



French limited partnership with share capital of € 57,102,699.50
Registered office: "La Woestyne" 59173 Renescure - France
Dunkerque (France) Register of Trade and Companies (RCS)
number: B 447 250 044

Financial report at December 31st, 2021

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This document is a free translation into English of the "Rapport financier semestriel" and has no other value than an informative one. Should there be any difference between the French and the English version, only the French-language version shall be deemed authentic and considered as expressing the exact information published by Bonduelle.

1. Activity report on half-year financial statement 2021-2022

The 2021-2022 half-year financial statements were approved by the General Partner on February 23, 2022, then reviewed by the Supervisory Board of March 3, 2022 and by the Statutory Auditors.

This half-year management report should be read in conjunction with the interim consolidated financial statements and the company's Registration Document for the fiscal year 2020-2021 filed with the Autorité des Marchés Financiers on October 22nd, 2021.

Significant Results

(in € millions)	1 st HY 2021-2022	1 st HY 2020-2021	Variation
Revenue	1,442.8	1,441.5	+0.1%
Current operating income	46.5	56.3	-17.4%
Current operating margin	3.2%	3.9%	-68 bps
Consolidated net income	24.-	31.9	-24.8%
Gearing ⁽¹⁾ exclud. IFRS 16	1.19	1.20	

Revenue

The Bonduelle Group's revenue stands for the 1st half of FY 2021-2022 at € 1,442.8 million against € 1,441.5 million last financial year over the same period, virtually unchanged on reported figures (+0.1%) and on a like for like basis⁽²⁾ (-0.4%).

Currency effects, which were negative in the first quarter, made a positive contribution to growth in the second quarter, resulting in a total effect of +0.5% for the first half of the financial year, mainly due to the strengthening of the Canadian dollar during the period.

No change in the group's scope of consolidation occurred over the period.

Activity by Geographic Region

Total Consolidated Revenue (in € millions)	1 st HY 2021-2022	1 st HY 2020-2021	Variation Reported figures	Variation Like for like basis ⁽²⁾
Europe Zone	663.8	648.-	+2.4%	+2.5%
Non-Europe Zone	779.-	793.5	-1.8%	-2.8%
Total	1,442.8	1,441.5	+0.1%	-0.4%

Activity by Operating Segments

Total Consolidated Revenue (in € millions)	1 st HY 2021-2022	1 st HY 2020-2021	Variation Reported figures	Variation Like for like basis ⁽²⁾
Canned	593.4	589.-	+0.8%	-0.1%
Frozen	362.9	332.-	+9.3%	+8.1%
Fresh processed	486.4	520.5	-6.5%	-6.2%
Total	1,442.8	1,441.5	+0.1%	-0.4%

Europe Zone

The revenue for the Europe Zone, representing 46.-% of the business activity, posted over the first half of this financial year an overall growth of +2.4% on reported figures and +2.5% on a like for like basis⁽²⁾. The long-life operating segment (canned and frozen) continued to normalize in the first half of the financial year, with, on the one hand, overall stability in canned sales despite a high basis of comparison linked to the second wave of Covid 19 and the restrictions imposed last year, and, on the other hand, a significant pick up in frozen sales driven by the out-of-home catering business, which was penalized last year by the lock down measures.

The fresh processed business activities recorded accelerated growth in the 3 main countries of operation (France, Italy, and Germany) fuelled by more dynamic retail markets and the recovery of the out-of-home catering business.

Non-Europe Zone

The revenue of the non-Europe Zone, representing 54.-% of the business activity over the period, was down -1.8% on reported figures and -2.8% on like for like basis⁽²⁾.

In North America, the canned and frozen segments recorded the same momentum as those observed in Europe, reinforced by more substantial price increases.

Over the first half of the financial year, the fresh processed food segment continued to decline, as a result of the ongoing deliberate policy of price increases and contract selectivity, which led to lower volumes, as part of the strategy to improve profitability.

In the Eurasia region, the growth in sales in Russia and peripheral countries was fuelled by both the growth of the branded canned food businesses (Bonduelle and Globus) and the development of Bonduelle branded frozen food sales following the recent launches.

Operating income

The current operating profitability of the Bonduelle Group, for the first half of financial year 2021-2022 stands at € 46.5 million, a 17.4% decline on reported figures and 18.8% on a like for like basis⁽²⁾. The current operating margin was at 3.2%, down 68 bps when compared with the first half of last FY.

Profitability in the Europe Zone continues to grow to reach € 37.7 million on reported figures (€ 35.1 million last financial year), hence a current operating margin of 5.7% both on reported figures and like for like basis⁽²⁾ (5.4 % last financial year). This good performance is largely attributable to the general recovery of the out-of-home catering segment in Europe, in favor of frozen technology, the good performance of the Cassegrain brand in canned food in France coupled with the success of the innovations launched in this zone.

