MANAGEMENT'S DISCUSSION AND ANALYSIS OF OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS THREE-MONTH PERIOD ENDED DECEMBER 31, 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 Unaudited 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.

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 the FY 2024 Annual Report published on February 21, 2025, particularly in "Risk Factors".

About GOLDSTORY

We are a leading European jewelry retailer by number of stores, with a strong position in Europe in the affordable jewelry sector. Our product offering comprises primarily precious jewelry, complemented by watches and costume jewelry. We are active primarily in France and Italy, where we hold a leading market position in each national market. Our products are available through our network of 1,030 stores directly operated stores and 46 corners, including 533 stores and wedding fairs in France (including one store in Monaco) as well as 21 corners, 398 stores in Italy, 63 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 December 31, 2024, as well as 8 e-commerce platforms in France and Belgium (histoiredor.com, marc-orian.com, agatha.fr, bemaad.com, deloison-paris.com), Italy (stroilioro.com), Spain (agatha.es) and Germany (orovivo.de). We also have 53 affiliated partner stores in France (9 openings and 1 closing during the three-month period ended December 31, 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 (400 stores), Stroili (355 stores), AGATHA (34 stores and 46 corners), Marc Orian (85 stores), TrésOr (58 stores), OROVIVO (63 stores), Franco Gioielli (33 stores), Be Maad (1 store) and Deloison (1 showroom).

Accounting principles

We have prepared our Unaudited 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 FY 2024 Annual Report released on February 21, 2025.

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 network sales.** Like-for-Like network sales excludes network sales from our affiliated partners, our wholesale business, the AGATHA China, Be Maad and Deloison businesses and any directly operated stores / brands that opened during the financial year ended September 30, 2024 or the three-month period ended December 31, 2024 or closed during the three-month period ended December 31, 2024 (*i.e.*, only stores / brands open before September 30, 2023 are included), as well as any network sales adjustments from the customer loyalty program.

- **Like-for-Like Gross Margin**. Like-for-Like Gross Margin excludes Gross Margin from our affiliated partners, our wholesale business, the AGATHA China, Be Maad and Deloison businesses and any directly operated stores / brands that opened during the financial year ended September 30, 2024 or the three-month period ended December 31, 2024 or closed during the three-month period ended December 31, 2024 (*i.e.*, only stores / brands open before September 30, 2023 are included), as well as any network sales adjustments from the customer loyalty program. We allocate certain income and expenses among perimeters such as rebates received from suppliers and packaging and transportation costs based on business assumptions.

- **Like-for-Like network sales 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.

Results of Operations

Three-month period ended December 31, 2024 compared to the three-month period ended December 31, 2023

The table below sets forth certain line items from our income statement for the three-month periods ended December 31, 2024 and 2023.

	First Quarter				LTM Ended December
In €m	**2024**	**2025**	**Var. m€**	**Var. %**	**2025**
Revenues	**363.5**	**400.4**	**36.9**	***10.1%***	**1 126.5**
Cost of goods sold	(131.8)	(160.4)	(28.5)	*(21.7)%*	(425.6)
Gross margin	**231.7**	**240.0**	**8.3**	***3.6%***	**700.8**
Other income	1.1	1.1	0.0	*1.2%*	6.8
Personnel expenses	(70.0)	(75.2)	(5.2)	*(7.5)%*	(270.3)
External expenses	(44.2)	(46.8)	(2.5)	*(5.7)%*	(155.5)
Other expenses	(0.2)	(0.4)	(0.2)	*(66.8)%*	(1.7)
Reported EBITDA	**118.3**	**118.7**	**0.4**	***0.4%***	**280.1**
Depreciation, amort., impair. and prov., Net	(26.9)	(28.0)	(1.1)	*(3.9)%*	(115.4)
Recurring operating profit	**91.3**	**90.7**	**(0.6)**	***(0.7)%***	**164.7**
Other non-recurring operating income	0.2	1.4	1.2	*570.2%*	1.9
Other non-recurring operating expenses	(2.9)	(4.5)	(1.6)	*(55.1)%*	(14.9)
Operating profit	**88.6**	**87.6**	**(1.0)**	***(1.1)%***	**151.7**
Cost of net financial debt	(10.8)	(15.7)	(4.9)	*(45.1)%*	(64.2)
Other financial income and expenses	(6.9)	(5.5)	1.4	*20.0%*	(23.7)
Net finance costs	**(17.7)**	**(21.2)**	**(3.5)**	***(19.9)%***	**(87.9)**
Profit before tax	**71.0**	**66.4**	**(4.5)**	***(6.4)%***	**63.7**
Income tax expense	(22.3)	(21.3)	1.0	*4.5%*	(37.1)
Profit for the period	**48.7**	**45.2**	**(3.5)**	***(7.2)%***	**26.7**
Profit attributable to owners of the parent	*48.8*	*45.2*	*(3.7)*	*(7.5)%*	*27.6*
Profit attributable to non-controlling interests	*(0.1)*	*0.0*	*0.1*	*144.4%*	*(1.0)*

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 periods ended December 31, 2024 and 2023.

	First Quarter				LTM Ended December
In €m	**2024**	**2025**	**Var. m€**	**Var. %**	**2025**
Gross Margin	**231.7**	**240.0**	**8.3**	**3.6%**	**700.8**
Personnel expenses - network	(52.6)	(56.4)	(3.8)	7.2%	(200.9)
Rent & charges - network	(3.2)	(3.3)	(0.0)	1.5%	(14.3)
Marketing costs - network	(9.4)	(11.6)	(2.2)	22.9%	(29.1)
Taxes - network	(2.4)	(2.6)	(0.1)	6.0%	(8.6)
Overheads - network	(11.2)	(10.9)	0.3	(0.0)	(40.1)
Network direct costs	**(78.9)**	**(84.8)**	**(5.9)**	**7.4%**	**(293.0)**
Network contribution	**152.8**	**155.2**	**2.5**	**1.6%**	**407.8**
As a % of network sales	*45.7%*	*44.0%*		*(1.7)pp*	*40.9%*
Indirect Costs	**(34.5)**	**(36.5)**	**(2.0)**	**5.9%**	**(127.7)**
As a % of network sales	*(10.3%)*	*(10.4%)*		*(0.0)pp*	
Reported EBITDA	**118.3**	**118.7**	**0.4**	**0.4%**	**280.1**

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, network contribution totaled €155.2 million, an increase of €2.5 million, or 1.6%, from €152.8 million in the three-month period ended December 31, 2023. As a percentage of network sales, the network contribution decreased by 1.7 percentage point from 45.7% in the three-month period ended December 31, 2023 to 44.0% in the three-month period ended December 31, 2024.

