

5 Consolidated financial statements

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5.1 Consolidated income statement

<i>(In thousands of euros)</i>	Notes	At 2021/06/30*	At 2022/06/30
Revenue	6.1	2,163,616	2,202,613
Purchases and external charges	6.2	(1,557,889)	(1,591,410)
Employee benefits expenses	7.1	(477,361)	(478,105)
Depreciation, amortization and impairment		(85,292)	(85,046)
Other operating income	6.3	27,373	23,880
Other operating expenses	6.3	(15,252)	(19,131)
Current operating income		55,195	52,801
Non-recurring items	6.4	(3,067)	(117,993)
Operating profit		52,129	(65,193)
Cost of net debt		(13,678)	(13,345)
Other financial income and expenses		(1,635)	(1,195)
Financial income	8.2	(15,313)	(14,540)
Share of net income from associates	5.2	(582)	(5,244)
Profit before tax		36,234	(84,977)
Income tax	9.1	(10,893)	(39,987)
Net income from continuing operations		25,341	(124,965)
Net income from discontinued operations	5.2	31,780	160,393
CONSOLIDATED NET INCOME		57,121	35,429
• Attributable to owners of the company		57,151	35,421
• Attributable to non-controlling interests		(30)	7
BASIC EARNINGS PER SHARE	10	1.79	1.10
DILUTED EARNINGS PER SHARE	10	1.76	1.08
REBITDA		140 487	137 846

* In accordance with IFRS 5, net income from discontinued operations is presented on the separate line of the income statement "Net income from discontinued operations" for the fiscal years presented. The impact of the application of IFRS 5 on the data reported in June 2021 and June 2022 is presented in Note 3.2.

Gains and losses recognized directly in equity

<i>(In thousands of euros)</i>	At 2021/06/30	At 2022/06/30
Net income for the period	57 121	35 429
Items that may be reclassified subsequently to P&L	(8,548)	89,339
Cash flow hedge	1,333	4,326
Translation adjustments	(9,551)	85,791
Tax effects	(330)	(778)
Items that may not be reclassified subsequently to P&L	(9,513)	4,434
Actuarial gains and losses on defined benefit plans	0	7,628
Tax effects	(166)	(2,280)
Unrealized gains and losses on financial assets ⁽¹⁾	(9,347)	(914)
Income and expenses recognized directly in equity	(18,061)	93,773
TOTAL RECOGNIZED INCOME AND EXPENSES	39,060	129,202
of which attributable to owners of the company	39,090	129,195
of which attributable to non-controlling interests	(30)	7

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

5.2 Consolidated balance sheet

Assets

<i>(In thousands of euros)</i>	Notes	At 2021/06/30	At 2022/06/30
Non-current assets		1,203,175	1,014,262
Other intangible assets	11.2	62,381	55,721
Goodwill	11.1	468,235	400,188
Property, plant and equipment	11.3	535,619	372,082
Rights of use	11.4	83,492	79,444
Investments in associates	5.2	5,405	84,323
Other non-current financial assets	8.4	13,520	3,287
Deferred tax	9.1	31,353	15,029
Other non-current assets	8.3	3,171	4,187
Current assets		1,013,905	1,098,573
Inventories and work-in-progress	6.5	677,057	618,296
Trade and other receivables	6.6	311,982	343,422
Tax receivables		7,952	1,914
Other current assets	8.3	8,783	5,887
Other current financial assets	8.3	3,237	7,790
Cash and cash equivalents	8.6	4,894	121,264
TOTAL ASSETS		2,217,080	2,112,835

Liabilities

<i>(In thousands of euros)</i>	Notes	At 2021/06/30	At 2022/06/30
Shareholders' equity (group share)		739,767	852,412
Share capital		57,103	57,103
Additional paid-in capital		40,103	40,103
Consolidated reserves		642,561	755,206
Non-controlling interests		17	(6)
Shareholders' equity		739,784	852,406
Non-current liabilities		640,191	473,436
Financial liabilities	8.6	496,268	338,125
Lease liabilities	8.6	67,029	76,336
Employee benefit obligations	7.2	29,641	20,855
Other non-current provisions	12.1	10,442	9,178
Deferred tax	9.1	11,372	3,045
Other non-current liabilities	8.3	25,439	25,896
Current liabilities		837,104	786,994
Current financial liabilities	8.6	150,245	60,102
Current lease liabilities	8.6	17,997	18,738
Current provisions	12.1	6,625	5,033
Trade and other payables	6.7	653,555	690,571
Tax payables		6,337	12,127
Other current liabilities	8.3	2,345	422
TOTAL LIABILITIES		2,217,080	2,112,835

5.3 Consolidated statement of cash flows

<i>(In thousands of euros)</i>	Notes	At 2021/06/30	At 2022/06/30
Net income from continuing operations		25,341	(124,965)
Share of net income from associates		582	5,244
Depreciation, amortization and impairment		83,879	186,947
Other non-cash items		21,205	(8,109)
Deferred tax	9.1	(11,287)	16,963
Accrued interest		(614)	(153)
Gross cash flows from operating activities		119,106	75,927
Change in WCR		(17,903)	(31,567)
Net cash flows from operating activities from continuing operations		101,203	44,360
Net cash flows from operating activities from discontinued operations		32,525	78,807
Net cash flows from operating activities		133,728	123,167
Acquisitions of consolidated companies, net of cash and cash equivalents		(4,390)	(84,153)
Disposal of consolidated companies, net of cash and cash equivalents disposed of		0	0
Acquisition of property, plant and equipment and intangible assets ⁽¹⁾	11.2 & 11.3	(72,788)	(73,572)
Acquisitions of financial assets		(331)	(14)
Disposals of property, plant and equipment and financial assets ⁽²⁾	6.3	1,033	2,194
Net change in loans and other non-current financial assets		191	1,164
Net cash flows from (used in) investing activities from continuing operations		(76,285)	(154,381)
Net cash flows from (used in) investing activities from discontinued operations		(31,767)	432,306
Net cash flows from (used in) investing activities		(108,052)	277,925
Transactions with non-controlling interests		1,704	0
(Acquisition) Disposal of treasury shares		82	(3,064)
Increase (Decrease) in non-current financial liabilities	8.6	(37,126)	(149,616)
Increase (Decrease) in current financial liabilities	8.6	35,933	(98,049)
Increase (Decrease) in lease liabilities	8.6	(17,886)	(18,230)
Dividends paid to group and minority Shareholders		(13,160)	(14,722)
Net cash flows from (used in) financing activities from continuing operations		(30,453)	(283,681)
Net cash flows from (used in) financing activities from discontinued operations		(1,805)	(2,117)
Net cash flows from (used in) financing activities		(32,258)	(285,798)
Impact of exchange rate changes		4,838	1,077
Change in cash and cash equivalents		(1,744)	116,371
Cash and cash equivalents – opening balance		6,638	4,894
Cash and cash equivalents – closing balance		4,894	121,264
CHANGE IN CASH AND CASH EQUIVALENTS		(1,744)	116,371

(1) Investments correspond to the acquisitions of property, plant and equipment and intangible assets described in Notes 4.5.1.2 and 4.5.2, plus the change in related trade payables presented in Note 6.7.

(2) Disposals of fixed assets correspond to the proceeds received less advances and down-payments on fixed assets.

5.4 Changes in consolidated shareholders' equity

<i>(In thousands of euros)</i>	In number of shares	Capital	Additional paid-in capital	Actuarial gains and losses	Treasury shares	Translation reserves	Accumulated income	Shareholders' equity (group share)	Non-controlling interests	Total Shareholders' equity
Shareholders' 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)	0	(18,061)
Net income at 2021/06/30							57,151	57,151	(30)	57,121
Share capital increase	91,774	161	1,544					1,704	0	1,704
Free allocation of shares							2,397	2,397	0	2,397
Puts on non-controlling interests							0	0	31	31
Treasury shares					1,909		(1,299)	610	0	610
Other							(727)	(727)	0	(727)
Dividends paid							(13,160)	(13,160)	0	(13,160)
Shareholders' equity at June 30, 2021 reported	32,630,114	57,103	40,103	-6,446	-8,790	-112,808	770,606	739,767	18	739,784
IFRIC IAS 19 restatement ⁽¹⁾							764	764	0	764
Shareholders' equity at June 30, 2021 restated	32,630,114	57,103	40,103	(6,446)	(8,790)	(112,808)	771,370	740,531	18	740,548
Income recognized directly through equity				5,348	0	85,791	2,634	93,773	0	93,773
Net income at 2022/06/30							35,421	35,421	7	35,429
Free allocation of shares							449	449	0	449
Puts on non-controlling interests									(7)	(7)
Treasury shares					(1,686)		(1,001)	(2,687)	0	(2,687)
Other							(353)	(353)	(24)	(377)
Dividends paid							(14,722)	(14,722)	0	(14,722)
Shareholders' equity at June 30, 2022	32,630,114	57,103	40,103	(1,098)	(10,476)	(27,017)	793,797	852,412	(6)	852,406

(1) see Note 1.2

5.5 Notes to the annual consolidated financial statements

NOTE 1 GENERAL INFORMATION

1.1 Group information and preparation methods

Listed on Euronext (Compartment B), Bonduelle SCA is a French limited partnership with shares (*société en commandite par actions*). Bonduelle, a leading player in plant-based food, is in particular 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).

General Management approved the consolidated financial statements under IFRS and authorized the publication of the approved financial statements at June 30, 2022, which will be submitted for approval at the Shareholders' Meeting of December 1, 2022.

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

The notes to the annual 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).

The consolidated financial statements and notes to the consolidated financial statements are presented in euros. Unless otherwise indicated, amounts are expressed in thousands of euros and rounded to the nearest thousand. In general, the values presented are rounded to the nearest unit. Consequently, the sum of the rounded amounts may present non-material differences compared to the total reported. In addition, ratios and differences are calculated on the basis of the underlying amounts and not on the basis of the rounded amounts.

1.2 Accounting framework applied

Main standards, amendments and interpretations whose application is mandatory as of July 1, 2021

The main texts newly applicable in 2021-2022 concerning the group are as follows:

- IFRIC Interpretation (International Financial Reporting Interpretations Committee) concerning IAS-19 - Service cost allocation period

In December 2020, the IFRS IC Interpretation Committee initiated a discussion concerning the interpretation of the method for calculating employee benefits and the vesting period for retirement benefit plans. The Committee's interpretation is to linearize the pension entitlement over the period prior to retirement age to obtain the capped entitlement. The IASB approved this approach in April 2021.

The consequences of the IFRS IC decision were analyzed as a change in accounting method, within the meaning of IAS 8. As the impacts were largely immaterial for Bonduelle, the group recognized the difference in the valuation of the provision against shareholders' equity at the beginning of the fiscal year 2021-2022 for -0.8 million euros net of deferred tax, and has not restated the comparative year.

- IFRIC Interpretation on IAS 38 - Recognition of contract start-up costs in SaaS (Software as a Service) mode

In March 2021, the IFRS IC Interpretation Committee initiated a discussion concerning the accounting of configuration and customization costs for software accessible by the cloud as part of a SaaS contract. The Committee's interpretation is to recognize these costs as an intangible asset if the customer controls, within the meaning of IAS 38, the separate asset resulting from the configuration or customization. In the event that control within the meaning of IAS 38 is not proven, these costs must be recognized as operating expenses and may be spread over the term of the contract if they cannot be distinguished from the main software provisioning service.

The application of this interpretation in the group's consolidated financial statements has no significant impact because the residual net carrying amount of the configuration and customization costs of the capitalized SaaS contracts is not material.

The Bonduelle Group launched the B!One transformation program aimed at overhauling the group's operating model, involving changes in IT tools.

At each stage, the costs related to this project are analyzed and recognized taking into account changes in standards, in particular IAS 38.

- Amendments to IAS 39, IFRS 7, IFRS 9, IFRS 4 and IFRS 16 in respect of Phase 2 of the interbank rate reform.

In August 2020, as part of the reform of benchmark rates, the IASB published an amendment to IAS 39 whose objective is to enable entities to mitigate the accounting impacts related to the change in contracts for financial instruments moving to the new benchmark

rates. The amendment was adopted by the European Union on January 14, 2021 and is mandatory for fiscal years beginning on or after January 1, 2021.

The amendment proposes the following exemption measures:

- exemption on the recognition of the change in the basis of determination of contractual cash flows, which may be made by a prospective adjustment of the instrument's effective interest rate, provided that the change in question is considered a "direct consequence" from the benchmark rate reform and "economically equivalent" to the old basis;
- exemptions to maintain existing hedging relationships despite the benchmark rate reform.

The application of this amendment has no impact on the group's 2021-2022 financial statements. At the end of June 2020, the IASB also published an amendment to the old standard on insurance contracts, IFRS 4, which extends the temporary exemption from application of IFRS 9 until January 1, 2023 (expected effective date of IFRS 17).

Standards, amendments and interpretations that are not mandatory on July 1, 2021 but may be applied early

The group has not applied the standards, amendments and interpretations published by the IASB early in the consolidated financial statements for the fiscal year 2021-2022 and considers that they would not have a material impact on its results and financial position.

NOTE 2 SIGNIFICANT EVENTS

2.1 Capital opening of Bonduelle Americas Long Life

On June 30, 2022, the Bonduelle Group announced that it had obtained the approval of the U.S. and Canadian regulatory authorities and that the conditions precedent had been lifted, enabling it to finalize the agreement with the institutional investors Fonds de solidarité FTQ and CDPQ to acquire, equally between them, 65% of Bonduelle Americas Long Life (BALL) on the basis of an enterprise value of 850 million Canadian dollars (approximately 625 million euros), representing a 2020-2021 EBITDA multiple of 8.2x.

With revenue of 989 million Canadian dollars (approximately 689 million euros) for the year 2021-2022, this activity processes and markets canned and frozen vegetables in the United States and Canada to mass-market retailing and food service customers, mainly under private labels, third-party brands and its own brands such as Arctic Gardens and Del Monte. This transaction allows the group to continue to roll out its branded activities, in line with its strategic priorities and its ambition for sustainable growth with positive impact. The new structure resulting from the agreement, newly named Nortera Foods, is consolidated using the equity method from the transaction date.

The impacts of this transaction on our financial statements are detailed in Note 3.

2.2 Bonduelle's activity in Russia

The group has been established in Russia for 25 years and employs 900 employees. It produces essential foodstuffs in its three factories located in Russia, mainly for Russian consumers and in some neighboring countries. For the fiscal year 2021-2022, annual external revenue from customers based in Russia amounted to 132.8 million euros, *i.e.* 4.6% of consolidated revenue excluding IFRS 5 (6.-% of reported revenue).

In view of this context, the Bonduelle Group decided to continue operating in Russia, while monitoring the geopolitical situation and also the international sanctions targeting this territory. The group is involved in this complex situation, which requires a continuous reassessment of the conditions of its operations. It is in this context that crisis units meet regularly and that the impact of the situation on its activities, particularly in Russia, is regularly reassessed.

This situation exposes the group to various direct and indirect impacts:

- The Bonduelle Group's direct exposure to Russia in terms of assets is limited, with a value of intangible assets and property, plant and equipment amounting to 52.6 million euros (excluding working capital), *i.e.* 6.4% of total consolidated intangible assets and property, plant and equipment as of June 30, 2022. A sensitivity analysis of these assets was carried out, taking into account a risk related to the increased macroeconomic environment; the risk of impairment is limited.
- In addition, several indirect impacts were noted in the other regions in which the group operates, such as the availability of raw materials and the increase in their cost, particularly energy. These impacts are regularly monitored, in order to anticipate and limit them as much as possible before they are reflected in our commercial contracts. It should also be noted that our needs for production in the 2022 campaign are globally secured.
- With regard to foreign exchange exposure, EUR and USD exposures in Russia have not generated any significant impact to date and particular attention is given to the financial instruments available to hedge these exposures.
- Lastly, as of June 30, 2022, Bonduelle's subsidiaries in Russia had local credit lines that could be immediately mobilized to finance current operations in Russia.