The current operating profitability in the non-Europe zone stands at € 8.8 million on reported figures, a current operating margin at 1.1%, down 160 bps over the same period last financial year on reported figures (1.-% and 170 bps respectively on a like for like basis⁽²⁾). Despite the initiated recovery, expected to materialize in the second half of the year, the fresh prepared business segment in North America is penalizing the profitability of the non-Europe Zone, masking the strong sales momentum and increased profitability in the other long-life business activities in North America, Russia and peripheral countries.

After non-recurring items amounting to € 3 million, mainly related to restructuring, insurance deductible following a claim and M&A advisory fees, the operating profitability stands at € 43.5 million against € 54 million over the same period last financial year.

Net result

The net financial result stands at - € 10.4 million against - € 9.9 million last financial year. The financial expenses improved significantly under the combined effect of lower interest rates and competitive financing instruments, offset by a limited negative exchange rate result. The decrease in corporate income tax expense (€ 8.5 million against € 12.1 million last financial year) is linked to the change in operating result and the lower tax rate observed in France.

After taking into account both financial result and taxes, the group's net income amounts to € 24 million, or 1.7% of revenue, down 55 bps compared to the same period last financial year.

Financial situation

The Bonduelle Group's net financial debt stood on December 31, 2021, at € 909.9 million against € 808.2 million over the same period last financial year, excluding the impact of the application of IFRS 16, i.e., a debt-to-equity ratio (gearing⁽¹⁾) of 118.6% (119.5% last financial year). The increase in debt is explained by the increase in working capital requirements, itself linked to the partial reconstitution of stocks, the increase in their value due to inflation and the decline in the fresh business segment, which generated excess working capital. The average cost of debt, excluding IFRS 16, stands at 1.59%, a significant improvement compared to the first half of the previous financial year (1.99%).

Restated from IFRS 16, the group's net financial debt stands at € 1,003.2 million and the gearing⁽¹⁾ ratio at 131.3%.

It should be noted that the seasonal nature of the business (summer agricultural crops) results in a high level of debt on December 31, which is not representative of the average level of debt or the one observed at the end of the financial year.

⁽¹⁾ net financial debt / equity

⁽²⁾ at constant currency exchange rate and scope of consolidation basis. The revenues in foreign currency over the given period are translated into the rate of exchange for the comparable period. The impact of business acquisitions (or gain of control) and divestments is restated as follows

- For businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- For businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- For businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- For businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.

2. Consolidated income statement

<i>(in thousands of euros)</i>	Notes	At 2021/06/30	At 2020/12/31	At 2021/12/31
Revenue	4	2 778 604	1 441 486	1 442 817
Purchases and external charges		(1 951 974)	(986 800)	(996 253)
Employee benefits expenses		(612 268)	(334 969)	(339 327)
Amortization and impairment		(111 506)	(63 390)	(64 474)
Other operating income		27 851	15 054	19 625
Other operating expenses		(30 332)	(15 072)	(15 909)
Current operating income		100 375	56 309	46 478
Non-recurring items	5	(3 173)	(2 351)	(2 993)
Operating profit		97 203	53 958	43 485
Cost of net debt		(15 983)	(8 871)	(7 613)
Other financial income and expenses		(1 283)	(999)	(2 758)
Financial result	7	(17 267)	(9 870)	(10 371)
Share of net income from associates		(582)	(58)	(635)
Profit before tax		79 354	44 031	32 479
Income tax		(22 233)	(12 110)	(8 488)
NET INCOME		57 121	31 921	23 991
• Attributable to owners of the Company		57 151	31 931	23 997
• Attributable to non-controlling interests		(30)	10	(6)
BASIC EARNINGS PER SHARE	10	1,78	1,00	0,75
DILUTED EARNINGS PER SHARE	10	1,75	0,98	0,73
REBITDA		211 881	119 699	110 952

Gains and losses recognized directly in equity

<i>(in thousands of euros)</i>	At 2021/06/30	At 2020/12/31	At 2021/12/31
Net income for the period	57 121	31 921	23 991
Items that may be reclassified subsequently to P&L	(8 548)	(43 761)	17 772
Cash flow hedge	1 333	265	119
Translation adjustments	(9 551)	(43 998)	17 626
Tax effects	(330)	(28)	27
Items that may not be reclassified subsequently to P&L	(9 513)	(10 371)	(157)
Actuarial gains and losses on defined benefit plans	0	(1 220)	0
Tax effects	(166)	196	(157)
Unrealized gains and losses on financial assets ⁽¹⁾	(9 347)	(9 347)	0
Income and expenses recognized directly in equity	(18 061)	(54 132)	17 615
TOTAL RECOGNIZED INCOME AND EXPENSES	39 060	(22 211)	41 606
Attributable to owners of the Company	39 090	(22 221)	41 612
Attributable to non-controlling interests	(30)	10	(6)

⁽¹⁾ Includes in particular changes in the fair value of Investments in other non-consolidated companies, measured at fair value through other comprehensive income.