The underlined decrease in network contribution margin resulted from the combination of (i) positive Like-for-Like net sales growth across all geographies combined with dynamic Group network expansion, partly offset by (ii) a (1.3) percentage point decrease in Gross Margin as a percentage of Network sales from 69.3% in the three-month period ended December 31, 2023 to 68.0% in the three-month period ended December 31, 2024 driven by COGS inflation (gold price increase mostly) and (iii) (0.5) percentage point increase in marketing investments (traffic acquisition) following our strategy to increase digital penetration which has been partly financed through a strong focus on other direct costs efficiency (+0.1pp improvement as a percentage of Network sales).

Total indirect costs totaled €36.5 million in three-month period ended December 31, 2024, an increase of €2.0 million, or 5.9%, from €34.5 million in the three-month period ended December 31, 2023 mainly related to (i) Headquarter' staff expenses (inflation and AGATHA strengthening mainly), (ii) IT investments to improve services to customers, operational efficiency and reinforce cybersecurity as well as (ii) logistics variable costs driven by business growth.

These operating key performance indicators are further analyzed in this report.

Result of operations for the three-month ended December 31, 2024

- Positive Life-For-Like net sales performance driven by our leading brands (Histoire d'Or, Stroili and AGATHA) while sticking to our rigorous full-price policy in an intensive promotional market environment.
- Dynamic expansion strategy to capture white space on current operated geographies through Directly Operated Stores (+16 openings in Q1 2024) and Affiliated Partners with +9 openings to reach 53 affiliated stores by December 2024;
- Gross Margin rate adversely impacted by gold price increase does not passed through to end-customers to promote volume growth (limited targeted price increase);
- Tight monitoring of direct costs allowing the strengthening of marketing investments (traffic acquisition) following our strategy to increase Group's digital penetration reaching 11% in Q1 2024 increasing by +0.3 pp versus previous period.
- Reported EBITDA of €118.7 million compared to €118.3 million for the three-month period ended December 31, 2023 increasing by €0.4 million, or 0.4%.

Revenue

The table below presents the detail of our revenue for the three-month periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Network sales IFRS	**334.2**	**352.9**	**18.7**	**5.6%**
Sales of precious metals	28.9	47.3	18.4	63.7%
Other	0.4	0.2	(0.2)	(44.1%)
Other Sales	**29.3**	**47.5**	**18.2**	**62.1%**
Revenue	**363.5**	**400.4**	**36.9**	**10.1%**

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, revenue amounted to €400.4 million, an increase of €36.9 million, or 10.1%, from €363.5 million in the three-month period ended December 31, 2023, due to an increase of €18.7 million (or 5.6%) in network sales as well as €18.4 million increase in sales of precious metals during the three-month period ended December 31, 2024.

The increase of €18.7 million of Network sales has been mainly driven by network sales growth on a Like-for-Like basis which increased by €9.6 million, or +3.0%, in the three-month period ended December 31, 2024 compared respectively to the three-month period ended December 31, 2023 with positive growth across all geographies and distribution channels, with no changes in our rigorous full-price 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, the development of a broader product offering, the deployment of the new store concept in Italy and the strong development of AGATHA in France and Spain, now included in the Like-for-Like sales.

Complementary to Like-for-Like growth, Network sales development was supported by the dynamic growth of AGATHA brand in China (still experiencing a strong ramp-up), the development of our Affiliates network and the opening of new stores notably in Italy following the asset deal carried-out with Gold Gallery with the first three stores converted into the Stroili brand over the period.

Sales of precious metals increased by €18.4 million, or 63.7%, in the three-month period ended December 31, 2024 as compared to the three-month period ended December 31, 2023 as a consequence of our gold hedging strategy considering a higher mix of physical gold over the period.

Network sales

The table below presents our network sales by activity for the three-month periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Directly Operated stores & corners	288.0	296.5	8.6	3.0%
E-commerce	23.8	26.3	2.6	10.7%
Customer Loyalty Program	(1.1)	(0.8)	0.3	(28.6%)
Total BtoC	**310.6**	**322.1**	**11.4**	**3.7%**
Wholesale	6.2	7.4	1.2	19.7%
Affiliates	3.9	4.5	0.6	15.4%
Total BtoB	**10.1**	**11.9**	**1.8**	**18.0%**
Agatha	13.1	17.2	4.1	31.0%
Be Maad	0.3	0.5	0.2	67.7%
Deloison	0.0	1.2	1.2	n/a
Other Incubating Projects	0.0	0.0	0.0	0.5%
Total Incubating Projects	**13.4**	**18.8**	**5.4**	**40.5%**
Total Network Sales	**334.2**	**352.9**	**18.7**	**5.6%**

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 periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Network sales France	198.8	201.6	2.8	1.4%
Network sales Italy	92.0	97.0	5.0	5.4%
Network sales RoE	24.2	26.0	1.8	7.6%
Total network sales on a LFL basis	**315.0**	**324.6**	**9.6**	**3.0%**
Change in perimeter	19.1	28.2	9.1	47.4%
Network sales	**334.2**	**352.9**	**18.7**	**5.6%**