2.3 Situation of the fresh ready-to-use business in North America

As announced on July 11, 2022, the difficulties encountered by the Bonduelle Fresh Americas business unit have led the group to review its profitability outlook. The in-depth analysis of the market and margins of the various product ranges led the group to recognize, in the financial statements of the entity concerned, an impairment of underperforming industrial assets of 43.5 million euros, a tax impact of -29.9 million euros corresponding to the cancellation of tax losses previously activated and to the non-activation of losses of the 2021-2022 fiscal year, and at group level an impairment of intangible assets (Goodwill) of 63.5 million euros on the corresponding CGU (ready-to-use fresh segment in North America), calculated on the basis of future cash flows (see Notes 6.5, 9.1, 11.1, 11.3 and 11.4)

NOTE 3 CAPITAL OPENING OF BONDUELLE AMERICAS LONG LIFE (BALL)

3.1 Impact on the group's financial statements of the disposal of 65% of Bonduelle Americas Long Life

As the agreement (mentioned in Note 2.1) was finalized on June 30, 2022, the impacts on the group's financial statements are as follows:

Bonduelle recorded in the income statement, on the line "Income from discontinued operations" in accordance with IFRS 5, the capital gain of this transaction amounting to a net amount of 132.4 million euros (after disposal costs and after tax), equal to the difference between the actual value of the deconsolidated assets and their carrying amount at that date - this amount takes into account the information known at the reporting date of the 2021-2022 fiscal year and may still change according to the price adjustment mechanism provided for in the sale contract.

The assets and liabilities of these companies were deconsolidated and Bonduelle recognized in balance sheet assets, in the investments in associates, the fair value of 35% of the stake retained in these entities amounting to 84 million euros.

3.2 Comparative information

As mentioned in Note 3.1, the net income and cash flows attributable to the Bonduelle Americas Long Life ("BALL") activities sold are presented separately as discontinued operations in the 2021-2022 fiscal year consolidated financial statements.

In accordance with the provisions of IFRS 5, the financial statements for the 2020-2021 fiscal year presented for comparison have been restated accordingly. The impact of these restatements on the 2020-2021 fiscal year consolidated financial statements is presented in the table below.

For the fiscal year 2021-2022, BALL activities were conducted by the Bonduelle Group over the 12 months of the period. The group's performance before the IFRS 5 reclassification is presented below, with the details of the reclassification.

Income statement including the reclassification of discontinued operations

<i>(In thousands of euros)</i>	At 2021/06/30			At 2022/06/30		
	Reported on June 30, 2021	IFRS 5 restatement	Restated	Excluding IFRS 5	IFRS 5 restatement	Reported
Revenue	2,778,604	(614,988)	2,163,616	2,891,733	(689,121)	2,202,613
Purchases and external charges	(1,951,974)	406,023	(1,545,951)	(2,063,365)	471,955	(1,591,409)
Employee benefits expenses	(612,268)	134,907	(477,361)	(618,547)	140,441	(478,105)
Depreciation, amortization and impairment	(111,506)	26,214	(85,292)	(114,216)	29,171	(85,046)
Other operating income	27,851	(478)	27,373	25,146	(1,266)	23,880
Other operating expenses	(30,332)	3,142	(27,190)	(24,122)	4,991	(19,131)
Current operating income	100,375	(45,180)	55,195	96,629	(43,828)	52,801
Non-recurring items	(3,173)	106	(3,067)	23,721	(141,714)	(117,993)
Operating profit	97,203	(45,074)	52,129	120,349	(185,542)	(65,192)
Cost of net debt	(15,983)	2,305	(13,678)	(15,574)	2,228	(13,345)
Other financial income and expenses	(1,283)	(351)	(1,635)	(2,006)	811	(1,195)
Financial income	(17,267)	1,954	(15,313)	(17,580)	3,040	(14,540)
Share of net income from associates	(582)	0	(582)	(5,244)	0	(5,244)
Profit before tax	79,354	(43,120)	36,234	97,525	(182,503)	(84,977)
Income tax	(22,233)	11,340	(10,893)	(62,096)	22,109	(39,987)
Net income from continuing operations	57,121	(31,780)	25,341	35,429	(160,394)	(124,965)
Net income from discontinued operations	0	31,780	31,780	0	160,393	160,393
CONSOLIDATED NET INCOME	57,121	0	57,121	35,429	(0)	35,429
• Attributable to owners of the company	57,151	0	57,151	35,421	0	35,421
• Attributable to non-controlling interests	(30)	0	(30)	7	0	7
REBITDA	211,881	(71,394)	140,487	210,845	(72,998)	137,847

For the fiscal year 2021-2022, financial items excluding IFRS 5 include:

- Non-recurring items including the capital gain on disposal of 144.7 million euros (net of disposal costs).
- A tax expense related to the capital gain amounting to 12.3 million euros.

Statement of cash flows including the reclassification of discontinued operations

<i>(In thousands of euros)</i>	At 2021/06/30			At 2022/06/30		
	Reported on June 30, 2021	IFRS 5 restatement	Restated	Excluding IFRS 5	IFRS 5 restatement	Reported
Net income from continuing operations	57,121	(31,780)	25,341	35,429	(160,393)	(124,965)
Share of net income from associates	582	0	582	5,244	0	5,244
Depreciation, amortization and impairment	110,093	(26,214)	83,879	215,618	(28,672)	186,947
Other non-cash items	15,972	1,302	17,274	(158,621)	150,511	(8,109)
Deferred tax	(10,614)	(673)	(11,287)	19,480	(2,517)	16,963
Accrued interest	(639)	25	(613)	(182)	29	(153)
Gross cash flows from operating activities	172,514	(57,338)	115,176	116,969	(41,042)	75,927
Change in WCR	(38,787)	24,815	(13,972)	6,198	(37,765)	(31,567)
Net cash flows from operating activities from continuing operations	133,728	(32,523)	101,205	123,167	(78,807)	44,360
Net cash flows from operating activities from discontinued operations	0	32,523	32,523	0	78,807	78,807
Net cash flows from operating activities	133,728	0	133,728	123,167	0	123,167
Acquisitions of consolidated companies, net of cash and cash equivalents	(4,390)	0	(4,390)	(84,153)	0	(84,153)
Disposal of consolidated companies, net of cash and cash equivalents disposed of	0	0	0	466,218	(466,218)	0
Acquisition of property, plant and equipment and intangible assets	(104,746)	31,959	(72,788)	(107,659)	34,087	(73,572)
Acquisitions of financial assets	(331)	0	(331)	(14)	0	(14)
Disposals of financial assets	1,276	(243)	1,034	2,316	(122)	2,194
Acquisitions of financial assets	139	52	191	1,217	(53)	1,164
Net cash flows from (used in) investing activities from continuing operations	(108,053)	31,768	(76,285)	277,925	(432,306)	(154,381)
Net cash flows from (used in) investing activities from discontinued operations	0	(31,768)	(31,768)	0	432,306	432,306
Net cash flows from (used in) investing activities	(108,053)	0	(108,053)	277,925	0	277,925
Transactions with non-controlling interests	1,704	0	1,704	(0)	0	0
(Acquisition) Disposal of treasury shares	82	0	82	(3,064)	0	(3,064)
Increase (Decrease) in non-current financial liabilities	(36,766)	(360)	(37,126)	(149,646)	30	(149,616)
Increase (Decrease) in current financial liabilities	35,938	(5)	35,933	(98,093)	44	(98,049)
Increase (Decrease) in lease liabilities	(20,056)	2,170	(17,886)	(20,273)	2,043	(18,230)
Dividends paid to group and minority Shareholders	(13,160)	0	(13,160)	(14,722)	0	(14,722)
Net cash flows from (used in) financing activities from continuing operations	(32,258)	1,805	(30,452)	(285,798)	2,117	(283,681)
Net cash flows from (used in) financing activities from discontinued operations	0	(1,805)	(1,805)	0	(2,117)	(2,117)
Net cash flows from (used in) financing activities	(32,258)	0	(32,258)	(285,798)	0	(285,798)
Impact of exchange rate changes	4,838		4,838	1,076		1,077
Change in cash and cash equivalents	(1,744)		(1,744)	116,371		116,371
Cash and cash equivalents – opening balance	6,638		6,638	4,894		4,894
Cash and cash equivalents – closing balance	4,894		4,894	121,264		121,264
CHANGE IN CASH AND CASH EQUIVALENTS	(1,744)		(1,744)	116,371		116,371

NOTE 4 ACCOUNTING PRINCIPLES

4.1 Consolidation methods

The consolidated financial statements fully consolidate the financial statements of all subsidiaries controlled either directly or indirectly by the group.

Control is defined and measured in accordance with IFRS 10, based on three criteria: power of decision, exposure to variable returns, and the relationship between these two.

Full consolidation allows recognition of all of assets, liabilities and income statement items of the companies concerned, after elimination of all inter-company transactions and earnings, with the portion of income and Shareholders' equity attributable to owners of the group companies ("group share") distinguished from the portion concerning the interests of other Shareholders ("non-controlling interests"). All companies over which Bonduelle does not exercise exclusive control yet still exerts significant influence or joint control are accounted for using the equity method.

All consolidated companies of the group close their financial statements as of June 30, 2022 with the exception of the following companies: Bonduelle Kuban, Coubanskies Conservi, Bonduelle do Brasil, Bonduelle Kazakhstan and Agro Rost. All these companies were consolidated on the basis of their accounting position as of June 30, 2022.

Some companies over which the Bonduelle Group has direct, or indirect, control or over which it exercises significant influence, could not be consolidated because they were not deemed to be material.

Companies are included within the consolidation scope with effect from the date on which control or significant influence is acquired.

Companies are deconsolidated with effect from the date on which control or significant influence is lost.

All income and expenses related to subsidiaries acquired or disposed of during the fiscal year are recognized in the consolidated income statement with effect from the acquisition date or until disposal.

All transactions between consolidated companies and intercompany income (including dividends) are eliminated.

4.2 Segment reporting

Segment data is reported on the basis of the operating segments used for internal reporting purposes, also known as the management approach.

The two operating segments are: Europe Zone and Non-Europe Zone.

The Europe Zone covers the following geographical areas: France, Germany, Italy and the Iberian Peninsula, which form Southern Europe, Northern Europe and Central Europe.

The Non-Europe Zone covers Eastern Europe, Asia, the Mercosur, North America and Export markets.

The primary indicators published are those used by the group's Executive Management. For additional information, revenue, operating income and non-current assets are broken down by geographical area, while revenue is also broken down by operating segment.

4.3 Translation of transactions denominated in foreign currencies and the financial statements of foreign companies

Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are valued using the exchange rates applicable on the transaction dates. All receivables and liabilities denominated in foreign currencies recognized in the balance sheet at the end of the period are valued at the closing rates. All foreign exchange gains and losses generated by the translation of transactions denominated in foreign currencies are included under the "financial income" and "financial expenses" headings of the income statement, except for those on borrowings denominated in foreign currencies or other instruments used to hedge long-term equity investments in that same currency, which are included on the line "Accumulated translation adjustments" of consolidated Shareholders' equity.

Translation of the financial statements of foreign companies

The balance sheets of companies with a functional currency other than the euro are translated into euros at the official rate at the end of the fiscal period. In each income statement, income and expenses must be translated at the exchange rate at the date of the transactions. For practical reasons, the yearly arithmetic average exchange rate is used to convert income and expense items. However, if exchange rates record significant fluctuations, a calculation method other than the yearly arithmetic average may be used, in line with the seasonality of the business.

The exchange differences resulting from the application of these various foreign exchange rates are included on the line "Accumulated translation adjustments" in the consolidated statement of changes in Shareholders' equity until such time as the foreign holdings to which they pertain are sold or liquidated.

4.4 Business combinations

All business combinations have been recognized using the acquisition method since July 1, 2009 in accordance with standard IFRS 3 (revised) (Business Combinations), and according to IFRS 3 for acquisitions made before this date.

According to this method, the identifiable assets acquired and liabilities assumed are recognized at their fair value, notwithstanding the exceptions specified in IFRS 3R.

For all combinations formed after July 1, 2009, the extra costs associated with the acquisition are recognized in expenses.

Similarly, from July 1, 2009, any non-controlling interest in the acquiree (minority interest) can either be measured at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable assets acquired and liabilities assumed (IFRS 3 2004), or at the fair value (referred to as the full goodwill method). This option is available on a transaction-by-transaction basis.

The difference between the cost of acquisition of the shares and the fair value of the acquired share of identifiable assets and liabilities on the acquisition date is recognized in goodwill.

If the cost of an acquisition is less than the fair value of the net assets of the acquiree, the negative goodwill (badwill) is recognized directly in profit and loss.

The goodwill analysis is finalized during the assessment period, *i.e.* 12 months from the takeover date.

4.5 Accounting principles for assets and liabilities

The consolidated financial statements at June 30, 2022 are presented in thousands of euros, and reflect the financial position of the Company and its subsidiaries (hereafter referred to as "the group").

They have been prepared on the basis of historical costs, with the exception of the assets and liabilities discussed below, which are recognized at fair value.

4.5.1 Intangible assets

4.5.1.1 Goodwill

When shares are acquired in companies that are either fully consolidated or accounted for using the equity method, the cost of acquiring the shares is allocated to the assets, liabilities and contingent liabilities acquired measured at their fair value. Any positive difference between the acquisition cost and the share attributable to owners of the Company in the fair value of the assets, liabilities and

contingent liabilities acquired represents goodwill. These differences are presented on the asset side of the consolidated balance sheet under "Goodwill" for fully-consolidated companies and under "Investments in associates" for companies accounted for using the equity method.

Goodwill relating to foreign companies is recognized in the functional currency of the Company acquired.

Negative goodwill (badwill) is immediately recognized in the income statement as non-recurring items.

4.5.1.2 Other intangible assets

All separately identifiable brands acquired whose useful life is considered to be indefinite are recognized in the consolidated balance sheet under the heading "Other intangible assets".

Licenses, patents and any other intangible assets acquired are recognized at their acquisition cost under "Other intangible assets" in the consolidated balance sheet. They are amortized on a straight-line basis in accordance with their projected useful life.

All development costs must be capitalized as intangible assets when the Company can prove that they will generate future economic benefits and their costs can be identified.

Development costs for software used within the group are carried as assets in the balance sheet when it is probable that these expenses will generate future economic benefits. These costs are amortized on a straight-line basis over the expected useful life of the software, which may be between one and five years. All other software acquisition and development costs are immediately recognized as expenses.

4.5.2 Property, plant and equipment

Property, plant and equipment are recorded on the balance sheet at their cost less accumulated depreciation and impairment. The gross amount of property, plant and equipment corresponds to their purchase or production cost. It is never remeasured. Purchase or production costs include, where applicable, all costs related to the dismantling or refurbishing of production sites.

Given the nature of our investments, borrowing costs are not included in the cost of property, plant and equipment.

Depreciation is calculated on a straight-line basis based on purchase cost, less any residual value, from the date on which the asset is available for use. With the exception of certain special cases, residual values are zero.

Useful lives are reviewed periodically, particularly in the case of decisions to move production sites.

- Buildings: 10 to 40 years.
- Plant & equipment, office equipment: 5 to 15 years.
- Other fixed assets: 3 to 10 years.

Where circumstances or events indicate that the value of a fixed asset may have declined, the group examines the recoverable amount of the asset (or group of assets to which it belongs).

The recoverable amount is the higher of the asset's fair value less disposal costs and its value in use. Value in use is estimated by discounting the expected future cash flows of the asset (or group of assets to which it belongs) within the conditions of use planned by the group. Impairment is recognized when the recoverable amount of a fixed asset falls below its net carrying amount.

4.5.3 Assets under a lease

IFRS 16, *Leases* imposes on the lessee a single model for recognizing leases on the balance sheet *via* the recognition of an asset representing a right-of-use in exchange for a lease liability corresponding to the present value of the rents to be paid over the reasonably certain period of the lease. Deferred tax is also recognized on the basis of the difference between the net carrying amount of the right-of-use asset and the lease liability.