3. Consolidated statement of financial position

Assets

<i>(in thousands of euros)</i>	Notes	At 2021/06/30	At 2020/12/31	At 2021/12/31
Non-current assets		1 203 175	1 147 385	1 232 090
Other intangible assets		62 381	57 297	66 534
Goodwill	11	468 235	456 534	482 073
Property, plant and equipment		535 619	499 346	533 288
Rights of use		83 492	82 199	90 838
Investments in associates		5 405	5 930	4 773
Other non-current financial assets		13 520	14 969	9 596
Deferred tax		31 353	26 871	42 290
Other non-current assets		3 171	4 240	2 697
Current assets		1 013 905	1 173 779	1 307 475
Inventories and work-in-progress		677 057	779 097	887 115
Trade and other receivables		311 982	368 168	388 950
Tax receivables		7 952	2 034	2 526
Other current assets		8 783	9 784	14 940
Other current financial assets	8	3 237	8 881	7 628
Cash and cash equivalents	9	4 894	5 815	6 316
TOTAL ASSETS		2 217 080	2 321 165	2 539 564

Liabilities

<i>(in thousands of euros)</i>	Notes	At 2021/06/30	At 2020/12/31	At 2021/12/31
Shareholders equity (group share)		739 767	675 167	764 297
Share capital		57 103	56 942	57 103
Additional paid-in capital		40 103	38 559	40 103
Consolidated reserves		642 561	579 666	667 091
Non-controlling interests		17	16	14
Equity		739 784	675 184	764 310
Non-current liabilities		640 191	727 404	757 741
Financial debts	9	496 268	589 805	611 222
Lease liabilities		67 029	65 449	75 129
Employee benefit obligations	6	29 641	29 374	29 329
Other non-current provisions		10 442	11 471	8 013
Deferred taxes		11 372	8 985	12 007
Other non-current liabilities		25 439	22 320	22 040
Current liabilities		837 104	918 577	1 017 513
Current financial debts	9	150 245	242 187	316 231
Current lease liabilities		17 997	17 092	18 139
Current provisions		6 625	3 686	8 524
Trade and other payables		653 555	645 951	665 662
Tax payables		6 337	7 789	6 857
Other current liabilities		2 345	1 872	2 100
TOTAL LIABILITIES		2 217 080	2 321 165	2 539 564

4. Consolidated cash flows statement

<i>(in thousands of euros)</i>	At 2021/06/30	At 2020/12/31	At 2021/12/31
Net income	57 121	31 921	23 991
Share of net income from associates	582	58	635
Depreciation, amortization and impairment	110 093	60 828	62 936
Other components of net income with no cash impact	15 972	(1 489)	967
Deferred tax	(10 614)	(7 944)	(9 426)
Accrued interest	(639)	(411)	(118)
Gross cash flows from operating activities	172 515	82 963	78 985
Change in working capital requirement	(38 787)	(213 445)	(282 442)
Net cash flows from operating activities	133 728	(130 482)	(203 458)
Acquisitions of consolidated companies, net of cash and cash equivalents	(4 390)	(4 389)	0
Acquisitions of tangible assets	(104 746)	(52 309)	(57 638)
Acquisitions of financial assets	(331)	(4)	(5)
Disposals of property, plant and equipment and financial assets	1 276	899	664
Net change in loans and other non-current financial assets	139	(99)	99
Net cash flows from (used in) investing activities	(108 052)	(55 902)	(56 879)
Capital increase	1 704	0	0
(Acquisition) Disposal of treasury shares	82	(13)	(2 845)
Increase (Decrease) in non-current financial liabilities	(36 766)	54 706	118 916
Increase (Decrease) in current financial liabilities	35 938	127 733	162 124
Increase (Decrease) in lease liabilities	(20 056)	(10 603)	(10 060)
Dividends paid to group and minority Shareholders	(13 160)	0	0
Net cash flows from (used in) financing activities	(32 258)	171 823	268 135
Impact of exchange rate changes	4 838	13 738	(6 376)
Change in cash and cash equivalents	(1 744)	(823)	1 422
Cash and cash equivalents – opening balance	6 638	6 638	4 894
Cash and cash equivalents – closing balance	4 894	5 815	6 316
CHANGE IN CASH AND CASH EQUIVALENTS	(1 744)	(823)	1 422