The table below presents the detail of our Like-for-Like network sales by sales channel perimeter for the three-month periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Directly Operated stores & corners	289.1	294.0	4.9	1.7%
E-commerce	25.9	30.1	4.2	16.3%
Other	0.0	0.5	0.5	n.a.
Total network sales on a LFL basis	**315.0**	**324.6**	**9.6**	**3.0%**
Change in perimeter	19.1	28.2	9.1	47.4%
Network sales	**334.2**	**352.9**	**18.7**	**5.6%**

The table below presents the detail of our Like-for-Like network sales by brand perimeter for the three-month periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Histoire d'Or	175.7	178.1	2.4	1.4%
Stroili	85.3	90.1	4.8	5.7%
Marc Orian	22.3	21.5	(0.8)	(3.7%)
Franco Gioielli	4.8	4.8	0.1	1.1%
TrésOr	7.3	7.2	(0.1)	(1.9%)
Orovivo	10.5	10.9	0.4	3.8%
Agatha France & Spain	9.2	12.1	2.9	30.8%
Total network sales on a LFL basis	**315.0**	**324.6**	**9.6**	**3.0%**
Agatha China	2.2	4.2	2.1	96.5%
Change in perimeter	17.0	24.0	7.0	41.2%
Total network sales	**334.2**	**352.9**	**18.7**	**5.6%**

Three-month period ended December 31, 2024

On a Like-for-Like basis, our network sales increased by €9.6 million, or 3.0%, to €324.6 million in the three-month period ended December 31, 2024 compared to €315.0 million in the three-month period ended December 31, 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, Stroili and Agatha), following targeted marketing efforts and continues customer experience improvements carried-out over recent years, and all the efforts, in the last few months, to reinforce Agatha brand repositioning.

The table below presents the detail for the change in perimeter for the three-month periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Agatha China	2.2	4.2	2.1	96.5%
Wholesale	6.2	7.4	1.2	19.7%
Deloison	0.0	1.2	1.2	n/a
Affiliates	3.9	4.5	0.6	15.4%
Be Maad	0.3	0.5	0.2	67.7%
Customer Loyalty Program	(1.1)	(0.8)	0.3	(28.6%)
Other change in perimeter	7.7	11.2	3.5	45.5%
Total Change in perimeter	**19.1**	**28.2**	**9.1**	**47.4%**

Three-month period ended December 31, 2024

In the three-month ended September 30, 2024, the change in perimeter increased by €9.1 million, or 47.4% to €28.2 million, from €19.1 million in the three-month period ended December 31, 2023.

The €9.1 million increase is mainly due to (i) the higher net sales contribution of stores openings net from closures during the period following our strategy to capture white space on operating geographies while carrying-out continues store portfolio review to close or relocate underperforming stores, (ii) the dynamic growth of AGATHA in China driven by digital activity operated through market places with lower profitability pattern (new business still in ramp-up), (iii) the good performance of the wholesale division over the period fueled by former inventory clearance at discounted price in Italy to clean-up slow moving pieces (iv) the strong development of affiliation (13 stores opened in the LTM period ended December 31, 2024 compared to 5 in the LTM period ended December 31, 2023) and (v) the consolidation, since October 1, 2024, of the recently acquired entity Deloison, specialized in engagement and wedding rings.

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 periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
E-commerce sales France	21.4	24.5	3.1	14.5%
E-commerce sales Italy	3.0	3.5	0.4	14.3%
E-commerce sales RoE	1.4	2.1	0.7	48.9%
Total network sales on a LFL basis	**25.9**	**30.1**	**4.2**	**16.3%**
Change in perimeter	1.9	3.8	1.9	99.1%
Total e-commerce sales	**27.8**	**34.0**	**6.1**	**22.1%**

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, on a Like-for-Like basis, e-commerce sales amounted to €34.0 million, an increase of €6.1 million, or 22.1%, with no change in our rigorist full-price policy, from €27.8 million in the three-month period ended December 31, 2023. Change in perimeter e-commerce sales amounted to €3.8 million in the three-month period ended December 31, 2024 compared to €1.9 million in the three-month period ended December 31, 2023, and correspond to AGATHA China digital activities still in the ramp-up stage.

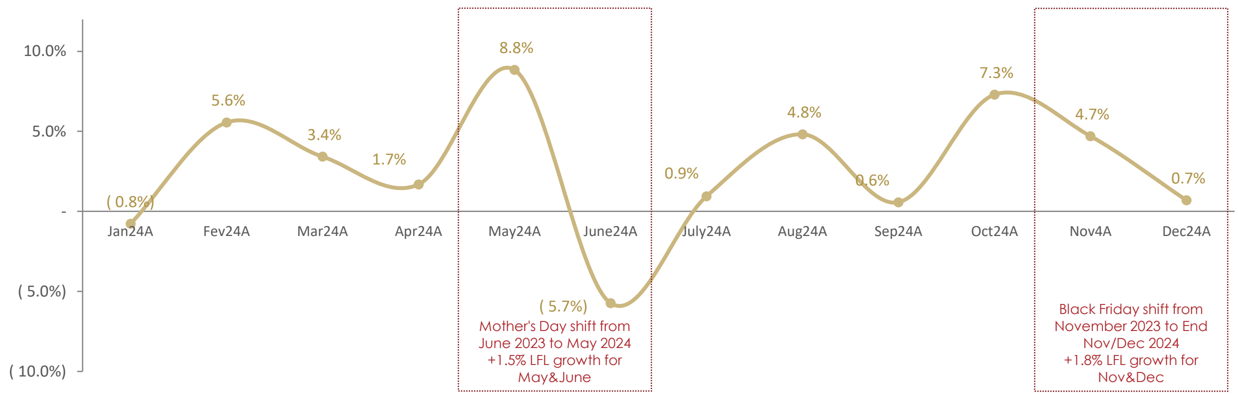
Quarterly network sales

The table below presents our network sales on a quarterly basis for the three-month period ended December 31, 2024 and for the financial years ended September 30, 2021 to 2024. Our business is seasonal, with network sales being the highest in Quarter 1 due to the Christmas season.

