €7.5 million decrease in the change of inventories as follows:

- Change in trade payables increased by €32.0 million in the financial year ended September 30, 2024 compared to the financial year ended September 30, 2023. This €32.0 million variation in change was mainly attributable to (i) a specifically high level of trade payables at September 30, 2022 as regards to a non-recurring safety stock to secure key strategic SKUs for approximately €15 million mostly cashed-out in the three month period ended December 31, 2022 as well as (ii) €4.0 million COVID rental expense payables following negotiation settlement cashed-out over the same period and (iii) €6.0m anticipation of Christmas inventory build-up in the period ended September 30, 2024.
- Once restated for the above-mentioned effects, change in trade payables increased by €7.0 million driven by Network expansion and adverse impact on purchasing conditions (gold fixing mostly).
- Variation in change in inventories decreased by €7.5 million during the financial year ended September 30, 2024 compared to the same period ended September 30, 2023. This €7.5 million variation in change results from (i) €2.5 million additional gold inventory build-up to secure 2025 hedging strategy, (ii) €6.0m Christmas inventory anticipation received within the three-month period ended September 30, 2024.

Once restated for the aforementioned items, change in inventory remains stable over the period compared to previous year. Change in inventory has been driven by (i) the increase in activity in all business segments (inventory coverage) combined with Group expansion plan net from closures (32 openings in the year ended September 30, 2024) together with the conversion of 22 franchisees to the new commission-affiliation model involving inventory buy-back operations and (ii) overall inflation on purchasing conditions (gold increase mostly).

The contained increase in inventory reflects the Group's proactive stockpiling strategy to ensure the right level of in-store inventory while mitigating the impact of rising gold prices.

- Change in non-trade working capital during the financial year ended September 30, 2023 was impacted by €7.8m tax payable towards Italian tax authority following tax control regularization for which payment was made by installment up until December 2024. This effect has been partially offset by the non-recurring credit notes related to the inventory buyback operations towards affiliates following the conversion to the new model.

Income tax paid

Our income tax payments decreased by €3.5 million to €23.3 million in the financial year ended September 30, 2024 as compared to €26.8 million in the financial year ended September 30, 2023.

Net cash from / (used in) investing activities

Net cash used in investing activities totaled €60.8 million for the fiscal year ended September 30, 2024, an increase of €8.9 million, or 17.2%, as compared to a net cash used in investing activities of €51.9 million in the financial year ended September 30, 2023.

Financial Year ended September 30, 2024

The €(8.9) million increase for the financial year ended September 30, 2024 is mainly due to shares acquisition as regards to the acquisition of (i) 75% of Deloison Paris for €6.6 million in July 2024, a wedding and engagement ring specialist, (ii) Albalogic (THOM Horizon and I2TS) for €3.6 million , our POS software and hotline provider, in June 2024, and (iii) the purchase of additional shares of Be Maad, net of cash, for €0.1 million.

In the financial year ended September 30, 2024, €2.9 million corresponded to the acquisition of the remaining 50% of AGATHA.

We benefit from low maintenance capital expenditure requirements. We generally perform a full refurbishment of our stores once every 12 to 15 years.

The following table provides the detail of our capital expenditure for the fiscal years ended September 30, 2024 and September 30, 2023:

	Fourth Quarter				Financial year ended September			
In €m	2023	2024	Var. m€	Var. %	2023	2024	Var. m€	Var. %
Expansion Capital Expenditure *(a)*	(1.7)	(3.2)		87.2%	(6.3)	(13.3)		110.7%
Maintenance Capital Expenditure *(b)*	(6.7)	(3.7)		(44.0)%	(12.2)	(8.9)		(27.1)%
Refurbishment Capital Expenditure *(c)*	(3.6)	(3.1)		(13.1)%	(12.9)	(10.9)		(15.3)%
Lease back	0.0	1.9		-	0.0	1.9		-
Store Capital Expenditure	(12.0)	(8.2)	3.8	(31.9)%	(31.4)	(31.2)	0.2	(0.5)%
SAP and other projects related to IT *(d)*	(3.7)	(3.3)		(8.9)%	(14.3)	(14.5)		1.1%
Other corporate capital expenditure	0.4	(1.1)		(377.1)%	(3.8)	(4.2)		10.3%
Corporate Capital Expenditure	(3.3)	(4.4)	(1.1)	34.3%	(18.1)	(18.7)	(0.5)	3.0%
Change in CAPEX working capital *(e)*	2.8	3.0		8.4%	1.1	(1.5)		(238.1)%
Total Capital Expenditure	**(12.5)**	**(9.5)**	**2.9**	**(23.5)%**	**(48.4)**	**(51.4)**	**(3.0)**	**6.2%**

(a) Expansion capital expenditure represents capital expenditures required to open new directly operated stores, plus leasehold right payments to former leaseholder following IFRS accounting standards, less amounts paid up-front by the landlord. The amount of expenses incurred prior to the commercial opening (pre-opening costs) are accounted for as other non-recurring operating expenses under IFRS.
(b) Maintenance capital expenditure represents capital expenditures to maintain over the long term the operating capacity of directly operated stores in their existing form without any concept improvement.
(c) Refurbishment capital expenditure represents capital expenditures to improve assets beyond their original benefit. Potential amounts paid up-front by the landlord to cover part of the refurbishment are accounted for as other incomes. The amount of expenses incurred during store closure (pre-opening costs) are accounted for as other non-recurring operating expenses under IFRS.
(d) SAP and IT related projects mainly refers to the Shine 2020 project to migrate our enterprise resource planning (ERP) to Systems Applications and Products (SAP) and overhaul our IT infrastructure. The initial phase of the migration was successfully implemented in Germany on October 1, 2020. The installation of upgraded systems in Germany was completed in the first half of 2024. We are continuing to work on the migration in France, Italy and the Rest of the World, with completion expected by 2026. We have invested a significant amount of resources in connection with this migration and the management of SAP is done in-house.
(e) Change in capital expenditure working capital represents changes in trade payables related to investment.

Total capital expenditure amounted to €51.4 million in the financial year ended September 30, 2024, an increase of €3.0 million, or 6.2%, as compared to €48.4 million in the financial year ended September 30, 2023. Group's ressources have been reallocated to Expansion investments following our strategy to capture white-space on operating geographies through our leader brands while refurbishing investments have been focused on relocation opportunities delivering better Return On Investments (ROI) compared to stand alone refurbishing. Refurbishment capital expenditure has been impacted over the last three years by the deployment of our new store concept in Italy gradually implemented since 2022 (27 stores refurbished in FY 2024 out of a total of 135 stores at the new concept in the financial year ended September 30, 2024.

Free Cash Flow

Total free cash flow totaled €168.2 million in the financial year ended September 30, 2024, an increase of €14.1 million, or 9.2%, from €154.0 million in the financial year ended September 30, 2023.

This increase was mainly due to the increase in EBITDA, combined with the positive effect of change in working capital as discussed above, partly offset by a non-recurring increase in shares acquisitions for €7.8 million.

Net cash flows from / (used in) financing activities

Financial Year ended September 30, 2024

Net cash used in financing activities totaled €162.1 million for the fiscal year ended September 30, 2024, an increase of €17.1 million, or 11.8%, as compared to a net cash used in financing activities of €145.0 million in the fiscal year ended September 30, 2023, mainly due to €35.1 million increase in other financing activities, partly offset by the refinancing and dividend recapitalization operations on February 14, 2024 for €18.0 million.

The €18.0 million impact of 14 February 2024 refinancing breaks down as follows:

(i) the issuance of a new Sustainability-link Senior Secured Notes in March 2024 for €850 million net of €14.8 million for issuance costs;

(ii) the repayment of the former Senior Secured Notes in March 2024 for €620 million;

(iii) the payment of €203 million dividends to Altastory, the parent company of the group, for shareholders' dividends distribution and repayment of a part of a vendor loan at Altastory level;

(iv) the payment of a share premium for the early redemption of the SSN for €5.0 million and

(vi) the sale of the Interest Rate Hedging contract related to the former SSN for €12.0 million.

The increase in other financing activities by €35.1 million, or 24.2%, to €180.1 million in the financial year ended September 30, 2024 from €145.0 million in the financial year ended September 30, 2023 was mainly due to:

(i) the full repayment of revolving credit facility for €30.0 million in the financial year ended September 30, 2024 compared to a revolving credit facility drawn for €(8.0) million in the financial year ended September 30, 2023;

(ii) the increase in interest paid on Senior Secured Notes following February 14 refinancing for €12.0 million;

(iii) the increase in repayment of lease liabilities for €7.8 million;

(iv) €2.4 million of other cash flows used in financing activities (AGATHA loan state reimbursment primarily), partly offset by;

(v) a dividend paid to Altastory for the repayment of the vendor bonds for €25.0 million in the financial year ended September 30, 2023.

Cash-Flow

- Strong Free Cash-Flow generation (60.1% as a percentage of Reported EBITDA) increasing by +€14.1 million (+3.7pp) in the financial year ended September 30, 2024 compared to previous year driven by +€6.7 million EBITDA combined with positive change in Working Capital (return to a normative level) partly offset by an increase in capital expenditure following non-recurring share acquisitions.
- Capital expenditure is mostly driven by discretionary capex (expansion & refurbishments) with limited mandatory investments benefitting notably from low maintenance capital expenditure requirements.
- Strong recurring Net cash generation despite high level of discretionary capex and gold inventory investments (€14.0 million in the financial year ended September 30, 2024).

Off-Balance Sheet Arrangements

We are party to various customary off-balance sheet arrangements. As of September 30, 2024, they included:

- Bank guarantees (collateral security or guarantee on first demand) in favor of certain lessors and suppliers totaling €19.8 million, including €3.1 million in France, €13.8 million in Italy, €1.1 million in Belgium and €1.8 million in Germany.
- Corporate guarantee given by the Issuer to the COFACE (French credit insurance) on behalf of its subsidiaries for a total amount of €6.0 million.
- Commitments received: As of September 30, 2024, the Group had a €120.0 million Revolving Credit Facility undrawn (of which €6.0 million as ancillary facility with BNP), as well as bank overdraft facilities for a total of €40.5 million (none outstanding).

Contractual Obligations and Commercial Commitments

As of September 30, 2024, the commitments and payments that the Issuer and its subsidiaries are committed to make (excluding commitments to our suppliers), including under their debt instruments, would have been as set out in the table below. The information presented in the table below reflects management's estimates of the contractual maturities of their obligations. These maturities may differ significantly from the actual maturity of these obligations.

	Expected cash payments falling due in the year ending September 30				
In €m	**Total**	**2025**	**2026**	**2027**	**2028 and thereafter**
Senior Secured Notes(1)	850.0	-	-	-	850.0
Long-term leases included in other financial liabilities (undiscounted)	373.1	102.9	82.3	68.7	119.3
Bank overdrafts(2)	-	-	-	-	-
Other loans	3.5	1.1	1.1	1.2	0.1
Revolving Credit Facility(3)	0.2	0.2	-	-	-
Total	**1,226.8**	**104.2**	**83.4**	**69.8**	**969.4**

(1) The total amount of Senior Secured Notes does not include interest payments on the Senior Secured Notes.
(2) No bank overdraft as of September 30, 2024.
(3) The Revolving Credit Facility have a total available commitment of €120 million. The Revolving Credit Facility was not drawn as of September 30, 2024.

Qualitative and Quantitative Disclosures About Market Risks

We are exposed to market risk primarily due to changes in foreign currency exchange rates and, to a lesser extent, in commodity prices and interest rates. In certain situations, we seek to reduce earnings and cash flow volatility associated with fluctuations in foreign currency exchange rates and commodity prices by entering into financial arrangements to hedge against a portion of the risks associated with such volatility. We do not use derivatives for trading or speculative purposes.

Foreign currency exchange rate risk

Our functional currency for sales and costs (other than cost of goods sold) is euro. We have limited foreign currency exposure, principally derived from purchases from certain suppliers which are conducted in U.S. dollars. Approximately 19.3% of our costs of goods sold were denominated in U.S. dollars in the financial year ended September 30, 2024. We have historically been able to pass on to final customers any foreign effect impact. We also hedge U.S. dollar foreign exchange rate risks via forwards and collars. As of September 30, 2024, $119.0 million in notional amount of forwards and collars with maturities between October 2024 and September 2025 were contracted. Historically, we hedge through forwards and collars nearly all of our anticipated purchases denominated in U.S. dollars for one year.

Commodity price risk

We are subject to commodity price risk associated with changes in the prices of gold, silver and diamonds and, to a lesser extent, other precious and semi-precious stones, through our purchase of precious jewellery. Although we do not generally directly purchase the metals and other components of the jewellery we sell, price increases and availability of gold, silver, diamonds and other precious metals are reflected in the manufacturing and assembling prices that we pay to our suppliers. Variations in gold prices have a greater impact than variations in the prices of other commodities, as the proportion of the price of gold to the total price that we pay for a given piece of gold jewellery is much higher than the proportion of the price of the metals and other components used to the total price of other jewellery items.

We adjust our activities through our gold repurchase and exchange program based on our hedging needs. In addition, we adjust our gold inventory (totaling 24,631 ounces or €51.3 million at the end of September 30, 2024) as a physical hedge against fluctuations in the price of gold. Our gold inventory is held by melters as well as at deposit-taking institutions, with a limited inventory held in our stores. In the financial year ended September 30, 2024, gold-based products accounted for 57.4% of our purchases by cost.

In addition, to hedge our exposure to fluctuations in the price of gold, we may also enter derivative financial instruments, such as synthetic swaps and calls, if the gold rate was to deteriorate.

Interest rate risk

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.

The majority of our cash and cash equivalents have generally been invested in fixed rate instruments such as short-term deposits or certificates of deposit.

Credit and counterparty risk

Credit risk is the risk that one party to a financial liability will cause a loss for the other party by defaulting on its obligations. Our credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to suppliers or wholesale customers, including outstanding receivables and committed transactions. Sales to retail customers are made in cash or through third-party credit cards and debit cards.

Liquidity risk

We closely monitor liquidity risk for the Group as a whole and for each of our subsidiaries by means of the implementation and regular review of the Group financial reporting procedures. We analyze the contractual obligations relating to loans and borrowings in terms of interest payable and the Group commitments arising from the interest rate derivatives recognized under balance sheet assets and liabilities.

Expected future cash flows are calculated on the basis of the remaining contractual maturities of the associated financial liabilities. Future floating interest rate payments are set on the basis of the most recent coupon for the current period and on the basis of the rates applicable at the reporting date for cash flows relating to future dates. Net interest paid or received on swaps is determined in accordance with the same principles.

Selected Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements requires management at the Group and division levels to use judgments, estimates and assumptions, including expectations of future events, which affect the reported amounts of certain financial statement line items.

These assessments and estimates are reviewed at each reporting date and the underlying assumptions are adjusted, where appropriate, based on actual results, experience and any other relevant factors given the economic circumstances. The effects of such adjustments are recognized when made.

The items reported in the Group's future consolidated financial statements may differ from current estimates due to changes in the assumptions made and economic circumstances at the reporting date.

The main assumptions relating to future events and other sources of estimation uncertainty at the reporting date that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are presented below.

Impairment of non-financial assets

Goodwill and intangible assets arise in connection with acquisitions. We do not amortize goodwill and intangible assets with indefinite lives. Intangible assets with finite lives are amortized on a straight-line basis over the assets' respective useful lives. Goodwill is tested for impairment at least annually, at year-end. Goodwill is allocated to cash-generating units ("CGU") by region for impairment testing purposes.

An impairment loss is recognized when the recoverable amount of a CGU is estimated to be less than its carrying amount. The recoverable amount of the CGU is the higher of its net selling price (fair value less costs to sell) or its value-in-use. Value-in-use is assessed based on estimated future cash flows discounted to their present value. The outcome of such an assessment is subjective, and the result sensitive to the assumed future cash-flows to be generated by the CGU or assets and discount rates applied in calculating the value-in-use. Any impairment arising is charged to the income statement tangible assets.

Employee defined benefit plans

Defined benefit plans require the Group to provide agreed benefits to active and former employees and their dependents. The corresponding obligations are measured using the Projected Unit Credit Method by means of economic and demographic actuarial assumptions.

Provisions

Provisions covers liabilities with an uncertain due date and of an uncertain amount, resulting from loyalty programs, litigation and other risks. A provision is recognized whenever we have a contractual, legal or implied obligation arising from a past event and when future cash disbursements can be reliably estimated. Liabilities resulting from restructuring plans are recognized when an obligation exists, the detailed plans are finalized, and it is reasonably expected that they will be implemented.

Taxes

Deferred tax assets relating to tax losses carried forward are recognized to the extent of the following two criteria: (i) the net amount of deferred tax liabilities for temporary differences and (ii) the probability that future taxable profit will be available against which the benefits of the tax losses can be utilized. To determine the amount of deferred tax assets to be recognized, management is required to estimate the amount and probability of future taxable profit.

Key Developments since September 30, 2024

No significant events to be reported.

Risk Factors

There have been no material changes to the Risk Factors disclosed elsewhere in this document.

Description of certain related party transactions

In the course of our ordinary business activities, we regularly enter into agreements with or render services to related parties. In turn, such related parties may render services or deliver goods to us as part of their business. Purchase and supply agreements between subsidiaries and affiliated companies and with associated companies or shareholders of such associated companies are entered into on a regular basis within the ordinary course of business.

We believe that all transactions with affiliated companies and persons with which members of the Supervisory Board of **Altastory S.A.S. ("Topco")** are affiliated, negotiated and conducted on a basis equivalent to that which would have been achievable on an arm's-length basis, and that the terms of these transactions are comparable to those currently contracted with unrelated third-party suppliers, manufacturers and service providers. In addition to the foregoing ordinary course transactions, we have also entered into the following transactions with related parties:

Intercompany Loan

In connection with the acquisition of THOM GROUP S.A.S. (**"THOM GROUP"**) by Altamir S.C.A. (**"Altamir"**) and certain of its affiliates, certain members of management and certain co-investors on February 26, 2021 (the **"2021 Acquisition"**), the Issuer acquired (i) all convertible bonds (the **"CBs"**) issued by THOM GROUP to certain Group entities (no longer existing) and (ii) certain preferred equity certificates (the **"PECs"**) issued by certain Group entities (no longer existing) to Bridgepoint S.A.S. for a total purchase price of €199.9 million. Simultaneously, the CBs and PECs became payable and were ultimately converted into an intercompany loan for €199.9 million between the Issuer (as lender) and THOM GROUP (as borrower) (the **"Intercompany Loan"**).

Following THOM GROUP's issuance of 1,347,081,185 class 4 preferred shares with a nominal value of €0.07 each to the Issuer on September 24, 2021, the intercompany loan was reduced by €175 million and as of September 30, 2024 there was €24.9 million aggregate principal amount outstanding under the Intercompany Loan.

Vendor Bonds

In connection with the 2021 Acquisition, Topco issued €110.0 million in aggregate principal amount of bonds to BEP IV FPCI (the **"Bridgepoint Affiliate"**) and Qualium Investissement (the "Initial Subscribers"), as deferred consideration for the 2021 Acquisition, which bonds were amended in connection with the recent refinancing transactions (as so amended, the **"Vendor Bonds"**). The Vendor Bonds will bear interest at a rate of 10.0% per annum until the fourth anniversary of the completion of the 2021 Acquisition. Thereafter, the Vendor Bonds will bear interest, at Topco's election, at a rate of 10.0% per annum with respect to any interest period for which interest is paid in cash, and 10.5% per annum with respect to any interest period for which interest is paid in kind.

The Vendor Bonds will mature on February 14, 2025. They were non-callable for a period of three (3) years and six (6) months following the completion of the 2021 Acquisition. The Vendor Bonds are subject to mandatory prepayment in the event of a Change of Control (as defined in the Indenture). The Vendor Bonds are unsecured and structurally subordinated to the Notes.

During the financial year ended September 30, 2023, the vendors bonds was purchased by Altamir and affiliates from the Initial Subscribers.

As of September 30, 2024, there were €20.9 million in aggregate principal amount and interest of Vendor Bonds outstanding.

Contracts for the Provision of Advisory Services

In the ordinary course of business, on July 1, 2021 and July 1, 2017, we entered into contracts with Belmonte & Associés SPRL and Belmonte & Co. Limited, respectively, (for a period of one year, both renewable at the end of their terms) for advisory services pertaining to development strategies, sourcing and purchasing and supplier relationships. Eric Belmonte, the former Chairman of the supervisory board of THOM GROUP (the supervisory board of the Group prior to the 2021 Acquisition) and the current Chairman of the Supervisory Board of Topco, is a director of Belmonte & Associés SPRL and a manager of Belmonte & Co. Limited. The contract with Belmonte & Associés SPRL was amended and restated on October 19, 2020 and on April, 14, 2022.

On June 1, 2016, we entered into a contract with Chantrel Invest S.A.S. (as amended during the financial year ended September 30, 2021), for a period of one year, renewable at the end of its term, for the provision of advisory services to assist the Supervisory Board of THOM GROUP and chairmanship of the audit committee of the Supervisory Board. Jean-Pierre Chantrel, a member of the Supervisory Board of Topco and the Chairman of THOM GROUP, is the sole director of Chantrel Invest S.A.S.

On June 27, 2023, we entered into a contract with RPC S.A.S for services for a period of one year, renewable at the end of its term, with retroactive effect from August 1, 2022, for the provision of specific retail expertise services for Timeway France and Timeway Italy including advice on growth and development strategies, governance and mergers and acquisitions strategies. Romain Peninque, President of the Issuer, is the sole director of RPC S.A.S.

On June 27, 2023, we entered into a contract with FDA Conseil S.A.S. for a period of one year, renewable at the end of its term, with retroactive effect from February 24, 2023, for the provision of advisory services relating to the development of omnichannel distribution, governance of the Group's omnichannel organisation and digitalization. Flavien d'Audiffret, Chief Executive Officer of the Group, is the sole owner of FDA Conseil S.A.S.

Related party bond purchases

Public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

No transactions to be disclosed.

Description of certain indebtedness

The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. Capitalized terms used but not defined herein shall have the meanings given to such terms in such underlying documents (unless indicated otherwise).

Revolving Credit Facility Agreement

Overview and Structure

On February 14, 2024, Goldstory S.A.S. (the "**Issuer**") entered into a €120.0 million super senior revolving credit facility agreement (the "**Revolving Credit Facility Agreement**") between, *inter alios*, Mstory S.A.S. ("**Midco**"), the Issuer and THOM GROUP S.A.S. ("**THOM GROUP**"), as original borrowers and original guarantors, J.P. Morgan SE, BNP Paribas S.A., ING Bank N.V., acting through its French Branch, and Société Générale S.A., as mandated lead arrangers, J.P. Morgan SE, BNP Paribas S.A., ING Bank N.V., acting through its French Branch, and Société Générale S.A., as original lenders, J.P. Morgan SE as agent (the "**Agent**") and BNY Mellon Corporate Trustee Services Limited as security agent. THOM S.A.S. ("**THOM**") and Stroili Oro S.p.A. ("**Stroili**") subsequently acceded as additional Guarantors.

The facility documented under the Revolving Credit Facility Agreement (the "**Revolving Credit Facility**") may be utilized by any current or future borrower (or by the Issuer on its behalf) under the Revolving Credit Facility Agreement in euro, U.S. dollars, pound sterling or any other readily available currency approved by the Agent (acting on the instructions of all of the lenders). The facility may be utilized by the drawing of cash advances or the issue of letters of credit (by one or more lenders that has agreed to be an issuing bank) or by way of ancillary facilities. The Revolving Credit Facility may be applied towards financing or refinancing, directly or indirectly, the general corporate and working capital purposes of the Restricted Group (defined as the Issuer and its restricted subsidiaries), including to finance or refinance acquisitions, capital expenditures and investments in each case other than the repayment of the Existing Facility Agreement (as defined in the Revolving Credit Facility Agreement).

The Revolving Credit Facility is available from and including February 14, 2024 to and including the earlier of (i) the date falling 66 months after February 14, 2024 and (ii) the date falling 6 months prior to the final maturity date of the Notes.

Interest and Fees

Loans under the Revolving Credit Facility Agreement bear interest at rates per annum equal to the applicable Term Reference Rate for the Term Rate Loans and the applicable Compounded Reference Rate for the Compounded Rate Loans, plus a margin of 3.50% per annum. The margin can be adjusted under certain conditions, including by reference to a leverage-based step-down mechanism.

Default interest will be calculated as an additional 1% per annum on the overdue amount.

A commitment fee in euro computed at the rate of 30% of the margin on each lender's commitment (minus its participation in any amounts drawn under the Revolving Credit Facility) accrued from February 14, 2024 and is payable by the Issuer (or the Issuer shall procure such payment).

The commitment fee is payable quarterly in arrears, on the last day of the availability period of the Revolving Credit Facility and on the cancelled amount of the relevant lender's commitment at the time the cancellation is effective.

The Issuer is also required to pay customary agency fees to the Agent and the security agent.

Repayments

Each advance will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date. All outstanding amounts under the Revolving Credit Facility will be repaid on the termination date, which is the earlier of (i) the date falling 66 months after February 14, 2024 and (ii) the date falling 6 months prior to the final maturity date of the Notes. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be reborrowed during the availability period of the facility, subject to certain conditions.

Voluntary and Mandatory Prepayments

The Revolving Credit Facility Agreement allows for voluntary prepayments or permanent cancellations of the available commitments under the Revolving Credit Facility (subject to de *minimis* amounts). In addition, in the event of a Change of Control (defined to include among others, all instances of "Change of Control" under the Indenture (as defined below under "*—Senior Secured Notes*") but excluding the portability feature) that constitutes a sale of all or substantially all of the assets of the Restricted Group, whether in a single transaction or a series of related transactions, the Revolving Credit Facility will be cancelled and all amounts outstanding under the Revolving Credit Facility Agreement will become immediately due and payable. Upon the occurrence of any other type of Change of Control, the Revolving Credit Facility Agreement permits each lender to require the mandatory prepayment of all amounts due to that lender.

Guarantees

The Revolving Credit Facility is guaranteed by the same guarantors as the Notes. Additionally, the Issuer provides a senior guarantee of all amounts payable by the obligors to the finance parties under the Revolving Credit Facility Agreement as from February 14, 2024. The guarantees provided by THOM GROUP, THOM and Stroili are capped at the amount of any drawdown proceeds loan made available by the Issuer or any other borrower to the relevant guaranteeing entity or to its subsidiaries.

The Revolving Credit Facility Agreement requires that the Issuer must ensure that at all times after the date falling 120 days after the end of each financial year (subject to the Agreed Security Principles and applicable guarantee limitations) all Material Companies (which definition includes, among other things, any member of the Restricted Group that has earnings before interest, tax, depreciation and amortization representing 5% or more of consolidated EBITDA that is or becomes a member of the Restricted Group), all parent companies of Material Companies that are members of the Restricted Group (other than any parent company of the Issuer), all borrowers (and parent companies of a borrower that are members of the Restricted Group) and any member of the Restricted Group that is or becomes a borrower, an issuer or a guarantor in respect of any Senior Secured Notes or any other Senior Secured Notes Liabilities (each as defined in the Intercreditor Agreement) (and parent companies of each such entity that are members of the Restricted Group) are guarantors under the Revolving Credit Facility Agreement (in the case of any member of the Restricted Group that is or becomes a borrower, an issuer or a guarantor in respect of any Senior Secured Notes or any other Senior Secured Notes Liabilities, prior to or simultaneously with becoming guarantors in respect of such Senior Secured Notes or, as the case may be, such other Senior Secured Notes Liabilities) and grant such security as the Agent may require within the time period specified therein.