5. Consolidated statement of changes in equity

	In number of shares	Share capital	Additional paid-in capital	Actuarial gains and losses	Treasury shares	Translation reserves	Accumulated income	Shareholders' equity (group share)	Non-controlling interests	Total equity
<i>(in thousands of euros)</i>										
Equity at July 1, 2020	32 538 340	56 942	38 559	(6 280)	(10 699)	(103 257)	734 588	709 853	16	709 868
Income recognized directly through equity				(166)		(9 551)	(8 344)	(18 061)		(18 061)
Net income at 2019/06/31							57 151	57 151	(30)	57 121
Capital increase	91 774	161	1 544				0	1 704	0	1 704
Share purchase options							2 397	2 397		2 397
Puts on non-controlling interests									31	31
Treasury Shares					1 909		(1 299)	610		610
Other							(727)	(727)		(727)
Dividends paid							(13 160)	(13 160)		(13 160)
Equity at June 30, 2021	32 630 114	57 103	40 103	(6 446)	(8 790)	(112 808)	770 606	739 767	18	739 784
Equity at July 1, 2021	32 630 114	57 103	40 103	(6 446)	(8 790)	(112 808)	770 606	739 767	18	739 784
Income recognized directly through equity				(157)		17 626	146	17 615		17 615
Net income at 2021/12/31							23 997	23 997	(6)	23 991
Share purchase options							805	805		805
Puts on non-controlling interests									3	3
Treasury Shares					(1 907)		(687)	(2 594)		(2 594)
Other							(331)	(331)		(331)
Dividends paid							(14 962)	(14 962)		(14 962)
Equity at December 31, 2021	32 630 114	57 103	40 103	(6 603)	(10 697)	(95 182)	779 574	764 297	14	764 310

6. Notes to the condensed half-year consolidated financial statements

Bonduelle SCA is a French limited partnership (société en commandite par action) that is listed in Compartment B of Euronext. Bonduelle is a market leader in processed vegetables both within and outside Europe. The Company operates in three business segments: canned, frozen and ready-to-use fresh vegetables (prepared and fresh-cut).

Half-year financial statements at December 31st, are characterized by a high level of seasonality. Production of canned and frozen technologies is primarily realized during this first half-year of the Bonduelle financial year. At December 31st, expenses directly related to the production of these technologies are accounted according to costs incurred during the year to take into account material effects of seasonality.

On February 23th, 2022, the Management Board approved the consolidated half-year financial statements prepared under IFRS, and authorized the publication of the financial statements for the 6 months ended 31st December 2021.

NOTE 1 ACCOUNTING PRINCIPLES

1. Preparation methods

The consolidated financial statements of the Bonduelle Group and its subsidiaries ("the group") for the 2021-2022 fiscal year have been prepared in accordance with the "IFRS" (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board), and whose adoption ruling has been published in the official journal of the European Union.

The notes to the half-year consolidated financial statements have been prepared in accordance with IFRS and follow recommendation 2016-09 of the *Autorité des normes comptables* (ANC – French Accounting Standards Board).

Half-year financial statements have been prepared in compliance with IAS 34 Interim Financial Reporting.

As part of the normal preparation of the consolidated financial statements, the calculation of certain financial data requires the use of assumptions, estimates and assessments that have a impact on amounts recognized in the balance sheet, the income statement and the notes to the consolidated financial statements and which are principally :

Monitoring of intangible assets values

The carrying amount of goodwill is tested for impairment at least once a year; all other intangible assets are tested when other events and conditions suggest that they are likely to have experienced a loss of value. An impairment loss is recognized when the recoverable amount of the intangible assets becomes less than their net carrying amount.

As of December 31, 2021, the Bonduelle group carried out a review of the impairment indicators and, when necessary, impairment tests (with parameters -WACC, growth rate- unchanged compared to June 30, 2021). Following this work, no impairment was recognized in the financial statements at December 31st, 2021.

2. Accounting standards applied

Since these interim consolidated financial statements are condensed, they may not include all the information required under IFRS for the preparation of the annual consolidated financial statements. Therefore, these interim condensed consolidated financial statements must be read in conjunction with the consolidated financial statements of the Group for the year ended June 30th, 2021, except for the standards, updates and interpretations first applicable to July 1st, 2021.

Standards, amendments and interpretations adopted by European Union and applicable to accounting periods beginning on, or after, January 1st, 2021:

Standards, amendments and interpretations	Theme
Amendments to IFRS 4	Postponement application of IFRS 9 for insurances transactions as at 1 st January 2023
Interest rate benchmark reform (IBOR) – Phase 2	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16
Amendments IFRS16	COVID-19 related Rent Concessions beyond June 2021, extension to the practical expedient for COVID-19 related rent concessions under IFRS 16 –Covid-19 published in 2020
IFRIC – IAS 38 Interpretation	Accounting for configuration and customisation services in implementing SaaS (Software as a Service) – intangible asset of the customer controls the separate asset.