	French Gaap		IFRS		
	Audited	Audited	Audited	Audited	Unaudited
In €m	**2021**	**2022**	**2023**	**2024**	**2025**
Quarter 1 (Oct - Dec)	232.4	304.9	320.0	334.2	352.9
Total Network sales YTD	**232.4**	**304.9**	**320.0**	**334.2**	**352.9**
Quarter 2 (Jan - Mar)	106.0	179.5	201.4	214.2	
Quarter 3 (Apr - June)	143.2	203.4	229.7	240.2	
Quarter 4 (July - Sep)	194.8	201.0	215.7	222.1	
Total Network sales FY	**676.5**	**888.7**	**966.7**	**1 010.7**	**352.9**

Group LFL Network sales on a monthly basis

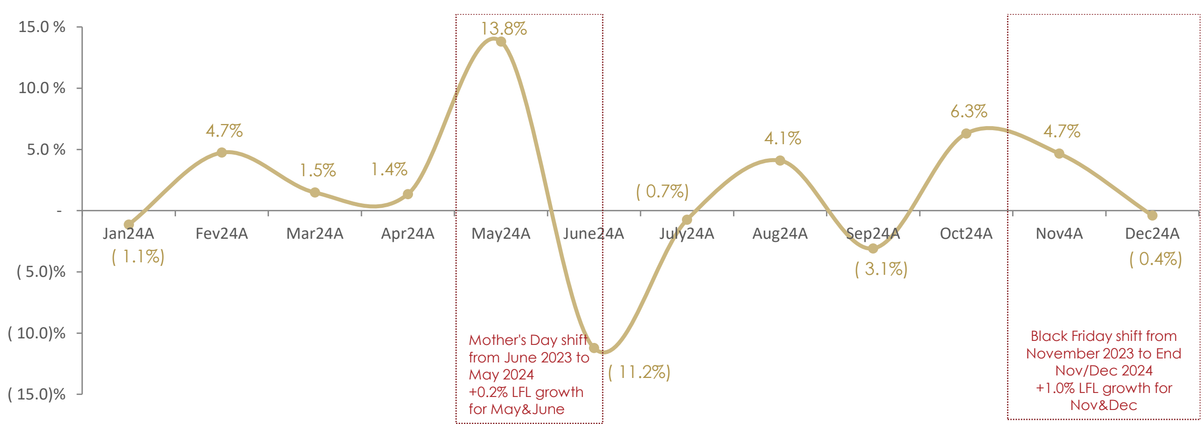
The graph below presents the growth of our total network sales on a monthly basis for the LTM period ended December 31, 2024 as compared to the same period in the prior year.



On a Like-for-Like basis, our network sales in each month in the LTM period ended December 31, 2024 increased as compared to the corresponding months in the LTM period ended December 31, 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.

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 LTM period ended December 31, 2024 as compared to the same period in the prior year.



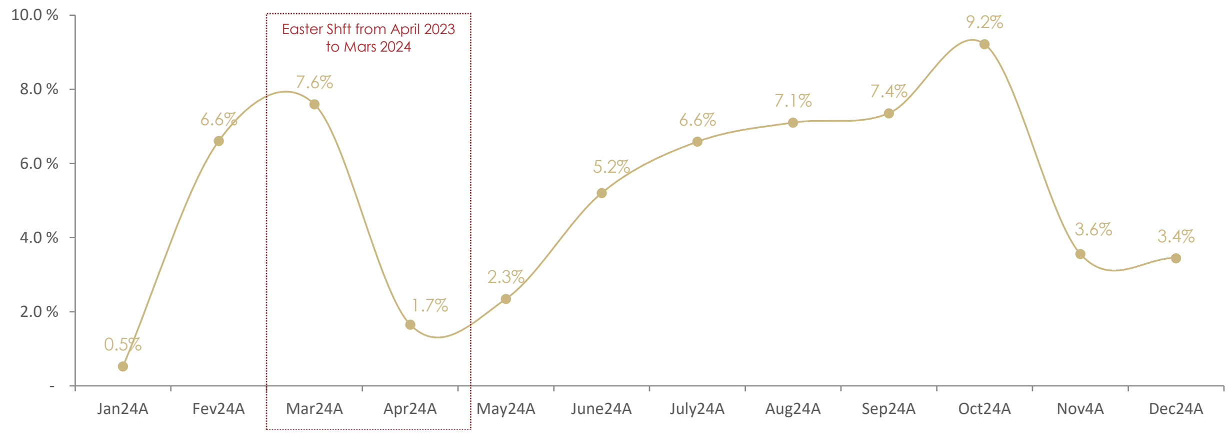
In France, our Like-for-Like network sales recorded an overall increase over the LTM period ended December 31, 2024, as compared with the LTM period ended December 31, 2023.

Our Like-for-Like network sales in January 2024 were impacted by significant social movements that 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% 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 September 2023. Finally, December

2024 was negatively impacted by the calendarization of Black-Friday taking place end of November and crossing beginning of December leading to Christmas purchases anticipation end of November (must be appreciated on a cumulative basis +1.0% LFL growth for November and December cumulated).

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 LTM period ended December 31, 2024 as compared to the same period in the prior year.



In Italy, our Network Sales recorded an overall increase in the LTM period ended December 31, 2024, as compared with the LTM period ended December 31, 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 January 2024 was explained by difficult market conditions. 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 despite the intensive promotional competitive environment, driven by Group’s leading brands (Histoire d’Or, Stroili, Agatha).
- E-commerce activity kept growing at a high pace delivering +22% growth in the three-month ended December 31, 2024 compared to the same period in previous year.
- Strong development of affiliation with 9 stores opened in the three-month period ended December 31, reaching 53 stores in France.