Furthermore, the Issuer will ensure that at all times (subject to the Agreed Security Principles and other exceptions contained in the Revolving Credit Facility Agreement) the Guarantors represent not less than 80% of consolidated EBITDA calculated by reference to the most recently delivered set of annual financial statements of the Issuer (subject to certain exceptions).

Security

The Revolving Credit Facility is secured by the same collateral as the Notes. However, holders of the Notes will receive proceeds from enforcement of such collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Revolving Credit Facility and certain hedging obligations, have been repaid in full.

Representations and Warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties (subject to certain exceptions and qualifications and with certain representations and warranties being repeated at specified times after February 14, 2024), including status, binding obligations, non-conflict with other obligations, power and authority, validity and admissibility in evidence, accounting reference date, governing law and enforcement, insolvency, no filing or stamp taxes, no default, no misleading information, financial statements, no proceedings pending or threatened, no breach of laws, environmental laws, taxation, security and indebtedness, ranking, good title to assets, shares and legal and beneficial ownership, intellectual property, group structure chart, U.S. margin regulations, center of main interests and establishments, pensions, holding companies, sanctions, anti-corruption laws and deduction of tax.

Undertakings

The Revolving Credit Facility Agreement contains certain of the incurrence covenants and related definitions (with certain adjustments and exceptions) that are set forth in the Indenture. In addition, the Revolving Credit Facility Agreement contains a springing financial covenant that will apply whenever the aggregate of all outstanding utilizations (excluding any utilizations by way of Letters of Credit (or bank guarantees) and any utilization of an Ancillary Facility other than, in each case, by way of cash drawing) made by the borrowers is greater than 40% of the total commitments available under the Revolving Credit Facility at that time (the "**Revolving Test Condition**") (see "*—Financial Covenant*").

The Revolving Credit Facility Agreement also contains a "notes purchase condition" covenant. Subject to certain exceptions, the Issuer may not, and will procure that no other member of the Restricted Group will, repay, prepay, purchase, defease (or otherwise retire for value), redeem or otherwise directly or indirectly acquire the principal amount of any relevant debt (including the Notes) (or, in each case, any replacement or refinancing thereof as permitted under the Revolving Credit Facility Agreement from time to time) or offer to do so. The exceptions to such covenant include (among other things) payments that do not exceed 50% of the original aggregate principal amount of the Senior Secured Notes as of February 14, 2024 or, to the extent such payments exceed 50% of the original aggregate principal amount of Senior Secured Notes as of February 14, 2024 (the "**notes purchase excess**"), where commitments under the Revolving Credit Facility are cancelled pro rata by the amount of the notes purchase excess.

The Revolving Credit Facility Agreement also requires certain members of the Restricted Group to observe certain affirmative and negative undertakings, including but not limited to undertakings relating to maintenance of guarantor coverage subject to the Agreed Security Principles, restrictive covenants, further assurances, maintenance of authorizations, compliance with laws, sanctions/anti- corruption and certain U.S. Federal Reserve regulations, taxation, change of business, restrictions on holding companies, preservation of assets, acquisitions, *pari passu* ranking, insurance, pensions, access, intellectual property, no change of center of main interest, designation of unrestricted subsidiaries and center of main interests, environmental undertaking, note documents and super senior indebtedness.

The Revolving Credit Facility contains an information undertaking under which, among other things, the Issuer is required to deliver to the Agent annual financial statements, quarterly financial statements, compliance certificates and an annual budget. The Revolving Credit Facility Agreement provides that the Issuer can satisfy its reporting obligations by delivering the corresponding consolidated financial reports of any parent entity of the Issuer, together with a concise description of any material differences that exist between the financial condition of the Issuer and that of the reporting entity selected by the Issuer.

Financial Covenant

The Revolving Credit Facility Agreement requires the Issuer to ensure that the Consolidated Net Senior Secured Leverage Ratio (as defined in the Revolving Credit Facility Agreement) in respect of any 12-month period ending on the last day of each fiscal quarter from and including March 31, 2024, shall not be greater than 6.8:1 if, on the last day of any fiscal quarter, the Revolving Test Condition is met at that time.

The Issuer is permitted to prevent or cure breaches of the financial covenant by, among other things, applying any cure amount (being amounts received by the Issuer in cash pursuant to any new equity or permitted shareholder loan) (an "**Equity Injection**") to, at the option of the Issuer, (i) increase consolidated EBITDA (with the cure amount being deemed to have been provided immediately prior to the last date of that relevant period and shall be included in all relevant covenant calculations until such date falls outside the relevant period) or reduce total net debt for the relevant immediately preceding quarter date or (ii) prepay the outstanding amount under the Revolving Credit Facility, in each case in accordance with the conditions set out therein. No more than three Equity Injections may be taken into account during the term of the Revolving Credit Facility and not in consecutive quarters.

Events of Default

In addition, the Revolving Credit Facility Agreement contains, among others, events of default equivalent to those contained in the Indenture, plus the following events of default (subject in certain cases to customary grace periods, materiality thresholds and exceptions):

- non-payment;
- breach of the financial covenant (subject to equity injection rights);
- breach of other obligations;
- misrepresentation;
- cross-default on financial indebtedness (subject to a €40,000,000 threshold);
- occurrence of an event of default in relation to any Senior Secured Notes (including the Notes);
- cessation of business;
- unlawfulness and invalidity;
- breach of the terms of the Intercreditor Agreement by any member of the Restricted Group or Midco;
- audit qualification;
- expropriation;
- repudiation and rescission of agreements;
- litigation;
- the occurrence of an event or circumstance which has a material adverse effect; and
- minimum share capital requirement in respect of an Italian obligor.

The Revolving Credit Facility Agreement provides for a clean-up period with respect to any person, business or undertaking that is the subject of an acquisition permitted under the Revolving Credit Facility Agreement and acquired after February 14, 2024. During any such clean-up period, subject to certain conditions and with the exception of certain matters relating to sanctions and anti-corruption laws, breaches of a representation or warranty, certain breaches of covenants and events that constitute a default or an event of default under the Revolving Credit Facility Agreement will be deemed not to have occurred. Clean-up periods will terminate on the date falling 120 days after the closing date of the applicable acquisition.

The Issuer is required to fulfill certain customary conditions precedent prior to its first utilization under the Revolving Credit Facility.

Governing Law

The Revolving Credit Facility Agreement is governed by and will be construed in accordance with English law, although certain covenants and certain events of default, which are included in the Revolving Credit Facility Agreement and largely replicate those contained in the Indenture, will be interpreted in accordance with New York law (without prejudice to the fact that the Revolving Credit Facility Agreement is governed by English law).

Intercreditor Agreement

In connection with entering into the Revolving Credit Facility Agreement and the Indenture, the Issuer, Mstory S.A.S. (or Midco) (the "**Parent**"), Altastory S.A.S. ("**Topco**"), THOM GROUP and certain other subsidiaries of the Issuer and certain other entities entered into the Intercreditor Agreement on February 14, 2024 (the "**Intercreditor Agreement**") to govern the relationships and relative priorities among: (i) the lenders under the Revolving Credit Facility (the "**Revolving Lenders**"); (ii) any persons that accede to the Intercreditor Agreement as counterparties to certain hedging agreements (the "**Hedge Counterparties**"); (iii) any Senior Secured Notes Trustee, on its own behalf and on behalf of the holders of Senior Secured Notes (as such term is defined in the Intercreditor Agreement) (the "**Senior Secured Noteholders**"); (iv) certain intragroup creditors and debtors; and (v) certain direct or indirect shareholders of the Issuer in respect of certain debt that the Issuer has incurred or may incur in the future (including any subordinated shareholder loans).

In this description: "**Debt Documents" means each of:**

- the Intercreditor Agreement;
- at the option of the Issuer, any master agreement, confirmation, schedule, spot or forward delivery foreign exchange contract or other agreement entered into by a Debtor and a Hedge Counterparty for the purposes of hedging any interest rate, foreign exchange or other exposures (the "**Hedging Agreements**");
- the Finance Documents (as defined under the Revolving Credit Facility Agreement) or, upon the final discharge of the Revolving Creditor Liabilities and if designated as a "Finance Document" or equivalent, each document relating to indebtedness permitted by the Debt Documents with the same priority and payment and security ranking as the Revolving Creditor Liabilities (the "**Revolving Facility Agreements**" and, together with the Finance Documents, the "**Revolving Facility Documents**");
- the Indenture and any other indenture, agreement, document or instrument pursuant to which the Senior Secured Notes are issued (or any guarantees therefor are given) in accordance with the Intercreditor Agreement (each, a "**Senior Secured Notes Indenture**"), any Transaction Security or guarantees for the benefit of the Senior Secured Notes Liabilities and the Intercreditor Agreement (the "**Senior Secured Notes Finance Documents**");
- the *Pari Passu* Debt Documents;
- any indenture, agreement, document or instrument pursuant to which the Senior Notes are issued (or any guarantees therefor are given) in accordance with the Intercreditor Agreement (a "**Senior Notes Indenture**"), any Transaction Security Documents (to the extent creating Senior Notes Shared Security) or guarantees for the benefit of the Senior Notes Liabilities and the Intercreditor Agreement (the "**Senior Notes Finance Documents**");
- any document entered into in connection with any Senior Notes Proceeds Loan (a "**Senior Notes Proceeds Loan Agreement**");
- the Transaction Security Documents and any other document entered into at any time by any of the Debtors or Security Providers (as the case may be) creating any guarantee, indemnity,

security or other assurance against financial loss in favor of any of the Secured Parties as security for any of the secured obligations and any security granted by a member of the Group to the Secured Parties under any covenant for further assurance in any of such documents (collectively, the "**Security Documents**");

- any agreement evidencing the terms of the Intra-Group Liabilities or Subordinated Liabilities; and
- any other document designated as a Debt Document by the Security Agent and the Issuer (each capitalized term as defined below) and any other document designated as such by the Security Agent and the Issuer;
- "**Group**" refers to the Issuer and its Restricted Subsidiaries (as such term is defined in the Intercreditor Agreement) from time to time;
- "**Investment Instruments**" refers to shares of any class, warrants, loans, bonds or other equity or debt instruments (including preferred equity certificates and convertible preferred equity certificates) issued by an entity (including, without limitation, any Senior Notes Proceeds Loan Agreement);
- "**Senior Notes Proceeds Loan**" means any loan made by a Senior Notes Issuer for the purposes of lending directly the proceeds of any Senior Notes (together with any additional or replacement loan made on substantially the same terms);
- the Issuer and any other member of the Group that becomes a party to the Intercreditor Agreement as a Debtor is referred to as a "**Debtor**" and are collectively referred to as the "**Debtors**;" and
- the Parent and any person which becomes a party to the Intercreditor Agreement as a Security Provider is referred to as a "**Security Provider**" and are collectively referred to as the "**Security Providers**".

Unless defined elsewhere in this section, all capitalized terms are given the same definition as in the Intercreditor Agreement.

The Intercreditor Agreement sets forth:

- the relative ranking of certain indebtedness and liabilities or obligations of the Debtors and the Security Providers; provided that in respect of any Security Provider, any such liabilities or obligations will only be in connection with the granting of Security under the Debt Documents, other than to the extent that a Security Provider has expressly assumed any borrowing or guarantee liabilities;
- the relative ranking of certain security granted by the Debtors and the Security Providers;
- when payments can be made in respect of certain indebtedness and liabilities or obligations of the Debtors and the Security Providers; provided that in respect of any Security Provider, any such liabilities or obligations will only be in connection with the granting of Security under the Debt Documents, other than to the extent that a Security Provider has expressly assumed any borrowing or guarantee liabilities;
- when enforcement actions can be taken in respect of that indebtedness and liabilities or obligations;
- the terms pursuant to which that indebtedness and liabilities or obligations will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions; and
- when security and guarantees will be released to permit a sale or disposal of, or foreclosure in respect of, any assets subject to transaction security (such assets, the "**Charged Property**," such security, the "**Transaction Security**" and the documents creating or evidencing such security, the "**Transaction Security Documents**").

The Intercreditor Agreement contains provisions relating to future indebtedness that may be incurred by the Debtors (that is not subordinated in right of payment to any Super Senior Liabilities or Senior Secured Notes Liabilities (each as defined below)) in respect of any loan, credit or debt facility, notes, indenture or security which are permitted or not prohibited, under the terms of the Senior Secured Notes Finance Documents, the *Pari Passu* Debt Documents (as defined below) and the Revolving Facility Documents, to share in the Transaction Security with the rights and obligations of *pari passu* creditors as provided for in the Intercreditor Agreement (such indebtedness being the "***Pari Passu* Debt**", the creditors and creditor representatives in respect of such indebtedness being the "***Pari Passu* Creditors**", the liabilities or obligations of the Debtors and (only to the extent that they have expressly assumed any such liabilities or obligations) the Security Providers in respect of such indebtedness being the "***Pari Passu* Debt Liabilities**" and the documents under which such *Pari Passu* Debt is incurred being the "***Pari Passu* Debt Documents**"). The Intercreditor Agreement also contains provisions relating to senior notes (the "**Senior Notes**") which may be issued by (x) the Parent, (y) any other holding company of the Parent or (z) any Subsidiary of the direct holding company of the Parent that itself has no subsidiaries, is not a member of the Group and has no principal purpose other than to issue Senior Notes and activities related thereto; provided that such subsidiary will downstream any net proceeds of the issuance of the Senior Notes to the Issuer through the Parent by way of a Senior Notes Proceeds Loan or a Senior Notes Contribution (as defined below) (a "**Senior Notes Issuer**") (the trustee in respect of such Senior Notes being a "**Senior Notes Trustee**", on its own behalf and on behalf of the holders of the Senior Notes (the "**Senior Noteholders**")).

Unless expressly stated otherwise in the Intercreditor Agreement, in the event of a conflict between the terms of the Intercreditor Agreement and any other Debt Document, the provisions of the Intercreditor Agreement will prevail (save to the extent that to do so would result in or have the effect of any Debtor or member of the Group contravening any applicable law or regulation, or present a material risk of liability for any Debtor or member of the Group and/or its directors or officers, or give rise to a material risk of breach of fiduciary or statutory duties).

The Indenture provides that holders of the Notes, by accepting a Note, are deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement.

The following description is a summary of certain provisions that are included in the Intercreditor Agreement. It does not restate the Intercreditor Agreement and is subject to the detailed terms thereof and you are advised to read that document in its entirety because it, and not the discussion that follows, defines certain rights of the holders of the Notes.

Ranking and Priority

The Intercreditor Agreement provides that (i) the liabilities of the Debtors, and (only to the extent that they have expressly assumed any liabilities or obligations subject to the terms of the Intercreditor Agreement) the Security Providers under or with respect to the Revolving Facility Documents (the "**Revolving Creditor Liabilities**"), (ii) the liabilities or obligations of the Debtors under the Hedging Agreements (the "**Hedging Liabilities**", provided that, where such Hedging Liabilities have been notified to the Security Agent by the Issuer in writing as Hedging Liabilities to be treated as "**Priority Hedging Liabilities**" for the purposes of the Intercreditor Agreement, such liabilities or obligations are "Priority Hedging Liabilities" and, together with the Revolving Creditor Liabilities, "**Super Senior Liabilities**" for the purposes of the Intercreditor Agreement, and all other Hedging Liabilities are "**Non Priority Hedging Liabilities**" for the purposes of the Intercreditor Agreement), (iii) the liabilities or obligations of the Issuer, the other Debtors and (only to the extent that they have expressly assumed any liabilities or obligations other than in connection with the granting of Security under the Debt Documents) the Security Providers in respect of any Senior Secured Notes (the "**Senior Secured Notes Liabilities**"), (iv) the *Pari Passu* Debt Liabilities (together with the Senior Secured Notes Liabilities and the Non Priority Hedging Liabilities, the "**Senior Secured Liabilities**"), (v) the liabilities or obligations of any Senior Notes Issuer and the other Debtors in respect of any Senior Notes (the "**Senior Notes Liabilities**," and the finance documents relating to such liabilities or obligations, the "**Senior Notes Finance Documents**"), (vi) the liabilities or obligations of the Debtors under guarantees (the "**Senior Notes Guarantees**") in respect of any Senior Notes (the "Senior Notes Guarantee Liabilities"), and (vii) certain other unsecured liabilities or obligations rank in right and priority of payment in the following order:

- (in respect of liabilities owed by the Debtors to the Primary Creditors (as defined below): first, the Revolving Creditor Liabilities, the Priority Hedging Liabilities, the Non Priority Hedging Liabilities, the Senior Secured Notes Liabilities, the *Pari Passu* Debt Liabilities, the liabilities owed to the Security Agent, the Senior Secured Notes Trustee Amounts (as defined below), the *Pari Passu* Debt Representative Amounts (as defined below) and the Senior Notes Trustee Amounts (as defined below) *pari passu* and without any preference between them; and second, the Senior Notes Guarantee Liabilities *pari passu* between themselves and without any preference between them; and
- (in respect of liabilities owed by any Senior Notes Issuer to the Primary Creditors): *pari passu* and without any preference between each of the Revolving Creditor Liabilities, the Priority Hedging Liabilities, the Non Priority Hedging Liabilities, the Senior Secured Notes Liabilities (including the Senior Secured Notes Trustee Amounts), the *Pari Passu* Debt Liabilities (including *Pari Passu* Debt Representative Amounts) and the Senior Notes Liabilities (including the Senior Notes Trustee Amounts).

The Transaction Security (to the extent it is expressed to secure the relevant liabilities) ranks and secures the following liabilities in the following order:

- first, the liabilities owed to the Security Agent, the liabilities owed to each trustee (a "**Senior Secured Notes Trustee**") in respect of Senior Secured Notes (the "**Senior Secured Notes Trustee Amounts**"), the liabilities owed to each creditor representative (a "***Pari Passu* Debt Representative**") in respect of *Pari Passu* Debt (the "***Pari Passu* Debt Representative Amounts**") and the liabilities owed to each trustee or agent (a "Senior Notes Trustee") in respect of Senior Notes (the "**Senior Notes Trustee Amounts**"), the Revolving Creditor Liabilities, the Priority Hedging Liabilities, the Senior Secured Notes Liabilities, the *Pari Passu*

Debt Liabilities and the Non Priority Hedging Liabilities *pari passu* and without any preference between them; and

- second (to the extent only of the Senior Notes Shared Security (as defined below)), the Senior Notes Liabilities (other than the Senior Notes Trustee Amounts),

and that in any event (irrespective of the manner in which such Transaction Security is constituted) all proceeds of the Transaction Security will be applied as described under "*—Application of Proceeds*" below.

In this section:

- any present and future liabilities (but excluding any liabilities which are Senior Notes Liabilities or owed in respect of Secured Debt) owed by any member of the Group to the Parent or any other holding company of the Issuer or any other shareholder of the Issuer any affiliate thereof or (excluding, for the avoidance of doubt, any member of the Group) having acquired or subscribed for Shareholder Debt (being defined as the aggregate principal amount outstanding (including any capitalized interest thereon) from time to time under any instruments and agreements constituting (and all other instruments or agreements evidencing) bonds issued to Midco, any other holding company of the Issuer or any other shareholder of the Issuer or any Initial Investor (defined in a manner equivalent to "Initial Investor" under the Revolving Credit Facility Agreement) or in each case any Affiliate thereof (excluding, for the avoidance of doubt, any member of the Group), or shareholder loans granted by Midco, any other holding company of the Issuer or any other shareholder of the Issuer or any Initial Investor (defined in a manner equivalent to "Initial Investor" under the Revolving Credit Facility Agreement) or in each case any Affiliate thereof (excluding, for the avoidance of doubt, any member of the Group), incurred by the Issuer or any other member of the Group (the "**Shareholder Debt**")) (but excluding any Secured Party which would otherwise become a Subordinated Creditor as a result of a Foreclosure) (the "**Subordinated Creditors**") under any loan (including any Senior Notes Proceeds Loan) or any Investment Instrument or which are indebtedness or which are declared dividends or any other distribution (and including, for the avoidance of doubt, any other rights, actions or claims such Subordinated Creditor may have as a result of enforcement of security, or payment under the guarantee, it has granted) together with any of the following matters relating to or arising in respect of those liabilities and obligations:

  (a) any refinancing (other than a refinancing in the ordinary course and not by reason of financial difficulties), novation, deferral or extension;

  (b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;

  (c) any claim for damages or restitution; and

  (d) any claim as a result of any recovery by any member of the Group of a payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings are referred to as (to the extent owed to any Subordinated Creditor) "**Subordinated Liabilities**"; and

- any liabilities owed by any member of the Group which is a Debtor to any other member of the Group which is a creditor in respect of indebtedness of that first member of the Group and which is or becomes a party to the Intercreditor Agreement as an intra-group lender (the "**Intra-Group Lenders**") are referred to as "**Intra-Group Liabilities**."

Under the Intercreditor Agreement, all proceeds from enforcement of the Charged Property and certain other recoveries will be applied as provided under "*—Application of Proceeds*" below.

Soulte

Notwithstanding the above, the expressions "**Hedging Liabilities**", "**Priority Hedging Liabilities**", "**Revolving Creditor Liabilities**", "**Senior Notes Liabilities**", "**Senior Secured Liabilities**" and "**Senior Secured Notes Liabilities**" will also encompass such liabilities which constitute Soulte from time to time subject to the payment waterfall described under *"—Application of Proceeds"* below.

For these purposes:

"**French Law Transaction Security**" means any Transaction Security created or expressed to be created under any French Law Transaction Security Document.

"**French Law Transaction Security Document**" means any Transaction Security Document which is governed by the laws of France.

"**Soulte**" means, in relation to any enforcement action occurring by way of Foreclosure, the amount by which the value of the shares or other securities appropriated, foreclosed or transferred pursuant to the Foreclosure with respect to shares or other securities pledged pursuant to any French Law Transaction Security Document (as determined in accordance with the relevant Transaction Security Document or any applicable law) exceeds the amount of the secured obligations secured under the corresponding French Law Transaction Security Document immediately prior to such Foreclosure occurring.

New Money and Refinancing

The Intercreditor Agreement contemplates that, to the extent permitted by, and subject to compliance with the requirements of, the Intercreditor Agreement and the other Debt Documents:

- the Revolving Lenders may increase a Revolving Facility and make further advances under such Revolving Facility to members of the Group and each such advance or increased amount will be deemed to be made under the terms of the relevant Revolving Facility Agreement;
- the Issuer or any other member of the Group may issue Senior Secured Notes in addition to the Notes (whether under the Indenture or an additional indenture issuing Senior Secured Notes);
- a Debtor may incur *Pari Passu* Debt under a *Pari Passu* Debt Document;
- a Senior Notes Issuer may issue Senior Notes (under any Senior Notes Indenture); and
- any of the above liabilities may with the consent of the Issuer be refinanced or replaced in whole or in part, and that any such additional, increased or refinanced liabilities will rank and be secured under the Intercreditor Agreement on a super senior basis, senior secured basis or (as applicable) senior basis as provided for under the Intercreditor Agreement.

The creditors in respect of Revolving Creditor Liabilities, Hedging Liabilities, Senior Secured Notes Liabilities, *Pari Passu* Debt Liabilities and Senior Notes Liabilities (together, the "**Secured Parties**") agree that if any Transaction Security over any asset under the applicable Transaction Security Documents is amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released to ensure that the additional, increased or refinanced liabilities described above (the "**Additional Secured Liabilities**") can be secured with the ranking contemplated as set out under "*—Ranking and Priority*" above, then the Security Agent is authorized to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release of the applicable Transaction Security Documents; *provided* that:

- if an event of default under a Revolving Facility (that is not to be refinanced or replaced in whole) is continuing at that time, the requisite consent under the Revolving Facility is obtained;
- immediately upon such release of Transaction Security, new Transaction Security will be provided in favor of the providers of such Additional Secured Liabilities or Secured Refinancing Liabilities and the existing Secured Creditors on terms substantially the same as the terms of the Transaction Security Documents released and subject to the same ranking as set out under "*—Ranking and Priority*" above; and
- contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of security of at least equivalent ranking over the same assets) which has the effect of releasing the relevant Transaction Security, the Issuer delivers to the Security Agent either (A) a solvency opinion from an internationally recognized investment bank or accounting firm, in form and substance reasonably satisfactory to the Security Agent, confirming the solvency of the person granting such Transaction Security after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or release and retaking; (B) a certificate from the board of directors of the Issuer or Topco, at the Issuer's discretion, which certificate confirms the solvency of the person granting such Transaction Security, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement or release and retaking; or (C) an opinion of counsel, in form and substance reasonably satisfactory to the Security Agent (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking, the Transaction Security created under the Transaction Security Documents so amended, extended, renewed, restated, supplemented, modified, replaced or released and retaken is valid and perfected Transaction Security not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Transaction Security was not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

Notwithstanding anything to the contrary in the Intercreditor Agreement, no Secured Party will be required to release any Transaction Security under the Transaction Security Documents where the release described above may result in such

Secured Party incurring any hardening period risk in respect of any such Transaction Security if and to the extent that the relevant Additional Secured Liabilities can be secured by lower ranking security in favor of the Secured Parties and can have the ranking described under "—*Ranking and Priority*" above by virtue of the provisions of the Intercreditor Agreement.

Permitted Payments

The Intercreditor Agreement permits, *inter alia*, payments to be made by the Debtors or the Security Providers (to the extent applicable) under any Revolving Facility, Hedging Agreements, Senior Secured Notes Indenture, *Pari Passu* Debt Documents and Senior Notes Indenture, in each case in accordance with the terms of the document creating or evidencing such liabilities; *provided* that, in the case of payments in respect of Senior Secured Notes and *Pari Passu* Debt, subject to compliance with the Notes Purchase Condition as defined under the Revolving Credit Facility Agreement. See "*Description of Certain Other Indebtedness*—Revolving Credit Facility Agreement—*Undertakings*".

The Intercreditor Agreement also permits payments to be made from time to time to Intra-Group Lenders owed any Intra-Group Liabilities ("**Intra-Group Liabilities Payments**") if at the time of payment no acceleration event has occurred in respect of the Revolving Creditor Liabilities, the Senior Secured Notes Liabilities, the *Pari Passu* Debt Liabilities or the Senior Notes Liabilities (an "**Acceleration Event**"). The Intercreditor Agreement permits Intra-Group Liabilities Payments if an Acceleration Event has occurred and is continuing and the Security Agent (acting on the instructions of the Instructing Group (as defined below)) has delivered written notice to the Issuer stating that no payments may be made in respect of the Intra-Group Liabilities, in each case: (i) prior to the date on which the Super Senior Liabilities, Senior Secured Liabilities and Senior Notes Liabilities are discharged in cash (the "**Final Discharge Date**"), with the consent of (1) the requisite majority of Revolving Lenders as provided under the Revolving Credit Facility Agreement (the "**Majority Revolving Lenders**"), the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s) or (2) if, at that time, the Security Agent is obliged to give effect to instructions from a majority of Senior Noteholders (the "**Majority Senior Notes Creditors**") as to the manner of enforcement of the Transaction Security as described under "—*Manner of Enforcement of Transaction Security*" below, the Majority Senior Notes Creditors; (ii) after the discharge date (the "**Secured Debt Discharge Date**") in respect of the Super Senior Liabilities and Senior Secured Liabilities (together the "**Secured Debt**") but prior to the discharge date in respect of the Senior Notes Liabilities (the "**Senior Notes Discharge Date**"), with the consent of the relevant Senior Notes Trustee(s); or (iii) if that payment is made solely to facilitate payment of the Super Senior Liabilities, Senior Secured Notes Liabilities, *Pari Passu* Debt Liabilities, Senior Secured Notes Trustee Amounts, Senior Notes Trustee Amounts, Senior Notes Liabilities or the liabilities owed by any Debtor under any Senior Notes Proceeds Loan (the "**Senior Notes Proceeds Loan Liabilities**") (in each case to the extent permitted by the Intercreditor Agreement to be paid).