Permanent treatment:

- exemption of new short-term leases (less than 12 months including renewal periods with financial incentives) and low-value leases (five thousand euros);
- the lease term corresponds to the non-cancellable period of each lease, to which must be added any renewal options that the group is reasonably certain to exercise, and any termination options that the group is reasonably certain not to exercise; On December 16, 2019, the IFRS Interpretation Committee ("IFRS IC") published a decision on the timetable for assessing the duration to be used to determine liabilities related to rental commitments. As a result, these liabilities are determined on the basis of a useful life rather than a contractual term, particularly in the case of commercial leases. The group has taken this decision into account in determining liabilities related to rental commitments as of July 1, 2019;
- the discount rate corresponds to the incremental borrowing rate determined over the remaining term of the contracts for the entire group; this rate is defined according to the term of the lease in order to take into account payment profiles;
- taking into account non-rental components (mainly vehicle maintenance).

At their effective date, leases as defined by IFRS 16 "Leases" are recorded:

- as a capital asset (right of use) for the amount of the lease liability, plus any prepayments made to the lessor, the initial direct costs incurred, less any benefits received, and an estimate of the costs of dismantling or restoring the leased asset in accordance with the terms of the lease, if any; and
- as a financial liability for the amount of rent over the lease term as determined above, discounted at the rate specified above.

Rights of use are amortized on a straight-line basis over the lease term. Where the lease has the effect of transferring ownership of the asset to the lessee or where it includes a purchase option, which will be exercised with reasonable certainty, the right of use is depreciated over the useful life of the underlying asset on the same terms as those applying to owned assets.

In the consolidated statement of cash flows, payment of lease liabilities is presented in net cash flows from/(used in) financing activities, in accordance with IFRS 16 "Leases".

4.5.4 Impairment of fixed assets

In accordance with IAS 36 "Impairment of Assets", the recoverable amount of property, plant and equipment and intangible assets is tested for impairment whenever there is an indication of impairment and at least once a year for assets with an indefinite useful life, which are essentially goodwill and brands. Indications of impairment include a significant decline in business volumes, a deterioration in expected long-term profitability, a change in reputation or changes in regulations that adversely affect the business.

The value of the fixed assets of each cash-generating unit (CGU), including in particular goodwill, intangible assets, property, plant and equipment and, since this fiscal year, rights of use net of lease liabilities (IFRS 16), is subject to impairment testing at the time of the annual financial statements and whenever events and circumstances indicate that a loss of value is likely to have occurred.

An impairment loss is recognized when the recoverable amount of a CGU becomes less than its net carrying amount.

Any impairment loss is recorded first in goodwill allocated to the Cash Generating Unit (CGU), and then as a reduction of the net carrying amount of each asset within the CGU.

The recoverable amount of goodwill, which is used to calculate any impairment to be recognized in the financial statements, is the value-in-use estimated on the basis of the present value of future cash flows, from which lease payments for rights of use are excluded.

If this value-in-use does not cover the assets' carrying amount, the recoverable amount used (if higher) is their fair value less selling costs.

Cash Generating Units are combinations of subsidiaries that belong to the same business segment and that generate cash flows that are clearly distinct from those generated by other CGUs. The cash flows used to calculate values in use are taken from the CGUs' five-year strategic plans.

The growth rates used to extrapolate cash flow projections beyond the period covered by the five-year strategic plans are between 0 and 3% depending on the dynamics of the markets in which the CGUs operate.

These cash flows are discounted on the basis of a weighted average cost of capital calculated using the market data available for Bonduelle and its business segments. It is calculated for the group and increased, for certain CGUs, by a premium to take into account the risk factors. As of June 30, 2022, the group WACC amounted to 6.5%.

The WACC is calculated based on a market-based debt of 27% of long-term equity and a risk-free rate of 1.9%.

The CGUs monitored by the group are the following business segments for each operating segment: Europe and non-Europe Zones.

For the Europe Zone:

- the canned and frozen food segment;
- the ready-to-use fresh segment.

For the Non-Europe Zone:

- the canned and frozen food segment in Eastern Europe;
- the ready-to-use fresh segment in North America.

The fair value less all related selling costs corresponds to the amount that could be obtained by selling the asset (or group of assets) under arm's length conditions, less all costs related directly to the disposal of the asset(s).

4.5.5 Financial assets

IFRS 9 requires financial assets to be recognized in one of the following three categories:

- at amortized cost;
- at fair value through other comprehensive income;
- at fair value through profit or loss.

Financial assets are classified and measured on the basis of two criteria: the entity's business model (collection of contractual flows or monetization by disposal) for managing financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at fair value through profit or loss

These consist of financial assets held by the group with a view to generating a short-term gain, or any financial assets voluntarily classified in this category. They are measured at their fair value, and all changes are recognized in the income statement. Classified under cash equivalents within the group's current assets, these financial instruments include, where applicable, units or shares in money market funds and derivative assets.

Loans

Loans are recognized at their amortized cost using the effective interest rate method.

Trade and related receivables

Trade receivables

Trade receivables are recognized in the balance sheet at amortized cost.

As part of its financing policy, the group may have recourse to trade receivable securitization programs. Such securitizations are without recourse. The risk is transferred, in full, to the institution purchasing the receivable. As a result, these are no longer recorded as assets on the balance sheet. The group does not retain any ongoing involvement in the derecognized assets.

Impairment allowance

The impairment allowance mainly relates to disputes over which Bonduelle is in discussion with customers. Provisions for the impairment of expected credit losses are recognized at an amount equal to expected losses over the life of the receivable.

Loans to subsidiaries and affiliates

Loans to subsidiaries and affiliates are shown as financial assets and are recognized at amortized cost.

Other non-consolidated investments

Other non-consolidated investments are recognized in the consolidated balance sheet at fair value. Changes to fair value such as losses or gains on disposal are recognized in the consolidated statement of changes in Shareholders' equity under other comprehensive income and are not recycled to profit or loss.

Other non-current financial assets

Other non-current financial assets primarily comprise security deposits required under certain countries' tax regulations and funds covering post-employment benefit schemes. The assets are recognized at amortized cost.

4.5.6 Financial liabilities

Financial liability includes:

- bond issues;
- accrued interest not yet due;
- borrowings and bank lines;
- derivative liabilities.

Financial liabilities are measured and recognized at their amortized cost using the effective interest rate method. They are recognized at the settlement date.

In accordance with IFRS 9, which amended IAS 39 on accounting policies for fair value hedging, bonds, which were swapped at the time they were issued, were marked to market. Changes in the fair value of the debt and the associated derivatives are recognized through profit or loss for the period.

See Note 4.5.3 for details of lease liabilities.

4.5.7 Derivative instruments

The group uses over-the-counter derivatives to manage exposure to foreign exchange and interest rate risks. Group policy excludes being engaged in speculative transactions on the financial markets.

Derivatives are recognized in the consolidated balance sheet at fair value:

- derivatives used to manage net debt and to hedge net investment in foreign operations are recognized as derivative assets or liabilities;
- operational currency derivatives are recognized under derivative assets or liabilities:
 - if the derivative is designated as a fair value hedge for assets or liabilities recognized in the consolidated balance sheet, changes in value of both the derivative and the underlying hedged item are recognized through profit or loss for the same period;
 - if the derivative is designated as a hedge of a net investment in foreign operations, changes in value are recognized in equity under translation adjustments and are recycled to profit or loss when the asset is derecognized;
 - if the derivative is designated as a future cash flow hedge:
 - changes in the value of its effective portion are recognized in equity under other comprehensive income and are recycled to profit or loss when the hedged item is itself recognized in profit or loss under the same heading;
 - the time value (swap and currency option premium, cross-currency basis swap spreads) is recognized in equity under other comprehensive income and is recognized in profit or loss when the underlying matures, in line with the principles adopted by the group.

Changes in the fair value of the ineffective portion of instruments qualifying as hedges, and changes in the fair value of derivatives that do not qualify for the use of hedge accounting, are recognized directly through profit or loss for the period.

Derivatives are recognized at the transaction date.

IFRS 7.27A distinguishes three levels of methods for determining fair value:

- level 1: quoted prices on an active market for similar instruments with no adjustment;
- level 2: fair value determined based on data observable either directly (such as a price) or indirectly (calculated based on another price), but other than a quoted price on an active market as stated under level 1;
- level 3: fair value determined based on unobservable market data.

The method used by Bonduelle is level 2 in accordance with IFRS 13. Moreover, the market data used in the valuation models includes central bank fixings and data supplied by platforms such as Reuters.

4.5.8 Inventories

Materials inventories are measured at their weighted average unit cost. Inventories of work-in-progress and finished products are measured at their production cost, which includes the cost of purchasing the materials used and all direct and indirect production costs (including fixed production costs).

Borrowing costs are not included in the inventory cost. Impairment is deemed necessary in the following cases:

- for raw materials, when the current market price is lower than the inventory value;
- for finished products and commodities sold as-is, each time the probable net realizable value is lower than the production or purchase cost.

The amount of impairment required to bring inventory to its net realizable value, and all inventory losses, are recognized as expenses for the period during which the impairment or loss occurred. The sum of any recoveries of inventory impairment resulting from an increase in the net realizable value is recognized as a reduction in the amount of inventories recognized in expenses in the period during which the recovery was made.

Intercompany margins are eliminated.

4.5.9 Treasury shares

Bonduelle's shares held by the Company are recognized as a reduction to consolidated equity, on the line "Treasury shares", for an amount corresponding to their cost. Any funds generated by the sale of treasury shares are applied directly as an increase in Shareholders' equity, and therefore any gains or losses on disposal do not impact net income for the year.

4.5.10 Cash and cash equivalents

Cash assets consist of all investments with original maturities equal to or less than three months and that can be disposed of immediately. These investments are measured at their market value.

The elements that make up cash and cash equivalents are cash in bank current accounts and potential units or shares in short-term money market funds or redeemable medium-term notes, of which the risk of a change in value is deemed negligible.

4.5.11 Investment grants

Investment grants appear in the balance sheet under "Other non-current liabilities". These are listed under "Other operating income" in the income statement and are recognized over the same period as the amortization of the fixed assets that they have made possible to acquire.

4.5.12 Taxes

Income tax expense corresponds to the current tax payable by each consolidated tax entity, adjusted for deferred taxes.

In France, Bonduelle SCA is the Company that heads the tax consolidation group that includes Bonduelle SA, Bonduelle Europe Long Life SAS, Sud Ouest Légumes Alliance - Soléal SAS, Bonduelle Development SAS, SAS Champilore, Bonduelle Frais Traiteur SAS, Bonduelle Frais France SAS, Bonduelle Traiteur International SAS, Euromycel SAS, MOD Bond SAS (formerly-Coviju2 SAS), Coviju3 SAS, Coviju4 SAS, Bonduelle Ré

All current taxes in respect of the period are classified in current liabilities on the balance sheet insofar as they have not been settled. Any overpayments of income taxes are classified among balance sheet assets as current receivables.

Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities and their value for tax purposes, with the exception of goodwill. Under the liability method, deferred taxes are calculated on the basis of the income tax rate expected for the fiscal year during which the asset will be realized or the liability settled and are classified among non-current assets and liabilities. Impacts of changes in tax rates from one year to the next are recognized in the net income of the fiscal year during which the change is recognized. Deferred taxes pertaining to items recognized directly in Shareholders' equity are also recognized in Shareholders' equity.

Total deferred tax assets resulting from temporary differences and tax loss and credit carryforwards must not exceed the estimated value of the tax that may be recovered. The latter is assessed at the end of each fiscal year, based on earnings forecasts for the tax entities concerned. Deferred tax assets and liabilities are not discounted.

All deferred taxes are recognized through profit or loss on the income statement, except those generated by items that are allocated directly to equity. In this case, the deferred taxes are also allocated to equity. This is the case in particular for deferred taxes on brands when the expected tax rate has just been modified.

4.5.13 Retirement benefits, end-of-career bonuses and welfare insurance

The group provides its employees with either defined contribution or defined benefit plans.

The group's main obligations under its defined benefit programs consist of retirement benefits and long service awards in France, retirements plans in Germany and termination benefits in Italy.

Breakdown of the various plans:

	France	Germany	Italy
	Termination benefits and long-service awards	Retirement plans	Termination plans
Type of plan			
Discount rate	3.40%	3.40%	3.40%

Return on plan assets	3.40%	N/A	N/A
Future salary increase	2.00%	2.00%	N/A
Retirement age	63 years	65 years	68 years

Apart from the US work-related accident compensation scheme (worker's compensation) described in Section 4.5.14, the group does not have any obligations for medical benefits.

The same discount rate (3.40%) is used to calculate Bonduelle's obligations under the various plans. It was determined based on AA-rated bond yields of private issuers in the euro zone. The rate of salary inflation presented is an average rate, calculated specifically for each plan.

In accordance with IAS 19, "Employee Benefits", the projected unit credit method is used to calculate pension and other post-retirement benefits under the defined benefit plans, in particular using assumptions about salary inflation, employee turnover, retirement age and life expectancy.

The corresponding actuarial liabilities are recognized either as contributions paid to insurance companies or in the form of provisions.

Under the revised IAS 19, the Bonduelle Group recognizes the actuarial gains and losses generated during the year directly to equity.

Actuarial gains and losses are generated by inter-period changes in the actuarial assumptions used to calculate the value of the liabilities and the assets, and by experience differences corresponding to changes to the database of individual records.

The lines "Impact of discounting" and "Projected return on plan assets" are recognized in financial income.

Under defined contribution plans, the group's only obligation is to pay the required premiums. Said premiums are recognized in the income statement for the period.

Accounting consequences of the IFRS IC decision of April 2021 on the allocation of post-employment benefits to periods of service for defined benefit plans

On May 24, 2021, the IFRIC published a decision on the allocation of the cost of services associated with defined-benefit plans for which (i) the vesting of benefits is subject to retirement with the Company, (ii) the amount of benefits depends on seniority, and (iii) the amount of compensation is capped at a certain number of consecutive years of service. This decision affects the provisioning method for the group's commitments relating to retirement benefits in France, and constitutes a change in the accounting method used by the group. The impact of this decision is a gain of 1.1 million euros before tax on the actuarial debt as of July 1, 2021, recognized as an offset to shareholders' equity as of July 1, 2021.

4.5.14 Other non-current and current provisions

Provisions are recognized for clearly identifiable risks and expenses as to the purpose and whose maturity or amount is uncertain, when an obligation to a third party actually exists and it is certain or probable that this obligation will result in an outflow of inputs without receiving at least equivalent consideration.

In the case of restructuring, an obligation is recognized once its implementation has begun or a detailed plan has been drawn up that has, to a sufficiently clear extent, created a well-founded expectation on the part of the persons in question that the Company will implement the restructuring.

With regard to US companies with *workers' compensation* programs, compensation claims made and not yet settled on the reporting date, whether carried forward or not, are covered by provisions determined on the basis of the estimated cost of settlement and related processing costs. Where there is enough historical group or market data on claims made and settled, the Executive Management of such companies, with the help of external actuaries, estimates the risks covered by such companies for claims not yet reported, using the actuarial cost method for claims incurred but not reported (IBNR – Incurred But Not Reported). Such provisions are recognized as provisions for social risks and expenses in the Bonduelle Group financial statements and are reassessed at the end of every period.

4.5.15 Revenue

Revenue is derived mainly from sales of finished products. It is recognized in profit or loss when the customer actually obtains control of the product, when it can direct the use and obtain substantially all the remaining benefits from it.

Revenue is recognized net of any discounts or rebates accorded to customers and any costs related to trade agreements, referencing agreements, and/or concerning occasional promotional campaigns invoiced by distributors as well as any penalties that may be incurred by Bonduelle. These amounts are measured when the revenue is recognized, on the basis of agreements and commitments with the customers in question.