Cost of goods sold

The table below presents the detail of our cost of goods sold for the three-month periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Purchases of Finished Goods	(102.7)	(119.7)	(17.0)	16.6%
Raw materials consumption	(29.2)	(40.7)	(11.5)	39.5%
Cost of goods sold	**(131.8)**	**(160.4)**	**(28.5)**	**21.7%**

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, cost of goods sold totaled €160.4 million, an increase of €28.5 million, or 21.7%, from €131.8 million in the three-month period ended December 31, 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 periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Network sales	334.2	352.9	18.7	*5.6%*
Sales of precious metals	28.9	47.3	18.4	*63.7%*
Other	0.4	0.2	(0.2)	(44.1%)
Revenue	**363.5**	**400.4**	**36.9**	**10.1%**
Cost of goods sold	**(131.8)**	**(160.4)**	**(28.5)**	**(21.7%)**
Gross Margin	**231.7**	**240.0**	**8.3**	**3.6%**
As a % of network sales	*69.3%*	*68.0%*		*(1.3)pp*

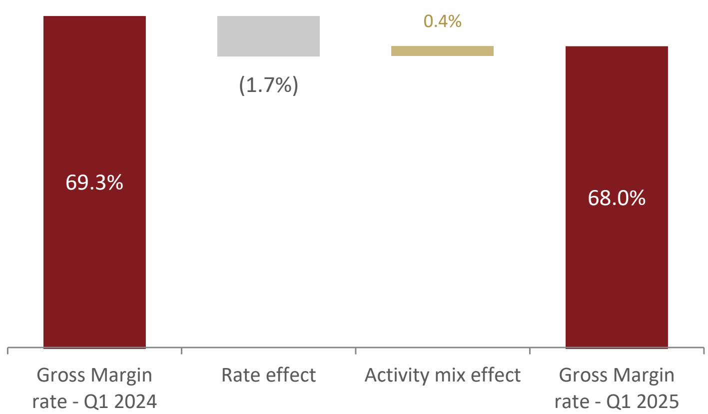
Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, Gross Margin totaled €240.0 million, an increase of €8.3 million, or 3.6%, as compared to €231.7 million in the three-month period ended December 31, 2023.

Our Gross Margin as a percentage of network sales was 68.0% in the three-month period ended December 31, 2024, a 1.3 percentage point decrease compared to the three-month period ended December 31, 2023 at 69.3%. The (1.3) percentage point decrease is mainly due to (i) inflation of cost of goods sold (gold price increase), however mitigated by our efficient hedging strategy (gold buyback activity at a lower fare) combined with targeted price increases and (ii) an unfavorable mix effect with the increasing share of gold products at the expenses of fashion products delivering higher gross margin rate pattern, for a total effect of (1.7) percentage point partly offset by the positive effect of our business mix for the remaining 0.4 percentage point.

Sales of precious metals increased by €18.4 million, or 63.7%, for the three-month period ended December 31, 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 periods ended December 31, 2024 and 2023.



Gross Margin by perimeter

The tables below present the detail of Like-for-Like Gross Margin in value and as a percentage of network sales by geographic perimeter for the three-month periods ended December 31, 2024 and 2023.

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

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Gross Margin France	139.5	139.5	(0.0)	(0.0%)
Gross Margin Italy	64.5	65.6	1.1	1.7%
Gross Margin RoE	17.2	18.1	0.9	5.2%
Gross Margin on a LFL basis	**221.2**	**223.2**	**2.0**	**0.9%**
Change in perimeter	10.4	16.8	6.4	60.9%
Gross Margin	**231.7**	**240.0**	**8.3**	**3.6%**

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

	First Quarter		
In €m	**2024**	**2025**	**Var in pp**
Gross Margin France	70.2%	69.2%	(1.0)
Gross Margin Italy	70.1%	67.6%	(2.5)
Gross Margin RoE	71.1%	69.5%	(1.6)
Gross Margin on a LFL basis	**70.2%**	**68.8%**	**(1.5)**
Change in perimeter	54.5%	59.5%	5.0
Gross Margin	**69.3%**	**68.0%**	**(1.3)**

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, Like-for-Like Gross Margin totaled €223.2 million, an increase of €2.0 million, or 0.9%, from €221.2 million in the three-month period ended December 31, 2023.

Our Like-for-Like Gross Margin as a percentage of Like-for-Like network sales was 68.8% in the three-month period ended December 31, 2024, a decrease of 1.5 percentage points compared to the three-month period ended

December 31, 2023 at 70.2%, mainly attributable to gold price fluctuation (in line with guidance) not fully passed through to our customers following our strategy to promote volume acquisitions and the increasing share of gold products at the expense of fashion ones delivering higher gross-margin pattern.

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 periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Agatha China	1.8	3.4	1.6	93%
Affiliates	1.2	2.1	0.9	71%
Wholesale	1.8	2.5	0.7	38.3%
Deloison	0.0	0.6	0.6	n.a.
Be Maad	0.2	0.4	0.2	106%
Other change in perimeter and reconciling items (*)	3.7	4.3	0.7	18.4%
Total Change in Perimeter	**10.4**	**16.8**	**6.4**	**60.9%**

(*) 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 December 31, 2024

In the three-month period ended December 31, 2024, the change in perimeter's Gross Margin increased by €6.4 million, or 60.9% to €16.8 million, from €10.4 million in the three-month period ended December 31, 2023, resulting from the increase in all the categories of change in perimeters, especially (i) AGATHA China growing at a high pace (ramp-up stage), (ii) the strong development of the affiliation model in France with 53 stores as of December 2024, (iii) the higher Gross Margin contribution of stores opened or closed during the three-month period ended December 31, 2024 compared to previous period for €0.7 million, (iv) the good performance of the Wholesale division and (v) the consolidation, since October 1, 2024, of the recently acquired entity Deloison, specialized in engagement and wedding rings.

Quarterly Gross Margin

The table below presents our Gross Margin on a quarterly basis for the three-month ended December 31, 2024 and for the financial years ended September 30, 2024 and 2023.