Payments may be made in respect of Subordinated Liabilities if:

(i) the payment is permitted or not prohibited by the Revolving Facility Agreement, the Indenture, the *Pari Passu* Debt Documents and the Senior Notes Indenture, in each case prior to the corresponding discharge date;

(ii) the payment is of costs, commissions, taxes, consent fees and expenses incurred in respect of (or reasonably incidental to) the Senior Notes Proceeds Loan Agreements and that payment would, if it were a payment of Senior Notes Liabilities, constitute a permitted Senior Notes payment at that time;

(iii) prior to the Secured Debt Discharge Date, to the extent the relevant Senior Secured Documents or Super Senior Debt Documents prohibit such payment, the Majority Super Senior Creditors, the relevant Senior Secured Notes Trustee(s) and the relevant *Pari Passu* Debt Representative(s) consent to such payment being made; or

(iv) on or after the Secured Debt Discharge Date, the prior consent of the relevant Senior Notes Trustee(s) is obtained to the extent the relevant Senior Notes Finance Documents prohibit such payment;

provided that, notwithstanding the terms of clause (i) above, any payments in respect of Subordinated Liabilities permitted as per the terms of clause (i) above (to the extent made in order to service interest payments on any indebtedness incurred by any holding company of the Issuer under the form of Senior Notes, the net proceeds of which have been contributed to the Issuer by way of (x) issuance by the Issuer of any capital stock or contribution to the equity of the Issuer pursuant to which the net proceeds of Senior Notes are contributed to the Issuer (a "**Senior Notes Contribution**") or (y) a Senior Notes Proceeds Loan (as applicable)), or clause (ii) above, will be subject to the provisions described under "—*Issue of Senior Payment Stop Notice*" and under "—*Cure of Payment Stop: Senior Notes Creditors*" below, as if such payments were made in respect of Senior Notes Liabilities *mutatis mutandis*.

Permitted Hedging Liabilities Payments

Subject to the conditions described below, the Debtors may make payments (whether in relation to a refinancing of any Hedging Liabilities or otherwise) to any Hedge Counterparty in respect of the Hedging Liabilities then due to that Hedge Counterparty under any Hedging Agreement in accordance with the terms of that Hedging Agreement provided that (i) no payment may be made to a Hedge Counterparty if any scheduled payment due from that Hedge Counterparty to such Debtor under a Hedging Agreement to which they are both party is due and unpaid unless the prior consent of the Majority Senior Secured Creditors is obtained; and (ii) nothing obliges a Hedge Counterparty to make a payment to a Debtor under a Hedging Agreement to which they are both party if any scheduled payment due from that Debtor to the Hedge Counterparty thereunder is due and unpaid, unless the taking or receipt of that payment is made as a result of a termination or close-out made by a Hedge Counterparty in accordance with and subject to the conditions set out in the paragraph below; *provided* further that, in both cases, following the occurrence of an Acceleration Event or an Insolvency Event, no member of the Group may make (and no Hedge Counterparty may receive) payments of the Hedging Liabilities except from recoveries distributed in accordance with the payment waterfall described under "—*Application of Proceeds*" below, other than any distribution or dividend out of any Debtor's unsecured assets (pro rata to each unsecured creditor's claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets.

To the extent it is able to do so under the relevant Hedging Agreement, a Hedge Counterparty may terminate or close-out in whole or in part any hedging transaction under a Hedging Agreement prior to its stated maturity: (i) if, prior to a Distress Event, the Issuer has certified to that Hedge Counterparty that that termination or close-out would not result in a breach of a Revolving Facility Agreement, any Senior Secured Notes Indenture, any *Pari Passu* Debt Document and/or any Senior Notes Indenture, as the context requires and/or any hedging or similar letter referred to in any such agreement (as applicable); (ii) to the extent necessary to comply with the obligation under the Intercreditor Agreement and the relevant Secured Debt Documents to reduce the aggregate of the notional amounts hedged by the relevant Debtors under the Hedging Agreements entered into in relation to floating interest rate exposures in respect of any revolving facility or letter of credit made available under a Revolving Facility Agreement (a "**Revolving Facility**"), Senior Secured Notes, *Pari Passu* Debt or Senior Notes; (iii) to the extent that the relevant Debtor's obligation to make the payment arises as a result of the operation of certain provisions relating to non-credit related closeouts under the Hedging Agreements including, inter alia, in relation to withholding tax, payments in the contractual currency, judgments and expenses; (iv) if a Distress Event has occurred; (v) if an Insolvency Event has occurred in relation to a Debtor which is party to that Hedging Agreement; (vi) with the consent of the Majority Revolving Lenders and Majority Senior Secured Creditors (as defined below); (vii) if such termination or close-out is made in accordance with the no-fault termination right provisions of the ISDA Benchmarks Supplement; (viii) upon the refinancing (in whole or in part) of liabilities related thereto; (ix) if the Hedge Counterparties cease to be secured under the Security Documents without their consent; or (x) if, and to the extent that, a hedging transaction under a Hedging Agreement constitutes an excluded swap obligation due to illegality under applicable rules and regulations.

Permitted Senior Notes Payments

Any Any Debtors will or other members of the Group may only:

(a) prior to the Secured Debt Discharge Date, make payments directly or indirectly to the Senior Notes Creditors in respect of the Senior Notes Liabilities then due in accordance with the Senior Notes Finance Documents:

(i) if:

(A) the payment is of:

(I) any of the principal amount of the Senior Notes Liabilities which is either (1) not prohibited from being paid by the Revolving Facility Agreement (if the date of discharge of the Revolving Creditor Liabilities (the "**Revolving Facility Discharge Date**") has not occurred), the Senior Secured Notes Indenture pursuant to which the Senior Secured Notes are outstanding (if the date of discharge of the Senior Secured Notes Liabilities (the "**Senior Secured Notes Discharge Date**") has not occurred) or the *Pari Passu* Debt Documents pursuant to which *Pari Passu* Debt is outstanding (if the date of discharge of the *Pari Passu* Debt Liabilities (the "*Pari Passu* **Debt Discharge Date**") has not occurred) or (2) paid on or after the final maturity date of the Senior Notes Liabilities; or

(II) any other amount (including, without limitation, cash pay interest, default interest, fees and additional amounts) which is not an amount of principal or capitalized interest;

(B) no Senior Notes Payment Stop Notice (as defined below) is outstanding; and

(C) no payment default has occurred and is continuing (I) under the Revolving Credit Facility or Priority Hedging Liabilities or (II) in excess of €100,000 (or its equivalent in other currencies), under the Senior Secured Notes Finance Documents or *Pari Passu* Debt Documents (a "**Secured Debt Payment Default**"); or

(ii) if the Revolving Agent, the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s) give prior consent to that payment being made to the extent the relevant Debt Documents prohibit such payment from being made; or

(iii) if the payment is of a Senior Notes Trustee Amount; or

(iv) if the payment is of certain administrative costs relating to a Senior Notes Issuer and/or costs relating to the protection, preservation or enforcement of the Transaction Security; or

(v) if the payment is of costs, commissions, taxes (including gross-up amounts), consent fees and original issuance discount and upfront fees and expenses incurred in respect of (or reasonably incidental to) the Senior Notes Finance Documents (including in relation to any reporting or listing requirements under the Senior Notes Finance Documents); or

(vi) if the payment is of costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Senior Notes in compliance with the Intercreditor Agreement; and

(b) on or after the Secured Debt Discharge Date, make any payments to or with respect to the Senior Notes Creditors in respect of the Senior Notes Liabilities in accordance with the Senior Notes Finance Documents (including, for the avoidance of doubt, payment of principal).

Issue of Senior Payment Stop Notice

(a) Until the Secured Debt Discharge Date, except with the prior consent of the Revolving Agent (if the Revolving Facility Discharge Date has not occurred), the Senior Secured Notes Trustee(s) (if the relevant Senior Secured Discharge Date has not occurred) and the *Pari Passu* Debt Representative(s) (if the relevant *Pari Passu* Debt Discharge Date has not occurred) and subject to the provisions of the Intercreditor Agreement which deal with the effects of an insolvency event, the Issuer will not make (and will procure that no other member of the Group will make), and no Senior Notes Creditor may receive from the Issuer or other member of the Group, any payment in respect of the Senior Notes which would otherwise be permitted as referred to above (a "**Permitted Senior Notes Payment**") (other than any referred to in (a)(ii) of "*—Permitted Senior Notes Payments*" above and any Senior Notes Trustee Amounts) if:

(i) a Secured Debt Payment Default is continuing; or

(ii) an event of default under any document or instrument creating or evidencing Secured Debt other than the Hedging Liabilities (a "**Secured Debt Event of Default**") (other than a Secured Debt Payment Default) is continuing, from the date which is one Business Day (as defined in the Revolving Credit Facility Agreement) after the date on which the Revolving Agent, any Senior Secured Notes Trustee or any *Pari Passu* Debt Representative (as the case may be) delivers a notice (a "**Senior Notes Payment Stop Notice**") specifying the event or circumstance in relation to that Secured Debt Event of Default to the Senior Notes Issuer(s), the Security Agent, the Revolving Agent, the Senior Secured Notes Trustee(s), the Senior Notes Trustee(s) and the *Pari Passu* Debt Representative(s) (in each case, as applicable) until the earliest of:

(A) the first Business Day falling 179 days after delivery of that Senior Notes Payment Stop Notice;

(B) in relation to payments of Senior Notes Liabilities, if a Senior Notes Standstill Period (as defined below) is in effect at any time after delivery of that Senior Notes Payment Stop Notice, the date on which that Senior Notes Standstill Period expires;

(C) the date on which the relevant Secured Debt Event of Default has been remedied or waived or, if the relevant Revolving Creditor Liabilities or Senior Secured Notes Liabilities have been accelerated, such acceleration has been rescinded, in accordance with the Revolving Credit Facility Agreement or the relevant Senior Secured Finance Documents (as applicable);

(D) the date on which each Revolving Agent, Senior Secured Notes Trustee(s) and *Pari Passu* Debt Representative(s) which delivered the relevant Senior Notes Payment Stop Notice delivers a notice to the Senior Notes Issuer(s), the Security Agent, the Revolving Agent(s), the Senior Secured Notes Trustee(s), the Senior Notes Trustee(s) and the *Pari Passu* Debt Representative(s) (in each case, as applicable) cancelling the Senior Notes Payment Stop Notice;

(E) the Secured Debt Discharge Date; and

(F) the date on which the Security Agent or a Senior Notes Trustee takes enforcement action permitted under the Intercreditor Agreement against a member of the Group; provided that such payment may only be made by the relevant member of the Group against which such enforcement action is taken.

(b) Unless the Senior Notes Trustee(s) waive this requirement:

(i) a new Senior Notes Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Notes Payment Stop Notice; and

(ii) no Senior Notes Payment Stop Notice may be delivered in reliance on a Secured Debt Event of Default more than 45 days after the date the Revolving Agent, each Senior Secured Notes Trustee and each *Pari Passu* Debt Representative received notice of that Secured Debt Event of Default.

(c) The Revolving Agent, the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s) may only serve one Senior Notes Payment Stop Notice with respect to the same event or set of circumstances. Subject as described in paragraph (b) above, this will not affect the right of the Revolving Agent or the Senior Secured Notes Trustee(s) or the *Pari Passu* Debt Representative(s) to issue a Senior Notes Payment Stop Notice in respect of any other event or set of circumstances.

(d) No Senior Notes Payment Stop Notice may be served by a Revolving Agent, a Senior Secured Notes Trustee or a *Pari Passu* Debt Representative in respect of a Secured Debt Event of Default which had been notified to the Revolving Agent, the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s), as relevant, at the time at which an earlier Senior Notes Payment Stop Notice was issued.

(e) For the avoidance of doubt, the provisions in the Intercreditor Agreement relating to a Senior Notes Payment Stop Notice:

(i) act as a suspension of payment and not as a waiver of the right to receive payment on the date such payments are due;

(ii) will not prevent the accrual or capitalization of interest (including default interest) in accordance with the Senior Notes Finance Documents;

(iii) will not prevent the payment of any Senior Notes Trustee Amounts and certain administrative costs relating to the Senior Notes Issuer(s); and

(iv) will not prevent the payment of audit fees, directors' fees, taxes and other proper and incidental expenses required to maintain existence.

Cure of Payment Stop: Senior Notes Creditors

If:

(a) at any time following the issue of a Senior Notes Payment Stop Notice or the occurrence of a Secured Debt Payment Default, that Senior Notes Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Secured Debt Payment Default ceases to be continuing; and

(b) the relevant Debtor then promptly pays to the Senior Notes Creditors an amount equal to any payments which had accrued under the Senior Notes Finance Documents and which would have been Permitted Senior Notes Payments but for that Senior Notes Payment Stop Notice or Secured Debt Payment Default,

then any event of default which may have occurred as a result of that suspension of payments will be waived and any Senior Notes Enforcement Notice (as defined below) which may have been issued as a result of that event of default will be waived, in each case without any further action being required on the part of the Senior Notes Creditors.

Restrictions on Enforcement by Senior Notes Finance Parties

Until the Secured Debt Discharge Date, except with the prior consent of or as required by an Instructing Group:

(a) none of the Senior Notes Trustee(s) (acting on behalf of themselves and the relevant Senior Noteholders) and the Security Agent (collectively, the "**Senior Notes Finance Parties**") will direct the Security Agent to enforce, or otherwise (to the extent applicable) require the enforcement of, any Transaction Security Documents; and

(b) no Senior Notes Finance Party will take or require the taking of any enforcement action in relation to the Senior Notes Guarantee Liabilities,

except as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" and under "*—Enforcement on Behalf of Senior Notes Finance Parties*" below.

Permitted Senior Notes and Senior Notes Security Documents Enforcement

Except as provided under "*—Enforcement on Behalf of Senior Notes Finance Parties*" below, the restrictions described under "*—Restrictions on Enforcement by Senior Notes Finance Parties*" above do not apply in respect of (i) the Senior Notes Guarantee Liabilities or (ii) any security granted in favor of the Security Agent with respect to Investment Instruments issued by or, in the case of any loans, bonds or other liabilities, owing by, the Issuer under the Transaction Security Documents (the "**Senior Notes Shared Security**") (if any) which guarantee and/or secure Senior Notes Liabilities as permitted by the Intercreditor Agreement if:

(a) an event of default (a "**Senior Notes Event of Default**") under the Senior Notes is continuing (the "**Relevant Senior Notes Default"**);

(b) the Revolving Agent, the Senior Secured Notes Trustee(s) and the *Pari Passu* Debt Representative(s) have received a written notice of the Relevant Senior Notes Default specifying the event or circumstance in relation to the Relevant Senior Notes Default from the relevant Senior Notes Trustee;

(c) a Senior Notes Standstill Period (as defined below) has elapsed; and

(d) the Relevant Senior Notes Default is continuing at the end of the relevant Senior Notes Standstill Period.

Promptly upon becoming aware of a Senior Notes Event of Default, the relevant Senior Notes Trustee(s) may by notice (a "**Senior Notes Enforcement Notice**") in writing notify the Revolving Agent, each Senior Secured Notes Trustee and each *Pari Passu* Debt Representative of the existence of such Senior Notes Event of Default.

Senior Notes Standstill Period

In relation to a Relevant Senior Notes Default, a Senior Notes Standstill Period means the period beginning on the date (the "**Senior Notes Standstill Start Date**") the relevant Senior Notes Trustee(s) serves a Senior Notes Enforcement Notice on the Revolving Agent, each Senior Secured Notes Trustee and each *Pari Passu* Debt Representative in respect of such Relevant Senior Notes Default and ending on the earliest to occur of:

(a) the first Business Day falling 179 days after the Senior Notes Standstill Start Date (the "**Senior Notes Standstill Period**");

(b) the date the Secured Creditors take any enforcement action in relation to a particular Debtor or member of the Group that is a guarantor of any Senior Notes or Senior Notes Liabilities (a "**Senior Notes Guarantor**") or, as applicable, the Senior Notes Issuer(s); provided, however, that:

(i) if a Senior Notes Standstill Period ends as described in this section, the Senior Notes Finance Parties may only take the same enforcement action in relation to the Senior Notes Guarantor as the enforcement action taken by the Secured Creditors against such Senior Notes Guarantor and not against any other member of the Group; and

(ii) enforcement action for these purposes does not include action taken to preserve or protect any security as opposed to realize it;

(c) the date of an insolvency event (other than as a result of any action taken by any Senior Notes Finance Party) in relation to a particular Senior Notes Guarantor (or, as applicable, a Senior Notes Issuer) against whom enforcement action is to be taken;

(d) the expiry of any other Senior Notes Standstill Period outstanding at the date such first mentioned Senior Notes Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);

(e) the date on which the Revolving Agent, each Senior Secured Notes Trustee and each *Pari Passu* Debt Representative give their consent to the termination of the relevant Senior Notes Standstill Period; and

(f) a failure to pay the principal amount outstanding on the Senior Notes at the final stated maturity of the Senior Notes.

The Senior Notes Finance Parties may take enforcement action as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" above in relation to a Relevant Senior Notes Default even if, at the end of any relevant Senior Notes Standstill Period or at any later time, a further Senior Notes Standstill Period has begun as a result of any other Senior Notes Event of Default.

Enforcement on Behalf of Senior Notes Finance Parties

(a) If the Security Agent has notified the Senior Notes Trustee(s) that it is taking steps to enforce security created pursuant to any Security Document over shares of a Senior Notes Guarantor, no Senior Notes Finance Party may take any action described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" above against that Senior Notes Guarantor or any of its Subsidiaries while the Security Agent (i) has requested instructions of an Instructing Group in relation to the enforcement of that security and the relevant instructions have not been given or (ii) is taking steps to enforce that security in accordance with the instructions of the Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

(b) If the Senior Notes Creditors are permitted to give instructions to the Security Agent to require the enforcement of the security constituted pursuant to any Security Document in accordance with the provisions of the Intercreditor Agreement described under this section, such enforcement action must require the realization of the relevant security by way of a sale or disposal conducted in compliance with the provisions of the Intercreditor Agreement described under "*—Conditions to Release—Senior Notes Protection*" below.

Manner of Enforcement of Transaction Security

(a) The Security Agent may refrain from enforcing the Transaction Security or taking any other enforcement action unless instructed otherwise by either the Revolving Creditors and Hedge Counterparties in respect of Priority Hedging (collectively, the "**Super Senior Creditors**") together representing the requisite majority of more than 66.66% of the participations in the Super Senior Liabilities (the "**Majority Super Senior Creditors**") or the Senior Secured Notes Creditors, *Pari Passu* Creditors and Hedge Counterparties in respect of Non Priority Hedging (collectively, the "**Senior Secured Creditors**" and together with the Super Senior Creditors, the "**Secured Creditors**") together representing the requisite majority of more than 50.1% of the participations in the Senior Secured Liabilities (the "**Majority Senior Secured Creditors**"), whichever at the relevant time is entitled to give instructions in accordance with the terms of the Intercreditor Agreement as described below (each an "**Instructing Group**," provided that, if such enforcement is on or after the Secured Debt Discharge Date, the Instructing Group will for these purposes be the Majority Senior Notes Creditors).

(b) Subject to the Transaction Security having become enforceable in accordance with its terms:

(i) subject to the enforcement decision requirements described below, an Instructing Group may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as it sees fit; provided that the instructions as to enforcement given by the Instructing Group are consistent with the Security Enforcement Principles (as defined below); or

(ii) to the extent permitted to enforce or to require the enforcement of the Senior Notes Shared Security prior to the Senior Notes Discharge Date as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" above and except as provided below, the Senior Notes Trustee(s) (acting on the instruction of the Majority Senior Notes Creditors) may give instructions to the Security Agent as to the enforcement of the Senior Notes Shared Security as they see fit.

(c) Prior to the Secured Debt Discharge Date:

(i) if the Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the Transaction Security; or

(ii) in the absence of instructions from the Instructing Group,

and, in each case, the Instructing Group has not required any Debtor or Security Provider to make a Distressed Disposal (as defined below), the Security Agent will give effect to any instructions to enforce the Senior Notes Shared Security which the Senior Notes Trustee(s) (acting on the instructions of the Majority Senior Notes Creditors) are then entitled to give to the Security Agent as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*".

(d) Notwithstanding the above, if at any time the Senior Notes Trustee(s) are then entitled to give the Security Agent instructions to enforce the Senior Notes Shared Security pursuant to paragraph (c) above and the Senior Notes Trustee(s) either gives such instruction or indicates any intention to give such instruction, then:

(i) the Instructing Group may give instructions to the Security Agent to enforce the Senior Notes Shared Security as the Instructing Group sees fit in lieu of any instructions to enforce given by the Senior Notes Trustee(s) as described under "*—Permitted Senior Notes and Senior Notes Security Documents Enforcement*" above; and

(ii) if the Instructing Group gives any instructions to enforce any Transaction Security over shares in a holding company of any member of the Group whose shares are subject to Transaction Security with respect to which any such enforcement instructions by a Senior Note(s) Trustee have already been given, the Security Agent may not act on such enforcement instructions from any Senior Notes Trustee(s) unless instructed to do so by the Instructing Group.

(e) No Secured Party will have any independent power to enforce, or to have recourse to any Transaction Security or to exercise any rights or powers arising under the Transaction Security Documents, except through the Security Agent.

If the Transaction Security is being enforced as described above, the Security Agent will enforce the Transaction Security in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Security Agent) as an Instructing Group (or, in the circumstances described in paragraph (c) above and subject to paragraph (d) above, the Senior

Notes Trustee(s)) will instruct or, in the absence of any such instructions, as the Security Agent sees fit, in each case, so far as is consistent with the Security Enforcement Principles. For the avoidance of doubt, in the absence of instructions from an Instructing Group or the Senior Notes Trustee(s), the Security Agent will not be required to take any action.

Enforcement Decisions with Respect to Enforcement of Transaction Security

(a) Prior to the Final Discharge Date and subject to the provisions of the Intercreditor Agreement described under (c) and (d) below, before the giving of any instructions to the Security Agent to enforce the Transaction Security as described under "*—Manner of Enforcement of Transaction Security*" above (and before either the Majority Super Senior Creditors or the Majority Senior Secured Creditors will be considered the Instructing Group), a Revolving Agent or representative for each of the Senior Secured Creditors will deliver a copy of its proposed enforcement instructions to the other representatives and the Security Agent (including instructions not to enforce) (the "**Proposed Enforcement Instructions**"). The Security Agent will as soon as reasonably practicable notify each of the representatives of the Super Senior Creditors and the Senior Secured Creditors upon receipt of such Proposed Enforcement Instructions.

(b) Prior to the Secured Debt Discharge Date and subject to paragraphs (c), (d) and (e) below, if the Security Agent has received any Proposed Enforcement Instructions, it will either enforce or refrain from enforcing the Transaction Security in accordance with the instructions of the Majority Senior Secured Creditors (and the Majority Senior Secured Creditors will be the Instructing Group for the purposes as described under "*—Manner of Enforcement of Transaction Security*" above and in each case, acting through their respective representative); provided that such instructions are consistent with the Security Enforcement Principles and failure to give instructions will be deemed to be an instruction not to take enforcement steps.

(c) In the event that:

(i) from the date that is three (3) months after the first Proposed Enforcement Instructions are delivered to the Security Agent, the Security Agent (acting on the instructions of the Majority Senior Secured Creditors) has not commenced the enforcement action or either (i) the method of enforcement of Transaction Security as determined by the Instructing Group or (ii) the appointment of a financial advisor by the Instructing Group to assist in such determination ("**Relevant Enforcement Action**") of the Transaction Security; or

(ii) the Super Senior Liabilities have not been fully discharged in cash within six (6) months of the date the first Proposed Enforcement Instructions were delivered to the Security Agent, then (with effect from the date of the earlier to occur of such events), the Majority Super Senior Creditors will become the Instructing Group for the purposes as described under "*—Manner of Enforcement of Transaction Security*" above.

(d) If at any time the Security Agent has not taken any Relevant Enforcement Action of the Transaction Security notwithstanding the Transaction Security having become enforceable in accordance with its terms, a representative acting on behalf of the Majority Super Senior Creditors or the Majority Senior Secured Creditors may at any time provide immediate instructions as to enforcement to the Security Agent notwithstanding any instructions given pursuant to paragraph (b) or (c) above, if the Majority Super Senior Creditors or the Majority Senior Secured Creditors determine in good faith (and notify the representatives of the other Super Senior Creditors and the Senior Secured Notes Creditors and the *Pari Passu* Creditors and the Security Agent) the delay in taking enforcement action of the Transaction Security could reasonably be expected to have a material adverse effect on:

(i) the Security Agent's ability to enforce the Transaction Security; or

(ii) the realization proceeds of any enforcement of the Transaction Security,

and the Security Agent will act only with respect to the relevant asset or Debtor that is the subject of the determination set out in paragraphs (d)(i) or (d)(ii) above, in accordance with the first such notice of determination and instructions as to enforcement received by the Security Agent (provided in each case that such instructions are consistent with the Security Enforcement Principles).

(e) If at any time an insolvency event has occurred with respect to any Debtor (other than an insolvency event which is the direct result of any action taken by the Security Agent acting on the instructions of the Majority Super Senior Creditors or the Majority Senior Secured Creditors), the Security Agent will act, to the extent the Majority Super Senior Creditors have provided such instructions, in accordance with the instructions received from such Majority Super Senior Creditors; provided that in the event the Security Agent has previously received Proposed Enforcement Instructions from the representative for the Majority Senior Secured Creditors and has commenced Relevant Enforcement Action pursuant to such instructions, the Security Agent will continue to act in accordance with the instructions of the representative for the Majority Senior Secured Creditors until such time as the representatives for the Majority Super Senior Creditors issue enforcement instructions to the Security Agent and such instructions will override and supersede any such prior instructions given by the representative for the Majority Senior Secured Creditors.

(f) Other than where paragraph (d) or (e) above applies, if, prior to the Super Senior Discharge Date, the Majority Super Senior Creditors or the Majority Senior Secured Creditors (in each case acting reasonably) consider that the Security Agent is enforcing the security in a manner which is not consistent with the Security Enforcement Principles, the representatives for the Super Senior Creditors, the *Pari Passu* Debt Representatives or the Senior Secured Notes Trustee will give notice to the representatives for the other Super Senior Creditors, and the *Pari Passu* Debt Representatives and the Senior Secured Notes Trustee (as appropriate) after which the representatives for the other Super Senior Creditors, the *Pari Passu* Debt Representatives and the Senior Secured Notes Trustee will consult with the Security Agent for a period of 15 days (or such lesser period as the relevant representatives may agree) with a view to agreeing the manner of enforcement provided that such representatives will not be obliged to consult under this paragraph (f) more than once in relation to each enforcement action.

(g) After the Super Senior Discharge Date, the Security Agent will either enforce or refrain from enforcing the Transaction Security in accordance with the instructions provided by the Majority Senior Secured Creditors.