Revenue may also include transport services supplied by Bonduelle to its customers. Revenue is then recognized when the service is provided.

4.5.16 Other current operating income and expenses

This item primarily comprises grants, income from asset disposals, sales not classed as revenue (particularly sales to partners) as well as income associated with adjustments or compensation received.

4.5.17 Non-recurring items

Non-recurring items comprise significant items that cannot be considered as inherent to the group's operational activity due to their nature and non-habitual character. They include mainly goodwill, impairment of intangible assets (including goodwill) from consolidated

shareholdings, restructuring and reorganization costs, acquisition costs, insurance deductibles and costs related to non-covered claims, and financial losses arising from fraud or fines, as well as the impacts of changes in estimates.

4.5.18 Share-based payments

Share purchase options and free shares granted to employees are measured at their fair value on the allocation date. The fair value is calculated using the Black & Scholes option pricing model for stock options and the discounting of share value adjusted for dividends for the free share allocation plans. The fair value of free shares granted is also calculated on the basis of presence and performance requirements established by the Executive Management. This value is recognized in the income statement for the period during which employee's exercise rights become vested, with the offsetting entry consisting of an equivalent increase in Shareholders' equity. All expenses recognized in relation to options that expire prior to becoming exercisable are reversed in the income statement for the period during which they expire.

4.5.19 Basic earnings per share and diluted earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the company by the average number of shares in issue during the fiscal year.

To calculate diluted earnings per share, the weighted average number of shares is adjusted to reflect the impact of the conversion of any dilutive instruments into common shares.

4.5.20 Assets and liabilities held for sale and operations discontinued, sold or in the process of being sold

Assets and liabilities held for sale, *i.e.* immediately available for disposal and whose disposal is highly probable, are presented on separate lines of the consolidated balance sheet of the period during which the decision to sell was taken. The consolidated balance sheets of previous periods are not restated. Sale is said to be highly probable when a plan for the sale of the asset (or group of assets) held for sale has been drawn up by the Executive Management and an active search for an acquirer has been initiated.

Assets held for sale are measured at the lowest of their carrying amount or fair value, minus any selling costs, and are no longer depreciated.

Furthermore, net income and cash flow from discontinued operations or operations that have been disposed of or are in the process of being disposed of are presented respectively on a separate line of the income statement and the statement of changes in cash and cash equivalents, for all of the periods presented.

4.5.21 Use of estimates

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. This is especially true for the measurement of property, plant and equipment and intangible assets, deferred taxes on tax loss carryforwards and the calculation of the amount of provisions for risks and charges or provisions for employee benefit and sales commitments. These assumptions, estimates and assessments are based on information and positions existing at the date on which the financial statements were prepared, which may prove, after the fact, to be different from the actual figures.

4.5.22 Reclassification

The presentation of certain items in the financial statements pertaining to prior years may have been modified to make them compliant with the accounting principles adopted for the most recent period presented. No significant reclassifications were made during the fiscal year.

4.5.23 Alternative performance indicators

In its financial reporting, the group presents performance indicators not defined by accounting standards. The main performance indicators are as follows:

- **like for like basis:** at constant currency exchange rate and scope of consolidation basis. Revenue in foreign currency over the current period is translated at the rate of exchange for the comparable period. The impact of business acquisitions (or takeovers) and divestments is restated as follows:
 - for businesses acquired (or takeovers) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
 - for businesses acquired (or takeovers) 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.

In the specific case of the fiscal year 2021-2022, revenue from the canned and frozen activities in North America disposed of on June 30, 2022 is included for the full year in the comparative information.

- **non-recurring items:** Note 4.5.17;
- **net debt:** the Company's credit or debit position with regard to third parties at the end of the operating cycle. It corresponds to current and non-current financial liabilities adjusted for derivative assets and liabilities, lease liabilities and cash and cash equivalents;
- **gearing:** gearing is the ratio of net debt (Note 8.6.4) to total shareholders' equity;

- **leverage ratio:** the leverage ratio corresponds to the ratio of net debt to REBITDA. It shows the number of years that the Company would need to pay back its debt based on its REBITDA;
- **gross cash flows from operating activities:** this corresponds to net cash flow generated by operating activities before change in working capital requirement. It corresponds to net income corrected for the share of net income from associates and calculated items (depreciation and amortization and provisions, deferred taxes and other income with no impact on cash flow);
- **current operating margin:** the current operating margin is the ratio of current operating income to revenue;
- **REBITDA (Recurring earnings before interest, taxes, depreciation and amortization):** this is current operating income restated for depreciation, amortization and impairment on property, plant and equipment and intangible assets;
- **operating income:** this corresponds to current operating income adjusted for non-recurring items;
- **current operating income:** current operating income corresponds to net income before financial income, income tax and share of net income from associates. The group uses current operating income as its main performance indicator. Current operating income shall be taken as before taking into account non-recurring items. These correspond to material items that are unusual, abnormal and infrequent and do not relate to the Company's underlying performance;
- **ROCCE:** this ratio measures the profitability of capital investments made by Shareholders and funds loaned by banks and other financial partners. It is obtained by dividing current operating income by capital employed, or the sum of Shareholders' equity and net debt.

NOTE 5 SCOPE OF CONSOLIDATION

5.1 Change in scope of consolidation

Disposals

On June 30, 2022, the agreement on the disposal of 65% of Bonduelle Americas Long Life to the institutional investors Fonds de solidarité FTQ and CDPQ has been finalized after the approval of the U.S. and Canadian regulatory authorities and after the lift of the conditions precedent.

The entities concerned by this operation are Bonduelle USA Inc, Bonduelle US holding et Bonduelle Canada Inc; these entities were previously fully consolidated and are accounted for using the equity method from the date of the operation.

Mergers

On July 1, 2021, BFP GmbH was merged with BDG GmbH Germany.

During the fiscal year, SAS Champignonnères de la Vienne, SAS Champignonnères des Roches, SCA Champignonnères de l'Est, SCA Cultures de la Vienne and GIE Champifor were dissolved by merging their assets with SAS Champiloire.

On February 20, 2022, Bonduelle Belgorod was merged with Bonduelle Kuban.

These transactions have no impact on the group's consolidated financial statements.

5.2 Companies consolidated by the equity method

As described in Note 3.1, the 35% stake retained in the BU BALL entities was recognized in the balance sheet at fair value for 84 million euros.

As of June 30, 2022, the share of net income from associates corresponds to the results of companies held prorated at the rates held by the Bonduelle Group. The change compared to fiscal year 2020-2021 is mainly explained by consolidation using the equity method of the 35% held in Bonduelle Canada and Bonduelle USA, formerly the BU BALL and newly renamed Nortera Foods (expenses related to transaction costs for 1.9 million euros) and the recognition of exceptional impairments following financial performance below expectations on entities that are not under control of the Group.

NOTE 6 OPERATING DATA AND NON-RECURRING ITEMS

6.1 Segment reporting

<i>(In thousands of euros)</i>	Europe Zone	Non-Europe Zone	Eliminations	Total at 2021/06/30 *
Income statement				
Revenue	1,284,527	891,893	(12,805)	2,163,616
Intercompany sales	(12,805)		12,805	0
TOTAL REVENUE	1,271,723	891,893		2,163,616
Current operating income	68,207	(13,012)		55,195

<i>(In thousands of euros)</i>	Europe Zone	Non-Europe Zone	Total at 2021/06/30
Non-current assets			
France	324,524	0	324,524
United States	0	477,572	477,572
Other	167,222	233,858	401,080
TOTAL NON-CURRENT ASSETS	491,746	711,430	1,203,175

* Amounts restated following the application of IFRS 5.

<i>(In thousands of euros)</i>	Europe Zone	Non-Europe Zone	Eliminations	Total at 2022/06/30
Income statement				
Revenue	1,367,671	845,266	(10,325)	2,202,613
Intercompany sales	(10,325)		10,325	0
TOTAL REVENUE	1,357,346	845,266		2,202,613
Current operating income	75,493	(22,692)		52,801

<i>(In thousands of euros)</i>	Europe Zone	Non-Europe Zone	Total at 2022/06/30
Non-current assets			
France	324,584		324,584
United States		383,067	383,067
Other	161,402	145,209	306,611
TOTAL NON-CURRENT ASSETS	485,986	528,276	1,014,262

6.1.1 Information by segment

<i>(In thousands of euros)</i>	Canned	Frozen	Fresh	Total at 2021/06/30 *
Revenue – excluding intercompany	912,538	215,294	1,035,784	2,163,616

<i>(In thousands of euros)</i>	Canned	Frozen	Fresh	Total at 2022/06/30
Revenue – excluding intercompany	958,353	238,373	1,005,887	2,202,613

* Amounts restated following the application of IFRS 5.

6.1.2 Information by destination geographical region

<i>(In thousands of euros)</i>	At 2021/06/30*		At 2022/06/30	
United States	667,083	31%	627,909	29%
France	623,892	29%	668,350	30%
Canada	10,254	0%	92	0%
Southern Europe	221,416	10%	233,344	11%
Germany	204,674	9%	203,409	9%
Eurasia ⁽¹⁾	175,920	8%	202,392	9%

Northern Europe	129,891	6%	125,243	6%
Central Europe ⁽²⁾	82,799	4%	87,031	4%
Other	47,687	2%	54,844	2%
TOTAL REVENUE	2,163,616	100%	2,202,613	100%

(1) Russia and other CIS countries.

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

* Amounts restated following the application of IFRS 5.

6.2 Purchases and external charges

<i>(In thousands of euros)</i>		At 2021/06/30*	At 2022/06/30
Purchases of goods and other supplies		(1,431,800)	(1,217,888)
Production in inventory		3,632	48,986
Changes in inventories of goods and other supplies		51,389	68,960
Other external charges		(181,110)	(491,469)
TOTAL PURCHASES AND EXTERNAL CHARGES		(1,557,889)	(1,591,410)

* Amounts restated following the application of IFRS 5.

6.3 Other operating income and expenses

<i>(In thousands of euros)</i>	Notes	At 2021/06/30*	At 2022/06/30
Operating services		3,885	4,511
Reversals of provisions	11.1	3,346	3,132
Reversal of current asset impairment	5.5 & 5.6	3,644	2,084
Grants		3,371	2,338
Income from asset disposals		338	882
Other operating income ⁽¹⁾		12,789	10,935
TOTAL OTHER OPERATING INCOME		27,373	23,880

(1) This item mainly comprises sales to partners not classed as revenue, insurance compensation and settlement of accounts with third parties.

<i>(In thousands of euros)</i>	Notes	At 2021/06/30*	At 2022/06/30
Taxes and duties		(21,537)	(22,325)
Provisions	11.1	(3,206)	(2,975)
Impairment of current assets	5.5 & 5.6	(7,607)	(2,670)
Other operating expenses ⁽¹⁾		5,160	8,839
TOTAL OTHER OPERATING EXPENSES		(27,190)	(19,131)

(1) This item mainly comprises capitalized production.

* Amounts restated following the application of IFRS 5.

6.4 Non-recurring items

<i>(In thousands of euros)</i>		At 2021/06/30*	At 2022/06/30
Reorganization and restructuring costs ⁽¹⁾		(2 146)	(8 289)
Insurance deductibles and costs relating to claims		0	(1 850)
Impairment of property, plant and equipment and goodwill ⁽²⁾		0	(107 081)
Other (net balance)		(920)	(774)
TOTAL NON-RECURRING ITEMS		(3 067)	(117 993)

* Amounts restated following the application of IFRS 5.

(1) Mainly various charges linked to the evolution of the organization and discontinuation of some activities. In addition, as part of the B!One program, a study that resulted in the definition of the new operating model of the group for the coming years has been accounted for an amount of 4.0 million euros.

(2) Following the analysis carried out on the fresh food business in North America, given the evolution of the market in the United States, a review of the industrial organization of the Bonduelle Fresh Americas business unit generated in the fiscal year 2021-2022 an impairment on underperforming industrial assets of 43.5 million euros. As the medium-term profitability outlook was also impacted by this review, a goodwill impairment of 63.5 million euros was recognized in the fiscal year 2021-2022 financial statements.

6.5 Inventories and work-in-progress

<i>(In thousands of euros)</i>	Gross amount	Provisions	Net carrying amount at		Provisions	Net carrying amount at
			2021/06/30	Gross amount		2022/06/30
Materials and packaging	198,524	(2,099)	196,425	238,440	(9,868)	228,572
Work-in-progress and finished products	508,356	(27,724)	480,632	410,924	(21,200)	389,724
TOTAL INVENTORIES AND WORK-IN-PROGRESS	706,880	(29,823)	677,057	649,364	(31,068)	618,296

Detail of impairment of inventories and work-in-progress

<i>(In thousands of euros)</i>	At 2021/06/30	At 2022/06/30
Materials and packaging		
Opening balance	(1,989)	(2,099)
Additions ⁽¹⁾	(475)	(6,278)
Reversals	343	868
Change in scope of consolidation	0	0
Translation adjustments and other	22	(2,359)
CLOSING BALANCE	(2,099)	(9,868)
Work-in-progress and finished products		
Opening balance	(24,147)	(27,724)
Additions	(6,453)	67
Reversals	2 695	1 083
Change in scope of consolidation	0	7 316
Translation adjustments and other	182	(1,943)
CLOSING BALANCE	(27,724)	(21,200)

⁽¹⁾ Impairment recognized following the in-depth analysis of the fresh food business in North America: 3.9 million euros

6.6 Trade and other receivables

Analysis of trade and other receivables:

<i>(In thousands of euros)</i>	Gross amount	Provisions	Net carrying amount at		Provisions	Net carrying amount at
			2021/06/30	Gross amount		2022/06/30
Customers	244,861	(1,200)	243,661	220,633	(1,763)	218,869
Tax and social security receivables	40,524	0	40,524	54,706	0	54,706
Other receivables ⁽¹⁾	28,005	(208)	27,797	70,269	(422)	69,846
TOTAL TRADE AND OTHER RECEIVABLES	313,390	(1,408)	311,982	345,607	(2,186)	343,422

⁽¹⁾ Of which at June 30, 2022 the escrow and the payment to be received as part of the sale of 65% of Bonduelle Americas Long Life

Change in impairment of trade and other receivables

<i>(In thousands of euros)</i>	At 2021/06/30	At 2022/06/30
Customers		
Opening balance	(1,850)	(1,200)
Additions	(83)	(811)
Reversals	607	137
Change in scope of consolidation	0	149
Translation adjustments and other ⁽¹⁾	128	(39)
CLOSING BALANCE	(1,200)	(1,763)
Other receivables		
Opening balance	(30)	(208)
Additions	(178)	(9)
Reversals	0	0
Translation adjustments and other ⁽¹⁾	(1)	(206)
CLOSING BALANCE	(208)	(422)

⁽¹⁾ Reclassifications from account to account.

Trade and related receivables by maturity

<i>(In thousands of euros)</i>	At 2021/06/30	At 2022/06/30
Not yet due	207,681	184,338
Overdue		
• less than 30 days	28,585	26,446
• between 30 and 90 days	3,372	5,295
• more than 90 days	4,023	2,789

TOTAL TRADE AND RELATED RECEIVABLES	243,661	218,869
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6.7 Trade and other payables

<i>(In thousands of euros)</i>	At 2021/06/30	At 2022/06/30
Trade payables	454,049	475,484
Amounts payable for acquisition of assets	22,600	24,092
Tax and social security payables	132,167	121,713
Other	44,738	69,281
TOTAL TRADE AND OTHER PAYABLES	653,555	690,571

NOTE 7 EXPENSES, HEADCOUNT AND EMPLOYEE BENEFITS

7.1 Compensation and headcount

<i>(in thousands of euros and number of employees)</i>	At 2021/06/30	At 2022/06/30
Employee expense for consolidated companies ⁽²⁾	(477,361)	(478,105)
Average annual workforce ⁽¹⁾	14,762	14,818
Permanent workforce ⁽¹⁾	10,956	11,171
Average annual workforce ⁽²⁾	11,943	12,629
Permanent workforce ⁽²⁾	8,953	9,174

(1) Including BALL workforce on a 12-month basis

(2) Restated following the application of IFRS 5 - excluding BALL workforce

* Amounts restated following the application of IFRS 5.