	Audited	Audited	Unaudited
In €m	**2023**	**2024**	**2025**
Quarter 1 (Oct - Dec)	223.1	231.7	240.0
Total Gross margin YTD	**223.1**	**231.7**	**240.0**
Quarter 2 (Jan - Mar)	137.6	146.2	0.0
Quarter 3 (Apr - June)	159.5	163.0	0.0
Quarter 4 (July - Sep)	147.8	151.7	0.0
Total Gross margin FY	**668.0**	**692.5**	**240.0**

The table below presents our Gross Margin on a quarterly basis for the three-month ended December 31, 2024 and for the financial years ended September 30, 2024 and 2023, as a percentage of total Gross Margin.

In €m	Audited 2023	Audited 2024	Unaudited 2025
Quarter 1 (Oct - Dec)	69.7%	69.3%	68.0%
Total Gross margin YTD	**69.7%**	**69.3%**	**68.0%**
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%**	**68.0%**

Gross Margin

- Relevant strategy not to fully pass-through gold price fluctuation, via targeted price increases, in order to promote volumes with a Like-for-Like Gross Margin increasing by +0.9% in the three-month period ended December 31, 2024 despite highly promotional market environment.
- Contained decrease of 1.3 percentage point to 68.0% (aligned with our guidance released in FY 2024) leveraging on our efficient rolling twelve-month hedging strategy, combining physical gold coming from our gold buyback activity and financial instruments, providing us visibility and time to implement actions mitigating adverse impacts.
- Strong development of the Affiliation model in France with 53 stores in France by the end of December 2024.

Reported EBITDA

The table below presents the bridge from Profit for the period to Reported EBITDA for the three-month periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	2024	2025	Var. m€	Var. %
Profit for the period	**48.7**	**39.8**	**(8.9)**	***(18.3)%***
Income tax expenses	22.3	21.3	(1.0)	(4.5)%
Cost of net financial debt	10.8	15.7	4.9	45.1 %
Other financial income and expenses	6.9	5.5	(1.4)	(20.0)%
Depreciation, amortisation & provisions, net	26.9	28.0	1.1	3.9 %
Other non-recurring operating income	(0.2)	(1.4)	(1.2)	(570.2)%
Other non-recurring operating expenses	2.9	9.9	7.0	242.9 %
Reported EBITDA	**118.3**	**118.7**	**0.4**	***0.4%***

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, Reported EBITDA of €118.7 million compared to €118.3 million for the three-month period ended December 31, 2023 increasing by €0.4 million, or 0.4%.

EBITDA increase has been driven by (i) an increase in network sales across all segments, resulting from resilient Like-for-Like performance of our leading brands (Histoire d'Or, Stroili and AGATHA) 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 allowing the strengthening of Direct Marketing investments to increase digital penetration (traffic acquisition), not offset by (iii) (1.3) percentage point decrease in Network Gross Margin rate compared to the three-month period ended December 31, 2024 unfavorably impacted by inflation of gold price as expected (strategy to promote volume growth) and the increasing share of gold products.

Other income

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, Other income totaled €1.1 million, stable compared to the three-month period ended December 31, 2023.

Personnel expenses

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, personnel expenses totaled €75.2 million, an increase of €5.2 million, or 7.5%, from €70.0 million in the three-month period ended December 31, 2023. The increase in personnel expenses is mainly attributable to the development of the network sales (including openings of new stores) as well as the full year effect of minimum wages increases 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 December 31, 2024

In the three-month period ended December 31, 2024, external expenses totaled €46.8 million, an increase of €2.5 million, or 5.7% from €44.2 million in the three-month period ended December 31, 2023 mainly driven by marketing investments (traffic acquisition) following our strategy to accelerate digital penetration combined with a strong focus on cost efficiency (energy contract renegotiation, direct staff productivity…).

Allowance for depreciation, amortization, impairment and provisions

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, allowance for depreciation, amortization, impairment and provisions net of provision reversals totaled €28.0 million, an increase of €1.1 million, or 3.9%, from €26.9 million in the three-month period ended December 31, 2023. During the three-month period ended December 31, 2024, the €28.0 million depreciation, amortization and provisions were mainly composed of (i) €28.6 million in net depreciation and amortization of intangible assets, property, plant and equipment, and right-of-use assets, (ii) a €1.3 million reversal of provision for leasehold rights in France following the closing of some stores and (iii) a €0.7 million provision for inventories.

The change in the level of depreciation between the three-month period ended December 31, 2023, and December 31, 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 (expansion strategy).

Other non-recurring operating income

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, other non-recurring operating income totaled €1.4 million, an increase of €1.2 million, or 570.2% from €0.2 million in the three-month period ended December 31, 2023, mainly due to a €0.9 million reversal of provision as regards to a tax receivable true-up in Italy (withholding tax matters in Italy), offset by an extraordinary expense for the same amount.

Other non-recurring operating expenses

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, other non-recurring operating expenses totaled €4.5 million, an increase of €1.6 million, or 55.1% from €2.9 million in the three-month period ended December 31, 2023.

Other non-recurring operating expenses for the three-month ended December 31, 2024 are mainly made of:

(i) €1.6 million of losses on asset disposals following the closing of 8 stores closed during the period ;
(ii) €0.9 million of extraordinary expenses related to tax receivable true-up adjustment (withholding tax), offset by an extraordinary income accounted for the same amount ;
(iii) €0.5 million of pre-opening store expenses ;
(iv) €0.5 million for extraordinary severance payments, of which €0.2 million for the Employment Protection Plan in AGATHA France following the strategic repositioning of the Brand in France ;
(v) €0.5 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 ;
(vi) €0.5 million for other non-recurring operating activities.

Other non-recurring operating expenses for the three-month period ended December 31, 2023 were mainly made of:

(i) €0.8 million in connection with group financial and governance structuring ;
(ii) €0.6 million of pre-opening store expenses;
(iii) €0.5 million for extraordinary severance payments, of which €0.1 million for the Employment Protection Plan in AGATHA France following the strategic repositioning of the Brand in France,
(iv) €0.5 million of losses on asset disposals and ;
(v) €0.5 million of other non-recurring operating expenses.