Limitation on Enforcement of Subordinated Liabilities

Creditors in respect of the Subordinated Liabilities will not be permitted to take any enforcement action in respect of such liabilities prior to the Final Discharge Date or, in the case of any Senior Notes Proceeds Loan, prior to the Senior Secured Discharge Date (other than certain specific enforcement action relating to payment of the Subordinated Liabilities which at the time of such enforcement action would be permitted as described under "*—Permitted Payments*" above or, in respect of any Senior Notes Proceeds Loan Liabilities, enforcement actions which would be permitted to be taken by such person and against such person if such enforcement action were instead in respect of Senior Notes Liabilities (as if the Subordinated Creditor was a Senior Notes Creditor), unless, at such time, the Super Senior Creditors, the Senior Secured Creditors and the Senior Notes Creditors (the "**Primary Creditors**") are, or the Security Agent, is taking any enforcement action required by the Instructing Group or following an Acceleration Event); provided that, after the occurrence of an insolvency event in relation to a member of the Group, the Subordinated Creditors may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of such Subordinated Creditors in accordance with the terms of the Intercreditor Agreement) exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that entity's Subordinated Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that entity in respect of any Subordinated Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Subordinated Liabilities of that entity; or

(d) claim and prove in the liquidation of that entity for the Subordinated Liabilities owing to it.

Limitation on Enforcement of Intra-Group Liabilities

The Intra-Group Lenders will not be permitted to take any enforcement action in respect of the Intra-Group Liabilities at any time prior to the Final Discharge Date (other than certain specific enforcement actions relating to payment of the Intra-Group Liabilities which at the time of such enforcement action would be permitted as described under "*—Permitted Payments*" above unless, at such time, an Instructing Group is taking enforcement action or following an Acceleration Event); provided that, after the occurrence of an insolvency event in relation to any member of the Group, each Intra-Group Lender may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra-Group Lender in accordance with the Intercreditor Agreement) exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that member of the Group's Intra-Group Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Intra-Group Liabilities;

(c) exercise any right of set-off or take or receive any payment in respect of any Intra-Group

Liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for the Intra-Group Liabilities owing to it.

Security Enforcement Principles

The Intercreditor Agreement provides for enforcement instructions in relation to the Transaction Security to be consistent with the following security enforcement principles (the "Security Enforcement Principles"):

(a) it will be the primary and overriding aim of any enforcement of the Transaction Security to achieve the objective of maximizing the recovery of the Secured Parties, to the extent consistent with (i) a prompt and expeditious enforcement of the Transaction Security (to the extent reasonably possible) and (ii) the rights and obligations of the Security Agent under the terms of the Intercreditor Agreement and under applicable law (the "**Security Enforcement Objective**");

(b) the Security Enforcement Principles may be amended, varied or waived with the prior written consent of the Majority Super Senior Creditors, the Majority Senior Secured Creditors, the Senior Secured Noteholders, the holders of each tranche of *Pari Passu* Debt and the Security Agent;

(c) except in the case of a Foreclosure, the Transaction Security will be enforced and other action as to enforcement will be taken such that either:

(i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the payment waterfall described under "—*Application of Proceeds*" below; or

(ii) (except in the case of any enforcement which is instructed by the Majority Super Senior Creditors) sufficient proceeds from enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the payment waterfall described under "—*Application of Proceeds*" below, the Super Senior Liabilities are repaid and discharged in full (unless the Majority Super Senior Creditors agree otherwise);

(d) any Exit Disposal (as defined below) may only be effected upon the instructions of an Instructing Group and in accordance with these Security Enforcement Principles as if such Exit Disposal was an enforcement of Transaction Security;

(e) the enforcement action must be prompt and expeditious, it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the timeframe for the realization of value from the enforcement of the Transaction Security or Distressed Disposal (as defined below) or Exit Disposal pursuant to enforcement will be determined by the Instructing Group; *provided* that it is consistent with the Security Enforcement Objective;

(f) on (i) a proposed enforcement of any of the Transaction Security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds €5,000,000 (or its equivalent in other currencies) or (ii) a proposed enforcement of any of the Transaction Security over some or all of the shares in a member of the Group over which Transaction Security exists, which, in either case, is not being effected through a public auction, the Security Agent will if requested by the Majority Super Senior Creditors or the Majority Senior Secured Creditors, and at the expense of the Issuer (to the extent that financial advisers have not adopted a general policy of not providing such opinions), appoint a financial adviser to opine:

(i) that the consideration received for any disposal is fair from a financial point of view taking into account all relevant circumstances;

(ii) on the optimal method of enforcing the Transaction Security so as to achieve the Security Enforcement Principles and maximize the recovery of any such enforcement action; and

(iii) that such sale is otherwise in accordance with the Security Enforcement Objective,

(the "**Financial Adviser's Opinion**"); provided that, if the Security Agent is unable to obtain an opinion from a financial adviser covering the matters set out under (ii) and (iii) above (and after considering making such modifications to the enforcement process as may be reasonably available and consistent with the Security Enforcement Principles to obtain such opinion), then an opinion covering paragraph (i) above will be sufficient to constitute a Financial Adviser's Opinion for the purposes of the Security Enforcement Principles;

(g) the Security Agent will be under no obligation to appoint a financial adviser or to seek the advice of a financial adviser, unless expressly required to do so by these Security Enforcement Principles or any other provision of the Intercreditor Agreement. Prior to making any appointment of a financial adviser, the Security Agent is entitled to ensure that cost cover (at a level it is satisfied with acting reasonably) has been provided;

(h) the Financial Adviser's Opinion (or any equivalent opinion obtained by the Security Agent in relation to any other enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Security Enforcement Objective has been met;

(i) in the absence of written notice from a creditor or group of creditors that are not part of the relevant Instructing Group that such creditor(s) object to any enforcement of the Transaction Security on the grounds that such enforcement action does not aim to achieve the Security Enforcement Objective, the Security Agent is entitled to assume that such enforcement of the Transaction Security is in accordance with the Security Enforcement Objective;

(j) if the Security Agent is unable to obtain a Financial Adviser's Opinion after attempting to do so (and after considering making such modifications to the enforcement process as may be reasonably available and consistent with the Security Enforcement Principles to obtain such opinion) because such opinions are not generally available in the market in such circumstances, it will notify the Revolving Agent and each representative in respect of the Senior Secured Notes Liabilities and *Pari Passu* Debt and may proceed to enforce the Transaction Security without needing to demonstrate (by way of a Financial Adviser's Opinion or otherwise) that such enforcement is aiming to achieve the Security Enforcement Objective; and

(k) if enforcement of any Transaction Security is conducted by way of a public auction or other competitive sales process specified in the Intercreditor Agreement, no financial adviser will be required to be appointed, and no Financial Adviser's Opinion will be required, in relation to such enforcement; provided that the Security Agent will be entitled (but not obliged) to appoint a financial adviser to provide such advice as the Security Agent deems appropriate in relation to such enforcement by way of public auction or other competitive sale process in accordance with the Intercreditor Agreement.

Exercise of voting rights

Each Creditor (other than each Revolving Agent, each Senior Secured Notes Trustee, each *Pari Passu* Debt Representative and each Senior Notes Trustee) will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent.

Payment of a Soulte

"**Foreclosed Asset**" means (i) any Charged Property foreclosed by the Secured Parties following a Foreclosure, (ii) (where such Charged Property includes shares in any company) any asset of such company(ies) or any subsidiary(ies) thereof, (iii) any asset of the type referred to in (i) or (ii) transferred to any Secured Parties SPV and/or (iv) any share of any Secured Parties SPV having acquired assets of the type referred to in (i) or (ii) above (including in the context of the enforcement of a Transaction Security Document by way of sale).

"**Foreclosed Assets Holders**" means the Secured Parties (or their affiliates) in their capacity as holders (directly or indirectly through a Secured Parties SPV) of Foreclosed Assets.

"**Foreclosure**" means the enforcement of any Transaction Security as a result of which the relevant Foreclosed Assets are owned either by Secured Parties (or any representative on their behalf) or a Secured Parties SPV following (a) an appropriation (including pursuant to a pacte commissoire or a private appropriation) by judicial foreclosure in favor of, or attribution to, Secured Parties (or any representative on their behalf) or a Secured Parties SPV, or (b) a disposal to a Secured Parties SPV (including a disposal made in the context of the enforcement of a Transaction Security Document by way of sale), in each case, in accordance with the relevant Transaction Security Documents.

"**Foreclosure Date**" means the first date on which a Foreclosure occurs.

"**Secured Parties SPV**" means a special purpose limited liability vehicle acquiring or holding Investment Instruments or Charged Property pursuant to a Foreclosure and whose share capital is held (directly or indirectly) by the Secured Parties or any affiliate(s) of any Secured Parties and which becomes party to the Intercreditor Agreement as a Secured Parties SPV.

If following any Foreclosure a Soulte is owed by the Secured Parties to any Debtor or Security Provider, that Debtor or Security Provider (as applicable) agrees that such Soulte will only become due and payable by the Secured Parties:

(a) where such Soulte arises in connection with the enforcement of any Transaction Security Document governed by French law, on the earlier of;

(i) the date which is 12 months after the date on which such Foreclosure occurs; and

(ii) the Final Discharge Date;

(b) Any payment of the Soulte under paragraph (a) above to any Debtor or Security Provider which will occur prior to the Final Discharge Date will be paid to a bank account of the relevant Debtor or Security Provider (as applicable) held with the Security Agent and pledged in a manner satisfactory to the Security Agent acting on behalf of the Secured Parties in favor of the Secured Parties as security for the secured obligations to be applied in the order of priority of the payment waterfall described under "—*Application of Proceeds*" below. This pledge agreement will include an irrevocable instruction from the relevant Debtor or Security Provider (as applicable) to make from such pledged bank accounts any payment required to be fulfilled under the Intercreditor Agreement or any other Debt Document.

(c) For the avoidance of doubt, the obligations of each Secured Party to pay its proportionate share of any Soulte are several and not joint.

Exit Disposal

The taking of any steps towards making an Exit Disposal will be treated as the enforcement of Transaction Security for all purposes under the Intercreditor Agreement where "Exit Disposal" means, following a Foreclosure of certain Foreclosed Assets, a sale, disposal or transfer of: (a) such Foreclosed Assets, (b) any Investment Instrument issued by a Secured Parties SPV holding such Foreclosed Assets or (c) if the Foreclosed Assets consist of shares of any member of the Group, any assets held by such member of the Group or any subsidiary of it, in each case, to a person or persons which is not a member of the Group or a Secured Parties SPV.

Turnover

The Intercreditor Agreement provides that if at any time prior to the Final Discharge Date, subject to certain exceptions, any Primary Creditor or Subordinated Party (each Intra-Group Lender and each Subordinated Creditor being collectively referred to as the "**Subordinated Parties**") (each a "**Creditor**") or Secured Parties SPV receives or recovers (in the case of a Super Senior Creditor or Senior Secured Creditor only in respect of the fourth paragraph below):

- any payment or distribution of, or on account of or in relation to, any liability owed by a member of the Group under the Debt Documents which is not a permitted payment under the Intercreditor Agreement as described under "—*Permitted Payments*" above or made in accordance with the order of priority described under "—*Application of Proceeds*" below;
- (except with respect to certain discharges by way of set-off occurring after an insolvency event in relation to a member of the Group, following which a Subordinated Party or Senior Notes Creditor benefitting from such set-off is required to pay to the Security Agent an amount equal to the amount set-off for application of such amount in accordance with the order of priority described under "—*Application of Proceeds*" below), any amount by way of set-off in respect of any liability owed by a member of the Group under the Debt Documents which does not give effect to a permitted payment under the Intercreditor Agreement as described under "—*Permitted Payments*" above;
- (notwithstanding the immediately preceding two paragraphs and except with respect to certain discharges by way of set-off described in the immediately preceding paragraph), any amount (i) on account of or in relation to any liability owed by a member of the Group under the Debt Documents after the occurrence of an Acceleration Event which is continuing (x) if prior to the Secured Debt Discharge Date, any of the agent under the Revolving Credit Facility (acting on the instructions of the Majority Revolving Lenders), a Senior Secured Notes Trustee (acting on behalf of the Senior Secured Noteholders) or a *Pari Passu* Debt Representative (acting on the instructions of the *Pari Passu* Debt Required Holders) declares by written notice to the Security Agent, each other creditor representative and the Issuer that a "**Distress Event**" has occurred or (y) if on or after the Secured Debt Discharge Date, a Senior Notes Trustee (acting on behalf of the Senior Noteholders) declares by written notice to the Security Agent, each other creditor representative and the Issuer that a "Distress Event" has occurred (each, a "Distress Event") or as a result of any other litigation or proceedings against a Debtor or Security Provider (other than after the occurrence of an insolvency event in respect of such Debtor or Security Provider), or (ii) by way of set-off in respect of any liability of a member of the Group under the Debt Documents after the occurrence of a Distress Event; in each case except in accordance with the order of priority described under "—*Application of Proceeds*" below;
- the proceeds of any enforcement of any Transaction Security, the proceeds of any Distressed Disposal or Exit Disposal or any Cash Proceeds, in each case except in accordance with the order of priority described under "—*Application of Proceeds*" below; or
- (except with respect to certain discharges by way of set-off described in the second paragraph of this section) any distribution in cash or in kind or payment of, or on account of or in relation to, any liability owed by a Debtor or Security Provider under the Debt Documents which is not in accordance with the order of priority described under "—*Application of Proceeds*" below and which is made as a result of, or after, the occurrence of an insolvency event in respect of such Debtor or Security Provider,

then that Creditor (or Secured Parties SPV as the case may be):

- in relation to receipts or recoveries not received or recovered by way of set-off, must hold that amount on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- in relation to receipts and recoveries received or recovered by way of set-off, must promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Deferral of Subrogation Rights

If any liabilities owed by a member of the Group under the Debt Documents to the Secured Creditors ("**Secured Creditor Liabilities**") are wholly or partly paid out of any proceeds received in respect of or on account of the Senior Notes Liabilities owing to one or more Senior Notes Creditors, those Senior Notes Creditors will to that extent be subrogated to the Secured Creditor Liabilities so paid (and all securities and guarantees for those Secured Creditor Liabilities).

To the extent that a Senior Notes Creditor (a "**Subrogated Creditor**") is entitled to exercise rights of subrogation, each other Creditor (subject in each case to it being indemnified, secured and/or prefunded to its satisfaction against any resulting costs, expenses and liabilities) will give such assistance to enable such rights so to be exercised as such Subrogated Creditor may reasonably request.

No Creditor, Subordinated Party, Debtor or Security Provider will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor which ranks ahead of it in accordance with the priorities set out in the Intercreditor Agreement as described above under "—*Ranking and Priority*" until such time as all of the liabilities owing by a member of the Group under the Debt Documents to each prior ranking Creditor (or, in the case of any Debtor or Security Provider prior to the Final Discharge Date, owing to each Creditor) have been irrevocably paid in full.

No Subordinated Creditor will exercise any rights which it may have to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor until such time as all of the liabilities owing by a member of the Group under the Debt Documents to each Creditor (other than a Subordinated Creditor) have been irrevocably paid in full.

Application of Proceeds

Subject to certain exceptions as set out therein, the Intercreditor Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to, inter alia, the turnover provisions of the Intercreditor Agreement as described under "—*Turnover*" above or in connection with the realization or enforcement of all or any part of the Transaction Security, a transaction in lieu of enforcement of Transaction Security or any other Distressed Disposal or Exit Disposal, or otherwise paid to the Security Agent under the terms of the Intercreditor Agreement pursuant to the provisions described below will be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of the Intercreditor Agreement) in the following order of priority:

- first, in payment or distribution to:

(a) the Security Agent (other than in respect of the parallel debt claims), any receiver or any delegate for application towards the discharge of any sums owing to any of them from any party to the Intercreditor Agreement;

(b) each Revolving Agent on its own behalf for application towards the discharge of the Revolving Agent liabilities (in accordance with the terms of the Revolving Facility Documents);

(c) each Senior Secured Notes Trustee on its own behalf for application towards the discharge of the Senior Secured Notes Trustee Amounts (in accordance with the Senior Secured Notes Finance Documents);

(d) each *Pari Passu* Debt Representative on its own behalf for application towards the discharge of *Pari Passu* Debt Representative Amounts (in accordance with the *Pari Passu* Debt Documents); and

(e) each Senior Notes Trustee on its own behalf for application towards the discharge of the Senior Notes Trustee Amounts (in accordance with the Senior Notes Finance Documents),

on a pro rata basis and ranking *pari passu* between (a), (b), (c), (d) and (e), and in the case of (b), (c), (d) and (e) above, including any such amounts arising in connection with any realization or enforcement of the Transaction Security or any other Distressed Disposal or Exit Disposal taken in accordance with the terms of the Intercreditor Agreement;

- second, in payment or distribution to the Secured Parties of all costs and expenses incurred by any of them in connection with any realization or enforcement of the Transaction Security, in each case taken in accordance with the terms of the Intercreditor Agreement;

- third, in payment to the Secured Parties of any Soulte paid or owed but not yet paid by the Secured Parties pursuant to the provisions of the Intercreditor Agreement as described under "—*Payment of a Soulte*" above;
- fourth, in payment or distribution to:

(a) each Revolving Agent on behalf of the arrangers under the Revolving Credit Facility (the "**Arrangers**") and the Revolving Lenders; and

(b) the Hedge Counterparties, for application towards:

(i) the liabilities of the Arrangers and the Revolving Creditor Liabilities (in accordance with the terms of the Revolving Facility Documents); and

(ii) the Priority Hedging Liabilities,

(other than amounts discharged pursuant to the third ranking item in this order of priority) on a pro rata basis and *pari passu* between paragraphs (i) and (ii) above;

fifth, in payment or distribution to:

(a) each Senior Secured Notes Trustee on behalf of the Senior Secured Noteholders or, if there is no Senior Secured Notes Trustee acting on behalf of any relevant Senior Secured Noteholders, such Senior Secured Noteholders;

(b) each *Pari Passu* Debt Representative on behalf of *Pari Passu* Creditors or, if there is no *Pari Passu* Debt Representative acting on behalf of any relevant *Pari Passu* Creditors, such *Pari Passu* Creditors; and

(c) the Hedge Counterparties, for application towards:

(i) the Senior Secured Notes Liabilities owed to the Senior Secured Noteholders (in accordance with the terms of the Senior Secured Notes Finance Documents);

(ii) the *Pari Passu* Debt Liabilities owed to the *Pari Passu* Creditors (in accordance with the terms of the *Pari Passu* Debt Documents); and

(iii) the Non Priority Hedging Liabilities,

(other than amounts discharged pursuant to the third ranking item in this order of priority) on a pro rata basis and *pari passu* between paragraphs (i) to (iii) above;

- sixth, to the extent paid out of enforcement proceeds resulting from the enforcement of the Senior Notes Shared Security, the Senior Notes Guarantees or proceeds from an Exit Disposal in relation to assets which were previously subject to the Senior Notes Shared Security, in payment or distribution to: each Senior Notes Trustee on behalf of the Senior Noteholders or, if there is no Senior Notes Trustee acting on behalf of any relevant Senior Noteholders, such Senior Noteholders for application towards the discharge of the Senior Notes Liabilities owed to the Senior Noteholders (in accordance with the terms of the Senior Notes Finance Documents) (other than amounts discharged pursuant to the third ranking item in this order of priority);
- seventh, once the Final Discharge Date has occurred, in payment to the relevant Debtors or Security Providers to which a Soulte, if any, is payable or has been paid and returned to the Security Agent by the relevant Debtors or Security Providers pursuant to the provisions of the Intercreditor Agreement as described under "—*Payment of a Soulte*" above, of such Soulte;
- eighth, if none of the Debtors is under any further actual or contingent liability under any Revolving Facility Document, Senior Secured Notes Finance Document, *Pari Passu* Debt Document or Senior Notes Finance Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and
- ninth, the balance, if any, in payment or distribution to the relevant Debtor or Security Provider entitled to receive it.

Release of the Guarantees and the Security

Distressed Disposals

The Intercreditor Agreement provides that in relation to the disposal of an asset of a member of the Group which is being effected: (x) at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable; (y) by enforcement, or simultaneously with the enforcement, of the Transaction Security; or (z) after the occurrence of a Distress Event by or on behalf of a Debtor or Security Provider to a person or persons which are not members of the Group (a "**Distressed Disposal**"), an Exit Disposal or a Foreclosure, the Security Agent is irrevocably authorized (at the cost of any relevant Debtor or the Issuer) to

(i) release the Transaction Security or any other claim over the relevant asset;

(ii) (if the relevant asset consists of shares in the capital of a Debtor, to release that Debtor and any of its subsidiaries from all or any part of its liabilities in its capacity as a guarantor or a borrower (and certain other liabilities) under the Revolving Credit Facility, the Senior Secured Notes, the *Pari Passu* Debt and the Senior Notes and the other Debt Documents and to release any Transaction Security granted by that Debtor or any of its subsidiaries over any of its assets and to release any other claim of a Subordinated Creditor, an Intra-Group Lender or another Debtor or Security Provider over that Debtor's assets or over the assets of any of its subsidiaries;

(iii) if the relevant asset consists of shares in the capital of a holding company of a Debtor, to release that holding company and any of its subsidiaries from all or any part of their liabilities in their capacity as a guarantor or a borrower (and certain other liabilities) under the Revolving Credit Facility, the Senior Secured Notes, the *Pari Passu* Debt, the Senior Notes and the other Debt Documents, and to release any Transaction Security granted by that holding company or any of its subsidiaries over any of its assets and to release any other claims of a Subordinated Creditor, an Intra-Group Lender or another Debtor over the assets of that holding company or any of its subsidiaries;

(iv) if the relevant asset consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent decides to dispose of all or any part of the liabilities of that first Debtor (other than liabilities owed to any relevant representative of creditors or any arranger) or of a holding company or any subsidiaries of that first Debtor or holding company towards that first Debtor, on the basis that any transferee of those liabilities (the "**Transferee**") should not be a secured party, the Transferee will not be treated as a secured party;

(v) if the relevant asset consists of shares in the capital of a Debtor or holding company of a Debtor and the Security Agent decides to dispose of all or any part of the liabilities of that first Debtor (other than liabilities owed to any relevant representative of creditors or any arranger) or holding company or any subsidiaries of that first Debtor or holding company towards that first Debtor, on the basis that any transferee of those liabilities should be a secured party, execute and deliver or enter into any agreement to dispose of (A) all (and not part only) of the liabilities owed to the secured parties (other than to any representative of Senior Secured Creditors or any senior arranger) and (B) all or part of any other liabilities (other than liabilities owed to any representative of Senior Secured Creditors or any senior arranger) and the liabilities of any holding company or any subsidiaries of that first Debtor or holding company towards that first Debtor; on behalf of, in each case, the relevant creditors and Debtors; and

(vi) if the relevant asset consists of shares in the capital of a Debtor or holding company of a Debtor (the "**Disposed Entity**") and the Security Agent decides to transfer (to the extent permitted by applicable law) to another Debtor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of (A) the Intra-Group Liabilities, (B) the liabilities of any holding company or any subsidiaries of that first Debtor or holding company towards that first Debtor or (C) the Subordinated Liabilities, execute and deliver or enter into any agreement to (x) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, liabilities or Subordinated Liabilities on behalf of the relevant Intra-Group Lenders, Debtors or, as the case may be, the Subordinated Creditor to which those obligations are owed and on behalf of the Debtors which owe those obligations and (y) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities, liabilities or Subordinated Liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities, liabilities or, as the case may be, Subordinated Liabilities are to be transferred.

The Security Agent must take reasonable care to obtain a fair market price in the prevailing market conditions and apply the proceeds of such disposal in accordance with "Application of Proceeds" above.

Non-Distressed Disposals

In addition, if (a) a disposal relates to an asset of a Debtor, Security Provider or member of the Group, (b) subject to certification requirements, that disposal is permitted under or not prohibited by respectively (prior to the Revolving Facility Discharge Date) the Revolving Facility Documents, (prior to the Senior Secured Notes Discharge Date) the Senior Secured Notes Finance Documents or the Senior Secured Notes Trustee authorizes that release (prior to the *Pari Passu* Debt Discharge Date) the *Pari Passu* Debt Documents, and (prior to the Senior Notes Discharge Date) the Senior Notes Finance Documents or the Senior Notes Trustee authorizes that release and (c) that disposal is not a Distressed Disposal, the Security Agent is irrevocably authorized and obliged, at the cost of the relevant Debtor or Security Provider or the Issuer and without any consent, sanction, authority or further confirmation from any other party to the Intercreditor Agreement:

(i) to release (or procure that any other relevant person releases) the Transaction Security or any other claim (relating to a Debt Document) over that asset;

(ii) where that asset consists of shares in the capital of a Debtor, to release the Transaction Security or any other claim (relating to a Debt Document) over that Debtor's assets, and, to the extent that they are at such time being disposed of, the assets of any subsidiary of that Debtor and, to the extent that they are at such time being disposed of, the subsidiaries of that Debtor and their respective assets; and

(iii) to execute and deliver or enter into any release of the Transaction Security or any claim described in (i) and (ii) above and issue any certificates of non-crystallization of any floating charge or any consent to dealing that the Security Agent (acting reasonably) considers to be necessary or desirable.

Notwithstanding anything to the contrary in any Debt Document, nothing in any Security Document will operate or be construed so as to prevent any transaction, matter or other step not prohibited by the terms of the Intercreditor Agreement or any Debt Financing Agreement (a "P**ermitted Transaction**") and the Security Agent (on behalf of itself and the Secured Parties) agrees (and is irrevocably authorized and instructed to do so without any consent, sanction, authority or further confirmation from any party to the Intercreditor Agreement) that it will (at the request and cost of the relevant Debtor or Security Provider or the Issuer) promptly execute any release or other document and/or take such other action under or in relation to any Debt Document (or any asset subject or expressed to be subject to any Security Document) as is requested by the Issuer in order to complete, implement or facilitate a Permitted Transaction.

Conditions to Release—Senior Notes Protection

If before the Senior Notes Discharge Date:

(a) a Distressed Disposal is being effected such that the Senior Notes Guarantees and Senior Notes Shared Security will be released as described under "—*Distressed Disposals*" above; or

(b) an Exit Disposal in respect of assets which were Charged Property under Senior Notes Shared Security, or which were owned by a Senior Notes Guarantor, is being effected after the Senior Notes Guarantees and Senior Notes Shared Security have been released as described under "—*Distressed Disposals*" above following a Foreclosure,

it is a further condition to any such release or disposal that either (1) the relevant Senior Notes Trustee has approved the release and/or the disposal or (2) where such shares or assets are sold or disposed of:

(i) the proceeds of such sale or disposal are in cash (or substantially in cash);

(ii) all claims of the Primary Creditors against any member of the Group and any subsidiary of that member of the Group whose shares that are owned by a Debtor are pledged in favor of the Primary Creditors are sold or disposed of pursuant to such Distressed Disposal or such Exit Disposal, are unconditionally released and discharged concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the Security Documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale; provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):

(A) the Instructing Group determines acting reasonably and in good faith that the Secured Creditors (taken as a whole) will recover more than if such claim was released or discharged; and

(B) the representative(s) in respect of the Instructing Group serve a notice on the Security Agent notifying the Security Agent of the same, in which case the Security Agent will be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and

(iii) such sale or disposal is made:

(A) pursuant to a public auction or other competitive sale process specified in the

Intercreditor Agreement; or

(B) where a financial adviser confirms that the sale, disposal or transfer price is fair from a financial point of view after taking into account all relevant circumstances, although there will be no obligation to postpone any such sale, disposal or transfer in order to achieve a higher price.