These new publications did not have a material impact on Group's consolidated financial statements.

IFRIC interpretation of IAS 19 – Period for allocating the cost of services rendered:

In December 2020, the IFRS Interpretation Committee (IC) opened discussions concerning the interpretation of the method used to calculate company liabilities and the vesting period for retirement benefit plans. The interpretation of the committee consists of allocating retirement benefits on a straight-line basis over the period preceding the retirement age and allows for the benefits obtained to be capped. The IASB approved this approach in April 2021.

The calculation of the impacts is in progress, the first results indicate that these are not significant. The Group choose to maintain the current method for the closing of December 31st and the possible impacts will be taken into account for the financial statement of June 2022.

Standards, amendments and interpretations published by the International Accounting Standards Board (IASB) but not yet adopted by the European Union :

Standards, amendments and interpretations	Theme	Date of application ⁽¹⁾
Annual improvements - 2018-2020 cycles	Modification IFRS 1, IFRS 9, IAS 41 and IFRS 16	1 st January 2022
Amendments to IFRS 3	Updating a Reference to the Conceptual Framework	1 st January 2022
Amendments to IAS 16	Property, Plant and Equipment : Proceeds before Intended Use	1 st January 2022
Amendments to IAS 37	Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 st January 2022

(1) Subject to adoption by the European Union.

The Group has not applied by anticipation these standards and interperations to the consolidated financial statement ended 31st December 2021 and suppose not to have a material impact on its results and financial situation.

NOTE 2 SIGNIFICANT EVENTS

Evolution of the long-life activities in North America

On September 27, 2021, the Bonduelle Group announced that it had initiated a discussion on the evolution of the shareholding structure of its canned and frozen food operating segments in North America, namely the Bonduelle Americas Long Life (BALL) business unit.

Following the various express interests received in relation to these activities, the group is studying the diverse options likely to allow it to focus its resources on its strategic priorities, in particular the development of its branded activities, while allowing the BALL business unit to pursue its growth strategy.

The provisions relating to the IFRS 5 standard have not been applied in the 2021-2022 half-year financial statements since no decision has been finalized on the date of the closing of the financial statements.

Bonduelle publishes its first integrated report

In line with its strategy of sustainable growth with positive impact, the Bonduelle Group has published its first integrated report. This report provides an opportunity to share with stakeholders the group's integrated vision of its business model and its approach to creating value in the short, medium and long term. The integrated report is available on the Bonduelle Group website www.bonduelle.com.

NOTE 3 CHANGES IN THE SCOPE OF CONSOLIDATION

The 1st of July, the entity BFP GmbH as merged with entity BDG GmbH Germany. This transaction has no impact on the Group's consolidated accounts

NOTE 4 SEGMENT REPORTING

<i>(in thousands of euros)</i>	Europe Zone	Non-Europe Zone	Eliminations	Total at 2020/12/31
Income Statement				
Revenue	653 126	793 457	(5 097)	1 441 486
Intercompany sales	(5 097)	0	5 097	0
TOTAL REVENUE	648 029	793 457	0	1 441 486
Current operating profit	35 071	21 239		56 309

<i>(en milliers d'euros)</i>	Europe Zone	Non-Europe Zone	Total at 2020/12/31
Non-current assets			
France	310 935	0	310 935
United- States	0	454 352	454 352
Others	167 279	214 821	382 100
TOTAL NON CURRENTS ASSETS	478 214	669 173	1 147 386

<i>(in thousands of euros)</i>	Europe Zone	Non-Europe Zone	Eliminations	Total at 2021/12/31
Income Statement				
Revenue	670 102	779 031	(6 315)	1 442 817
Intercompany sales	(6 315)		6 315	0
TOTAL REVENUE	663 787	779 031		1 442 817
Current operating profit	37 677	8 801		46 478

<i>(en milliers d'euros)</i>	Europe Zone	Non-Europe Zone	Total at 2021/12/31
Non-current assets			
France	313 944		313 944
United- States		499 950	499 950
Others	162 852	255 344	418 196
TOTAL NON CURRENTS ASSETS	476 796	755 294	1 232 090

Information by segment

<i>(in thousands of euros)</i>	Canned	Frozen	Fresh	Total at 2020/12/31
Revenue – excluding intercompany	588 993	331 992	520 501	1 441 486

<i>(in thousands of euros)</i>	Canned	Frozen	Fresh	Total at 2021/12/31
Revenue – excluding intercompany	593 484	362 888	486 446	1 442 817