Cost of net financial debt

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, cost of net financial debt totaled €15.7 million, an increase of €4.9 million, or 45.1% from €10.8 million in the three-month period ended December 31, 2023.

The €4.9 million increase in the three-month period ended December 31, 2024 is due to the new financing structure including (i) €3.4 million 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 December 31, 2023 and (ii) to €1.9 million decrease in financial income related to the benefit of the former Floating Rate Notes interest hedging instrument floored at Euribor 0% versus 3.08% currently.

Other financial income and expenses

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, other financial income and expenses totaled €5.5 million, a decrease of €1.4 million, or 20.0% from €6.9 million in the three-month period ended December 31, 2023, mainly due to the decrease in foreign exchange loss.

Income tax

Three-month period ended December 31, 2024

In the three-month period ended December 31, 2024, income tax expense totaled €21.3 million, a decrease of €1.0 million, or 4.5%, from €22.3 million in the three-month period ended December 31, 2023, mainly due the slight decrease in taxable result impacted by the new financing structure.

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.

Three-month period ended December 31, 2024 compared to the three-month period ended December 31, 2023

The following table summarizes our cash flow statement, including our Free Cash Flow, for the three-month periods ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Reported EBITDA	**118.3**	**118.7**	**0.4**	**0.4%**
Change in working capital requirements	53.8	52.9	(1.0)	(1.8%)
Income tax paid	(4.4)	(2.8)	1.6	(35.9%)
Non-recurring operating income and expenses	(2.7)	(3.1)	(0.4)	14.4%
Non-cash items from operating income and expenses	0.9	0.0	(0.9)	(98.5%)
Net cash from operating activities	**165.9**	**165.7**	**(0.2)**	**(0.1%)**
Acquisition of property, plant & equipment and intangible assets	(16.7)	(15.7)	1.0	(6.0%)
Disposal of property, plant & equipment and intangible assets	0.2	0.1	(0.2)	(63.0%)
Acquisition of financial assets	(0.2)	-	0.2	(100.0%)
Acquisition of subsidiaries, net of cash acquired	0.3	-	(0.3)	(100.0%)
Net cash used in investing activities	**(16.3)**	**(15.6)**	**0.7**	**(4.4%)**
Free Cash Flow	**149.6**	**150.1**	**0.5**	**0.3%**
Free Cash Flow conversion rate	126.5%	126.4%		*(0.0)pp*
Repayment of lease liabilities	(18.1)	(19.4)	(1.3)	7.4%
Revolving credit facilities, net of repayment	(30.0)	-	30.0	(100.0%)
Interest paid on Senior Secured Notes	(4.1)	(6.4)	(2.4)	58.1%
Interest paid on RCF	(0.9)	(0.3)	0.6	(65.3%)
Interest paid on lease liabilities	(5.3)	(5.5)	(0.2)	3.5%
Dividends paid - Repurchase of Vendor Bonds	-	-	-	n.a.
Other interest paid	(0.0)	-	0.0	(100.0%)
Other cash flows used in financing activities	(1.5)	(1.4)	0.0	(2.8%)
Net cash from/ (used in) financing activities total	**(59.8)**	**(33.1)**	**26.8**	**(44.7%)**
Net increase / (decrease) in cash and cash equivalents	**89.7**	**117.0**	**27.2**	**30.4%**
Cash and cash equivalents at the beginning of the period	**14.7**	**20.8**	**6.1**	**41.1%**
Cash and cash equivalents at the end of the period	**104.5**	**137.8**	**33.3**	**31.9%**
Change in cash	**89.7**	**117.0**	**27.3**	**30.4%**

Net cash from / (used in) operating activities

Net cash from operating activities totaled €165.7 million for the three-month period ended December 31, 2024, a decrease of €0.2 million, or 0.1%, as compared to net cash from operating activities of €165.9 million in the three-month period ended December 31, 2023.

Reported EBITDA

Reported EBITDA totaled €118.7 million for the three-month period ended December 31, 2024, an increase of €0.4 million, or 0.4%, as compared to a Reported EBITDA of €118.3 million in the three-month period ended December 31, 2023.

Change in working capital

Net cash from operating activities in the three-month period ended December 31, 2024 is fully in line with the three-month period ended December 31, 2023.

The following table summarizes our working capital drivers for the three-month period ended December 31, 2024 and 2023.

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
(Increase) / Decrease of inventories	12.5	(6.4)	(18.9)	*(151.7%)*
(Increase) / Decrease of trade receivables	(11.2)	(8.7)	2.6	*(22.7%)*
Increase / (Decrease) of trade payables (excluding capital expenditure trade payables)	32.1	49.9	17.8	*55.5%*
Change in Trade Working Capital (a)	**33.3**	**34.7**	**1.4**	***n.a.***
Change in Non-Trade Working Capital	**20.5**	**18.1**	**(2.4)**	***(11.6%)***
Change in Working Capital	**53.8**	**52.9**	***(1.0)***	***(1.8%)***

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

Three-month period ended December 31, 2024

Total change in working capital had a positive impact of €52.9 million in the three-month period ended December 31, 2024 compared to a positive impact of €53.8 million in the three-month period ended December 31, 2023.

Change in working Capital is fully in line with the three-month period ended December 31, 2023.

The €(18.9) million variation in change in Inventories is attributable to the build-up of a safety stock in France to secure the transition to SAP (total envelop of €40 million partially received), planned for April 1, 2025, in order to avoid any break in the supply chain. There is also a €2.6 million negative variation in change in Gold inventory between the three-month periods ended December 31, 2023 and 2024.

The increase in change of inventories is entirely offset by the increase in change of trade payables, as most of this SAP safety stock will be cash out in the three-month period ended March 31, 2025.

Non-recurring operating income and expenses (cash impact)

Non-recurring operating expenses (cash impact) increased by €0.4 million to €3.1 million in the three-month period ended December 31, 2024 as compared to €2.7 million in the three-month period ended December 31, 2023.