Amendment

Subject to certain exceptions and usual disenfranchisement provisions, the Intercreditor Agreement will provide that it may only be amended with the consent of the Issuer, the Revolving Agent (acting in accordance with the terms of the Revolving Facility Agreement), the requisite majority of *Pari Passu* Creditors, each Senior Secured Notes Trustee (acting in accordance with the terms of the applicable Senior Secured Notes Indenture), each Senior Notes Trustee (acting in accordance with the terms of the applicable Senior Notes Indenture) and the Security Agent; provided that to the extent an amendment, waiver or consent only affects one class of any such Primary Creditor, and such amendment, waiver or consent could not reasonably be expected to materially and adversely affect the interests of the other classes of Primary Creditors, only written agreement from the affected class (or in each case, the relevant creditor representative acting on their behalf) unless (i) such amendments are made to cure defects or omissions, resolve ambiguities or inconsistencies or reflect changes of a minor, technical or administrative nature or as otherwise prescribed by the relevant Debt Documents or (ii) such amendments are made to meet the requirements of any person proposing to act as a creditor representative which are customary for persons acting in such capacity and would not have a material adverse effect on the other parties to the Intercreditor Agreement, in each case, which amendments may be made by the Issuer and the Security Agent. No amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on or withdraw or reduce the rights of any party to the Intercreditor Agreement without its prior consent other than, in the case of a Primary Creditor, in a way which affects or would affect Primary Creditors of that party's class generally or, in the case of a Debtor, to the extent consented to by the Issuer.

An amendment or waiver to the Intercreditor Agreement that relates to, inter alia, certain of the matters described under "—*Manner of Enforcement of Transaction Security*" or "—*Security Enforcement Principles*" or to the Security Enforcement Principles may be made by the Majority Super Senior Creditors and the Majority Senior Secured Creditors acting through the relevant representative.

The Security Agent may amend the terms of, waive any of the requirements of, or grant consents under, any of the Transaction Security Documents acting on the instructions of each representative of creditors that are secured by the relevant Transaction Security Documents, with the consent of the Issuer, unless provided otherwise under the relevant documents.

Option to purchase: Senior Secured Notes Creditors and *Pari Passu* Creditors

After a Distress Event (and until the date which is the earlier of (i) a Foreclosure occurring in respect of Investment Instruments issued by the Issuer and (ii) a public auction or competitive sale process specified in the Intercreditor Agreement occurring in respect of Investment Instruments issued by the Issuer), by giving not less than 10 days' prior notice to the Security Agent, the Senior Secured Noteholders and *Pari Passu* Creditors will have the right to acquire or procure that a nominee (or nominees) acquires by way of transfer all (but not part only) of the rights, benefits and obligations in respect of Revolving Creditor Liabilities and the Hedging Liabilities constituting Priority Hedging.

Any such purchase will be on terms which will include, without limitation, payment in full of an amount equal to all (but not part) of the Revolving Creditor Liabilities and Hedging Liabilities constituting Priority Hedging then outstanding, including certain costs and expenses of the Revolving Creditors and Hedge Counterparties; after the transfer, no Revolving Creditor or Hedge Counterparty will be under any actual or contingent liability to any Debtor under the relevant Debt Documents; the acquiring entities indemnify each Revolving Creditor and Hedge Counterparty for any actual or alleged obligation to repay or claw-back any amount received by such Revolving Creditor or Hedge Counterparty; the relevant transfer will be without recourse to, or warranty from, any Revolving Creditor or Hedge Counterparty, save for certain representations relating to corporate power and authority to effect the transfer as set out in the Intercreditor Agreement; and the Senior Notes Creditors have not exercised their rights described below in "—*Option to Purchase: Senior Notes Creditors*", or, having exercised such rights, have failed to complete the acquisition of the relevant Senior Secured Liabilities and Super Senior Liabilities as described below in "—*Option to Purchase: Senior Notes Creditors*".

Option to Purchase: Senior Notes Creditors

After a Distress Event (and until the earlier of Foreclosure or a public auction or competitive sale process specified in the Intercreditor Agreement, in each case in respect of Investment Instruments issued by the Issuer) by giving not less than 10 days' prior notice to the Security Agent, the Senior Notes Creditors will have the right to acquire or procure that a nominee (or nominees) acquires by way of transfer all (but not part only) of the rights, benefits and obligations in respect of Revolving Creditor Liabilities, the Hedging Liabilities, the Senior Secured Notes Liabilities and the *Pari Passu* Debt Liabilities.

Any such purchase will be on terms which will include, without limitation, payment in full of an amount equal to all (but not part) of the relevant liabilities then outstanding, including certain costs and expenses of the Revolving Creditors, Hedge Counterparties, Senior Secured Noteholders and *Pari Passu* Creditors; after the transfer, no Revolving Creditor, Hedge Counterparty, Senior Secured Noteholder or *Pari Passu* Creditor will be under any actual or contingent liability to any Debtor under the relevant Debt Documents; the acquiring entities indemnify each relevant transferring Creditor for any actual or alleged obligation to repay or claw-back any amount received by such transferring Creditor; and the relevant transfer will be without recourse to, or warranty from, any transferring Creditor, save for certain representations relating to corporate power and authority to effect the transfer as set out in the Intercreditor Agreement.

Other provisions

The Intercreditor Agreement also includes provisions relating to:

- redistribution of amounts;
- protection and appointment provisions relating to the trustees and agents including provisions relating to replacement of agents;
- equalization;
- guarantees in respect of hedging agreements;
- accession and resignation of parties;
- costs and expenses; and
- parallel debt claims.

Termination

The Intercreditor Agreement will terminate on the date the Security Agent is reasonably satisfied that (i) all liabilities owed by a member of the Group under the Debt Documents (other than the Subordinated Liabilities) have been discharged in full in cash or (ii) there are no cash proceeds or recoveries whatsoever which may be turned over to it and applied by it in accordance with the provisions of the Intercreditor Agreement.

Governing Law

The Intercreditor Agreement is governed by English law.

Overdraft facilities

We have entered into committed facilities (each, an "**Overdraft Facility"** and collectively, the "**Overdraft Facilities**") with six financial institutions located in France, which together allow us to draw up to €40.5 million in the aggregate. Under each Overdraft Facility, the interest rate payable on drawings is based on either EURIBOR or euro short-term rate, plus a margin and we pay annual commitment fees on the commitment overdraft amounts.

Senior Secured Notes

Capitalized terms set forth in this section have the meanings given to such terms and used in the Indenture (unless indicated otherwise).

Overview

Goldstory S.A.S. (the "**Issuer**") issued €350,000,000 aggregate principal amount of sustainability-linked floating rate senior secured notes due 2030 (the "**Floating Rate Notes**") and €500,000,000 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**") under the indenture (the "**Indenture**") dated as of February 14, 2024 among, inter alios, itself, Mstory S.A.S. ("**Midco**"), THOM GROUP S.A.S. ("**THOM GROUP**"), the Trustee and the Security Agent, as supplemented by the supplemental indenture dated as of February 16, 2024, among itself, THOM S.A.S. ("**THOM**"), Stroili Oro S.p.A. ("**Stroili**") and the Trustee.

Ranking

The Notes are the general senior obligations of the Issuer; are guaranteed on a senior basis by the Notes Guarantors; are secured as set forth below under "*—Security*"; rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes; rank *pari passu* in right of payment with any existing and future Indebtedness of the Issuer that is not subordinated in right of payment to the Notes, including obligations under the Revolving Credit Facility and certain hedging obligations; are effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness; are effectively senior in right of payment to any existing and future unsecured obligations of the Issuer, to the extent of the value of the collateral that is available to satisfy the obligations of the Issuer under the Notes; and are structurally subordinated to any existing and future indebtedness of subsidiaries of the Issuer that are not Notes Guarantors, including obligations owed to trade creditors.

Interest Rates, Payment Dates and Maturity

Interest on the Fixed Rate Notes accrues at a rate of 6.75% per annum (plus any Target Step-Up as described in "*—Sustainability-Linked Interest Rate Adjustment*" below (if applicable)). Interest on the Fixed Rate Notes is payable in cash semi-annually in arrears on each February 1 and August 1.

Interest on the Floating Rate Notes accrues at a rate per annum, reset quarterly, equal to the sum of (i) three-month EURIBOR (and, if that rate is less than zero, EURIBOR shall be deemed to be zero) plus (ii) 4.00% per annum (plus any Target Step-Up as described in "*—Sustainability-Linked Interest Rate Adjustment*" below (if applicable)), as determined by the Calculation Agent. Interest on the Floating Rate Notes is payable in cash quarterly in arrears on each February 1, May 1, August 1 and November 1.

The Notes will mature on February 1, 2030.

Sustainability-Linked Interest Rate Adjustment

From and including the interest period commencing on February 1, 2028, the interest rate payable on the Fixed Rate Notes and the margin on the Floating Rate Notes will increase if either Sustainability Performance Target has not been achieved:

a)The interest rate payable on the Fixed Rate Notes and the margin on the Floating Rate Notes shall be increased by 0.125% per annum, unless the Issuer has notified the Trustee and the Paying Agents in writing, at least 15 days prior to February 1, 2028, that it has attained the GHG Emissions Sustainability Performance Target and received and published an Assurance Letter; and

b) The interest rate payable on the Fixed Rate Notes and the margin on the Floating Rate Notes shall be increased by 0.125% per annum, unless the Issuer has notified the Trustee and the Paying Agents in writing, at least 15 days prior to February 1, 2028, that it has attained the Supplier Certification Sustainability Performance Target and received and published an Assurance Letter.

Notes Guarantees

The Notes are guaranteed by each Notes Guarantor. Each Notes Guarantee is a general senior obligation of the relevant Notes Guarantor; is secured as set forth below under "*—Security*"; ranks senior in right of payment to any existing and future indebtedness of such Notes Guarantor that is expressly subordinated in right of payment to its Notes Guarantee; ranks *pari passu* in right of payment with any existing and future indebtedness of such Notes Guarantor that is not subordinated in right of payment to its Notes Guarantee, including obligations under the Revolving Credit Facility and certain hedging obligations; is effectively subordinated to any existing and future indebtedness of such Notes Guarantor that is secured by property or assets that do not secure its Notes Guarantee, to the extent of the value of the property and assets securing such indebtedness; and is structurally subordinated to any existing and future indebtedness of subsidiaries of such Notes Guarantor that are not Notes Guarantors.

The obligations of the Notes Guarantors are contractually limited under the Notes Guarantees to reflect limitations under applicable law. In particular, the Notes Guarantee granted by THOM GROUP is limited to an amount equal to the sum from time to time of the outstanding amounts under the Proceeds Loans, up to an expected maximum amount of €441.0 million. The Notes Guarantee granted by THOM is limited to an amount equal to the sum from time to time of the outstanding amounts under intercompany loans from THOM GROUP to THOM, up to an expected maximum amount of €163.6 million. The Notes Guarantee granted by Stroili is limited to an amount equal to the sum from time to time of the outstanding amounts under the intercompany loans from THOM to Stroili, up to an expected maximum amount of €124.6 million. Payments made by one Notes Guarantor under its Notes Guarantee will reduce the maximum guaranteed amounts of the Notes Guarantees issued by the other Notes Guarantors. In certain cases, these limitations may apply to the Notes Guarantees, but not to the applicable Notes Guarantor's obligations under other debt, including the Revolving Credit Facility.

Security

The Notes and the Notes Guarantees are secured by first-ranking security interests (or security interests treated as such pursuant to the terms of the Intercreditor Agreement), subject to applicable limitations set out in the Indenture, over: (i) the shares of the Issuer held by Midco; (ii) certain future intercompany loan receivables owed to Midco by the Issuer; (iii) the shares of THOM GROUP held by the Issuer; (iv) the bank account of the Issuer; (v) certain intercompany loan receivables owed to the Issuer by any other member of the Group; (vi) the shares of THOM held by THOM GROUP; (vii) the material bank accounts of THOM GROUP; (viii) certain intercompany loan receivables owed to THOM GROUP by any other member of the Group; (ix) the material bank accounts of THOM; (x) certain intercompany loan receivables owed to THOM by any other member of the Group; (xi) the intellectual property rights held by THOM over the Histoire d'Or and Marc Orian trademarks (such pledge having been registered only under French law at the *Institut National de la Propriété Industrielle* and at the European Union Intellectual Property Office); (xii) the shares of Stroili held by THOM; (xiii) material bank accounts of Stroili;

and (xiv) certain intercompany loan receivables owed to Stroili by any other member of the Group, along with obligations under the Revolving Credit Facility and certain hedging obligations. However, pursuant to the Intercreditor Agreement, Holders of the Notes will receive proceeds from enforcement of the Collateral and certain distressed disposals only after any obligations under the Revolving Credit Facility and certain hedging obligations, which are secured on a super-priority basis, have been repaid in full.

Optional Redemption and Change of Control

Floating Rate Notes

Except as described below, the Floating Rate Notes are not redeemable until February 1, 2025.

On and after February 1, 2025, the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on February 1 of the years indicated below:

Year	Redemption Price
2025	101.0000%
2026	100.1250%
2027	100.0625%
2028 and thereafter	100.0000%

On or after February 1, 2025, if a Sustainability Compliance Event has occurred, the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on February 1 of the years indicated below:

Year	Redemption Price
2025	101.0000%
2026 and thereafter	100.0000%

At any time prior to February 1, 2025, the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Fixed Rate Notes

Except as described below, the Fixed Rate Notes are not redeemable until February 1, 2026.

On and after February 1, 2026, the Issuer may redeem all or, from time to time, part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on February 1 of the years indicated below:

Year	Redemption Price
2026	103.5000%
2027	101.7500%
2028 and thereafter	100.0000%

On or after February 1, 2026, if a Sustainability Compliance Event has occurred, the Issuer may redeem all or, from time to time, part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as percentages of principal amount) plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on February 1 of the years indicated below:

Year	Redemption Price
2026	103.3750%
2027	101.6875%
2028 and thereafter	100.0000%

Prior to February 1, 2026, the Issuer may on any one or more occasions redeem up to 40% of the original aggregate principal amount of the Fixed Rate Notes (including the aggregate principal amount of any Additional Fixed Rate Notes), upon not less than 10 nor more than 60 days' notice, with funds in an aggregate amount not exceeding the Net Cash Proceeds of one or more Equity Offerings at a redemption price of 106.75% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), subject to certain conditions.

In addition, at any time prior to February 1, 2026, the Issuer may redeem all or, from time to time, part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' notice at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Upon the occurrence of certain change of control events, each Holder of Notes may require the Issuer to repurchase all or any part (equal to €100,000 or an integral multiple of €1,000 in excess thereof) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase. A change of control, however, will be deemed not to have occurred if a specified consolidated net leverage ratio is not exceeded in connection with such event in certain circumstances.

If the Issuer sells assets, under certain circumstances, the Issuer is required to make an offer to purchase the Notes at 100% of the outstanding principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the date of purchase, with the excess proceeds from such asset sale.

If certain changes in the law (or in its interpretation) of any relevant taxing jurisdiction impose certain withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes in whole, but not in part, at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

Covenants

The Indenture, among other things, restricts the ability of the Issuer and certain of its subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuer or its restricted subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Issuer or any of its restricted subsidiaries;
- sell, lease or transfer certain assets including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities;
- impair the security interests for the benefit of holders of the Notes;
- take certain actions with regard to the Proceeds Loans; and
- in the case of Midco and the Issuer, own certain debt and equity of their indirect Subsidiaries.

Certain of the covenants will be suspended if the Notes obtain and maintain an investment-grade rating. Each of these covenants is subject to a number of important exceptions and qualifications.

Events of Default

The Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the Notes, certain failures to perform or observe any other obligation under the Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of the Issuer, any Notes Guarantor or certain restricted subsidiaries or groups of restricted subsidiaries. The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the Notes.

Statutory auditors' report on the consolidated financial statements

For the year ended September 30, 2024

GOLDSTORY

Simplified joint stock company
55, rue d'Amsterdam
75008 Paris

This is a translation into English of the statutory auditors' report on the consolidated financial statements of GOLDSTORY issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Aca Nexia
31 rue Henri Rochefort
75017 Paris
S.A.S. au capital de 640 000 €
331 057 406 RCS Paris
Société de Commissariat aux Comptes
inscrite à la Compagnie Régionale de Paris

Deloitte & Associés
6, place de la Pyramide
92908 Paris-La Défense Cedex
S.A.S. au capital de 2 188 160 €
572 028 041 RCS Nanterre
Société de Commissariat aux Comptes
inscrite à la Compagnie Régionale de Versailles
et du Centre

To the Sole Shareholder of GOLDSTORY Company,

Opinion

In compliance with the engagement entrusted to us by a Sole Shareholder's decision, we have audited the accompanying consolidated financial statements of GOLDSTORY for the year ended September 30, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at September 30, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from October 1st. 2023, to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

As part of our assessment of the accounting rules and principles followed by your company with regard to the valuation of goodwill and brands as described in Notes 9, 10 and 13, we have assessed the approach taken by your Company. A second step was to assess the data and assumptions on which these valuations are based and to verify that the notes to the consolidated accounts provide appropriate information.

Specific Verifications

We have also performed in accordance with professional standards applicable in France the specific verifications required by law and regulations of the information pertaining to the Group presented in the management report of the President.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Paris and Paris-La Défense, January 17, 2025

The Statutory Auditors

French original signed by

Aca Nexia	Deloitte & Associés
Daniel BUCHOUX	Jean-Charles DUSSART

GOLDSTORY

IFRS Consolidated Financial Statements

for the financial year ended September 30, 2024

I. Consolidated statement of financial position

Assets

In €m	Notes	30/09/2024	30/09/2023
Goodwill	9.	388.3	387.2
Other intangible assets	10.	363.8	357.6
Property, plant and equipment	11.	84.6	76.0
Right-of-use assets	12.1.	382.8	352.9
Other non-current assets	14.	34.0	25.1
Non-current derivative instruments - Assets		0.0	5.5
Deferred tax assets	7.2.	18.7	16.7
Non-current assets		1,272.2	1,221.0
Inventories	15.	329.8	292.2
Trade receivables	16.1.	16.0	14.4
Current tax assets		13.6	11.5
Other current assets	16.2.	55.0	55.0
Current derivative instruments - Assets		4.6	15.6
Cash and cash equivalents	20.5.	20.8	21.2
Current assets		439.8	410.0
Total assets		**1,712.0**	**1,630.9**

Equity and liabilities

In €m	Notes	30/09/2024	30/09/2023
Equity			
- Share capital		3.6	3.6
- Share premium		31.2	186.6
- Consolidated reserves		80.9	71.7
- Translation reserves		0.7	0.5
- Net profit (loss) for the period		31.3	44.7
Equity attributable to owners of the company	18.1.	**147.7**	**307.1**
Non-controlling interests	18.1.	2.0	3.0
Total equity		149.7	310.1
Non-current financial liabilities	20.1.	840.6	605.3
Non-current lease liabilities	12.2.	228.2	203.8
Post-employment benefits	5.3.2.	4.6	3.9
Non-current provisions	21.	4.2	2.3
Other non-current liabilities	17.2.	11.5	26.4
Non-current derivatives		3.2	-
Deferred tax liabilities	7.2.	42.9	49.3
Non-current liabilities		1,135.3	891.0
Current financial liabilities	20.1.	12.6	49.5
Current lease liabilities	12.2.	82.1	70.6
Current provisions	21.	4.3	4.4
Trade payables	17.1.	152.8	136.6
Current tax liabilities		15.5	12.7
Other current liabilities	17.2.	159.3	154.1
Current derivative instruments - Liabilities		0.5	1.9
Current liabilities		427.1	429.8
Total equity and liabilities		**1,712.0**	**1,630.9**

II. Consolidated income statement

In €m	Notes	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Revenue	5.1.	1,089.6	1,011.8
Cost of goods sold	5.3.1.	(397.1)	(343.8)
Gross Margin		692.5	668.0
Other income	5.2.	6.8	2.7
Personnel expenses	5.3.2.	(265.1)	(254.2)
External expenses	5.3.3.	(153.0)	(141.6)
Allowance for depreciation, amortisation, impairment and provisions	5.3.4.	(114.3)	(109.5)
Other expenses		(1.6)	(2.0)
Recurring operating profit		165.3	163.4
Other non-recurring operating income	5.3.5.	0.7	1.6
Other non-recurring operating expenses	5.3.5.	(13.3)	(10.5)
Operating profit		152.7	154.6
Cost of net financial debt	6.	(59.4)	(41.3)
Other financial income and expenses	6.	(25.1)	(24.7)
Profit before tax		68.3	88.5
Income tax expense	7.1.	(38.1)	(44.1)
Profit (loss) for the period		**30.2**	**44.4**
Profit attributable to:			
Owners of the Company		*31.3*	*44.7*
Non-controlling interests		*(1.1)*	*(0.3)*

III. Other comprehensive income

In €m	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Profit (loss) for the period	30.2	44.4
Remeasurements of post-employment benefits	(0.6)	(0.1)
Related tax	0.1	0.0
Items that will not be reclassified to profit or loss	(0.5)	(0.1)
Translation reserves	0.2	0.4
Cash flow hedges	(19.5)	(5.9)
Related tax	4.9	1.5
Items that will be reclassified subsequently to profit or loss	(14.4)	(3.9)
Total other comprehensive income	**15.4**	**40.4**
Attributable to :		
Owners of the Company	*16.4*	*40.7*
Non-controlling interests	*(1.1)*	*(0.3)*

IV. Consolidated 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	TOTAL EQUITY
Shareholders' equity as of 30 September 2023	**3.6**	**186.6**	**71.7**	**0.5**	**44.7**	**307.1**	**3.0**	**310.1**
Total comprehensive income for the period								
Profit (loss) for the period					31.3	31.3	(1.1)	30.2
Other comprehensive income			(15.1)	0.2		(14.9)		(14.9)
Total comprehensive income for the period	-	-	(15.1)	0.2	31.3	16.4	(1.1)	15.4
Contributions from owners and distributions to owners of the Company								
Change in share capital & share premium								
Profit (loss) appropriation			44.7		(44.7)			
Dividends		(155.4)	(18.8)			(174.2)		(174.2)
Changes in consolidation scope & transactions with non-controlling interests			(1.6)			(1.6)	0.1	(1.5)
Total contributions from owners and distributions to owners of the Company		(155.4)	24.2	-	(44.7)	(175.8)	0.1	(175.8)
Shareholders' equity as of 30 September 2024	**3.6**	**31.2**	**80.9**	**0.7**	**31.3**	**147.7**	**2.0**	**149.7**

V. Consolidated statement of cash flows

In €m	Notes	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Cash-flow from operating activities			
Profit (loss) for the period		30.2	44.4
Adjustments for:			
Allowance for depreciation, amortisation, impairment and provisions	5.3.4.	114.3	109.5
Income tax expense	7.1.	38.1	44.1
Net finance costs	6.	84.4	66.0
Non-cash items from recurring operating income and expenses		0.4	0.8
Non-cash items from non-recurring operating income and expenses		3.8	0.1
Operating cash before changes in working capital and income tax paid		271.3	265.0
Change in working capital requirements	5.4.	(19.1)	(32.3)
Income tax paid		(23.3)	(26.8)
Net cash from operating activities		228.9	205.9
Acquisition of property, plant & equipment and intangible assets		(51.4)	(48.4)
Disposal of property, plant & equipment and intangible assets		0.6	0.3
Acquisition of financial assets		0.7	(0.9)
Acquisition of subsidiaries, net of cash acquired		(10.7)	(2.9)
Net cash used in investing activities		(60.8)	(51.9)
Proceeds from issue of share capital		-	-
Dividends paid		(204.2)	(25.0)
Proceeds from issue of bonds	20.1.	835.2	-
Repayment of old Senior Secured Notes, Net	20.1.	(620.0)	-
Premium paid for early redemption of SSN	20.1.	(5.0)	-
Disposal of Interest Rate Hedging contracts	20.1.	12.0	-
Repayment of lease liabilities	20.1.	(75.5)	(67.7)
Revolving credit facilities, net of repayment	20.1.	(30.0)	8.0
Interest paid on Senior Secured Notes		(47.3)	(35.2)
Interest paid on RCF		(1.6)	(2.1)
Interest paid on lease liabilities		(21.9)	(21.7)
Other interest paid		(0.2)	(0.2)
Other cash flows used in financing activities		(3.6)	(1.1)
Net cash from/ (used in) financing activities		(162.1)	(145.0)
Net increase / (decrease) in cash and cash equivalents		**6.1**	**9.0**
Cash and cash equivalents at the beginning of the period	20.5.	14.7	5.7
Cash and cash equivalents at the end of the period	20.5.	20.8	14.7
Change in cash		**6.1**	**9.0**

VI. Notes to the consolidated financial statements

CONTENTS

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 eight countries. On September 30, 2024, it had a large portfolio of multichannel brands and directly operated 1 021 stores, 46 corners and 7 e-commerce platforms in France and Belgium (histoiredor.com and marc-orian.com, agatha.fr, bemaad.fr), Italy (stroilioro.com), Spain (agatha.es) and Germany (orovivo.de). THOM also has 45 affiliated partner stores in France (7 openings during the fiscal year ended September 30, 2024) as well as wholesale activity through its French subsidiary (Timeway France) and Italian subsidiary (Timeway Italy).

1.2 Significant events

1.2.1 Refinancing

In order to refinance the existing indebtedness of Golstory S.A.S. and its subsidiaries in the form of a €620.0 million Senior Secured Notes facility subscribed by Goldstory S.A.S. on February 4, 2021, Goldstory S.A.S.:

- on February 14, 2024, in the form of senior secured notes due March 1, 2030 in accordance with the laws of the State of New York, for a total amount of €850.0 million, divided into a series of fixed-rate notes for an amount of €500.0 million carrying an interest rate of 6.75% (the **"Fixed-Rate Bonds"**) and a series of floating-rate bonds for an amount of €350.0 million (at EURIBOR margin plus 400 bps) (the **"Floating-Rate Bonds"**, together with the Fixed-Rate Bonds the **"Bonds"**), which are, to date, guaranteed in particular by THOM GROUP S. A.S., THOM S.A.S. and Stroili Oro S.p.A., each guaranteeing the amount of proceeds from the issue of the Bonds received by way of intra-group loans or existing intra-group loans;
- has entered into a Super Senior Revolving Credit Facility dated February 14, 2024 for a principal amount of €120.0 million (the **"Revolving Credit Agreement"**), maturing on August 1, 2029, governed by English law (certain provisions being construed in accordance with the laws of the State of New York), under which a Revolving Credit Facility has been made available to the borrowers, together with an intercreditor agreement dated February 14, 2024 (the **"Intercreditor Agreement"**, together with the Note Documents and the Revolving Credit Agreement, the **"Financing Documents"**);

As part of the refinancing, THOM GROUP S.A.S., THOM S.A.S. and Stroili Oro S.p.A. have signed the Financing Documents, and several guarantees have been granted in favour of the lenders' agent, including pledges of financial securities accounts and pledges of intra-group receivables.

On March 22, 2024, the Group implemented a new EURIBOR hedge to hedge against increases in interest rates related to the Floating Rate Senior Secured Notes for a total notional amount of €265.0 million out of €350.0 million total Floating Rate Senior Secured Notes (see Note 6.)

1.2.2 Corporate mutual fund scheme (FCPE)

In April 2024, the Group launched its third Corporate Mutual Fund ("Fonds Commun de Placement d'Entreprise" or FCPE), enabling all employees with over three months of seniority could invest. As part of this initiative, the Group matched employees' investments with a contribution of up to €300.0 per person. This year, the program was extended to include employees of Timeway in France and Italy, as well as AGATHA in France and Spain.

As a result, 7.5% of employees (approximately 500 individuals) participated in the fund, with an average investment of €1,200 per person. Notably, 21.0% of the Group's eligible employees are now individual shareholders, reflecting the Group's ongoing commitment to fostering employee engagement and shared ownership.

The shares were transferred to employees on June 28, 2024.

1.2.3 Network developments

As of September 30, 2024, THOM GROUP operated, through its European subsidiaries, 1,021 directly operated stores (including a wedding and bridal trade show), 46 corners and 7 e-commerce sites. The Group also has 45 partner stores in France, including 7 opened during the year.