7.2 Employee benefit obligations

7.2.1 Defined contribution plans

The group is involved in setting up pension plans for its personnel in accordance with the laws and practices of the countries in which group companies operate. Commitments correspond to contributions payable. These stand at 33,553 thousand euros at June 30, 2022, compared with 30,390 thousand euros at June 30, 2021.

7.2.2 Defined benefit plans

In addition, the group is mainly responsible for contractual commitments to pay severance and termination benefits. Commitments are measured using the Projected Credit Unit method.

A description of the plans can be found in Note 4.5.13.

Changes to the financial position of defined benefit plans are as follows:

<i>(In thousands of euros)</i>	2020-2021	2021-2022
Income statement: Retirement expense		
Cost of services rendered during the year	1,507	2,030
Impact of discounting	259	205
Projected return on plan assets	(11)	0
(Gains)/Losses from plan wind up	0	0
RETIREMENT (INCOME) EXPENSE RECOGNIZED	1,755	2,235

<i>(In thousands of euros)</i>	2020-2021	2021-2022
Change in the present value of the obligation		
Present value of DBO ⁽¹⁾ at July 1	29,243	30,645
Cost of services rendered during the year	1,507	2,030

Impact of discounting	259	205
Employee contributions	0	0
Plan reduction and amendment	0	0
Currency effect	(6)	(15)
Benefits paid	(2,312)	(2,380)
Actuarial (gains)/losses related to changes in demographic assumptions	0	0
Actuarial (gains)/losses related to changes in actuarial assumptions	(182)	(7,615)
Actuarial gains/(losses) related to experience differences	212	33
Other movements	1,924	(1,054)
PRESENT VALUE OF DBO AT ⁽¹⁾ JUNE 30	30,645	21,849

(1) DBO: Defined benefit obligation.

<i>(In thousands of euros)</i>	2020-2021	2021-2022
Change in fair value of plan assets		
Fair value of plan assets at July 1	1,236	1,003
Projected return on plan assets	11	(0)
Employer contributions	1,886	2,150
Employee contributions	0	0
Plan wind up	0	0
Benefits paid	(2,160)	(2,185)
Actuarial gains/(losses) related to experience differences	30	25
FAIR VALUE OF PLAN ASSETS AT JUNE 30	1,003	993

<i>(In thousands of euros)</i>	2020-2021	2021-2022
Reconciliation with amount recognized in balance sheet		
Net financial position: surplus/(deficit)	(29,641)	(20,855)
Impact of the limiting of surpluses	0	0
(Provision) at June 30	(29,641)	(20,855)
NET ASSETS AT JUNE 30	0	0

<i>(In thousands of euros)</i>	2020-2021	2021-2022
Actuarial gains and losses		
Actuarial (gains)/losses generated at July 1	8,344	8,344
Actuarial (gains)/losses generated between July 1 and June 30	0	(7,607)

<i>(In thousands of euros)</i>	2020-2021	2021-2022
Change in carrying amounts recognized during the fiscal year		
Net opening (liability) asset	(28,007)	(29,641)
Retirement (expense) income	(1,755)	(2,235)
Benefits paid by the employer	2,038	2,345
Currency effect	6	15
Actuarial differences recognized in equity	0	7,607
Other movements	(1,924)	1,054
NET CLOSING (LIABILITY) ASSET	(29,641)	(20,855)

For the actuarial assumptions at year-end, refer to Note 4.5.13.

The assets managed by financial institutions to cover the group's termination benefit obligations are matched to general assets.

As of June 30, 2022, the sensitivity of provisions for pension obligations to the discount rate was as follows: an increase of 0.50 points in the discount rate would have reduced the group's liability by 523 thousand euros. Conversely, a 0.50 point drop would have increased the group's liability by 2,091 thousand euros.

7.3 Share-based payments

The Bonduelle SCA General Management is authorized to grant Bonduelle share purchase options and free shares to certain directors and officers and employees of Bonduelle.

Characteristics of the free share allocation plans (AGA) ⁽¹⁾

	Plan No. 8	Plan No. 13	Plan No. 14	Plan No. 15	Plan No. 16	Plan No. 17
Date of Shareholders' Meeting:	2018/12/06	2018/12/06	2018/12/06	2018/12/06	2018/12/06	2018/12/06
Date of the General Management decision	2018/12/07	2018/12/07	2019/02/11	2019/12/12	2019/12/12	2019/12/12
Initial number of shares allocated	72,066	18,619	23,024	21,231	21,230	21,230
• Of which number of shares granted to Guillaume Debrosse, Permanent Representative of Pierre et Benoit Bonduelle SAS, General Manager of Bonduelle SCA	11,423	0	0	0	0	0
• Of which number of shares granted to the Executive Committee ⁽²⁾	72,066	18,619	0	0	0	0
• Of which others	0	0	23,024	21,231	21,230	21,230
Total number of free shares allocated	72,066	18,619	23,024	21,231	21,230	21,230
Total number of free shares canceled or expired	41,748	0	20,417	0	0	0
Effective allocation date	2021/11/05	2021/12/31	2022/02/11	2020/12/13	2021/12/13	2022/12/13
Date from which shares can be sold	2021/11/05	2021/12/31	2022/02/11	2021/12/13	2021/12/13	2022/12/13
Number of shares actually allocated at June 30, 2022	30,318	18,619	2,607	21,231	21,230	0

	Plan No. 18	Plan No. 19	Plan No. 20	Plan No. 21	Plan No. 22	Plan No. 23
Date of Shareholders' Meeting:	2018/12/06	2018/12/06	2018/12/06	2018/12/06	2018/12/06	2018/12/06
Date of General Management decision	2019/12/12	2019/12/12	2019/12/12	2019/12/12	2019/12/12	2019/12/12
Initial number of shares allocated	35,535	3,581	898	136,062	364	3,239
• Of which number of shares granted to Guillaume Debrosse, Permanent Representative of Pierre et Benoit Bonduelle SAS, General Manager of Bonduelle SCA	0	0	0	18,339	0	0
• Of which number of shares granted to the Executive Committee ⁽²⁾	9,275	0	0	94,163	0	0
• Of which others	26,260	3,581	898	41,899	364	3,239
Total number of free shares allocated	35,535	3,581	898	136,062	364	3,239
Total number of free shares canceled or expired	0	0	0	0	0	0
Effective allocation date	2022/12/13	2022/12/13	2022/12/13	2022/12/13	2022/12/13	2022/12/13
Date from which shares can be sold	2022/12/14	2022/12/14	2022/12/13	2022/12/13	2022/12/13	2022/12/13
Number of shares actually allocated at June 30, 2022	0	0	0	0	0	0

	Plan No. 24	Plan No. 25	Plan No. 26	Plan No. 27	Plan No. 28
Date of Shareholders' Meeting:	2018/12/06	2018/12/06	2018/12/06	2018/12/06	2021/12/02
Date of General Management decision	2019/12/12	2019/12/12	2019/12/12	2020/12/10	2021/12/09
Initial number of shares allocated	1,928	2,910	16,388	232,735	182,995
• Of which number of shares granted to Guillaume Debrosse, Permanent Representative of Pierre et Benoit Bonduelle SAS, General Manager of Bonduelle SCA	0	0	0	24,987	25,172
• Of which number of shares granted to the Executive Committee ⁽²⁾	0	0	12,786	114,885	113,057
• Of which others	1,928	2,910	3,602	117,850	69,938
Total number of free shares allocated	1,928	2,910	16,388	232,735	182,995
Total number of free shares canceled or expired	0	0	0	0	0
Effective allocation date	2022/12/13	2022/12/13	2022/12/13	2023/11/15	2024/11/14
Date from which shares can be sold	2022/12/13	2022/12/13	2022/12/13	2023/11/15	2024/11/15
Number of shares actually allocated at June 30, 2022	0	0	0	0	0

(1) The free share grant is based, on the one hand, on a long-term profit-sharing scheme. Plans based on return on capital employed representing 50% of salary or fixed compensation as target and contingent on employment on the date of effective allocation. And on the other hand, on an end-of-career mechanism for senior executives, based on the execution of succession plans. In accordance with the provisions of the Afep-Medef Code, there are no hedging transactions in favor of corporate officers.

(2) Group Management Committee from Plan No. 8 until Plan No. 26, then Executive Committee from Plan No. 27.

Valuation of stock option and free share allocation plans

As stated in Note 4.5.18, share purchase options and free shares granted to employees are measured at their fair value on the allocation date, based on the Black & Scholes option pricing model for share purchase options and the discounting of share value adjusted for dividends for the free share allocation plans. The fair value of free shares granted is also calculated on the basis of presence and performance requirements established by the Executive Management.

The expense under IFRS 2 for the period was 622 thousand euros.

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Financial risk management

The group has established an organization that provides for centralized management of all of its liquidity, currency, interest rate and counterparty credit risks. The Finance Department has assigned the group Finance and Treasury Department responsibility for financial risk management, and provided it with all of the expertise and tools needed to participate in the various financial markets as effectively and safely as possible. The organization and procedures utilized are regularly reviewed by the Internal Audit Department and the Statutory Auditors. At meetings held regularly with the Chief Financial Officer and Head of Finance and Treasury, the group's Executive Management validates, on the basis of a report published monthly, the implementation of previously authorized management strategies.

In a rapidly changing global economic environment, characterized by market volatility and changes in financial techniques, the role of the group Finance and Treasury Department is to:

- ensure optimum and sufficient financing for the development and growth of the group's operating activities;
- identify, evaluate and hedge all financial risks in close collaboration with the operations teams.

The objective is to minimize, at the lowest possible cost, the impact of financial market fluctuations on the group's income statement, in order to reduce the capital allocation required to manage these financial risks.

The group prohibits the taking of speculative positions.

8.1.1 Liquidity risk

The group Finance Department is responsible for maintaining sufficient liquidity at all times. It accomplishes this by efficiently managing the group's cash balances and ensuring that the maturity and conditions of the financing obtained are appropriate. In particular, it arranges confirmed lines of credit to maximize the flexibility of the group's financing (see Note 8.6 of the notes to the consolidated financial statements at June 30, 2022).

The Company specifically reviewed its liquidity risk and considers that it is able to meet its future payments.

8.1.2 Market risks

Currency risk

Risks related to changes in foreign exchange rates

The group publishes its consolidated financial statements in euros, and in 2021-2022, 44.4% of revenue and 75.6% of current operating income were denominated in euros.

The share of assets, liabilities, sales and earnings denominated in other currencies – essentially the Polish zloty, Hungarian forint, Russian ruble, Brazilian real and US and Canadian dollars – fluctuates continuously. This means that the group is affected by fluctuations in the value of these currencies relative to the euro when they are translated into euros in the consolidated financial statements. For example, when the euro rises against these currencies, it reduces the earnings contribution from those subsidiaries whose financial statements are denominated in these currencies.

All sales and expenses of group subsidiaries are generally expressed in their local currency, with the exception of imports, exports and financial transactions covered by centralized and systematic foreign currency hedges, where the type of exposure means that it can be hedged: Bonduelle therefore believes that its local exposure to currency fluctuations, after hedging, should remain limited.

The group's international growth strategy contributes to increasing the weight of non euro-denominated activities in revenue, operating income and consolidated net income.

Hedging policies for currency risk

The group seeks to hedge all risks relating to the activities of its subsidiaries denominated in a currency other than their functional currency and risks relating to the financing of some subsidiaries operating in countries whose functional currency is not the euro; the asset/liability structure of the financing is created by natural matching or by putting financial instruments in place.

The group uses over-the-counter financial instruments only to hedge the financial risks generated by its production and sales activities. All hedges entered into must comply with the targets and procedures established by Bonduelle Group's Executive Management. These transactions are centralized within the group Finance and Treasury Department.

The group's policy regarding fluctuations in foreign exchange rates consists of periodically calculating its net exposure to foreign currencies and using financial derivatives to reduce this risk.

The group makes use above all of currency forward contracts, currency swaps and options entered into with highly-rated bank counterparties. Details of the portfolio as well as an analysis of foreign exchange rate sensitivity appear in Notes 8.2 and 8.5 to the consolidated financial statements at June 30, 2022.

Interest rate risk

The interest rate management policy is coordinated, controlled and handled centrally, with the aim of protecting future cash flows and reducing the volatility of finance costs. The group uses various instruments available on the market, especially interest rate options and swaps.

Under IFRS 9, interest rate fluctuations may have an impact on the group's consolidated net income and equity. Details of the portfolio as well as an analysis of interest rate sensitivity appear in Notes 8.2 and 8.5 to the consolidated financial statements at June 30, 2022.

Credit risk

In light of the high credit quality of the group's principal counterparties and the wide dispersion of its customers throughout the world, especially in the mass-market retailing sector, the group considers that it does not have significant exposure to credit risk. Nevertheless, most of this risk is covered by a first-class insurer.

Given the high liquidity of the group's trade and related receivables, the fair value of these assets is considered to be equal to their net carrying amount.

Counterparty credit risk

In its dealings in financial assets in general and any cash balances, the group works only with highly-rated bank counterparties. Any cash surpluses are generally managed in short-term interest-bearing deposits.

Raw materials risk

The Bonduelle Group has always favored the best agricultural lands and the geographical diversification of its sourcing regions when deciding where to locate its production facilities, in order to reduce the climate-related risks inherent to all growing activities.

There is, moreover, no organized market for the agricultural raw materials purchased by the Bonduelle Group. Changes in the prices of agricultural raw materials quoted on a market do, however, have a more or less significant impact on the group's purchase prices, depending on the agricultural alternatives available to producers. In order to ensure long-term relationships with its vegetable suppliers, Bonduelle holds annual negotiations with producers' associations well in advance of the harvest, which relate principally to the producer's net margin per hectare. Bonduelle is therefore obliged to adjust its selling prices to reflect the results of its vegetable purchasing negotiations, which vary between sourcing regions.

However, the resilience of the Bonduelle Group's recurring operating profitability demonstrates its overall ability to pass on the increase in raw material costs in its selling prices.

8.1.3 Equity management

The Bonduelle Group always ensures that its financial structure remains optimal by respecting the balance between its net financial liability and its Shareholders' equity, and by maintaining a consistent dividend policy. This is intended to keep the cost of capital to a minimum, to maximize share price and dividend growth for the Shareholders and to maintain sufficient financial flexibility to take advantage of any opportunities that may arise.

Shareholders' equity at June 30, 2022 stood at 852.4 million euros. On this basis, General Management will propose a dividend of 0.30 euro per share to the Shareholders' Meeting of December 1, 2022.

8.2 Financial income

The group's financial income at June 30, 2022 amounted to -14.5 million euros, compared with -15.3 million euros the previous year.

<i>(In thousands of euros)</i>		At 2021/06/30*	At 2022/06/30
Cost of net debt	A	(13,678)	(13,345)
Cash and cash equivalents		154	40
Interest expense (at effective interest rate)		(13,832)	(13,386)
Gains and losses on liabilities covered by fair value hedges		7,176	10,328
Gains and losses on fair value hedging derivatives		(7,176)	(10,328)
Other financial income and expenses	B	(1,634)	(1,195)
Foreign exchange gain (loss)		706	1,410
Net gain (loss) on derivatives ineligible for hedge accounting (foreign currency & interest rate risk)		27	(265)
Other financial income and expenses		(2,367)	(2,340)
FINANCIAL INCOME	A + B	(15,313)	(14,540)

* Amounts restated following the application of IFRS 5.

The cost of net debt, the main component of financial income, was down from -13.7 million euros at June 30, 2021 to -13.4 million euros at June 30, 2022.