Income tax paid

Income tax payments decreased by €1.6 million to €2.8 million in the three-month period ended December 31, 2024 as compared to €4.4 million in the three-month period ended December 31, 2023 driven by CIT down-payments computed on previous year taxable result in Q1 with a true-up in Q2.

Net cash from / (used in) investing activities

Net cash used in investing activities totaled €15.6 million for the three-month period ended December 31, 2024, a decrease of €0.7 million, or 4.4%, as compared to a net cash used in investing activities of €16.3 million in the three-month period ended December 31, 2023.

Three-month period ended December 31, 2024

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 three-month period ended December 31, 2024 and 2023:

	First Quarter			
In €m	**2024**	**2025**	**Var. m€**	**Var. %**
Expansion Capital Expenditure (a)	(3.0)	(4.8)	(1.8)	*60.8 %*
Maintenance Capital Expenditure (b)	(2.3)	(3.2)	(1.0)	*43.0 %*
Refurbishment Capital Expenditure (c)	(2.7)	(0.6)	2.2	*(79.5)%*
Lease back	0.0	0.0	-	-
Store Capital Expenditure	**(8.0)**	**(8.6)**	**(0.6)**	***7.8 %***
SAP and other projects related to IT (d)	(4.4)	(3.9)	0.6	*(12.5)%*
Other corporate capital expenditure	(1.2)	(0.2)	1.0	*(82.9)%*
Corporate Capital Expenditure	**(5.7)**	**(4.1)**	**1.6**	***(27.9)%***
Change in CAPEX working capital (e)	(3.0)	(3.0)	0.0	*(1.3)%*
Total Capital Expenditure	**(16.7)**	**(15.7)**	**1.0**	***(6.0)%***

(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 (planned for April 2025), Italy and the Rest of the World, with completion expected by 2028. 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 €15.7 million in the three-month period ended December 31, 2024, an increase of €1.0 million, or 6.0%, as compared to €16.7 million in the three-month period ended December 31, 2023.

Group's resources have been reallocated to Expansion investments following our strategy to capture white-space on operating geographies through our leader brands (16 openings versus 9 openings in the three-month period ended December 31, 2023) while refurbishing investments have been focused on relocation opportunities delivering better Return On Investments (ROI) compared to stand alone refurbishing (more selective approach).

Gold Gallery asset deal operation carried-out in Italy amounted to €(1.3) million in the three-month period ended December 31, 2024 with the first three openings out of 23 business assets to be acquired within the next 18 months. Investments are accounted for in Expansion Capital Expenditure on top of store conversion capex to convert the stores into the Stroili brand.

The €1.6 million decrease in Corporate Capital Expenditure is mainly explained by a timing effect in IT projects and the acquisition of additional shares in Be Maad for €0.3 million in the three-month period ended December 31, 2023.

Free Cash Flow

Total free cash flow totaled €150.1 million in the three-month period ended December 31, 2024, an increase of €0.5 million, or 0.3%, from €149.6 million in the three-month period ended December 31, 2023.

Net cash flows from / (used in) financing activities

Three-month period ended December 31, 2024

Net cash used in financing activities totaled €33.1 million for the three-month period ended December 31, 2024, an decrease of €26.8 million, or 44.7%, as compared to a net cash used in financing activities of €59.8 million in the three-month period ended 31, 2023, mainly due to the €30.0 million full repayment of the revolving facility in the three-month period ended December 31, 2023 compared to none in the three-month period ended December 31, 2024, party offset by the increase in interest paid on Senior Secured Notes following February 14, 2024 refinancing for €2.4 million and the increase in repayment of lease liabilities for €1.3 million.

Cash-Flow

- Strong Free Cash-Flow generation (126.4% as a percentage of Reported EBITDA) in Q1, in line with previous year, driven by a strong focus on working capital requirement (inventory coverage) despite the strong pressure on purchasing conditions and selective approach on Capital Expenditure allocation.
- Capital expenditure is mostly driven by discretionary CAPEX with limited mandatory investments benefiting notably from low maintenance capital expenditure requirements. Resources have been reallocated to growth in accordance with our strategy to capture white space on operated geographies.
- Strong recurring Net cash generation in the three-month period ended December 31, 2024 securing our investment plan which can be easily adjusted to business trends.

Off-Balance Sheet Arrangements

We are party to various customary off-balance sheet arrangements. As of December 31, 2024, they included:

- Bank guarantees (collateral security or guarantee on first demand) in favor of certain lessors and suppliers totaling €20.1 million, including €3.2 million in France, €13.9 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 December 31, 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 December 31, 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.

In €m	Expected cash payments falling due in the year ending September 30,					
	Total	2025	2026	2027	2028	2029 and thereafter
Senior Secured Notes[(1)]	850.0	-	-	-	-	850.0
Long-term leases included in other financial liabilities (undiscounted)	370.0	101.3	82.8	68.0	54.1	63.8
Bank overdrafts[(2)]	-	-	-	-	-	-
Other loans	2.9	0.4	1.2	1.2	0.1	-
Revolving Credit Facility[(3)]	0.2	0.2	-	-	-	-
Total	**1 223.1**	**101.8**	**84.0**	**69.2**	**54.3**	**913.8**

(1) The total amount of Senior Secured Notes does not include interest payments on the Senior Secured Notes.

(2) No bank overdraft as of December 31, 2024.

(3) The Revolving Credit Facility have a total available commitment of €120 million. The Revolving Credit Facility was not drawn as of December 31, 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 December 31, 2024, $119.0 million in notional amount of collars with maturities between January 2025 and June 2026 were contracted. Historically, we hedge through forwards and collars nearly all of our anticipated purchases denominated in U.S. dollars for one year.

Commodity price risk

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

We adjust our activities through our gold repurchase and exchange program based on our hedging needs. In addition, we adjust our gold inventory (totaling 16 720.6 ounces or €35.3 million at the end of December 31, 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 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 is sensitive to the assumed future cash-flows 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 December 31, 2024

No significant events to be reported.

Risk Factors

The updated Risk Factors section is disclosed in the FY 2024 Annual Report released on February 21, 2025.