During the fiscal year ended September 30, 2024, 32 stores were opened (compared with 27 stores in the fiscal year ended September 30, 2023) and 43 points of sale were closed during the year (compared with 25 in the fiscal year ended September 30, 2023).

1.2.4 Acquisitions

In connection with the future development of the Group's business activities, new acquisitions were made throughout the fiscal year 2024.

Acquisition of additional shares in Be Maad

On January 12, 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 September 29, 2023, for €1.1 million. Be Maad is consolidated in Goldstory S.A.S. financial statements from October 1, 2023.

Acquisition of THOM Horizon and I2TS

On June 28, 2024, Goldstory S.A.S, through its subsidiary THOM GROUP S.A.S, acquired 100% of THOM Horizon and I2TS from Albalogic for €3.6 million. Albalogic is the Group's Point-of-Sales software provider (named Horizon).

This strategic acquisition was made internalize the technical expertise for the development and the maintenance of the POS software, strongly customized for THOM's activity, to internalize the margin to reduce the Group's IT costs and to strengthen our agility in the development of our omni-channel tools.

Acquisition of Deloison

On July 16, 2024, Goldstory S.A.S, via its subsidiary THOM GROUP S.A.S, acquired 75% shares of Deloison, a French jeweler, founded in 2021 and specializing in wedding rings, for 6.6 million euros. Deloison has an innovative distribution model, via its Paris showroom accessible by appointment and via e-commerce. This model enables Deloison to offer affordable prices while targeting a customer base that complements our generalist brands (average shopping basket around €1,500).

THOM Horizon, I2TS and Deloison are not yet consolidated as of September 30, 2024, in Goldstory's financial statements, as the entities are still being integrated to the group operationally (non-significant impact on the group financial statements).

1.2.5 Financial restructuring and Recapitalisation

On September 30, 2024, the Group executed a series of transactions impacting its equity investments as well as its intra-group receivables and payables. The aim of these financial restructuring operations was to rationalize the existing intercompany receivables and payables and the recapitalization of developing subsidiaries. Key transactions are follows:

- The distribution of a €100.0 million dividends by the Italian subsidiary Stroilli to THOM, and the transfer of the associated €99.0 million dividend receivable to THOM GROUP, allowing the clearance of Stroili's receivable from THOM GROUP under the cash-pooling agreement;
- A €22.5 million cash capital increase in OROVIVO allowing the clearance of OROVIVO's receivable from THOM GROUP;
- AGATHA SAS received an equity injection of €19.6 million from THOM capitalising a cash-pooling receivable to support its development and subsidiaries;
- Similarly, Timeway SAS was recapitalised by THOM GROUP through the capitalisation of a cash-pooling receivable for a total amount of €9.2 million.

1.2.6 Continuation of strategic projects

SHINE

The "Shine 2020" project, now renamed "Shine" (involves a comprehensive ERP migration to SAP and a complete overhaul of the Group's IT infrastructure), initiated in the first quarter of calendar 2018, was launched in Germany and partially in France from October 1, 2020.

As of September 30, 2022, the deployed core model is considered operational, resulting in the capitalization of fixed assets related to the development of the core model (batch 1) for the fiscal year ended September 30, 2023. From the 2nd quarter of 2023, the development and design of additional functions were launched to enrich the core model and achieve complete functional coverage. The new development phases enabled the pilot solution to be deployed in Germany on April 1, 2024, leading to the activation of a new batch of the Core Model (batch 2) in the year ending September 30, 2024. For the financial year ending September 30, 2024, THOM GROUP, owner of the SAP ERP (amortized by straight-line method over 10 years), started to reinvoice the cost of use of the ERP to the subsidiaries using it, according to the arm-length principle.

A dedicated Shine project team has been established, with some members fully committed to the initiative. Some of these employees, who had left operational positions, have been replaced to ensure business continuity. The roll-out of the solution in France is expected in the second half of the fiscal year 2025.

Conversion of franchise agreements to the commission-affiliation model

The new commission-affiliation model, selected after an extensive study for its legal and economic benefits, was successfully tested in fiscal year 2024.

As of September 30, 2024, THOM operated 45 partner and affiliated jewellery stores, 14 of which were franchised and 31 under the commission-affiliation model.

In fiscal year 2024, the company initiated the conversion of all its franchise contracts to the commission-affiliation model, with 22 conversions completed and 14 more planned for FY25 (first half of the year). This transition aims to have all partners operating exclusively on the commission-affiliation model by April 2025.

Under this model, THOM holds the inventory operated by the Affiliate and controls its commercial policy.

2. Basis of preparation of the consolidated financial statements

2.1 Statement of compliance and accounting standards

The consolidated financial statements of Goldstory have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as approved and endorsed by the European Union and whose application was mandatory as of September 30, 2024. The comparative information presented relates to the financial year ended September 30, 2023.

The Group has prepared the consolidated financial statements of Goldstory SAS on a voluntary basis, as the statutory consolidation is carried out at the level of Altastory SAS, the ultimate parent company of the Group.

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

- IFRS 17 – Insurance Contracts, including amendments issued on June 25, 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 December 31, 2023. In France, Pillar 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 December 31, 2023. For Goldstory, Pillar Two will therefore be applicable from the reporting period beginning on October 1, 2024 and ending on September 30, 2025. The Group has started to examine its exposure to Pillar Two. The Group doesn't expect significant impact of this regulation. In accordance with the amendments to IAS 12 published by the IASB in May 2023, no deferred tax relating to Pillar Two is 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 January 1, 2024, 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 January 1, 2024, 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
30/09/2024	CNY	7.8110	7.8511
	EUR	1.0000	1.0000
	HKD	8.4704	8.6933
	INR	90.3942	93.8130
30/09/2023	CNY	7.5304	7.7352
	EUR	1.0000	1.0000
	HKD	8.3613	8.2959
	INR	87.8990	88.0165

2.3 Use of estimates and judgements

The preparation of the consolidated financial statements requires Management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, income, expenses and disclosures in the notes. Estimates and underlying assumptions are reviewed on a regular basis to ensure that they are reasonable given the Group's history, the economic environment and available information. Actual results may differ from these estimates. Major sources of uncertainty arising from estimates may result in material adjustments to the amounts of assets and liabilities recognised in the subsequent reporting period. In addition to making estimates, Management must 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 12): 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 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 (Note 13);
- Determining the fair value of assets and liabilities assumed as part of the purchase price allocation process (Note 4.2);
- Recoverability of deferred tax assets (Note 7);
- Measurement of provisions (Note 21);
- Determining the actuarial assumptions used to calculate defined benefit obligations (Note 5.3.2).

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. Regarding other business plan items such as revenue, growth objectives and the discount rate, the financial impact of climate risk is not deemed to be significant. As the long-term risks attached to climate continue to evolve, the management will continue to assess this risk against its judgments and estimate.

3. 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 & Be Maad);
- Italy;
- RoE (Rest of Europe);
- Timeway (products under license);
- AGATHA and Be Maad (Be Maad only in the financial year ended September 30, 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 financial year ended September 30, 2024, is presented below:

Period : 01/10/2023 - 30/09/2024 (12 months)						
In €m	France	Italy	RoE	Timeway	AGATHA and Be Maad	TOTAL
Total revenue before inter/intra segment revenue	645.2	337.3	64.9	27.2	44.6	1,119.2
Inter-segment revenue	(17.9)	(2.5)	(0.7)	(6.5)	(1.1)	(28.7)
Intra-segment revenue	(0.3)	-	-	(0.1)	(0.5)	(1.0)
Revenue	627.0	334.8	64.2	20.6	43.0	1,089.6
Cost of goods sold	(232.5)	(122.4)	(20.9)	(12.2)	(9.0)	(397.1)
Allowance for depreciation, amortization, impairment and provisions	(63.3)	(35.9)	(8.9)	(2.0)	(4.3)	(114.3)
EBITDA	171.3	94.0	13.7	(0.5)	1.2	279.6
Segment investments - Other intangible assets	13.6	0.6	(0.0)	0.0	0.7	15.0
Segment investments - Property, plant and equipment	11.0	15.0	4.6	0.7	2.4	33.7
Segment investments	24.7	15.6	4.6	0.7	3.1	48.6
Inventories	183.6	106.3	21.2	13.4	5.3	329.8

The following is showing the Group's segment information for the financial year ended September 30, 2023:

Period : 01/10/2022 - 30/09/2023 (12 months)						
In €m	France	Italy	RoE	Timeway	AGATHA	TOTAL
Total revenue before inter/intra segment revenue	601.3	316.8	60.2	28.3	30.6	1,037.1
Inter-segment revenue	(14.0)	(3.7)	(0.6)	(6.2)	(0.6)	(25.0)
Intra-segment revenue	(0.3)	-	-	(0.0)	(0.1)	(0.4)
Revenue	587.0	313.1	59.6	22.1	30.0	1,011.8
Cost of goods sold	(192.3)	(112.4)	(19.2)	(13.3)	(6.5)	(343.8)
Allowance for depreciation, amortization, impairment and provisions	(62.0)	(35.0)	(7.9)	(1.5)	(3.1)	(109.5)
EBITDA	172.1	88.4	13.9	(0.0)	(1.4)	272.9
Segment investments - Other intangible assets	11.0	1.7	0.0	0.3	0.1	13.1
Segment investments - Property, plant and equipment	11.9	16.3	3.0	1.1	0.6	32.9
Segment investments	22.8	18.0	3.0	1.4	0.8	46.0
Inventories	154.5	98.9	18.9	14.8	5.0	292.2

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 an 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 September 30, 2024, entities included in the consolidation scope under full consolidation method are as follows:

Scope of consolidation		30/09/2024		30/09/2023	
Company	Country	Interest %	Consolidation Method	Interest %	Consolidation Method
Goldstory	France	100.00%	Full Consolidation	100.00%	Full Consolidation
THOM GROUP	France	100.00%	Full Consolidation	100.00%	Full Consolidation
THOM	France	100.00%	Full Consolidation	100.00%	Full Consolidation
Histoire d'Or Monaco	Monaco	99.94%	Full Consolidation	99.94%	Full Consolidation
Histoire d'Or Belgium	Belgium	99.99%	Full Consolidation	99.99%	Full Consolidation
THOM Asia	Hong-Kong	100.00%	Full Consolidation	100.00%	Full Consolidation
THOM India	India	100.00%	Full Consolidation	100.00%	Full Consolidation
OROVIVO	Germany	100.00%	Full Consolidation	100.00%	Full Consolidation
Stroili Oro	Italy	100.00%	Full Consolidation	100.00%	Full Consolidation
Histoire d'Or Luxembourg	Luxembourg	100.00%	Full Consolidation	100.00%	Full Consolidation
Timeway	France	100.00%	Full Consolidation	100.00%	Full Consolidation
Timeway Italy	Italy	100.00%	Full Consolidation	100.00%	Full Consolidation
Timeway France	France	100.00%	Full Consolidation	100.00%	Full Consolidation
Duo Mu Jewellery (China)	China	100.00%	Full Consolidation	100.00%	Full Consolidation
NewCo Sell Platform	France	65.03%	Full Consolidation	65.03%	Full Consolidation
Popsell	France	65.03%	Full Consolidation	65.03%	Full Consolidation
AGATHA	France	100.00%	Full Consolidation	100.00%	Full Consolidation
AGATHA Spain	Spain	100.00%	Full Consolidation	100.00%	Full Consolidation
AGATHA Asia	Hong-Kong	100.00%	Full Consolidation	100.00%	Full Consolidation
RLC China	China	100.00%	Full Consolidation	100.00%	Full Consolidation
AGATHA Shanghai Distribution	China	100.00%	Full Consolidation	100.00%	Full Consolidation
Be Maad	France	75.00%	Full Consolidation		
Sing Luen	Macau	100.00%	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 September 30, 2023, THOM GROUP S.A.S acquired 51% of Be Maad S.A.S shares. On January 12, 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 1.2.4.

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€	
Cash	1.4
Convertible bonds repayment	
Total consideration transferred	**1.4**

Please note that there is a put option on Be Maad, which gives THOM GROUP the obligation to purchase the remaining shares from the seller, if the option is raised, at a specified price or according to a formula, within a certain period. The put option for Be Maad is accounted for as a non-current financial liability in the Group consolidated accounts for €1.5 million, based on the Group Business Plan approved by the Broad of Directors, and represents a potential future liability for the Group.

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	0.5
Total assets	**0.6**

Equity and liabilities *In €m*	**At acquisition date**
Total equity	0.4
Non-current liabilities	0.1
Current liabilities	0.2
Total equity and liabilities	**0.6**

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
Restated equity acquired at faire value	0.3
Goodwill	**1.1**

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 partner and 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, other payment card or electronic payments.

Sales to partner stores are recognised upon delivery of the merchandise to the latter. Sales to affiliated stores are recognised at the time the stores are selling the product to the client.

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.

5.1.1 Breakdown of revenue

Sales *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
France	591.6	582.5
Foreign	409.7	374.4
Sales to affiliates	9.4	9.8
Network sales	1,010.7	966.7
Sales of precious metals	77.3	43.2
Supplier invoices	(0.0)	0.0
Logistics and purchasing services nvoicing	0.2	0.4
Other revenue	1.4	1.4
Others	78.9	45.1
Total revenue	**1,089.6**	**1,011.8**

Revenue totalled €1,089.6 million for the financial year ended September 30, 2024, representing a €77.8 million increase compared to €1,011.8 million recorded for the prior financial year ended September 30, 2023.

This growth is primarily explained by an increase of €44.0 million in network sales during the financial year ended on September 30, 2024. This increase was driven by the sustained performance of the Group's established brands, of which AGATHA brand delivering dynamic growth as well as the perimeter effect of opening new stores. Targeted efforts carried-out to maintain a sustainable growth includes notably new marketing campaigns, developing broader product offerings across brands, enhanced staff training and a sustainable level of investments to maintain our store's network attractive (including the deployment of a new store concept in Italy and relocation opportunities across various geographies).

Sales to affiliates include the conversion of 22 franchisees (sell-in model) to the new commission affiliation contract (sell-out model) affecting the comparability with the prior financial year ended September 30, 2023. As of September 30, 2024, THOM is operated 14 franchised expected to be converted early 2025 and 31 points of sales under the commission-affiliation model.

Additionally, the increase in revenue was supported by a €34.1 million increase in sales of precious metals during the fiscal year ended September 30, 2024, compared to the same period in the previous year. This increase was primarily driven by the Group's gold hedging strategy, which included both financial and physical gold, leading to higher level of gold sales during the period (including the 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 *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Partner royalties	1.2	1.3
Other	5.6	1.4
Total other income	**6.8**	**2.7**

In the financial year ended September 30, 2024, other income reached €6.8 million, an increase of €4.1 million from €2.7 million recorded in the financial year ended September 30, 2023. This rise was primarily driven by the income related to the re-invoicing of leaseback invoices for furniture in stores (€1.9 million) and several grants awarded to the Group, including sponsorship for marketing campaigns provided by the Italian government and insurance compensation for store damages during the riots in July 2024. The slight decrease in Partner royalties is driven by the conversion of 22 former franchisees to the new commission affiliation model for which there are no royalties anymore.

5.3 Operating expenses

5.3.1 Cost of goods sold

Cost of goods sold *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Purchase of raw materials	(76.1)	(72.7)
Change in inventories - raw materials	13.0	11.7
COGS - Raw materials	(63.2)	(61.0)
Purchase of merchandise	(358.3)	(300.9)
Change in inventories - merchandise	24.4	18.2
COGS - Merchandise	(333.9)	(282.7)
Total cost of goods sold	**(397.1)**	**(343.8)**

The cost of goods sold reached €397.1 million for the fiscal year ended September 30, 2024, reflecting an increase of €53.3 million compared to €343.8 million reported for the same period ended September 30, 2023. This rise was mainly due to a combination of increased network sales across various segments, and the impact of higher purchase prices due to the inflation (primarily gold prices).

Moreover, the Group managed the risk associated with fluctuations in the U.S. dollar/euro foreign exchange rate by entering forwards contracts and collars options (see § 19.2.4), and the risk associated with fluctuations of gold prices with physical hedging (purchase of gold inventories) as well as with derivative financial instruments, such as synthetic swaps and calls or SWAP (see § 19.2.5).

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 because of past events and if a reliable estimate of the obligation can be made.

Defined benefit plans

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

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

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

Defined contribution plans

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

Contributions paid under defined contribution plans are expensed as incurred.

Plans applicable to the Group

Upon retirement, the Group's employees in France receive a lump-sum payment in accordance with the watch and jewellery retail collective bargaining agreement. It is a defined benefit plan.

In Italy, the employee benefits scheme (*Trattamento di fine Rapporto*) is based on a mandatory employer's contribution of 7.4% of gross salary. The related expense and liability are recorded in the Group's income statement and balance sheet, respectively. A portion of this obligation may be allocated to pension funds. Membership of these pension funds is voluntary. The contribution is shared between the employee and employer.

In Germany, retirement benefit obligations are based on a mandatory employer's contribution of 9.3% of gross salary. The related expense and liability are recorded in the Group's income statement and balance sheet, respectively.

The actuarial assumptions used to determine the provision for retirement benefit obligations by country are presented below:

30/09/2024	France	Italy	Germany
Discount rate	3.20%	3.33%	1.87%
Turnover/exit rate	6.93%	7.00%	0.00%
Mortality table	INSEE 2020-2022	ISTAT 2022	Heubeck mortality table 2018 G
Future salary growth	2.00%	3.00%	1.00%
Retirement age	65	100% if OSM conditions fulfilled	65-66

Changes in retirement benefit obligations were as follows:

Post-employee benefits *In €m*	FY 2024								
	THOM	Timeway France SAS	THOM GROUP	Goldstory	Stroili	Timeway italy SRL	AGATHA	OROVIVO	Total
Net obligations as of 1 October 2023	1.1	0.1	0.3	0.0	2.0	0.0	0.1	0.2	3.9
Newly consolidated	-	-	-	-	-	-	-	-	-
Current service cost	0.1	0.0	0.0	0.0	(0.1)	0.0	0.1	-	0.1
Interest cost (income)	0.0	0.0	0.0	0.0	0.1	-	-	-	0.1
Benefits paid	(0.0)	(0.0)	-	-	(0.1)	-	-	(0.0)	(0.1)
Actuarial loss (gain)	0.2	0.2	0.1	0.0	0.1	-	-	-	0.6
Net obligations as of 30 September 2024	**1.4**	**0.3**	**0.4**	**0.0**	**2.1**	**0.1**	**0.2**	**0.2**	**4.6**

The Group at the close of the last two reporting periods were as follows:
- 6,552 employees for the fiscal year ending on 30 September 2024;
- 6,024 employees for the fiscal year ending on 30 September 2023.

Personnel expenses *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Wages and salaries	(193.8)	(185.9)
Social security contributions	(61.4)	(57.8)
Employee profit-sharing	(9.8)	(10.3)
Total personnel expenses	**(265.1)**	**(254.2)**

During the financial year ended September 30, 2024, personnel expenses amounted to €265.1 million, reflecting an increase of €10.9 million compared to €254.2 million recorded in the corresponding period ended September 30, 2023. This increase mostly results from the development of the network sales (including openings of new stores) and cumulative impact of wage inflations.

5.3.3 External expenses

External expenses *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Advertising	(39.8)	(32.8)
Consultancy fees	(18.5)	(17.4)
Expenses related to real property leases	(12.7)	(13.7)
Utilities and other supplies	(12.1)	(15.7)
Subcontracting and Interim	(10.3)	(7.8)
Information system and technology	(10.2)	(8.3)
Transport	(10.0)	(9.9)
Maintenance	(6.0)	(6.1)
Travel, accommodation and courtesy costs	(5.9)	(6.0)
Bank fees	(4.5)	(4.2)
Telecommunication and network expenses	(3.8)	(4.1)
Payroll-related taxes	(2.9)	(3.2)
Real property leases	(2.4)	(1.5)
Insurance	(1.7)	(1.6)
Regional levy on French companies (CFE)	(1.7)	(1.5)
Other taxes and duties	(1.7)	(1.4)
Taxes on commercial premises	(1.1)	(1.1)
Levy on French companies to fund social security (CSS)	(1.0)	(1.0)
Other	(6.7)	(4.4)
Total external expenses	**(153.0)**	**(141.6)**

External expenses for the financial year ended September 30, 2024 totalled €153.0 million, showing an increase of €11.4 million compared to €141.6 million accounted in the same period in 2023.

This increase in external expenses is mainly driven by the following key factors:
- the development of AGATHA in all countries, resulting an increase of €5.8 million in external expenses to support the strong growth out of €11.4 million total increase compared to the same period in 2023. This includes €3.8 million of advertising costs, mainly in China for €2.7 million where the business is mainly digital and €1.0 million in AGATHA France;
- a €3.5 million rise in advertising costs in France and Italy (mainly attributable to e-commerce acquisition costs);
- a €1.9 million increase in information system and technology expenses;
- and a €0.2 million increase across all other external expenses.

5.3.4 Allowances for amortisation, depreciation, impairment and provisions (net)

Allowances for amortisation, depreciation, impairment and provisions (net) *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Allowance for depreciation and amortisation of PPE, intangible assets	(113.0)	(106.0)
Inventories impairment	(8.2)	(10.2)
Trade receivables impairment	(0.1)	(0.1)
Allowance for provisions	(2.1)	(0.2)
Allowance for depreciation, amortisation, impairment and provisions	(123.4)	(116.5)
Reversal of depreciation and amortisation of PPE, intangible assets	0.2	0.1
Reversal of inventories impairment	8.4	6.6
Reversal of provisions	0.3	0.3
Reversal for depreciation, amortisation, impairment and provisions	9.1	6.9
Total allowance of tangible and intagible assets depreciation and amortisation	**(114.3)**	**(109.5)**

5.3.5 Non-recurring operating income and expenses

ACCOUNTING PRINCIPLES

Unusual and material items in the consolidated financial statements are presented separately in operating income under other non-recurring operating income and expenses. This line item primarily includes:
- transaction costs relating to changes in consolidation scope, expensed as incurred in accordance with IFRS 3 "Business Combinations";
- costs relating to restructuring plans and non-recurring expenses; and
- impairment of non-current assets primarily recognised following impairment tests on cash generating units and goodwill.

In €m	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Proceeds from disposal of assets	0.5	0.5
Other income	0.2	1.1
Other non-recurring operating income	0.7	1.6
Pre-opening expenses	(2.5)	(1.9)
Net book values of disposed assets	(1.6)	(1.6)
Non-recurring amortization, depreciation and provisions	(2.3)	-
Other expenses	(6.9)	(7.0)
Other non-recurring operating expenses	(13.3)	(10.5)
Total other non-recurring operating income and expenses	**(12.6)**	**(8.9)**

For the financial year ended September 30, 2024, income from other non-recurring operating activities totalled €0.7 million, reflecting a decrease of €0.9 million from €1.6 million in the financial year ended September 30, 2023, due to a non-recurring reversal of impairment of assets in Stroili for €1.2 million in the financial year eneded September 30, 2023.

At the same time, expenses from other non-recurring operating activities amounted to €13.3 million, showing an increase of €2.8million compared to the fiscal year 2023. This is mainly due to the variation in pre-opening expenses and the non-recurring amortisation, depreciation and provision.

In particular, pre-opening expenses for the fiscal year ended September 30, 2024, were €2.5 million, mainly incurred by Stroili (€1.6 million) and OROVIVO (€0.6 million), compared to €1.9 million for the same period of 2023. These expenses reflect the costs associated with preparing for the opening of new stores or renovation projects requiring extended closure of sales outlets. The increase in pre-opening cost resulted from higher number of store openings this fiscal year (32 stores) compared to the previous fiscal year (27 stores).

The increase of €2.3 million in non-recurring amortisation, depreciation and provision is explained by (i) the impairment of the Social Commerce solution (intangible asset) held by Popsell SAS to align its Net Book Value to its value in use following its transfer to THOM SAS (Group reorganisation) currently operating the solution for Histoire d'Or and licensing the solution to Stroili brand in Italy, and (ii) a non-recurring impairment of assets in Stroili for €0.5 million in the financial year ended September 30, 2024.

The breakdown of other expenses, totalling €6.9 million as of September 30, 2024 is as follows:
- €1.6 million for extraordinary severance payments, of which €0.8 million for the Employment Protection Plan in AGATHA France following the restructuring of the entity;
- €1.6 million for the loss generated by the buy-back of inventories from the partners as a result from the change of economic model from franchise to commission-affiliation model;
- €1.6 million related to (i) Harmonie Project to reorganize the Group from a legal and financial perspective (rationalization of the existing intercompany receivables, recapitalization of developing subsidiaries, delegation of power for Group key executives) and to (ii) employee shareholding plan (THOM Together);
- €0.9 million for acquisition fees for purchased entities and for aborted acquisition projects;
- €0.3 million for social litigation in Timeway France related to social contribution exemption during Covid-19 period;
- and €0.8 million for other non-recurring operating activities.

Comparatively, for the fiscal year ended September 30, 2023, other expenses totalled €7.0 million containing:
- €2.1 million related to legal 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);
- €1.0 million for acquisition fees for purchased entities and for aborted acquisition projects;
- €1.0 million for extraordinary severance payments, of which €0.3 million for the Employment Protection Plan in AGATHA France following the restructuring of the entity;
- €1.0 million attributed to legal fees arising from the examination of a tax issue in Italy;
- €0.9 million for legal costs related to the Employee Shareholding plan (THOMTogether);
- and €1.0 million allocated for other operating expenses for events not related to the company's ordinary activities.

5.4 Cash Flows – change in working capital

The change in working capital was as follows:

Working capital requirements *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Change in inventories	(37.3)	(29.9)
Change in trade receivables	(1.4)	1.0
Change in other assets	(1.7)	3.5
Change in trade payables	15.7	(16.3)
Change in other liabilities	5.8	9.4
Change in working capital requirements	**(19.1)**	**(32.3)**

In the financial year ended September 30, 2024, total change in working capital had a negative impact of €19.1 million compared to a negative impact of €32.3 million in the fiscal year ended September 30, 2023.

Change in trade payables increased by €32.0 million in the financial year ended September 30, 2024, compared to the financial year ended September 30, 2023. This €32.0 million change was mainly attributable to (i) a specifically high level of trade payables at September 30, 2022 as regards to a non-recurring safety stock to secure key strategic SKUs for approximately €15 million mostly paid in the three month period ended December 31, 2022 as well as (ii) €4.0 million COVID rental expense payables following negotiation settlement cashed out over the same period and (iii) €6.0m anticipation of Christmas inventory build-up in the period ended September 30, 2024. Once restated for the above-mentioned effects, change in trade payables increased by €7.0 million driven by Network expansion and adverse impact on purchasing conditions (gold fixing mostly).

Change in Inventories increased by €7.5 million during the financial year ended September 30, 2024, compared to the same period ended September 30, 2023. This increase results from the increase in activity in all business segments (inventory coverage) combined with Group expansion plan net from closures (32 openings in the year ended September 30, 2024) together with the conversion of 22 franchisees to the new commission-affiliation model involving inventory buy-back operations. Change in inventories has been also impacted by gold inventory strengthening for €14.6m to secure FY25 hedging strategy as well as overall inflation on purchasing conditions (gold increase mostly). The contained increase in inventory reflects the Group's proactive stockpiling strategy to ensure the right level of in-store inventory while mitigating the impact of rising gold prices.

In general, the improvement in change in working capital of €13.2 million (as of September 2024, 30 compared to September 30, 2023) highlights the Group's effective operational cash flow management and strategic adjustments made to inventory (stock up for future sales) and payables.

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.

Net financial income (expense) includes changes in the fair value of derivatives, as explained in Note 19.