It comprises mainly 13.4 million euros in interest paid at the effective interest rate. Further to the adoption of IFRS 9, the impact of residual ineffectiveness on the gains and losses 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 use of the NEU CP financing method and the amortization of USPP debt and Term Loan made it possible to counterbalance the rate increases observed in particular on the RUB, HUF and PLN.

The interest rate, calculated on the group's average debt, all currencies combined, and restated to account for IFRS impacts, stood at 1.61%, compared with 1.79% the previous year.

Other financial income and expenses (-1.2 million euros) break down as follows:

- a 1.1 million-euro foreign exchange gain corresponding to gains/losses from foreign exchange hedges on cash flows relating to commercial activities and cash in foreign currencies. Further to the adoption of IFRS 9, the impact of ineffectiveness (time value of options) is recognized in equity and reclassified to profit or loss when the underlying flow matures, in line with the principles adopted by the group;

- a 2.3 million-euro loss in other financial income and expenses, mainly due to interest charges on IFRS 16 lease liabilities for an amount of -2.2 million euros.

As required by IFRS 7, the group performed sensitivity analyses to measure its exposure to material changes in interest and foreign exchange rates.

The scope of the interest rate sensitivity analyses included all financial instruments, both debt and derivatives. The analyses were made assuming a uniform shift of +/-50 basis points in all yield curve maturities at the reporting date. The market values of the instruments were obtained from the valuation platforms used by the group's Finance and Treasury Department, and market data are populated using real-time information systems (Reuters, etc.).

Analysis of sensitivity to interest rates

The scope used includes the average debt recorded over the fiscal year 2021-2022 but restated for disposal items (disposal of BALL), to provide a realistic estimate of the group's exposure to changes in interest rates.

(In thousands of euros)

	Change in interest rates			
	+50 bps		-50 bps	
	Impact on equity	Impact on results	Impact on equity	Impact on results
Interest on debt		(1,061)		1,061
Mark-to-market valuation of debt		2,218		(2,264)
Payables	0	1,157	0	(1,204)
Financial income from interest rate derivatives	0	378		(313)
Mark-to-market valuation of interest rate derivatives	619	(2,218)	(575)	2,264
Interest rate derivatives	619	(1,840)	(575)	1,952
TOTAL	619	(683)	(575)	748

The same valuation methods used to measure interest rate sensitivity (information systems and valuation platforms, etc.) are used to measure the group's exposure to changes in the currencies it uses for business and financing purposes (USD, HUF, PLN, etc.). The scope includes all balance sheet liabilities and receivables, those portions of trade-related flows expected to be generated during the period hedged, and all derivative instruments used to hedge foreign currency exposures.

In accordance with IFRS 7 §23, it is specified that, since this consists primarily of hedges of trading flows denominated in foreign currencies, the flows hedged and the associated hedging instruments generally mature in less than one year.

In the case of longer-term assets or liabilities, hedges can extend beyond one year, though they must not exceed the current limit of five years.

For the methods used to prepare the currency fluctuation sensitivity calculations, a variation of +/-5% in exposure to the main currencies has been applied.

Analysis of sensitivity to changes in exchange rates (excluding subsidiaries' net equity)

	Exchange rate changes of			
	+5% change in the euro against currency		-5% change in the euro against currency	
(In thousands of euros)	Impact on equity	Impact on results	Impact on equity	Impact on results
HUF/EUR	196	(43)	(217)	16
USD/EUR	(118)	(112)	130	123
PLN/EUR	65	(358)	(69)	381
TOTAL	143	(512)	(155)	521

8.3 Presentation of financial assets and liabilities by category

At 2021/06/30

	Value on the balance sheet		Financial assets within the scope of application of IFRS 9 on financial instruments			Assets excluded from the scope of application of IFRS 9 on financial instruments
			Amortized cost	Fair value through equity	Fair value through profit or loss	
<i>(In thousands of euros)</i>						
Non-current assets						
Other non-current financial assets	13,520	13,520	4,763	1,394	7,364	
Equity investments	1,336	1,336		1,336		
Derivative assets	7,421	7,421		57	7,364	
Other non-current financial assets	4,762	4,762	4,763			
Other non-current assets	3,128	3,128	525			2,603
Other non-current receivables	525	525	525			
Prepaid expenses	2,603	2,603				2,603
Current assets						
Trade & other receivables	311,982	311,982	311,982			
Other current assets	9,850	9,850	121			9,729
Non-consolidated loans and receivables	112	112	112			
Prepaid expenses	9,729	9,729				9,729
Other assets	9	9	9			
Derivative assets	3,237	3,237		518	2,719	
Marketable securities and other investments	260	260	260			
Cash and cash equivalents	4,634	4,634	4,634			

	Value on the balance sheet		Financial liabilities within the scope of IFRS 9 on financial instruments			Liabilities excluded from the scope of IFRS 9 on financial instruments
			Amortized cost	Fair value through equity	Fair value through profit or loss	
<i>(In thousands of euros)</i>						
Non-current liabilities						
Financial liabilities	496,268	505,727	488,405	633	16,689	
Financial liability excluding derivatives	495,635	505,094	488,405		16,689	
Derivative liabilities	633	633		633		
Other non-current liabilities	24,066	24,066	15,976			8,090
Prepaid income and other accrual accounts	8,090	8,090				8,090
Miscellaneous debts	15,976	15,976	15,976			
Current liabilities						
Trade and other payables	653,555	653,555	653,555			
Current financial liabilities	150,245	141,027	146,499	619	(6,091)	
Financial liability excluding derivatives	148,562	139,344	146,499		(7,155)	
Current derivative liabilities	1,683	1,683		619	1,064	
Other current liabilities	2,345	2,345				2,345
Prepaid income and other accrual accounts	2,345	2,345				2,345

At 2022/06/30

	Value on the balance sheet	Fair value	Financial assets within the scope of application of IFRS 9 on financial instruments			Assets excluded from the scope of application of IFRS 9 on financial instruments
			Amortized cost	Fair value through equity	Fair value through profit or loss	
<i>(In thousands of euros)</i>						
Non-current assets						
Other non-current financial assets	3,287	3,287	1,920	1,085	282	
Equity investments	56	56		56		
Derivative assets	1,310	1,310		1,029	282	
Other non-current financial assets	1,920	1,920	1,920			
Other non-current assets	4,144	4,144	2,167			1,977
Other non-current receivables	2,167	2,167	2,167			
Prepaid expenses	1,977	1,977				1,977
Current assets						
Trade & other receivables	343,422	343,422	343,422			
Other current assets	7,095	7,095	158			6,937
Non-consolidated loans and receivables	148	148	148			
Prepaid expenses	6,937	6,937				6,937
Other assets	10	10	10			
Derivative assets	7,790	7,790		768	7,023	
Marketable securities and other investments	160	160	160			
Cash and cash equivalents	121,104	121,104	121,104			

	Value on the balance sheet	Fair value	Financial liabilities within the scope of IFRS 9 on financial instruments			Liabilities excluded from the scope of IFRS 9 on financial instruments
			Amortized cost	Fair value through equity	Fair value through profit or loss	
<i>(In thousands of euros)</i>						
Non-current liabilities						
Financial liabilities	338,125	338,284	337,822	5	457	
Financial liability excluding derivatives	333,355	333,513	337,822		(4,308)	
Derivative liabilities	4,771	4,771		5	4,765	
Other non-current liabilities	24,045	24,045	17,985			6,060
Prepaid income and other accrual accounts	6,060	6,060				6,060
Miscellaneous debts	17,985	17,985	17,985			
Current liabilities						
Trade and other payables	690,571	690,571	690,571			
Current financial liabilities	60,102	60,110	52,276	246	7,588	
Financial liability excluding derivatives	57,602	57,609	52,276		5,334	

Current derivative liabilities	2,500	2,500	246	2,254	
Other current liabilities	422	422			422
Prepaid income and other accrual accounts	422	422			422

Offsetting financial assets and liabilities (IFRS 7 amendment):

The group subscribes for over-the-counter derivatives with leading banks under agreements which offset payables and receivables in the event of default of one of the contracting parties. These conditional netting agreements do not meet IAS 32 criteria for offsetting derivative assets and liabilities in the balance sheet. They do, however, fall within the scope of disclosures to be made under IFRS 7.13 on the offsetting of financial assets and liabilities. On this basis, the effects of the netting agreements are as follows:

- net amount of derivative assets under IFRS 7.13: +8 million euros;
- net amount of derivative liabilities under IFRS 7.13: -6.2 million euros.

The fair value of 1.8 million euros recognized in the balance sheet for derivative assets essentially relates to cross-currency swaps in US dollars. These swaps were introduced to hedge the bond issue in the United States with a nominal value of 29 million US dollars at June 30, 2022.

These transactions are equally distributed among three highly-rated bank counterparties.

8.4 Other non-current financial assets

Analysis of changes in gross amounts and impairment:

<i>(In thousands of euros)</i>	At 2020/06/30	Acquisitions or charges	Disposals or reversals	Other ⁽³⁾	At 2021/06/30
Gross amount ⁽¹⁾					
Equity investments ⁽²⁾	18,039	0	0	330	18,369
Derivative assets	14,988	0	0	(7,567)	7,421
Other non-current financial assets	5,041	363	(432)	(3)	4,969
	38,067	363	(432)	(7,240)	30,758
Impairment					
Equity investments ⁽²⁾	7,686	0	0	9,347	17,033
Other non-current financial assets	206	0	0	0	206
	7,892	0	0	9,347	17,239
Net carrying amount					
Equity investments ⁽²⁾	10,353	(0)	0	(9,017)	1,336
Derivative assets	14,988	0	0	(7,567)	7,421
Other non-current financial assets	4,835	363	(432)	(3)	4,763
	30,175	363	(432)	(16,587)	13,520

<i>(In thousands of euros)</i>	At 2021/06/30	Acquisitions or charges	Disposals or reversals	Other ⁽³⁾	At 2022/06/30
Gross amount ⁽¹⁾					
Equity investments ⁽²⁾	18,369	0	0	(356)	18,012
Derivative assets	7,421	0	0	(6,111)	1,310
Other non-current financial assets	4,969	184	(1,406)	(1,621)	2,126
	30,758	184	(1,406)	(8,088)	21,448
Impairment					
Equity investments ⁽²⁾	17,033	0	0	922	17,955
Other non-current financial assets	206	0	0	0	206
	17,239	0	0	922	18,161
Net carrying amount					
Equity investments ⁽²⁾	1,336	0	0	(1,279)	57
Derivative assets	7,421	0	0	(6,111)	1,310

Other non-current financial assets	4,763	184	(1,406)	(1,621)	1,920
	13,520	184	(1,406)	(9,010)	3,287

(1) The valuation principles are specified in Note 4

(2) This item corresponds to the carrying amount of the main shares in non-consolidated companies held by the Group.

It mainly includes the Bonduelle Group's stake in Coopérative France Champignon (France), whose liquidation has been ongoing since February 18, 2021. In accordance with IFRS 10 and 11, this company is not consolidated, since the group does not have a controlling interest.

In accordance with the situation, the securities are fully impaired through equity.

(3) Reclassifications and fair value of derivative assets.

8.5 Derivative instruments

The group uses over-the-counter derivatives to manage exposure to foreign exchange and interest rate risks. Group policy excludes being engaged in speculative transactions on the financial markets.

8.5.1 Interest rate derivatives

Fair value hedges

Two of the fixed-rate bonds issued by the group were swapped to a variable interest rate at the time they were issued. The EUR tranche of the USPP issued on July 6, 2017 was swapped, in full, to a variable interest rate. These swaps meet the criteria required for fair value hedge accounting under IAS 39, amended by IFRS 9. The portion of the underlying debt and the swaps were recognized in the balance sheet at their market value.

Cash flow hedges

In August 2010, the group issued a fixed-rate USPP bond of 145 million dollars. In respect of the share of debt hedged by a derivative instrument converting a USD fixed-rate into a euro fixed-rate, provided the effectiveness of the hedging relationship has been validated using prospective tests, all changes in fair value of these instruments are booked directly to equity.

With regard to the EUR tranche of the USPP issued in July 2017, caps were put in place to protect against any interest rate rises. These hedges meet the criteria required for accounting in equity under IFRS 9.

Hedges not eligible for hedge accounting under IFRS

The group's debt also includes outstanding debts swapped to a variable interest rate. The group is therefore exposed to increases in euro interest rates. To hedge this risk, the group has set in place tunnel-type options, or caps, that protect it against any significant rise in interest rates. These instruments now meet the criteria required for accounting in Shareholders' equity under IFRS 9. At June 30, 2022, the group did not have any interest rate hedges that were not eligible for hedge accounting.

8.5.2 Foreign currency derivatives

Fair value hedges

The group is exposed to changes in the value of the bonds issued in US dollar in 2010 produced by fluctuations in the EUR/USD exchange rate. Derivatives, forward currency contracts or cross-currency swaps, qualifying for hedge accounting under IAS 39, amended by IFRS 9, have been introduced to fully hedge the residual nominal value of this risk.

As in previous years, the group introduced foreign currency and interest rate hedges on intra-group financing covering the needs of some of its subsidiaries located outside of the euro zone (Canada, Russia, Brazil, Hungary, Poland and the US). This intra-group financing has been the subject of full and systematic hedging of the foreign exchange risk, so that changes in the underlying value (loan/intra-group borrowings in currencies) are fully offset by changes in inverse values of the hedging item. Typically, these hedges were made through forward purchase or sale contracts.

Cash flow hedges

Most of the group's sales are in euros. However, in certain countries, the group may issue invoices denominated in foreign currencies, mostly the US dollar, Canadian dollar, Hungarian forint, Russian ruble and Polish zloty. The group publishes its financial statements in euros, and changes in the value of these currencies against the euro may impact consolidated net income. To limit the sensitivity of its earnings to changes in exchange rates, the group introduces cash flow hedges using foreign currency forwards and options.

Cross-currency swaps also encompass an interest rate component in the hedging. When it involves hedging changes in the value of future cash flows by freezing them using a fixed rate, this hedging is eligible for cash flow hedge treatment; changes in value are then recorded in equity, then recycled in profit and loss as and when hedged flows occur.

Hedges not eligible for hedge accounting under IFRS

Some derivatives introduced by the group to hedge future cash flows do not qualify for hedge accounting under IFRS 9. These consist mainly of out-of-the-money options. Under these circumstances, changes in value are recognized directly in profit or loss.

Derivatives at 2021/06/30

<i>(In thousands of euros)</i>	Notional	Market value		Carrying amount	
		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 not eligible for hedge accounting under IFRS	0	0	0	0	0
<i>o.w. forward contracts: Swaps</i>	0	0	0	0	0
<i>o.w. options: Caps</i>	0	0	0	0	0
<i>o.w. options: Floors</i>	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 not eligible 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 non-asset caps.

Derivatives at 2022/06/30

<i>(In thousands of euros)</i>	Notional	Market value		Carrying amount	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges ⁽¹⁾	128,941	1,584	11	1,584	11
Fair value hedges	163,814	304	4,771	304	4,771
Hedges not eligible for hedge accounting under IFRS	0	0	0	0	0
<i>o.w. forward contracts: Swaps</i>	0	0	0	0	0
<i>o.w. options: Caps</i>	0	0	0	0	0
<i>o.w. options: Floors</i>	0	0	0	0	0
Current portion				578	11
Non-current portion				1,310	4,771
Foreign currency derivatives (B)					
Cash flow hedges	11,993	263	241	263	241
<i>o.w. forward contracts</i>	7,798	148	114	148	114
<i>o.w. options</i>	4,195	115	127	115	127
Fair value hedges	53,685	6,553	1,486	6,553	1,486
Hedges not eligible for hedge accounting under IFRS	21,312	398	762	398	762

<i>o.w. forward contracts</i>	17,098	398	553	398	553
<i>o.w. options</i>	4,214	0	209	0	209
Current portion				7,213	2,489
Non-current portion				0	0
TOTAL DERIVATIVES (A + B)					
Current portion				7,791	2,500
Non-current portion				1,310	4,771

⁽¹⁾ Including non-asset caps.