Information by geographical area of destination

<i>(in thousands of euros)</i>	Total at 2020/12/31		Total at 2021/12/31	
United States	482 885	33%	462 778	32%
France	307 620	22%	321 135	22%
Canada	183 065	13%	184 385	13%
Southern Europe	112 386	8%	114 263	8%
Germany	104 841	7%	98 712	7%
Eurasia ⁽¹⁾	105 683	7%	124 153	9%
Northern Europe	73 321	5%	63 862	4%
Central Europe ⁽²⁾	45 504	3%	46 229	3%
Other	26 181	2%	27 300	2%
TOTAL REVENUE	1 441 486	100%	1 442 817	100%

⁽¹⁾ Russia + CIS countries.

⁽²⁾ Former Eastern European countries that have joined the European Union.

NOTE 5 NON-RECURRING ITEMS

<i>(in thousands of euros)</i>	At 2020/12/31	At 2021/12/31
Reorganization and restructuring costs	(1 342)	(2 151)
Insurance deductibles and costs relating to claims	0	(821)
Other expenses and honoraries	(1 009)	(21)
TOTAL NON-RECURRING ITEMS	(2 351)	(2 993)

In addition, the Bonduelle Group indicates that it has examined the statement of complaint received from the French Competition Authority in the context of an ongoing investigation in the sector of the manufacture and sale of foodstuffs and has presented its observations in the deadlines set. No provision has been recorded in the financial statements as of December 31, 2021 for this notification.

NOTE 6 EMPLOYEE BENEFIT OBLIGATIONS

As at December 31st, 2021, the assumptions used for employee benefit obligation calculation are identical to June 2021 year-end closing with a discount rate used for 0,80%. An average rate of 0.30 bp would increase commitments by 2,791 thousand euros.

NOTE 7 FINANCIAL RESULT

<i>(in thousands of euros)</i>		At 2020/12/31	At 2021/12/31
Cost of net debt	A	(8 871)	(7 613)
Cash and cash equivalents		16	11
Interest expense (at effective interest rate)		(8 887)	(7 624)
Gains and losses on liabilities covered by fair value hedges		5 577	2 104
Gains and losses on fair value hedging derivatives		(5 577)	(2 104)
Other financial income and expenses	B	(999)	(2 758)
Foreign exchange gain (loss)		569	(1 153)
Ineffective portion of cash flow hedges		0	0
accounting (foreign currency & interest rate risk)		(373)	(328)
Other finance costs		(1 196)	(1 277)
FINANCIAL RESULT	A+B	(9 870)	(10 371)

At December 31st, 2021 the group's financial result came out at -10.4 million euros compared to -9.9 million euros a year earlier.

The cost of net debt, the main component of financial result, stood at -8.9 million euros as at December 31st, 2020 to -7.6 million euros as at December 31st, 2021, this includes interest paid at the effective interest rate. Further to the adoption of IFRS 9, the impact of residual ineffectiveness on the debt hedged at fair value, and hedge derivatives recognized at fair value linked to cross-currency basis swap spreads, is recognized in equity and will be recognized in profit or loss when the underlying debt matures, in line with the option offered by IFRS 9 and adopted by the group.

The interest rate, calculated on the group's average debt in all currencies and restated to account for IFRS impacts, amounted to 1.59% compared to 1.99% the previous year.

Other financial income and expenses (-1.3 million euros) mostly come from the interest rate expense relating to the application of IFRS 16 (-1.2 million euros).

Result exchange (-1.5 million euros) mostly come from result of currency hedging related to commercial activities in currency.

NOTE 8 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives at 2021/06/30

<i>(in thousands of euros)</i>	Notional amount	Market value		Carrying value	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges ⁽¹⁾	257 399	59	1 089	59	1 089
Fair value hedges	179 630	5 862	0	5 862	0
Hedges ineligible for hedge accounting under IFRS	0	0	0	0	0
Current portion				291	456
Non-current portion				5 630	633
Foreign currency derivatives (B)					
Cash flow hedges	33 354	516	164	516	164
<i>o.w. forward contracts</i>	17 463	252	42	252	42
<i>o.w. options</i>	15 892	264	121	264	121
Fair value hedges	67 071	3 988	583	3 988	583
Hedges ineligible for hedge accounting under IFRS	51 012	233	480	233	480
<i>o.w. forward contracts</i>	28 906	192	162	191	162
<i>o.w. options</i>	22 106	41	316	41	316
Current portion				2 947	1 227
Non-current portion				1 790	0
TOTAL DERIVATIVES (A+B)					
Current portion				3 237	1 683
Non-current portion				7 421	633

⁽¹⁾ Including out-of-the-money caps.