Net financial income (expense) breaks down as follows:

Financial income and expenses *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Financial Interest on 2021 SSN	(17.4)	(40.1)
Financial Interest on 2024 SSN	(38.7)	-
Amortization of 2021 SSN at effective interest rate (EIR)	(9.5)	(3.5)
Amortization of 2024 SSN at effective interest rate (EIR)	(1.1)	-
Premium paid on early repayment of 2021 SSN	(5.0)	-
Income on rate hedging	14.7	4.7
Interest on Senior Secured Notes ("High Yield")	**(57.0)**	**(38.8)**
Interest on bank loan and Revolving Credit Facility	(2.4)	(2.4)
Cost of net financial debt	(59.4)	(41.3)
Foreign currency exchange	5.3	4.3
Other	0.8	0.2
Other financial income	**6.1**	**4.5**
IFRS 16 expenses	(21.9)	(21.7)
Foreign currency exchange	(5.5)	(4.6)
Financial expenses for customer deferred payments	(1.0)	(1.0)
Other	(2.7)	(1.8)
Other financial expenses	**(31.2)**	**(29.2)**
Other financial income and expenses	(25.1)	(24.7)
Financial income and expenses	**(84.4)**	**(66.0)**

In the financial year ended September 30, 2024, total net financial expense totalled to €84.4 million, an increase of €18.4 million compared to €66.0 million in the financial year ended September 30, 2023.

In particular, the cost of net financial debt amounted to €59.4 million for the fiscal year ended September 30, 2024, presenting a rise of €18.1 million from €41.3 million from the previous fiscal year ended September 30, 2023. This increase is mainly driven by:

- the increase in interests related to the new Sustainability-Linked Bond SSN issued on February 14, 2024, compared to the previous SSN issued in February 2021 for €16.0 million;
- the non-recurring write-off of former issuance costs for €9.5 million on top of recurring amortization expenses;
- a €5.0 million premium paid for the exit of the previous Senior Secured Notes (SSN) repaid in March 2024;
- a €12.0 million proceed from the sales of a hedging instruments related to the former SSN;

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 out of €350.0 million total Floating rate SSN. 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 and expenses are mostly composed of IFRS 16 expenses and remain stable in the fiscal year ended September 30, 2024.

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 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 based on budget forecasts, the mid-term (five-year) business plan and additional forecasts when required.

7.1 Income tax

Income tax expense *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Current income tax	(40.4)	(43.0)
French value-added business tax (CVAE)	(1.0)	(1.4)
Deferred tax	3.4	0.3
Total income tax expense	**(38.1)**	**(44.1)**

Income tax expense totalled €38.1 million in the fiscal year ended September 30, 2024, a decrease of €6.1 million from €44.1 million in the financial year ended September 30, 2023, mainly due to a €2.6 million decrease in income tax expenses, €3.1 million increase in deferred tax profit and €0.4 million decrease in CVAE (Cotisation sur la Valeur Ajoutée des Entreprises – a French value-added business tax). This decrease is mainly due to the reduction of CVAE rate from 0.38% to 0.28% because of the gradual elimination of the CVAE tax over two years.

7.2 Analysis of deferred taxes

Deferred tax assets *In €m*	Opening 01/10/2023	Change in scope	Change	Closing 30/09/2024
Provision for loyalty program	7.4	-	0.6	7.9
Trademarks depreciation	7.6	-	(0.3)	7.4
Lease contracts	5.4	-	1.2	6.6
Amortisation, depreciation and provisions	3.7	-	0.6	4.3
Tax loss carried forward	-	-	2.6	2.6
Employee profit-sharing	2.4	-	(0.3)	2.1
Other temporary differences	0.1	0.1	0.9	1.2
Leashold rights	1.6	-	(0.4)	1.2
Fair value of assets	1.1	-	(0.1)	1.0
Employee benefits	0.4	-	0.2	0.6
SaaS implementation costs	0.5	-	(0.0)	0.5
Non-deductible financial interests carried forward	0.1	-	(0.0)	0.1
Borrowings at amortized cost	0.4	-	(0.9)	(0.5)
Hedging instruments	1.1	-	(3.8)	(2.7)
Netting of deferred tax assets and liabilities by tax jurisdiction	(15.2)	-	1.7	(13.6)
Total deferred tax assets	**16.7**	**0.1**	**1.8**	**18.7**

Deferred tax liabilities *In €m*	Opening 01/10/2023	Change in scope	Change	Closing 30/09/2024
Revaluation of trademarks	55.4	(0.1)	0.0	55.3
Revaluation of leashold rights	3.8	-	(0.1)	3.7
Other temporary differences	0.0	-	1.0	1.1
Lease contracts	0.4	-	(0.0)	0.4
Borrowings at amortized cost	0.1	-	(0.1)	-
Hedging instruments	4.9	-	(8.9)	(4.0)
Netting of deferred tax assets and liabilities by tax jurisdiction	(15.2)	-	1.7	(13.6)
Total deferred tax liabilities	**49.3**	**(0.1)**	**(6.3)**	**42.9**

7.3 Reconciliation of the effective and theoretical tax rates

Tax proof *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Profit before tax	68.3	88.5
Theoretical tax rate in France	25.83%	25.83%
Theoretical tax expense expected	(17.6)	(22.9)
Impact of tax consolidation with Altastory	(7.7)	(3.0)
Non-deductible financial expenses in France	(4.7)	-
Impairment of tax losses and/or losses not recognised	(4.5)	(8.0)
IRAP	(2.9)	(2.7)
French value-added business tax (CVAE)	(0.8)	(1.1)
Tax rate differences on French entities (*)	0.0	(1.5)
Fiscal provision	0.1	(3.3)
Tax credit for previous years	0.3	-
Tax rate differential on foreign profit (loss)	1.0	1.0
Tax losses carried forward	2.3	-
Other	(3.7)	(2.7)
Actual tax recognized	(38.1)	(44.1)
Effective tax	**55.8%**	**49.9%**

7.4 Unrecognised deferred tax assets

The amount of deferred tax assets not recognized by the Group stands at €15.2 million as of September 30, 2024, compared to €17.8 million on 30 September 2023, taking into account the outlook for future taxable profits estimated by management.

On September 30, 2024, unrecognised deferred tax assets break down as follows by company:
- OROVIVO AG: €11.2 million
- Timeway France SAS: €3.4 million
- Popsell SAS: €0.9 million

Following the refusal of the Italian tax authorities, the tax losses carried forward from Histoire d'Or Srl. have not been capitalized in Stroili Oro S.p.A. (potential tax savings of €3.8 million). The Group is no longer able to appeal this decision but will investigate other ways of recovering this tax loss.

7.5 Tax consolidation

Since 30 September 2022, Altastory SAS, shareholder of Goldstory SAS through Mstory SAS, benefits from a tax consolidation regime as defined by Article 223 A of the French General Tax Code, with the following subsidiaries:
- Mstory SAS
- Goldstory SAS
- THOM GROUP SAS
- THOM SAS
- Timeway SAS
- Timeway France SAS
- AGATHA SAS (since September 30, 2023)
- THOM Fashion (*)
- Newco 1 THOM Fashion (*)
- Newco 2 THOM Fashion (*)
- Newco THOM (*)

(*) Dormant Legal Entities not yet consolidated in FY24.

Altastory SAS is liable to the French Treasury for the tax calculated on the sum of taxable income for consolidated companies.

Other companies such as: NewCo Sell Platform SAS, Popsell SAS and foreign companies are excluded from the Group's tax consolidation scope.

8. EBITDA

EBITDA is the main performance indicator monitored by Management:

Reconciliation with operating profit *In €m*	FY 2024 01/10/2023 - 30/09/2024 (12 months)	FY 2023 01/10/2022 - 30/09/2023 (12 months)
Recurring operating profit	165.3	163.4
Allowance for depreciation, amortisation, impairment and provisions	114.3	109.5
EBITDA	**279.6**	**272.9**

During the financial year ended September 30, 2024, Reported EBITDA reached €279.6 million, marking an increase of €6.7 million compared to €272.9 million for the same period in 2023. This growth had resulted by the following factors:

- an increase in network sales across all segments, resulting from good performance of our key brands (Histoire d'Or, Stroili and AGATHA) driven by columes (very limited price increases) as well as our expansion strategy to strengthen our retail footprint on current operated geographies (Directly Operated Stores and affiliated partners);
- disciplined cost management including a decrease in energy costs following the renegotiation of new supply contracts effective from January 1, 2024;
- not offset by a decrease in Network Gross Margin rates compared to the financial year ended September 30, 2023, mostly due to the inflation of gold prices and manufacturing costs.

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.

Impairment losses affecting goodwill cannot be reversed. The methods applied by the Group to perform impairment tests are described in note 13.

Goodwill *In €m*	Opening 01/10/2023	Change in scope	Increase	Decrease	Closing 30/09/2024
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 September 30, 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.

Regarding the acquisition of Albalogic and Deloison, there is no impact yet in the Group's goodwill as these entities have not been yet consolidated in the fiscal year 2024.

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 30/09/2024
Gross						
Brands	311.1	0.1	0.1	(0.0)	0.0	311.2
Software	51.5	0.0	7.7	(3.6)	11.7	67.4
Other	0.7	-	0.1	-	(0.1)	0.7
Intangible assets in progress	17.7	-	7.1	-	(11.7)	13.1
Other intangible assets, gross	381.1	0.1	15.0	(3.6)	(0.1)	392.4
Accumulated depreciation and impairment losses						
Brands	(0.3)	-	(0.0)	0.0	-	(0.4)
Software	(22.8)	(0.0)	(8.5)	3.6	(0.1)	(27.9)
Other	(0.3)	-	(0.2)	-	0.1	(0.4)
Intangible assets in progress	-	-	-	-	-	-
Accumulated depreciation and impairment losses	(23.4)	(0.0)	(8.7)	3.6	-	(28.6)
Net						
Brands	310.8	0.1	0.0	(0.0)	0.0	310.8
Software	28.7	-	(0.8)	(0.0)	11.6	39.6
Other	0.4	-	(0.1)	-	-	0.3
Intangible assets in progress	17.7	-	7.1	-	(11.7)	13.1
Other intangible assets, net	**357.6**	**0.1**	**6.2**	**(0.0)**	**(0.1)**	**363.8**

As of September 30, 2024, the Group recognized brands on its balance sheet for a net book value of €310.8 million:

- Histoire d'Or at €185.7 million;
- Stroili at €94.1 million;
- Marc Orian at €13.6 million;
- AGATHA at €8.0 million;
- OROVIVO at €7.7 million;
- Franco Gioielli at €1.1 million;
- Be Maad at €0.1 million;
- and other brands for €0.5 million.

Each brand is subject to an annual impairment test and is valued using the discounted cash-flows method, (DCF), which involves discounting forecast royalties in perpetuity.

Besides, the Group also recognised software assets with €39.6 million net book value, presenting a slight decrease of €0.8 million compared to the Opening balance (after the reclassification of €11.7 million from intangible assets in progress).

Intangible assets in progress increase by €7.1 million during the financial year ended September 30, 2024. This growth is mainly attributable to two strategic IT projects: SAP (€6.6 million) and Mulesoft (€1.9 million).

Trademark value per operating segment is:

Trademarks *In €m*		Opening 01/10/2023	Change in scope	Increase	Decrease	Closing 30/09/2024
Gross						
France	Histoire d'Or	185.7	-	-	-	185.7
France	Marc Orian	13.6	-	-	-	13.6
France	Autres	0.2	-	-	-	0.2
Italy	Stroili	94.1	-	0.0	(0.0)	94.1
Italy	Franco Gioelli	1.1	-	-		1.1
Italy	Domain name - Italy	0.6	-	-		0.6
RoE	OROVIVO	7.7	-	-	(0.0)	7.7
Timeway	Clyda	0.2	-	0.0	-	0.2
Timeway	Scooter	0.1	-		-	0.1
AGATHA	AGATHA	8.0	-	-	-	8.0
Be Maad	Be Maad	-	0.1	-	-	0.1
Trademarks, gross		311.1	0.1	0.1	(0.0)	311.2
Impairment						
Italy	Domain name - Italy	(0.3)	-	-	-	(0.3)
Germany	OROVIVO	(0.0)	-	(0.0)	0.0	(0.0)
Impairment		(0.3)	-	(0.0)	0.0	(0.4)
Net						
France	Histoire d'Or	185.7	-	-	-	185.7
France	Marc Orian	13.6	-	-	-	13.6
France	Autres	0.2	-	-	-	0.2
Italy	Stroili	94.1	-	0.0	(0.0)	94.1
Italy	Franco Gioelli	1.1	-	-	-	1.1
Italy	Domain name - Italy	0.3	-	-	-	0.3
RoE	OROVIVO	7.7	-	(0.0)	(0.0)	7.7
Timeway	Clyda	0.2	-	0.0	-	0.2
Timeway	Scooter	0.1	-	-	-	0.1
AGATHA	AGATHA	8.0	-	-	-	8.0
Be Maad	Be Maad	-	0.1	-	-	0.1
Total trademarks		**310.8**	**0.1**	**0.0**	**(0.0)**	**310.8**

11. Property, plant and equipment

ACCOUNTING PRINCIPLES

Property, plant and equipment are recognised at historical cost less accumulated depreciation and impairment. The cost includes ancillary expenses directly attributable to the acquisition.

Property, plant and equipment other than land are depreciated using the component approach, on a straight-line basis over the following useful lives:
- building fixtures: 5 to 7 years
- sales equipment: 3 years
- office equipment: 3 years
- office furniture: 10 years
- IT equipment: 3 years
- SAP ERP: 10 years
- tooling: 5 years

Property, plant and equipment (PPE)

In €m	Opening 01/10/2023	Change in scope	Increase	Decrease	Reclassification	Closing 30/09/2024
Gross						
Buildings	0.6	-	0.0	-	-	0.6
Technical facilities, plant and equipment	16.2	0.0	1.6	(3.8)	0.0	14.1
General facilities	323.9	0.0	27.0	(14.8)	2.4	338.4
PPE in progress	3.0	-	5.0	-	(2.4)	5.6
Property, plant and equipment, gross	343.7	0.0	33.7	(18.6)	(0.0)	358.7
Accumulated depreciation and impairment losses						
Buildings	(0.1)	-	(0.0)	-	-	(0.1)
Technical facilities, plant and equipment	(13.3)	(0.0)	(1.5)	3.8	0.0	(11.1)
General facilities	(254.3)	(0.0)	(22.9)	13.9	(0.0)	(263.0)
PPE in progress	-	-	-	-	-	-
Accumulated depreciation and impairment losses	(267.7)	(0.0)	(24.4)	17.7	-	(274.2)
Net						
Buildings	0.5	-	0.0	-	-	0.5
Technical facilities, plant and equipment	2.9	0.0	0.1	(0.0)	0.0	3.0
General facilities	69.6	0.0	4.1	(0.8)	2.4	75.4
PPE in progress	3.0	-	5.0	-	(2.4)	5.6
Property, plant and equipment, net	**76.0**	**0.0**	**9.2**	**(0.9)**	**(0.0)**	**84.6**

12. 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.

12.1 Right-of-use assets

Right-of-use assets *In €m*	Opening 01/10/2023	Change in scope	Increase	Decrease	Reclassification Reclassification	Closing 30/09/2024
Gross						
Buildings	526.0	0.2	144.4	(0.7)	(46.9)	622.9
Vehicles	1.2	0.0	1.6	-	(0.5)	2.4
Technical installations, industrial equipment and machinery	1.3	-	3.0	-	(1.2)	3.0
Other property, plant and equipment	9.3	-	-	(1.1)	-	8.2
Right-of-use assets, gross	537.8	0.2	149.0	(1.8)	(48.7)	636.5
Accumulated depreciation and provisions						
Buildings	(176.1)	-	(80.0)	(0.6)	10.6	(246.1)
Vehicles	(0.7)	-	(0.7)	-	0.3	(1.1)
Technical installations, industrial equipment and machinery	(1.2)	-	(0.5)	-	1.2	(0.5)
Other property, plant and equipment	(7.0)	-	(0.1)	1.1	-	(6.0)
Accumulated depreciation and provisions	(185.0)	-	(81.3)	0.5	12.1	(253.7)
Net						
Buildings	349.9	0.2	64.4	(1.3)	(36.4)	376.8
Vehicles	0.5	0.0	0.9	-	(0.1)	1.3
Technical installations, industrial equipment and machinery	0.1	-	2.4	-	(0.0)	2.5
Other property, plant and equipment	2.4	-	(0.1)	-	-	2.3
Right-of-use assets, net	**352.9**	**0.2**	**67.7**	**(1.3)**	**(36.6)**	**382.8**

As of September 30, 2024, the Group's balance sheet shows a gross value for asset Right-of-Use of €636.5 million with accumulated depreciation of €253.7 million, resulting in a net book value of €382.8 million.

The Group's Right-of-Use assets comprise the recognition of IFRS 16 leases for these main types of leased assets: buildings, vehicles, machinery and various equipment.

Among these leased assets, stores and buildings have the most significant impact, with a total net book value of €376.8 million. In particular, the gross value of buildings changed from €526.0 million as of September 30, 2023, to €622.9 million as of September 30, 2024. The difference is mainly due to the initiation and renewal of lease agreements within the markets of France (€72.1 million) and Italy (€59.0 million), which contributed €131.2 million out of the total €144.4 million increase. Accumulated depreciation for buildings also rose during this period, reaching €246.1 million by September 30, 2024. Despite some decreases and terminations of contracts of €46.9 million, the net book value of buildings still increased from €349.9 million to €376.8million as of September 30, 2024.

12.2 Lease liabilities

The change in lease liabilities breaks down as follows:

Current and non-current lease liabilities *In €m*	Lease liabilities
At 1 October 2023	274.4
Non-current liabilities	203.8
Current liabilities	70.6
Scope changes	0.2
Increases	169.9
Repayment	(97.4)
Decreases	(36.8)
Foreign exchange differences	(0.0)
At 30 September 2024	310.4
Non-current liabilities	228.2
Current liabilities	82.1

As of September 30, 2024, the total lease liabilities amounted to €310.4 million including €82.1 million classified as short-term obligations, while €228.2 represented long-term commitments. The net increase in the lease liabilities by €169.9 million is mostly explained by the opening of 32 new stores in YTD 2024 and the renewal of lease contracts that were coming to an end.

Details for lease liabilities by maturity are presented as follows:

Lease liabilities *In €m*	Less than one year	1 to 5 years	More than 5 years	30/09/2024
Non-current lease liabilities	-	205.2	23.0	228.2
Current lease liabilities	82.1	-	-	82.1
Total lease liabilities	**82.1**	**205.2**	**23.0**	**310.4**

12.3 Lease exemptions and other effects

The lease expense on leases exempt under IFRS 16 is as follows:
- €0.2 million for the 12-month period ended 30 September 2024;
- Compared to €0.1 million for the 12-month period ended 30 September 2023.

Variable lease expenses excluded from the IFRS 16 restatement are as follows:
- €3.4 million for the 12-month period ended 30 September 2024;
- Compared to €2.9 million for the 12-month period ended 30 September 2023.

The amount of covid-19 subsidies work indemnities and rent reductions deducted from the lease expense is as follows:
- €1.1 million for the 12-month period ended 30 September 2024;
- Compared to €1.5 million for the 12-month period ended 30 September 2023.

13. Impairment of goodwill and non-current assets

ACCOUNTING PRINCIPLES

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If indications of impairment are identified, i.e. events or changes in circumstances that may have an impact on the recoverable amount of assets, IAS 36 "Impairment of Assets" requires an impairment test to be performed to ensure that the net carrying amount of depreciable property, plant and equipment and intangible assets does not exceed their recoverable amount. For goodwill, brands and other intangible assets with an indefinite useful life or which have not yet been put into service, the impairment test must be carried out once a year, or more frequently if indications of impairment are identified.

The recoverable amount of assets is tested by comparing their carrying amount with the higher of their fair value less costs to sell and their value in use. The value in use of an item of property, plant and equipment or an intangible asset is based on the value of the estimated future cash flows arising from its use, determined using a discount rate net of tax, and integrating the risks associated with the performance of the asset under test.

If it is impossible to estimate cash flows independently for a particular asset, it is advisable to identify the cash-generating unit to which this asset belongs and to which it is possible to associate future cash flows that can be determined objectively and independently of those generated by other operating units. Cash-generating units have been identified on the basis of the Group's organizational and operational architecture.

If the impairment test reveals that an asset is impaired, its carrying amount is reduced to its recoverable amount by recognizing an impairment loss in the income statement. If the factors that gave rise to the impairment no longer exist, the carrying amount of the asset (or cash-generating unit), with the exception of goodwill, is increased to the level resulting from the estimate of its recoverable amount, but without exceeding the net book value that the asset would have had if the impairment had not been recognized.

Any reversal of an impairment loss is recognized in the income statement.

MANAGEMENT ESTIMATES AND ASSUMPTIONS

The assumptions, judgements and estimates on which impairment tests are based are the main assumptions used to estimate recoverable amounts when calculating value in use (discount rate, perpetual growth rate, expected cash flows) based on an assessment of the economic and financial environment.

The Group has defined different types of CGU and groups of CGUs for the purposes of impairment testing its property, plant and equipment, intangible assets and goodwill: France, Italy, Rest of Europe, Timeway, and AGATHA & Be Maad.

Initially, the assets of each boutique are tested, on the basis of its specific geographical customer base, and the tangible and intangible assets specific to the boutique, and impairment tests are carried out at this level in the first stage.

Goodwill and brands are tested for impairment in a second stage, at CGU level. Goodwill is not amortized but is tested for impairment whenever an indication of impairment is identified, and at least once a year. Indications of impairment of goodwill include, in particular, significant adverse changes of a lasting nature affecting economic conditions or the assumptions and objectives formulated at the date of acquisition.

The annual test consists of determining the recoverable value of the groups of CGUs to which the assets relate and comparing it with the net book value of the assets concerned. The recoverable amount is the higher of market value and value in use. Market value is determined on the basis of a multiple applied to average EBITDA over 2 years. Value in use is obtained using the discounted cash flow (DCF) method.

When the net carrying amount exceeds its recoverable amount, an impairment loss is recognized firstly on goodwill, and then, if necessary, on the other items tested. Impairment losses are recognized in the income statement (under "Other expenses").

Impairment losses on goodwill cannot be reversed.

13.1 Results of impairment tests

13.1.1 Point of sale tests

A point-of-sale impairment test must be carried out at least once a year and, whenever there is indication of impairment. The criteria for impairment are a decrease in sales and/or a decrease in profitability and/or a decrease in the marketability of the point of sale. The recoverable amount of each point of sale is determined using the Discounted Cash Flow method (DCF). These DCFs are based on the Budget by point of sale and the business plan by CGU approved by the Supervisory Board and are used to calculate the value in use at the balance sheet date.

To calculate the value in use, future cash flows are discounted using a weighted average cost of capital (WACC) of 10.6%.

13.1.2 Testing of CGUs

IAS 36 requires an impairment test to be performed annually for each CGU or group of CGUs to which the goodwill has been allocated.

As recommended by IAS 36, each CGU or group CGUs to which goodwill is thus allocated must represent, within the entity, the lowest level at which goodwill is monitored for internal management purposes and must not be larger than a segment determined under IFRS 8 "Operating Segments", before grouping.

The level of analysis at which the Group assesses the recoverable amount of goodwill corresponds to the operational breakdown used by management to monitor business, i.e. France, Italy, the rest of Europe, the wholesale division (Timeway) and AGATHA & Be Maad. This level of goodwill test is based on both organizational and strategic criteria.

The Group called upon an independent appraiser to determine the discount rate and the long-term growth rate differentiated by country (weighting of these rates by country, based on the geographical presence of groups such as Timeway, and AGATHA & Be Maad).

The following table presents the discount and long-term growth rates used for each CGU group:

	Discount rate 2024	Perpetual growth rate 2024	Discount rate 2023	Perpetual growth rate 2023
France	10.6%	1.98%	10.4%	1.1%
Italy	11.6%	2.00%	11.4%	2.0%
RoE	10.9%	2.05%	10.1%	1.9%
Timeway	11.0%	1.99%	10.9%	1.5%
AGATHA & Be Maad	10.6%	1.98%	10.4%	1.1%

Following the impairment tests carried out in fiscal year 2024, the Group did not recognize any additional impairments.

Sensitivity to changes in the discount rate

The carrying amount of the CGUs would remain lower than the recoverable amount if the discount rate were respectively 11.1%, 12.1%, 11.4%, 11.5% and 11.1% (i.e. the discount rate used of 10.6% for France, 11.6% for Italy, 10.9% for the Rest of Europe, 11.0% for Timeway and 10.6% for AGATHA and Be Maad, increased by 50 basis points).

Sensitivity to perpetual growth rate variations

The carrying amount of the CGUs would remain lower than the recoverable amount if the perpetual growth rate were 2.48%, 2.50%, 2.55%, 2.49% and 2.48% (i.e. the perpetual growth rate used of 1.98% for France, 2.0% for Italy, 2.05% for the Rest of Europe, 1.99% for Timeway and 1.98% for AGATHA and Be Maad, reduced by 50 basis points).

Sensitivity to the final year EBITDA rate

The carrying amount of the France, Italy, Rest of Europe, Timeway, and AGATHA & Be Maad CGUs would remain lower than the recoverable amount if the final year EBITDA rate were 0.5% lower than that used for each of the CGUs.

14. Other non-current assets

Other non-current assets *In €m*	Opening 01/10/2023	Change in scope	Increase	Decrease	Closing 30/09/2024
Non-consolidated investments and related receivables	1.9	(1.1)	10.1	0.0	11.0
Loans granted to employees	0.1	-	0.0	(0.1)	0.0
Security deposits	23.2	0.0	4.0	(4.2)	22.9
Other non-current assets, gross	25.1	(1.1)	14.1	(4.3)	34.0
Impairment losses	-	-	-	-	-
Other non-current assets, net	**25.1**	**0.0**	**13.1**	**(4.3)**	**34.0**

Non-consolidated investments increased by €10.1 million in the fiscal year ended 30 September 2024 following the acquisitions of Deloison Paris for €6.6 million and THOM Horizon & I2TS (Point Of Sales front office solution provider) for €3.6 million. Both acquisitions are currently in the integration phrase and have not yet been consolidated as of 30 September 2024. Additionally, the change in scope of €1.1 million reflects the acquisition of Be Maad at the end of fiscal year 2023 which wasn't consolidated until fiscal year 2024.

15. 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*	30/09/2024	30/09/2023
Gross		
Raw materials and packaging inventories	56.9	43.9
Merchandise	288.9	264.5
Inventories, gross	345.8	308.4
Impairment losses		
Raw materials and packaging inventories	(0.3)	(0.4)
Merchandise	(15.7)	(15.9)
Impairment losses on inventories	(16.1)	(16.3)
Net		
Raw materials and packaging inventories	56.6	43.6
Merchandise	273.2	248.6
Inventories and work-in-progress, net	**329.8**	**292.2**

The Group's inventories consist of two components: raw materials and merchandise. As of September 30, 2024, total net inventories were €329.8 million, showing an increase of €37.6 million compared to €292.2 million as of September 30, 2023.

Raw materials inventories mainly include gold whereas merchandise inventories are mainly held in stores. These inventories typically peak within the first quarter (October to December) as a result of a build-up stock for the year end and a preparation for Christmas season.

Besides, the Group has a policy to optimise hedging costs by blending physical gold storage and the purchase of market options.

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 efficient inventory management and selective write-off approach (4.6% on September 30, 2024, and 5.3% at September 30, 2023).

16. Trade receivables and other current assets

ACCOUNTING PRINCIPLES

As trade receivables are generally due within one year, they are initially measured at their nominal value, net of any impairment losses.