Group's net currency position (excluding exposure on subsidiaries' net equity)

	2021/06/30					
<i>(In thousands of euros)</i>	USD/EUR	HUF/EUR	USD/CAD	RUB/EUR	PLN/EUR	OTHER
Net position before hedging	3,443	20,597	16,041	(25,120)	5,051	(10,019)
Net position after hedging	509	1,048	3,282	(403)	(1,144)	(3,112)

	2022/06/30					
<i>(In thousands of euros)</i>	USD/EUR	HUF/EUR	USD/CAD	RUB/EUR	PLN/EUR	OTHER
Net position before hedging	(1,933)	17,826			5,156	(122)
Net position after hedging	(2,701)	596			804	(59)

8.6 Net debt

8.6.1 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 liabilities	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		91,357	68,756	379,838	176,039	715,989
TOTAL NET DEBT – EXCLUDING IFRS 16		91,357	50,758	328,187	160,660	630,962

At 2022/06/30

<i>(In thousands of euros)</i>	Nominal	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
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Bonds (USPP)	363,784	30,960	-	238,685	94,620	364,265
Finance leases	95,074	9,369	9,369	52,398	23,937	95,074
Other bank borrowings	102	39	39	25	-	102
Other borrowings and financial liabilities	67	21	21	26	-	67
Accrued interest	1,956	1,956	-	-	-	1,956
Current bank lines	24,567	24,567	-	-	-	24,567
Total gross debt before derivatives	485,550	66,911	9,429	291,134	118,557	486,031
Derivatives – Liabilities		1,053	1,448	0	4,770	7,271
<i>o.w derivatives hedging a debt in a fair value hedge</i>		-	-	-	4,770	4,770
<i>o.w. other derivatives</i>		1,053	1,448	-	-	2,501
Total gross debt after fair value of derivatives		67,964	10,876	291,134	123,327	493,302
Derivatives – Assets		6,685	1,155	1,261	0	9,101
<i>o.w derivatives hedging a debt in a fair value hedge</i>		5,332	-	279	0	5,611
<i>o.w. other derivatives</i>		1,353	1,155	982	0	3,490
Securities	160	160	0	0	0	160
Cash	121,104	121,104	0	0	0	121,104
TOTAL NET DEBT		(59,985)	9,721	289,873	123,327	362,937
TOTAL NET DEBT – EXCLUDING IFRS 16		(69,354)	352	237,475	99,390	267,863

8.6.2 Analysis of net debt by interest rate

(In thousands of euros)

	2021/06/30	2022/06/30
Net financial liability – Excluding IFRS 16	630,962	267,863
Before interest rate hedging		
Fixed rate	396,009	366,288
Floating rate	234,953	(98,425)
After interest rate hedging		
Fixed rate	328,538	264,501
Floating rate*	302,424	3,362

* Of which protected variable rate (59,225)

8.6.3 Analysis of net debt by currency

(in thousands of euros)/(-) = cash balance

	2021/06/30	2022/06/30
EUR	495,919	148,569
USD	142,947	83,169
CAD	(2,080)	0
HUF	506	18,369
RUB	(13,213)	6,635
BRL	1,336	458
PLN	3,038	9,231
KZT	2,510	1,432
TOTAL NET DEBT – EXCLUDING IFRS 16	630,962	267,863

8.6.4 Net debt (including derivatives) and gearing

	2021/06/30	Increase	(Decrease)	Changes in fair value of debt	Changes in fair value of derivatives	Translation adjustments	Other ⁽¹⁾	2022/06/30
Financial liabilities	646,513	0	(247,664)	(8,287)	4,953	4,576	(1,863)	398,228
Lease liabilities	85,026	28,179	(20,296)	0	0	18,121	(15,956)	95,073
Investments and derivative assets	15,551	120,342	0	0	(1,304)	(38,770)	34,546	130,365
Net debt (A)	715,989	(92,163)	(267,960)	(8,287)	6,258	61,468	(52,366)	362,936
Net debt – excluding IFRS 16 (C)	630,962	(120,342)	(247,664)	(8,287)	6,258	43,347	(36,409)	267,863
Total Shareholders' equity (B)	739,784							852,406
Total Shareholders' equity - Excluding IFRS 16 (D)	741,680							855,261
Capital employed (A + B)	1,455,773							1,215,342
Gearing (A/B)	96.8%							42.6%
Gearing - Excluding IFRS 16 (C/D)	85.1%							31.3%

REBITDA - IFRS 5 (E) *	140,487							137,846
REBITDA - Excluding IFRS 16 (F) *	120,640							117,610
Leverage ratio (A/E) ⁽²⁾	5.10							2.64
Leverage ratio - Excluding IFRS 16 (C/F) ⁽²⁾	5.23							2.28

(1) The "other" item corresponds to the change in accrued interest and changes in contracts with no cash impact for lease liabilities.

(2) In accordance with IFRS 5, the leverage ratio is calculated based on the current operating profitability of continuing operations (i.e. excluding the scope of BALL) while this scope is included in debt. Restated for this effect, the leverage ratio was 3.38 at 30 June 21.

8.6.5 Market value of financial assets and liabilities other than derivatives

For all other financial assets and liabilities not appearing in these tables, both the market value and the net carrying amount are equal to the par value.

(In thousands of euros)	At 2021/06/30		
	Par value	Market value	Carrying amount
Liabilities			
Payables			
Bonds (USPP)	383,367	398,803	392,146
Euro PP bond	85,027	85,027	85,027
Bank borrowings	180,579	180,579	180,579
Other borrowings and financial liabilities	1,705	1,705	1,705
Accrued interest	2,158	2,158	2,158
Current bank lines	67,608	67,608	67,608
TOTAL	720,444	735,880	729,224
o.w. debt covered by fair value hedge		195,337	187,446
o.w. debt covered by cash flow hedge		153,618	153,618
Assets			
Cash and securities	4,894	4,894	4,894
TOTAL	4,894	4,894	4,894

(In thousands of euros)	At 2022/06/30		
	Par value	Market value	Carrying amount
Liabilities			
Payables			
Bonds (USPP)	363,784	367,669	364,265
Lease liabilities	95,074	95,074	95,074
Bank borrowings	102	102	102
Other borrowings and financial liabilities	67	67	67
Accrued interest	1,956	1,956	1,956
Current bank lines	24,567	24,567	24,567
TOTAL	485,550	489,435	486,031
o.w. debt covered by fair value hedge		168,912	163,678
o.w. debt covered by cash flow hedge		128,937	130,767
Assets			
Cash and securities	121,264	121,264	121,264
TOTAL	121,264	121,264	121,264

8.6.6 Analysis of bond issue maturities

Maturity	Notional	Currencies	< 1 year		1 to 5 years		> 5 years		TOTAL	
			Nominal	Interest *	Nominal	Interest *	Nominal	Interest *	Nominal	Interest *
Public issues										
Private issues										
2022	145,000	USD	22,612	570	0	0	0	0	22,612	570
2022	15,175	EUR	3,035	73	0	0	0	0	3,035	73
2027	150,000	EUR	0	2,640	120,000	6,340	30,000	264	150,000	9,244
2027	50,000	USD	0	1,853	38,510	4,451	9,627	185	48,137	6,490
2029	140,000	EUR	0	2,604	84,000	8,861	56,000	1,560	140,000	13,024

* Amounts expressed in euros and before any interest rate hedging.

At June 30, 2022

Issuances are subject to financial covenants, principally an early redemption clause should Bonduelle default on its financial liability (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 ratio greater than or equal to 1.10.

At June 30, 2022, the group complied with these financial covenants.

8.6.7 Liquidity

The RCF (Revolving Credit Facility) syndicated loan of 400 million euros, indexed to Environmental, Social and Governance (ESG) criteria and with a final maturity at January 31, 2026, was not used at June 30, 2022.

In addition, the Negotiable European Commercial Paper (Neu CP) program continued to be a great success with investors during the year. The maximum ceiling of this program, secured by the RCF credit line, is 400 million euros.

The group also benefited from several confirmed bank lines with maturities of up to four years, bringing the total amount of confirmed bank lines (including RCF) to 540 million euros (540 million euros at June 30, 2021), unused at June 30, 2021.

The sums drawn from bank loans (including RCF) confirmed beyond a year are reported in the consolidated balance sheet under non-current financial liabilities.

NOTE 9 INCOME TAX

9.1 Income tax

9.1.1 Analysis of net income tax expense

Total income tax expense is analyzed in the following manner:

Analysis of net income tax expense

	At 2021/06/30*	At 2022/06/30
Average tax rate:	29.6%	(50.1)%

* Amounts restated following the application of IFRS 5.

As of June 30, 2022, as profit before tax from continuing operations was negative, the average tax rate calculated was negative.

9.1.2 Reconciliation of income tax expense and profit before tax

(In thousands of euros)	At 2021/06/30*	%	At 2022/06/30	%
Net income from continuing operations	25,341		(124,965)	
Share of net income from associates	582		5,244	
Income tax expense	10,893		39,987	
PROFIT BEFORE TAX AND SHARE OF NET INCOME FROM ASSOCIATES	36,816		(79,734)	
Theoretical tax expense ⁽¹⁾	11,788	32.02%	(22,652)	28.41%
Reconciliation:				
Permanent differences	(747)	(2.0)%	13,074	(16.4)%
Rate differential (outside France) ⁽²⁾	(2,699)	(7.3)%	7,733	(9.7)%

Impact of tax loss carryforwards and other	2,551	6.9%	41,832	(52.5)%
ACTUAL INCOME TAX EXPENSE	10,893	29.6%	39,987	(50.1)%

(1) In France, the extraordinary tax contribution to which the group is subject is 3.3% for the fiscal year 2021-2022. The theoretical tax rate, including this extraordinary contribution, was 28.41% in 2021-2022.

(2) The main contributors to the tax rate differential are the United States, Hungary and Russia.

* Amounts restated following the application of IFRS 5.

At June 30, 2022, tax paid amounted to 34,611 thousand euros.

9.1.3 Deferred tax

(In thousands of euros)	At 2021/06/30	At 2022/06/30
Provisions and non-current assets	10,293	22,595
Margin in inventory	454	332
Tax loss carryforwards ⁽¹⁾	21,349	700
Tax depreciation and regulated provisions	(14 020)	(12 985)
Others ⁽²⁾	1,905	1,342
NET DEFERRED TAX ASSETS (LIABILITIES)	19,981	11,984

(1) Due to the profitability outlook of the companies concerned. As the review carried out on the fresh food business in North America impacted the profitability outlook, an impairment of -29.9 million euros was recognized for the fiscal year 2021-2022, corresponding to the cancellation of previously activated tax losses and the non-activation of losses for the 2021-2022 financial year.

(2) Change in taxes due to restatements of financial instruments.

Change in net deferred tax assets (liabilities)

(In thousands of euros)	At 2021/06/30	At 2022/06/30
OPENING BALANCE	11,450	19,981
Acquisitions and disposals of subsidiaries	0	11,764
Taxes recognized in the income statement	10,614	(19,480)
Taxes recognized directly through equity	(1,364)	(3,212)
Other changes ⁽¹⁾	(719)	2,931
CLOSING BALANCE	19,981	11,984

(1) Translation adjustments and item-to-item transfers.

Deferred tax assets relating to tax loss carryforwards are recognized on the basis of business plans prepared over a reasonable timeframe and to the extent that the actual existence of such tax losses is not in any way uncertain.

NOTE 10 EARNINGS PER SHARE

A dividend of 0.30 euro per share will be proposed to the Shareholders' Meeting to be held on December 1, 2022.

At June 30, 2022, Bonduelle SCA's share capital comprised 32,630,114 shares with a par value of 1.75 euros per share (see 5.4 – Consolidated statement of changes in equity).

(In thousands of euros)	At 2021/06/30*	At 2022/06/30
Net income attributable to owners of the company	57,151	35,421
Number of shares used to calculate:		
• Net income	31,961,451	32,085,087
• Diluted net income	32,462,281	32,722,952
Earnings per share (in euros)		
• Basic	1.79	1.10
• Diluted ⁽¹⁾	1.76	1.08

(1) Dilution is mainly due to the probability of exercise of stock option and free share allocation plans. The risk of dilution mentioned above is considered as limited, given the allocation of treasury shares to the objective of coverage for securities giving rights to allocations of shares.

NOTE 11 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

11.1 Goodwill

Changes in goodwill were as follows:

<i>(In thousands of euros)</i>	At 2020/06/30	Acquisitions or charges	Deconsolidations	Other ⁽¹⁾	At 2021/06/30
GROSS AMOUNT	483,183	0	0	(14,948)	468,235
Impairment					
NET CARRYING AMOUNT	483,183	0	0	(14,948)	468,235

<i>(In thousands of euros)</i>	At 2021/06/30	Acquisitions or charges	Deconsolidations	Other ⁽¹⁾	At 2022/06/30
GROSS AMOUNT	468,235	0	(51,906)	47,390	463,719
Impairment ⁽²⁾		(63,531)			(63,531)
NET CARRYING AMOUNT	468,235	(63,531)	(51,906)	47,390	400,188

(1) Translation adjustments.

(2) Impairment recognized following the in-depth analysis of the fresh food business in North America: 63.5 million euros

Cash Generating Units (CGUs) presenting indications of impairment or comprising goodwill underwent impairment testing in 2022.

Depending on the CGU in question and the relevance of the assumptions and the availability of comparable benchmarks on the market, the recoverable amount of the assets used by the group is either a value in use or a market value.

The main assumptions used to determine the value in use for each CGU are described in Note 4.5.1.

At June 30, 2022, the difficulties encountered by the fresh ready-to-use food business in North America led the group to review its profitability outlook.

The group carried out a complete review of all the industrial assets of the subsidiary carrying out the fresh ready-to-use business in North America, resulting in an impairment of underperforming assets of 43.5 million euros (taken into account the utilization rate of the assets and the profitability outlook) and a tax impact of 29.9 million euros corresponding to the cancellation of tax losses previously activated and to the non-activation of losses of the 2021-2022 fiscal year

The impairment test carried out at group level on the basis of future cash flows resulted in a recoverable amount of assets of 63.5 million euros lower than their net carrying amount. The group thus recognized an impairment of intangible assets (Goodwill) for an amount of 63.5 million euros.

The group analyzed the sensitivity of the value obtained according to the 0.5-point change in three key parameters of the valuation approach: the discount rate, the margin level and long-term growth.

The effects of these changes would be a change in the recoverable value of the assets as follows:

SENSITIVITY TESTS (in millions of euros)	+0.5 points	-0.5 point
Change in margin rate	68.6	(34.9)
Change in WACC rate	(39.1)	48.7
Long-term growth change	41.5	(31.7)

CGUs deemed to be sensitive to one of these three variables are those for which an increase of more than 0.5 point in the discount rate, or a drop of more than 0.5 point in the long-term growth rate, or a drop of more than 0.5 point in the operating margin, would result in impairment.

Any change of these proportions in the discount rate, the long-term growth rate or the operating margin would not result in depreciation of the CGU.

At June 30, 2022, the net carrying amount per CGU was as follows:

Goodwill per CGU	At 2021/06/30	Acquisitions or charges	Deconsolidations	Other ⁽¹⁾	At 2022/06/30
Europe/canned and frozen	73,553	0	0	(470)	73,084
Europe/fresh ready-to-use	73,160	0	0	1	73,160
Eastern Europe/ canned and frozen	11,727	0	0	5,659	17,385
North and South America/canned and frozen	47,334	0	(51,906)	4,572	(0)
North America/fresh ready-to-use	262,462	(63,531)	0	37,629	236,560
Total	468,235	(63,531)	(51,906)	47,390	400,188

(1) Translation adjustments.