Derivatives at 2021/12/31

<i>(in thousands of euros)</i>	Notional amount	Market value		Carrying value	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges	192 219	189	453	189	453
Fair value hedges	164 815	3 758	33	3 758	33
Hedges ineligible for hedge accounting under IFRS	0	0	0	0	0
Current portion				356	76
Non-current portion				3 591	409
Foreign currency derivatives (B)					
Cash flow hedges	39 161	472	655	472	655
<i>o.w. forward contracts</i>	35 385	408	580	408	580
<i>o.w. options</i>	3 776	64	75	64	75
Fair value hedges	231 469	6 660	2 943	6 660	2 943
Hedges ineligible for hedge accounting under IFRS	31 824	141	579	141	579
<i>o.w. forward contracts</i>	14 312	126	137	126	137
<i>o.w. options</i>	17 512	15	442	15	442
Current portion				7 272	4 177
Non-current portion				0	0
TOTAL DERIVATIVES (A+B)					
Current portion				7 628	4 253
Non-current portion				3 591	409

NOTE 9 NET DEBT

1. Analysis of net debt by component

At 2021/06/30

<i>(in thousands of euros)</i>	Nominal	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	383 367	27 683	0	201 801	162 662	392 146
Finance leases	85 027	0	17 998	51 651	15 378	85 027
Other bank borrowings	180 579	36	50 551	129 993	0	180 579
Other borrowings and financial debts	1 705	263	263	1 178	0	1 705
Accrued interest	2 158	2 158	0	0	0	2 158
Current bank lines	67 608	67 608	0	0	0	67 608
Total gross debt before derivatives	720 444	97 748	68 812	384 624	178 041	729 224
Derivatives – Liabilities		1 129	555	633	0	2 316
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		0	0	0	0	0
<i>o.w. other derivatives</i>		1 129	555	633	0	2 316
Total gross debt after fair value of derivatives		98 877	69 366	385 257	178 041	731 540
Derivatives – Assets		2 626	611	5 419	2 002	10 658
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		2 079	0	5 082	2 002	9 164
<i>o.w. other derivatives</i>		547	611	337	0	1 494
Securities	260	260	0	0	0	260
Cash	4 634	4 634	0	0	0	4 634
TOTAL NET DEBT		0	0	0	0	715 989
TOTAL NET DEBT - BEFORE IFRS16						630 962

At 2020/12/31

<i>(in thousands of euros)</i>	Nominal	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	359 793	0	28 878	213 810	123 338	366 026
Finance leases	93 268	9 069	9 070	51 923	23 206	93 268
Other bank borrowings	495 731	160 051	63 026	272 654	0	495 731
Other borrowings and financial debts	1 579	271	271	1 037	0	1 579
Accrued interest	2 087	2 087	0	0	0	2 087
Current bank lines	57 367	57 367	0	0	0	57 367
Total gross debt before derivatives	1 009 825	228 845	101 245	539 424	146 544	1 016 059
Derivatives – Liabilities		3 620	633	409	0	4 662
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		32	0	0	0	32
<i>o.w. other derivatives</i>		3 588	633	409	0	4 630
Total gross debt after fair value of derivatives		232 465	101 878	539 833	146 544	1 020 721
Derivatives – Assets		3 697	3 931	661	2 930	11 219
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		296	2 992	532	2 930	6 750
<i>o.w. other derivatives</i>		3 401	939	129	0	4 469
Securities	370	370	0	0	0	370
Cash	5 945	5 945	0	0	0	5 945
TOTAL NET DEBT		222 453	97 947	539 172	143 614	1 003 186
TOTAL NET DEBT (BEFORE IFRS 16)						909 918

The issues are subject to financial covenants, principally an early redemption clause should Bonduelle default on its financial liabilities (cross default), and in the event of failure to comply with the following ratios:

- Long-term debt/long-term equity ratio less than or equal to 0.60;
- Consolidated current assets/consolidated current liabilities greater than or equal to 1.10.

At December 31st, 2021 the group complies with these covenants.

2.Liquidity

On December 31, 2021, the RCF (Revolving Credit Facility) is used up to 185 million euros (130 million euro as of December 31, 2020).

In addition, the Negotiable European Commercial Paper (Neu CP) program set up in July 2020 continues to meet with great success with investors. For this reason, the maximum ceiling of this program, secured by the RCF credit line, was raised in January 2021 to an amount of 400 million euros. As of December 31, 2021, the outstanding amount of Neu CP issued by Bonduelle is 160 million euros.

In addition, the Group has several confirmed bank credit facilities with maturities up to 4.5 years, bringing the total amount of confirmed bank lines (including RCF) to 540 million euros (identical to the outstanding amount as of December 31, 2020), of which 283 million euros had been drawn on December 31, 2021 (170 million euros as of December 31, 2020).