If applicable, a provision for impairment is recognised when their fair value falls below the carrying amount. The trade receivables impairment policy complies with the expected loss model under IFRS 9 and is based particularly on an analysis of outstanding receivables and the age of trade receivables.

16.1 Trade receivables

Trade receivables

In €m	30/09/2024	30/09/2023
Trade receivables, gross	16.4	14.9
Impairment losses	(0.4)	(0.5)
Trade receivables, net	**16.0**	**14.4**

As of September 30, 2024, trade receivables totalled €16.0 million, showing a slight increase of €1.6 million compared to the closing balance as of September 30, 2023.

16.2 Other current assets

Other current assets

In €m	30/09/2024	30/09/2023
Advances and deposits paid on orders	2.4	2.5
Credit notes from suppliers	13.2	14.3
Insurance receivables	0.9	1.0
Employee-related receivables	0.5	0.5
VAT	17.4	17.6
Other	2.8	4.6
Other current assets, gross	37.1	40.6
Prepaid expenses	-	-
Other current assets, gross	17.9	14.4
Other current assets, net	**55.0**	**55.0**

The net other current assets as of September 30, 2024, remained unchanged at €55.0 million compared to September 30, 2023.

17. Trade payables and other current liabilities

ACCOUNTING PRINCIPLES

Trade payables and other current liabilities are initially recognised at fair value. Trade payables, other current liabilities and accrued expenses are generally due within one year. Consequently, their nominal amounts are close to their fair value.

17.1 Trade payables

Trade payables

In €m	30/09/2024	30/09/2023
Lease payables	1.8	2.7
Trade payables	79.7	69.5
Other payables	14.7	13.2
Accrued expenses	56.6	51.2
Total trade payables	**152.8**	**136.6**

As of September 30, 2024, total payables amounted to €152.8 million, reflecting an increase of €16.1 million compared to the closing balance as of September 30, 2023. This increase is mainly due to the increase of €10.2 million in trade payables and €5.3 million in accrued expenses mostly explained by the increase in network sales across all segments combined with inflation on purchasing conditions (gold price).

17.2 Other current and non-current liabilities

Other current liabilities

In €m	30/09/2024	30/09/2023
Payroll liabilities	34.6	34.0
Social security contributions	21.6	20.9
Employee profit-sharing	11.1	11.6
VAT	14.0	15.1
Other taxes and duties	4.6	7.8
Payroll & tax payables	85.9	89.4
Fixed asset payables	13.0	14.4
Advances and deposits received on orders	7.7	6.4
Other	8.7	2.9
Other miscellaneous liabilities	16.4	9.2
Prepaid income	44.1	41.1
Total other current liabilities	**159.3**	**154.1**

Other non-current liabilities

In €m	30/09/2024	30/09/2023
Tax consolidation current-account (Altastory/ Mstory)	9.5	26.4
Other non-current liabilities	2.0	-
Total other non-current liabilities	**11.5**	**26.4**

As of September 30, 2024, total other current and non-current liabilities amounted to €159.3 million and €11.5 million respectively, whereas they were €154.1 million and €26.4 million at the end of fiscal year 2023.

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.

18. Equity

18.1 Share capital and share premium

There were no changes in the number of shares and share capital during the financial year ended on September 30, 2024. Additional paid-in capital decreased by €155.4 million following a dividend paid to the shareholders of the group, via the ultimate parent Altastory S.A.S, in relation with the operation of refinancing and dividend recapitalisation in February 2024.

	Number of shares	Nominal value (in €)	Share premium (in €)	Total (in €)
On 1 October 2023	359,880,999	3,598,810	185,615,877	190,214,687
Dividends paid			(155,396,013)	(155,396,013)
On 30 September 2024	359,880,999	3,598,810	31,219,864	34,818,674

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 ensuring both Group's ability to invest on a long-term basis and satisfactory returns for shareholders.

18.2 Other omprehensive income

ACCOUNTING PRINCIPLES

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

19. Financial instruments – fair value and risk management

ACCOUNTING PRINCIPLES

Recognition and initial measurement

The Group initially recognises debt instruments and trade receivables on the date that they are originated. All other financial assets and liabilities are initially recognised on the transaction date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset (except for trade receivables that do not contain a significant financing component) or financial liability is initially measured at fair value plus or less, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not contain a significant financing component are initially measured at their sales price.

Classification and subsequent measurement

Financial assets

At initial recognition, financial assets are classified as measured at amortised cost, fair value through other comprehensive income – debt instruments, fair value through other comprehensive income – equity instruments or fair value through profit or loss.

Financial assets are not reclassified following initial recognition, unless the Group changes its business model for managing the financial assets. Where applicable, all financial assets concerned are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortised cost if both of the following conditions are met and if it is not designated at fair value through profit or loss:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met and if it is not designated at fair value through profit or loss:
- the debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- the contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Except for derivatives that qualify as hedging instruments, all financial assets that are not classified as measured at amortised cost or fair value through other comprehensive income as previously described are measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified as a financial liability at fair value through profit or loss if it is classified as held for trading, whether it is a derivative or designated as held for trading at initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains or losses are recognised in profit or loss, net of interest expenses. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Gains or losses resulting from derecognition are recognised in profit or loss.

The Group does not hold any financial liabilities recognised at fair value through profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when:
- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the contractual rights to receive the cash flows of the financial asset in a transaction in which:
  - it transfers substantially all the risks and rewards of ownership of the financial asset, or
  - it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

The Group has not entered into any transactions in which it transfers assets recognised in its balance sheet.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires. The Group also derecognises a financial liability when the terms of the financial liability are modified and the cash flows from the modified financial liability are substantially different. In this case, a new financial liability is recognised at fair value under the modified terms.

Derivatives classified as hedging instruments

Derivatives are initially measured at fair value. After initial recognition, derivatives are subsequently measured at fair value and changes are classified differently, depending on whether the derivatives are hedging instruments as defined in IFRS 9.

Trading derivatives are not classified as hedging instruments in the financial statements. Changes to their fair value are recognised in net financial income or expense.

The Group designates some derivatives as hedging instruments to hedge its exposure to variable cash flows from highly probable planned transactions. Hedge accounting applies if the hedging relationship is documented from inception and the hedge effectiveness is demonstrated (the value of the hedging instrument and hedged item vary inversely in relation to a given risk, the hedged risk).

When a derivative is designated a cash flow hedge, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedged item from inception of the hedge. The portion accumulated in other comprehensive income is released to profit or loss when the hedged item affects profit or loss. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in financial income or expense.

In the case of options, only the intrinsic value is qualified as a hedge, while the time value is qualified as the "hedging cost". Changes in the fair value of the option's time value are recognised in other comprehensive income. The time value at the date the hedge is qualified is amortised in profit or loss over the periods during which the hedged expected cash flows affect profit or loss. The amount accumulated in the hedging reserve (effective portion and hedging cost) is reclassified to profit or loss in the period or periods during which the hedged expected cash flows affect profit or loss.

Foreign currency forwards qualify as hedges based on their spot rate. The forward component (forward points) qualifies as the "hedging cost". Changes in the fair value of the forward component are recognised in other comprehensive income and released to profit or loss at the same time as the hedged item affects income or included in the cost of the asset when the hedged item results in the recognition of a non-financial asset.

When the hedge no longer meets hedge accounting criteria or the hedging instrument matures or is sold, cancelled or exercised, the Group discontinues hedge accounting prospectively. When the Group discontinues hedge accounting for a given cash flow hedge, the amount accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the period or periods during which the hedged expected cash flows affect profit or loss.

If the hedged future cash flows are no longer likely to arise, the amounts accumulated in the cash flow hedge reserve are immediately reclassified to profit or loss.

19.1 Accounting classifications and fair values

All the Group's financial assets and liabilities are measured at amortised cost, except for cash and cash equivalents; derivatives recognised at fair value through profit or loss; and derivatives classified as hedging instruments are recognised at fair value through other comprehensive income.

		As of 30/09/2024 Carrying amount			As of 30/09/2024 Fair value	
In m€	Note	Fair value - hedging instruments	Financial assets and liabilities at amortized cost	Total	Fair value	Total
Financial assets measured at fair value						
Interest rate swaps used for hedging		0.6	-	0.6	0.6	0.6
Forward exchange currency contracts used for hedging		0.4	-	0.4	0.4	0.4
Forward exchange gold contracts used for hedging		3.6	-	3.6	3.6	3.6
Total		**4.6**	**-**	**4.6**	**4.6**	**4.6**
Financial assets not measured at fair value						
Trade receivables	16.1.	-	16.0	16.0	16.0	16.0
Cash and cash equivalents	20.5.	-	20.8	20.8	20.8	20.8
Total		**-**	**36.8**	**36.8**	**36.8**	**36.8**
Financial liabilities measured at fair value						
Forward exchange currency contracts used for hedging		0.0	-	0.0	0.0	0.0
Forward exchange gold contracts used for hedging		0.5	-	0.5	0.5	0.5
Total		**0.5**	**-**	**0.5**	**0.5**	**0.5**
Financial liabilities not measured at fair value						
Bank overdrafts	20.5.	-	0.0	-	0.0	-
Bank loans	20.1.	-	3.7	3.7	3.7	3.7
Convertible bonds	20.1.	-	849.5	849.5	863.1	863.1
Trade payables	17.1.	-	152.8	152.8	152.8	152.8
Total		**-**	**1,006.0**	**1,006.0**	**1,019.6**	**1,019.6**

19.2 Financial risk management

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk thresholds and controls, and to monitor risks and compliance with predetermined thresholds. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

As part of its business activities, the Group has exposure to the following risks:
- liquidity risk;
- interest rate risk;
- credit risk;
- currency risk;
- commodity price risk.

19.2.1 Liquidity risk

The Group closely monitors its liquidity risk as a whole and for each of its subsidiaries by means of the implementation and regular review of the Group's financial reporting procedures. The Group analyses the contractual obligations relating to loans and borrowings in terms of interest payable and the Group's commitments arising from the interest rate derivatives recognised under balance sheet assets and liabilities.

Expected future cash flows are calculated based on the remaining contractual maturities of the associated financial liabilities. Future floating interest rate payments are determined based on the most recent coupon for the current period and on the basis of the rates applicable at the reporting date for cash flows relating to future dates. Net interest paid or received on swaps is determined in accordance with the same principles.

19.2.2 Interest rate risk

The Group is exposed to interest rate risk on drawdowns under the Revolving Credit Facility and, as a result, may seek to partially hedge this interest rate risk by entering future hedging arrangements, including floating-to-fixed rate swaps.

Additionally, the Group is exposed to interest rate risk on the Floating Rate Notes, and it hedges this exposure by entering derivative financial instruments.

The majority of the Group's cash and cash equivalents have generally been invested in fixed rate instruments such as short-term deposits or certificates of deposit.

19.2.3 Credit risk

Credit risk is the risk that one party to a financial liability will cause a loss for the other party by defaulting on its obligations. The credit risk of the Group arises from the Group's cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to suppliers or wholesale customers, including outstanding receivables and committed transactions. Sales to retail customers are made in cash, checks or through third-party credit cards and debit cards.

19.2.4 Currency risk

The functional currency for sales and costs (other than cost of goods sold) of the Group is the euro. The Group has limited foreign currency exposure, principally derived from purchases from certain suppliers which are conducted in U.S. dollars. Approximately 18.8% of our costs of goods sold were denominated in U.S. dollars in the financial year ended 30 September 2024. The Group has historically been able to pass on to final customers any foreign currency impact. The Group also hedged U.S. dollar foreign exchange rate risks via forwards and collars. As of 30 September 2024, contracts with a notional amount of U.S.$119.0 million, including U.S.$116.0 million of forwards and U.S.$3.0 million of collars, with maturities between October 2024 and September 2025 were contracted. Historically, the Group hedges through forwards and collars nearly all of our anticipated purchases denominated in U.S. dollars for one year.

19.2.5 Commodity price risk

The Group is subjected to commodity price risk associated with changes in the prices of gold, silver and diamonds and, to a lesser extent, other precious and semi-precious stones, through the Group's purchase of precious jewellery. Although the Group does not generally directly purchase the metals and other components of the jewellery it sells, price increases and availability of gold, silver, diamonds and other precious metals are reflected in the manufacturing and assembling prices that the Group pays to its suppliers. Variations in gold prices have a greater impact than variations in the prices of other commodities, as the proportion of the price of gold to the total price that the Group pays for a given piece of gold jewellery is much higher than the proportion of the price of the metals and other components used to the total price of other jewellery items.

The Group adjusts its activities through its gold repurchase and exchange programme based on its hedging needs. In addition, the Group adjusts its gold inventory (totalling 24 631 ounces or €51.3 million on 30 September 2024) as a physical hedge against fluctuations in the price of gold. Our gold inventory is stored at melters as well as at deposit-taking institutions, with a limited inventory held in our stores. In the financial year ended 30 September 2024, gold-based products accounted for 57.4% of our purchases by cost.

Furthermore, to hedge the Group's exposure to fluctuations in the price of gold, the Group has recourse to derivative financial instruments, such as synthetic swaps and calls or SWAP, anticipating indirect gold purchases for one year on a rolling basis.

20. Loans and borrowings

20.1 Net financial debt

Net financial debt refers to all financial liabilities, less cash and cash equivalents.

The following table presents changes in net financial debt. Changes in accrued interest are included under changes in the financial year:

		Cash transactions			Non-cash transactions				
Net financial debt *In €m*	**Opening 01/10/2023**	**Increase**	**Reimbursment / interests paid**	**Change in the financial year**	**Scope changes**	**Increase**	**Termination of contract**	**Others**	**Closing 30/09/2024**
Bank loan - RCF	29.6	-	(31.6)	-	-	2.2	-	-	0.2
Bonds	614.1	848.4	(667.3)	-	-	56.7	-	(2.5)	849.5
Lease liabilities	274.4	-	(97.4)	-	0.2	169.9	2.7	(39.5)	310.4
Other financial debt ("PGE")	4.6	-	(1.0)	-	-	-	-		3.5
Other financial liabilities, Current	0.1	-	(0.0)	-	-	(0.1)	-	-	-
Bank overdrafts	6.5	-	-	(6.5)	-	-	-	-	-
Gross liabilities	929.2	848.4	(797.3)	(6.5)	0.2	228.8	2.7	(41.9)	1,163.6
Total cash and cash equivalents	21.2			(0.4)					20.8
Net financial debt	908.0	848.4	(797.3)	(6.1)	0.2	228.8	2.7	(41.9)	1,142.8
Non-current financial liabilities	*605.3*								*840.6*
Non-current lease liabilities	*203.8*								*228.2*
Current financial liabilities	*49.5*								*12.6*
Current lease liabilities	*70.6*								*82.1*

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 August 1, 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 September 30, 2024, the RCF was not drawn.

Bonds

On February 26, 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 €620.0 million divided between €370.0 million aggregate principal amount of fixed rate 5.375% Senior Secured Notes and €250.0 million aggregate principal amount of Floating Rate Notes (with a margin of EURIBOR plus 550bps) (collectively, the "Notes").

On February 14, 2024, Goldstory S.A.S. successfully refinanced its High Yield Notes through the launch of Sustainability-Linked Senior Secured Notes amounting to €850.0 million (subsequent to September 30, 2024). This financing comprises two parts: €350.0 million of its aggregate principal amount of sustainability-linked Senior Secured Notes due 2030, at three-month EURIBOR (subject to a 0% floor) plus

400 basis points per annum (the "Floating Rate Notes") and €500.0 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 12.2.

Other financial debt

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

20.2 Gross financial debt

Gross financial debt	30/09/2024		30/09/2023	
In €m	**Current**	**Non-current**	**Current**	**Non-current**
Bonds - gross	-	850.0	-	620.0
Accrued interests on bonds	9.9	-	3.0	-
Transaction costs on bonds (incl. premium on rate hedging)	1.3	(11.7)	9.4	(18.3)
Bonds	11.2	838.3	12.4	601.7
Lease liabilities	78.6	228.2	67.5	203.8
Accrued interests on lease liabilities	3.6	-	3.1	-
Lease liabilities	82.1	228.2	70.6	203.8
Bank loan - RCF (revolving credit facility) - gross	-	-	30.0	-
Accrued interests on RCF	0.2	-	0.2	-
Transaction costs on RCF	-	-	(0.6)	-
Bank loan - RCF (revolving credit facility)	0.2	-	29.6	-
Other financial liabilities, Current	1.2	2.3	1.0	3.6
Bank overdrafts	-	-	6.5	-
Gross financial debt	**94.7**	**1,068.9**	**120.1**	**809.1**

In accordance with IFRS 9 "Financial instruments":
- €11.7 million of issuance costs relating to the €850.0 million bond issue are deducted from financial debt and spread over the term of the loan using the effective interest method compared to €18.3 million from last fiscal year 2023;
- Issuance costs relating to the RCF loan (credit facility) are presented as a deduction of the financial debt pour €0.6 million as of September 30, 2023. As of September 30, 2024, the RCF not being drawn, the RCF issuance costs for €1.2 million are presented as "Other Currents Assets" in the balance sheet.

20.3 Group debt structure

The interest rates of the financial liabilities portfolio breakdown as follows:

Financial debt	30/09/2024		
In €m	**Total**	**Fixed rate**	**Floating rate**
Bonds - gross	850.0	500.0	350.0
Accrued interests on bonds	9.9	5.6	4.3
Transaction costs on bonds (incl. premium on rate hedging)	(10.4)	(7.3)	(3.1)
Bonds	849.5	498.3	351.2
Lease liabilities	306.8	306.8	-
Accrued interests on lease liabilities	3.6	3.6	-
Lease liabilities	310.4	310.4	-
Bank loan - RCF (revolving credit facility) - gross	-	-	-
Accrued interests on RCF	0.2	0.2	-
Bank loan - RCF (revolving credit facility)	0.2	0.2	-
Other financial liabilities	3.5	3.5	-
Bank overdrafts	-	-	-
Total debt, gross	**1,163.6**	**812.4**	**351.2**

On September 30, 2024, the total gross financial debt amounted to €1,163.6 million, with €812.4 million at fixed rates and €351.2 million at floating rates. In particular,
- Bonds, constitute the majority of the debt, valued at €849.5 million, of which €498.3 million at fixed rate and €351.2 million at floating rate. Meanwhile, transaction costs on bonds, including premium on rate hedging, had reduced the overall bond value by €10.4 million;
- Lease liabilities, fully fixed-rate, amount to €310.4 million;
- Other minor components include Revolving Credit Facilities for €0.2 million and other financial liabilities for €3.5 million, which are also fixed rate.

20.4 Maturities of liabilities

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

Gross debts *In €m*	Accounting value at 30/09/2024	Less than one year	1 to 5 years	More than 5 years	Transaction costs restatement
Principal	838.5	-	-	850.0	(11.5)
Accrued interest	11.0	9.9	-	-	1.1
Senior Secured Notes ("High Yield Debt")	849.5	9.9	-	850.0	(10.4)
Principal	10.3	0.9	9.4	-	-
Accrued interest	0.2	0.2	-	-	
Senior Secured Notes ("High Yield Debt")	10.4	1.1	9.4	-	-
RCF	-	-	-	-	-
Other financial debt ("PGE")	3.5	1.2	2.3	-	-
Other financial debt ("PGE")	0.2	0.2	-	-	-
Accrued interest on RCF	2.0	-	2.0	-	-
Bank loans	5.7	1.4	4.3	-	-
Non-current lease liabilities	228.2	-	205.2	23.0	-
Current lease liabilities	82.1	82.1	-	-	-
Lease liabilities	310.4	82.1	205.2	23.0	-
Bank overdrafts	-	-	-	-	-
Total gross debt	**1,163.6**	**93.4**	**207.5**	**873.0**	**(10.4)**

On September 30, 2024, the gross debt of €1,163.6 million is structured by €93.4 million due within one year, €207.5 million due in 1 to 5 years, and €873.0 million due after 5 years. The details are as follow:

- SSN with €850.0 million maturing in over 5 years, offset by €10.4 million in transaction costs (including premium on rate hedging) and €9.9 million of accrued interest;
- Lease liabilities totalled €310.4 million, including €82.1 million due within one year, €205.2 million due in 1 to 5 years, and €23.0 million beyond 5 years;
- Other financial liabilities including tax integration payables toward Parent company (head of French tax integration) (€10.4 million) and bank loans (€5.7 mil- lion) are primarily short to medium-term;
- No bank overdraft as of September 30, 2024.

20.5 Cash and cash equivalents

ACCOUNTING PRINCIPLES

Cash and cash equivalents comprise cash, less bank overdrafts.

In €m	30/09/2024	30/09/2023
Cash & cash equivalents	20.8	21.2
Cash and cash equivalents - assets	20.8	21.2
Bank overdrafts	-	6.5
Cash and cash equivalents - liabilities	-	6.5
Total net cash	**20.8**	**14.7**

As of September 30, 2024, the Group's cash and cash equivalents amounted to €20.8 million with no outstanding bank overdrafts. Meanwhile, as of September 30, 2023, the amount of cash and cash equivalents were reported at €21.2 million with €6.5 million in overdrafts.

21. Provisions

ACCOUNTING PRINCIPLES

A provision is recognised if (i) as a result of a past event, the Group has a present legal or constructive obligation, (ii) that can be estimated reliably, and (iii) it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions mainly reflect obligations relating to labour disputes and commercial, tax and other litigation.

Provisions whose timing can be estimated reliably are discounted.

Where it is not probable that a present obligation exists, the Group discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities that are assumed following a business combination are recognised at their fair value at the acquisition date.

MANAGEMENT ESTIMATES AND ASSUMPTIONS

Estimates mainly relate to the measurement of liabilities and contingent liabilities, including provisions for litigation.

Changes in provisions for the financial periods ended 30 September 2024 break down as follows:

Provisions *In €m*	Opening 01/10/2023	Increase	Reversals used	Reversals unused	Closing 30/09/2024
Labour disputes	0.5	0.6	(0.1)	(0.1)	0.8
Commercial, tax and other litigation	6.2	1.8	(0.3)	(0.1)	7.6
Total Provisions	**6.7**	**2.4**	**(0.3)**	**(0.3)**	**8.4**

At the closing balance of fiscal year 2024, provisions for commercial, tax, and other litigation totalled €7.6 million, representing an increase of €1.4 million compared to the opening balance. This increase is primarily attributable to €1.0 million provision in AGATHA for termination of labour contract in the framework of the Employment protection Plan.

22. Other information

22.1 Off-balance sheet commitments

Off-balance sheet commitments *In €m*	Entity	30/09/2024	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	1.1	1.0
Bank Guarantees	Stroili Oro S.p.A.	13.8	12.1
Bank Guarantees	OROVIVO AG	1.8	1.4
Bank Guarantees	AGATHA SAS	0.2	0.2
Total commitments given		**25.8**	**24.2**
Received commitments			
Loan - RCF (credit facility)		120.0	60.0
Other bank facilities		40.5	34.0
Total commitments received		**160.5**	**94.0**

Commitments received

As of September 30, 2024, the €120.0 million Revolving Credit Facility includes €6.0 million as ancillary facility with BNP. The group also has bank overdraft facilities for a total of €40.5 million (none outstanding).

Covenants

According to terms of the RCF (Revolving Credit Facilities), contracted February 14, 2024, the Group must respect a debt ratio (Net financial debt/ Reported EBITDA) which must be maintained below 6.8x. A reduction in the Group's debt (financial leverage) gives rise to a contractual margin bonus (minimum 2.75%).

As of September 30, 2024, the Group is compliant with the covenant.

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.

22.2 Statutory audit fees

The Group's statutory audit fees amounted to €1.2 million for the financial year ended 30 September 2024. The total amount remained unchanged, the allocation of fees among audit firms varied as follows:

Statutory audit fees *In €m*	30/09/2024			30/09/2023		
	Deloitte*	Aca-Nexia	Other	Deloitte*	Aca-Nexia	Other
Statutory audit of individual and consolidated financial statements	0.3	0.1	0.2	0.3	0.2	0.2
THOM GROUP SAS	*0.0*	*0.0*	-	*0.0*	*0.0*	-
Fully consolidated subsidiaries	*0.3*	*0.1*	*0.2*	*0.3*	*0.1*	*0.2*
Non-audit services	0.5	0.1	0.0	0.1	-	0.0
Total	**0.8**	**0.2**	**0.2**	**0.5**	**0.2**	**0.2**

** including Deloitte Italy*

22.3 Subsequent events

No significant subsequent event to be noted.

23. Related parties

23.1 Transactions

The Group's related parties include the shareholders of the Company, companies with a controlling interest in the Group and the main members of the Group's management and supervisory bodies (and their immediate family members).

During the ordinary business activities, the Group regularly enters into agreements with or render services to related parties. In turn, such related parties may render services or deliver goods to us as part of their business. Purchase and supply agreements between subsidiaries and affiliated companies and with associated companies or shareholders of such associated companies are entered into on a regular basis within the ordinary course of business.

Transactions with members of the Group's management and supervisory bodies

Certain members of the Group's management or supervisory bodies and their families or close friends are also members of other companies which they control or over which they have significant influence. Some of these companies have provided services to the Group over the 2024 financial year for an amount of expense as shown below:

- RPC S.A.S, managed by Romain Peninque: 94 thousand euros
- FDA Conseil S.A.S., managed by Flavien d'Audiffret: 32 thousand euros

No transactions were recorded with members of the Group's management and supervisory bodies or their close relations through other companies over which they exercise control or significant influence in fiscal 2024.

Transactions with Altastory

Altastory SAS, as the head of the tax consolidation group, maintains a tax consolidation current account with the Group via intercompany transactions.

In January 2024, Altastory transferred a €31.2 million loan from Goldstory to Mstory (which subsequently borrowed the same amount from Atastory). This loan was fully repaid in cash on February 2, 2024. Later in 2024, a new loan agreement was established between Altastory and Mstory, as well as between

Mstory and Goldstory. The loan amount fluctuates based on corporate income tax movements linked to tax consolidation, reflecting intercompany transactions both between the beneficiary companies and Goldstory SAS, and between Goldstory SAS and Mstory, for the portion not paid to Mstory in cash.

As of September 30, 2024, the outstanding balance in the tax consolidation current account was €9.3 million; compared to €25.7 million as of September 30, 2023, which included €2.1 million from the tax integration loan and the rest from other intercompany loan.

Transactions with Belmonte & Associés SPRL and Belmonte & Co. Limited

The Group has signed contracts with Belmonte & Associés SPRL and Belmonte & Co. Limited for advisory services pertaining to development strategies, sourcing and purchasing and supplier relationships. Eric Belmonte, the former Chairman of the supervisory board of THOM GROUP (the supervisory board of the Group prior to the 2021 Acquisition) and the current Chairman of the Supervisory Board of Altastory, is a director of Belmonte & Associés SPRL and a manager of Belmonte & Co. Limited. Transactions between the Group and Belmonte & Associés SPRL and Belmonte & Co. Limited represent an expense of €0.3 million for the 2024 financial year and €0.7 million for the 2023 financial period.

23.2 Key Management Personnel: compensation of members of the supervisory and management bodies

Attendance fees

Some members of the Supervisory Board are paid by attendances fees. The total gross amount of attendance fees due for the 2024 financial year by Altastory and its subsidiaries to all members of the Supervisory Board was €90 thousand compared to €82 thousand for the fiscal period 2023.

Compensation and benefits granted to key management personnel

The total compensation paid to the members of the Executive Committee and the Group President, in respect of their duties within the Group is €5.0 million for fiscal period 2024 and €5.6 million for fiscal period 2023.

investorrelations@thomgroup.com
https://www.thomgroup.com/investors/
+33 (0)1 44 52 76 35
THOM GROUP