Utilisations made on committed bank credit lines (including RCF) with a final maturity beyond one year are classified in consolidated financial statement as non-current financial liabilities.

NOTE 10 EARNINGS PER SHARE

A dividend of 0.45 euros per share has been voted to the Shareholders' Meeting held on December 2nd, 2021.

As at 31st December 2021 Bonduelle SCA's share capital comprised 32,630,114 shares with a par value of 1.75 euros per share.

<i>(in thousands of euros)</i>	At 2020/12/31	At 2021/12/31
Group net income	31 931	23 997
Number of shares used to calculate:		
• Basic earnings	32 011 155	32 079 139
• Diluted earnings	32 624 491	32 740 028
Earnings per share (in euros)		
• Basic earnings per share	1,00	0,75
• Diluted earnings per share*	0,98	0,73

* Dilution relates to free shares being granted. The risk of dilution mentioned above is considered as limited according to the allocation of the treasury shares to the objective of coverage for securities giving rights to allocations of shares.

NOTE 11 GOODWILL

Changes in goodwill were as follows:

<i>(in thousands of euros)</i>	At 2020/06/30	Acquisitions or charges	Sale, disposal or recovery	Other ⁽¹⁾	At 2020/12/31
GROSS CARRYING AMOUNT	483 183	0	0	(26 649)	456 534
Impairment					
NET CARRYING AMOUNT	483 183	0	0	(26 649)	456 534
<i>(in thousands of euros)</i>	At 2021/06/30	Acquisitions or charges	Sale, disposal or recovery	Other ⁽¹⁾	At 2021/12/31
GROSS CARRYING AMOUNT	468 235	0	0	13 838	482 073
Impairment					
NET CARRYING AMOUNT	468 235	0	0	13 838	482 073

(1) Translation adjustments.

At 31st December 2021, net value by CGU is the following :

	At 2021/06/30	Acquisitions or charges	Sale, disposal or recovery	Other ⁽¹⁾	At 2021/12/31
Goodwill par UGT					
Europe / cans and frozen	73 553	0	0	(195)	73 358
Europe / fresh	73 160	0	0	0	73 160
Eastern Europe / can and frozen	11 727	0	0	88	11 815
Norht and South America / can and frozen	47 334	0	0	1 082	48 416
North and South America / fresh	262 462	0	0	12 862	275 324
Total	468 235	0	0	13 838	482 073

(1) Translation difference

NOTE 12 CONTINGENT LIABILITIES

<i>(in thousands of euros)</i>	At 2020/06/30	At 2020/12/31
Commitments given		
Guarantees and security deposits given (net of uses)	43 685	32 679
Commitments received		
Guarantees and security deposits received (net of uses)	6 631	9 732

Our commitments relate to our current activities.

Environment

None of the group's activities generates any major environmental liabilities.

The group occasionally incurs refurbishing costs on closed industrial sites.

NOTE 13 SUBSEQUENT EVENTS

Ukraine situation

The group is very attentive to the evolution of the situation in Ukraine and its potential consequences. As a reminder, the Bonduelle Group has been present commercially in Russia and Ukraine since the 90s and industrially in Russia since 2004. The revenue in Russia and in peripheral countries represents approximately € 150 million, i.e. 5% of the group revenue, of which less than € 10 million from Ukraine. The group has 3 vegetable processing plants in Russia, including one in Belgorod, near the Ukrainian border and 2 in the region of Krasnodar, near the Azov sea, supplying 65% of products marketed in Russia. Bonduelle has 10 employees in Ukraine and circa 900 employees in Russia.

No other major event occurred between the closing date and the date of closing of the accounts.

7. Certification by half-year financial report managers

We hereby certify that, to the best of our knowledge, the condensed accounts for the previous half-year have been drawn up according to the applicable accounting standards and provide a faithful impression of the assets, financial situation and results of the company Bonduelle SCA and all the firms within its consolidation structure and that the half-year business report presents a faithful impression of the important events occurring during the first six months of the financial year, their effects on the accounts, the main transactions between associated parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

The Executive Manager

Pierre and Benoît Bonduelle SAS
Represented by Guillaume Debrosse

The Chief Financial Officer

Benjamin Cogez

8. Statutory Auditors' report on the consolidated half-year condensed financial statements

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Bonduelle, for the period from July 1st, 2021 to December 31st, 2021.
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures .

These condensed half-yearly consolidated financial statements have been prepared under the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Courbevoie and Lille, March 3,2022

The Statutory Auditors

French original signed by

Mazars

Deloitte & Associés

Jean-Maurice El Nouchi

Edouard Lhomme