11.2 Other intangible assets

Analysis of changes in gross amounts and impairment:

<i>(In thousands of euros)</i>	At 2020/06/30	Acquisitions or charges	Disposal, sale or reversal	Deconsolidations	Other ⁽¹⁾	At 2021/06/30
Gross amount						
Trademarks, patents and licenses	36,043	0	0	0	468	36,511
Software	75,368	2,677	(1,155)	0	4,504	81,394
Other	8,660	0	(300)	0	(336)	8,024
Property, plant and equipment	6,369	6,966	0	0	(4,234)	9,100
	126,440	9,643	(1,455)	0	402	135,030
Depreciation, amortization and impairment						
Trademarks, patents and licenses	1,792	5	0	0	(35)	1,761
Software	65,863	5,245	(713)	0	178	70,572
Other	307	46	(70)	0	33	315
	67,961	5,295	(784)	0	176	72,649
Net carrying amount						
Trademarks, patents and licenses	34,251					34,750
Software	9,505					10,822
Other	8,353					7,709
Property, plant and equipment	6,369					9,100
	58,478					62,381

(1) Translation adjustments and item-to-item transfers.

<i>(In thousands of euros)</i>	At 2021/06/30	Acquisitions or charges	Disposal, sale or reversal	Deconsolidations	Other ⁽¹⁾	At 2022/06/30
Gross amount						
Trademarks, patents and licenses	36 511	0	0	(14,042)	1,236	23 704
Software	81 394	2,061	(379)	(7,271)	11,236	87 042
Other	8 024	0	(45)	(1,593)	1,059	7 446
Property, plant and equipment ⁽²⁾	9 100	8,931	(1,500)	(1,151)	(2,371)	13 010
	135 030	10,992	(1,924)	(24,057)	11,161	131 202
Depreciation, amortization and impairment						
Trademarks, patents and licenses	1 761	37	0	0	(2)	1 796
Software	70 572	6,326	(249)	(5,627)	2,595	73 619
Other	315	48	(45)	(602)	350	66
	72 649	6,411	(293)	(6,229)	2,944	75 481
Net carrying amount						
Trademarks, patents and licenses	34 750					21 908
Software	10 822					13 423
Other	7 709					7 380
Property, plant and equipment	9 100					13 010
	62 381					55 721

(1) Translation adjustments and item-to-item transfers.

(2) Of which costs activated under the B!One program

Intangible assets with an indefinite useful life are the brands owned by the group and break down as follows:

Brands per CGU	Brand	At 2021/06/30	Acquisitio ns or charges	Deconsolidatio ns	Other ⁽¹⁾	At 2022/06/30
Europe/canned and frozen	Cassegrain	20,215	0	0	0	20,215
Eastern Europe/ canned and frozen	Globus	1,500	0	0	0	1,500
North and South America/canned and frozen	Arctic Gardens	2,183	0	(2,394)	211	0
North and South America/canned and frozen	Del Monte	10,606	0	(11,631)	1,025	0
Total		34,504	0	(14,025)	1,236	21,715

(1) Translation adjustments

11.3 Property, plant and equipment

Analysis of changes in gross amounts and impairment:

<i>(In thousands of euros)</i>	At 2020/06/30	Acquisiti ons or charges	Disposal, sale or reversal	Deconsol idations	Other ⁽¹⁾	At 2021/06/30
Gross amount						
Land	58,618	290	(400)	0	681	59,189
Buildings	514,897	5,479	(1,366)	0	5,269	524,280
Industrial plant, tools and equipment	1,032,597	26,505	(17,250)	0	32,915	1,074,767
Other	72,329	5,362	(4,441)	0	6091	79,341
Property, plant and equipment	49,742	64,443	(263)	0	(48,821)	65,101
	1,728,184	102,079	(23,721)	0	(3,865)	1,802,677
Depreciation						
Land	14,028	888	(235)	0	23	14,703
Buildings	355,554	20,864	(1 353)	0	(578)	374,487
Industrial plant, tools and equipment	778,833	56,692	(17 075)	0	1 280	819,730
Other	55,200	6,213	(4 432)	0	8	56,990
Property, plant and equipment	0	0	0	0	0	0
	1,203,615	84,657	(23,096)	0	734	1,265,910
Impairment						
Land	163	0	0	0	0	163
Buildings	278	12	(1)	0	(12)	276
Industrial plant, tools and equipment	348	50	0	0	(11)	386
Other	0	81	0	0	0	81
Property, plant and equipment	162	79	0	0	0	241
	951	222	(1)	0	(24)	1,148
Net carrying amount						
Land	44,428					44,323
Buildings	159,065					149,516
Industrial plant, tools and equipment	253,416					254,651
Other	17,129					22,269
Property, plant and equipment	49,580					64,860
	523,618					535,619

(1) Currency translation adjustments and item-to-item transfers (including reclassification from finance leases to rights-of-use).

<i>(In thousands of euros)</i>	At 2021/06/30	Acquisitions or charges	Disposal, sale or reversal	Deconsoli dations	Other ⁽¹⁾	At 2022/06/30
Gross amount						
Land	59,189	663	(4)	(14,625)	4,224,	49,447
Buildings	524,280	13,546	(792)	(139,664)	30,306,	427,677
Industrial plant, tools and equipment	1,074,767	39,593	(19,712)	(293,805)	84,510	885,353
Other	79,341	8,791	(5,167)	(12,927)	(2,055)	67,983
Property, plant and equipment	65,101	40,352	(1,045)	(15,500)	(34,410)	54,498
	1,802,677	102,945	(26,720)	(476,520)	82,575	1,484,957
Depreciation						
Land	14,703	937	(4)	(627)	(75)	14,936
Buildings	374,487	19,915	(790)	(73,842)	13,616	333,387
Industrial plant, tools and equipment	819,730	59,576	(15,715)	(215,321)	33,612	681,883
Other	56,990	5,984	(3,750)	(9,264)	(428)	49,531

Property, plant and equipment	0	0	0	0	0	0
	1,265,910	86,413	(20,258)	(299,054)	46,726	1,079,736
Impairment ⁽²⁾						
Land	163	0	0	0	0	163
Buildings	276	6,558	0	0	667	7,501
Industrial plant, tools and equipment	386	21,696	0	0	2,105	24,187
Other	81	7	0	0	7	96
Property, plant and equipment	241	951	0	0	0	1,192
	1,148	29,211	0	0	2,779	33,139
Net carrying amount						
Land	44,323					34,349
Buildings	149,516					86,788
Industrial plant, tools and equipment	254,651					179,283
Other	22,269					18,356
Property, plant and equipment	64,860					53,306
	535,619					372,082

(1) Translation adjustments and item-to-item transfers.

(2) Impairment recognized following the in-depth analysis of the fresh food business in North America: 27.7 million euros

11.4 Rights of use

<i>(In thousands of euros)</i>	At 2020/06/30	Acquisitions or charges	Disposal, sale or reversal	Deconsolidations	Other ⁽¹⁾	At 2021/06/30
Gross amount						
Land	15 043	2 431	(79)	0	(1 604)	15 791
Buildings	63 156	14 458	(868)	0	(5 762)	70 985
Industrial plant, tools and equipment	20 957	3 556	(1 604)	0	(4 424)	18 486
Other	8 809	5 531	(737)	0	(1 220)	12 383
	107 965	25 975	(3 288)	0	(13 010)	117 643
Depreciation						
Land	1 747	1,911	(22)	0	(119)	3 516
Buildings	10 787	10 489	(817)	0	(2 741)	17 718
Industrial plant, tools and equipment	8 470	5 129	(1 538)	0	(4 319)	7 742
Other	3 293	3 803	(706)	0	(1215)	5 175
	24 296	21 333	(3 083)	0	(8 394)	34 151
Impairment						
Land	0	0	0	0	0	0
Buildings	0	0	0	0	0	0
Industrial plant, tools and equipment	0	0	0	0	0	0
Other	0	0	0	0	0	0
	0	0	0	0	0	0
Net carrying amount						
Land	13 297					12 274
Buildings	52 369					53 267
Industrial plant, tools and equipment	12 487					10 743
Other	5 516					7 208
	83,669					83 492

(1) Currency translation adjustments and item-to-item transfers (including reclassification from finance leases to rights-of-use).

<i>(In thousands of euros)</i>	At 2021/06/30	Acquisitions or charges	Disposal, sale or reversal	Deconsolidations	Other ⁽¹⁾	At 2022/06/30
Gross amount						
Land	15,791	17,798	0	(310)	5 524	38,803
Buildings	70,985	4,741	(42)	(8 305)	6 636	74,014
Industrial plant, tools and equipment	18,486	1,826	(670)	(4 581)	(334)	14,726
Other	12,383	3,638	(1 401)	(849)	1 251	15,023
	117,643	28,003	(2 113)	(14 046)	13 078	142,565
Depreciation						
Land	3,516	2,094	0	(67)	1 840	7,383
Buildings	17,718	11,053	(42)	(2 052)	1 251	27,928
Industrial plant, tools and equipment	7,742	4,860	(682)	(2 474)	(1 469)	7,976
Other	5,175	3,604	(1 364)	(404)	(193)	6,817
	34,151	21,610	(2 088)	(4 998)	1 429	50,105
Impairment ⁽²⁾						
Land	0	0	0	0	0	0
Buildings	0	10,903	0	0	1 059	11,962
Industrial plant, tools and equipment	0	961	0	0	93	1,054
Other	0	0	0	0	0	0
	0	11,864	0	0	1 152	13,016
Net carrying amount						
Land	12,274					31,420
Buildings	53,267					34,123
Industrial plant, tools and equipment	10,743					5,696
Other	7,208					8,206
	83,492					79,444

(1) Translation adjustments and item-to-item transfers.

(2) Impairment recognized following the in-depth analysis of the fresh food business in North America: 11.9 million euros

The main contracts correspond to leases of plants, head offices and agricultural land, the principal characteristics and valuation methods of which are as follows:

- plant leases: US companies have entered into building leases for certain plants. The term of these contracts has been estimated using the contractual period;
- administrative offices: the term of these leases has been estimated taking into account the legal duration of the leases. The group considered that at the end of the lease agreement, the penalties or ancillary costs were not significant enough to afford a constructive obligation to remain in the premises. The duration of the leases ranges from 1 year (renewable leases) to 15 years;
- agricultural land: in order to grow agricultural products, some of our production entities in Europe and the United States lease land for periods ranging from 5 to 100 years.

NOTE 12 OTHER PROVISIONS AND CONTINGENT LIABILITIES

12.1 Other provisions

<i>(In thousands of euros)</i>	2021/06/30	Charge s	Used reversal s	Unused reversal s	Deconsolidatio ns	Other ⁽²⁾	2022/06/30
Sales-related risks	1,560	825	(943)	(2)	0	(1)	1,440
Employee-related risks ⁽¹⁾	11,312	556	(2,690)	(242)	(760)	1,085	9,261
Restructuring and reorganization	817	0	(235)	(19)	0	0	563
Agro-industrial risks	1,320	1,438	(1,320)	0	0	0	1,438
Other risks	2,058	156	(34)	(802)	(37)	170	1,510
	17,067	2,975	(5,222)	(1,065)	(797)	1,254	14,211

<i>(In thousands of euros)</i>	Current	Non-current	2022/06/30
Sales-related risks	989	450	1,440
Employee-related risks ⁽¹⁾	2,513	6,748	9,261
Restructuring and reorganization	0	563	563
Agro-industrial risks	1,438	0	1,438
Other risks	93	1,417	1,510
	5,033	9,178	14,211

⁽¹⁾ The provision mainly concerns a provision for the workers' compensation scheme. See Note 3.5.14.

⁽²⁾ Translation adjustments and item-to-item transfers. Of which reclassification of tax risks as tax payables in accordance with IFRIC 23.

In accordance with its press release of March 17, 2022, the Bonduelle Group has at this stage suspended all development investment projects in Russia and has decided to dedicate all of the profits made from February 24, 2022 and during the fiscal year on sales in Russia to the future reconstruction of Ukraine, infrastructure, but also agricultural and food ecosystems. The net profit, related to the sales made in Russia from February 24, 2022 to June 30, 2022, as approved by the Board of Directors of Bonduelle SA, amounts to 1.2 million euros. As the method of reinvesting this amount has not yet been identified, no impact has been recorded in the financial statements for the fiscal year 2021-2022. In Ukraine, which represents a limited share of the group's revenue and without an industrial footprint, after an interruption for a few weeks, commercial activity is gradually resuming.

12.2 Risks and disputes

Bonduelle may be involved in a number of legal, arbitration and litigation proceedings as part of the normal course of business and may also be the subject of certain claims and/or legal actions that go beyond the normal course of its business.

The amount of provisions made is based on Bonduelle's assessment of the level of risk on a case-by-case basis and depends on its assessment of the basis for the claims, the stage of the proceedings and/or disputes and the arguments in its defense, it being specified that the occurrence of events during proceedings may lead to a reappraisal of the risk at any moment.

In addition, as mentioned above, the Bonduelle Group received a notification of grievance from the French competition authority, as did 101 companies and 12 professional organizations, relating to a potential "single, complex and continuous cartel in the sector of the manufacture and sale of foodstuffs in contact with materials that may contain or may have contained Bisphenol A or its substitutes". The Bonduelle Group has examined this notice of grievance and presented its observations within the time limit set. At the reporting date of the fiscal year 2021-2022 financial statements, no feedback on the comments made had been received. No provision was recorded in the financial statements at June 30, 2022 in respect of this notification.

12.3 Contingent liabilities

<i>(In thousands of euros)</i>	At 2021/06/30	At 2022/06/30
Commitments given		
Guarantees and security deposits given (net of uses)	43,685	45,000
Commitments received		
Guarantees and security deposits received (net of uses)	6,631	12,605

The commitments correspond 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.

Greenhouse gases: in the absence of a defined IFRS accounting policy, greenhouse gas quotas are not recognized in the consolidated financial statements.

Bonduelle Group's certified and reported emissions stood at 15,517 tCO₂ for 2022.

As a result of energy savings at its sites since 2008, for example, the use of biomass steam in 2015 at the Estrées-Mons (France) site halved the group's greenhouse gas emissions subject to the Emission Trading System (ETS). Bonduelle has surplus allowances available in its account and so did not have to make purchases on the carbon allowance market.

No significant provisions for guarantees or environmental risks had been recognized at June 30, 2022.

NOTE 13 OTHER INFORMATION

13.1 Statutory Auditors' fees

French law requires a permanent legal control by two Independent Statutory Auditors. The main objective of this audit is to check that the financial statements are consistent, accurate and present a fair view.

The Statutory Auditors are appointed by the Ordinary Shareholders' Meeting for a renewable period of six fiscal years.

Bonduelle SCA's Statutory Auditors are:

Mazars

Represented by Mr. Jean-Maurice El Nouchi, 61 rue Henri Regnault - 92400 COURBEVOIE (France).

Deloitte & Associés

Represented by Mr. Edouard Lhomme, 78 Rue de la Chaude Rivière, 59800 LILLE (France).

The two Statutory Auditors are legally and financially independent from each other.

The term of the Statutory Auditors appointed by the Combined Ordinary and Extraordinary Shareholders' Meeting of December 6, 2018 will expire at the Shareholders' Meeting held to approve the financial statements for the fiscal year ending June 30, 2024.

The following table presents a detailed analysis of the total fees paid by the group to its Statutory Auditors for the services rendered during fiscal years 2020-2021 and 2021-2022.

	Mazars				Deloitte & Associés				Total			
	2020-2021		2021-2022		2020-2021		2021-2022		2020-2021		2021-2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(In thousands of euros)</i>												
Certification of consolidated and statutory financial statements	981	98%	984	91%	552	89%	731	85%	1 532	94%	1 715	88%
Other certification-related services	2	0%	73	7%	52	8%	112	13%	53	3%	185	10%
Total fees for audit-related services	982	98%	1 057	98%	603	97%	843	98%	1 585	97%	1 900	98%
Tax services	18	2%	18	2%	18	3%	18	2%	36	2%	37	2%
Other	5	0%	5	0%	0	0%	0	0%	5	0%	5	0%
Total fees for non-audit services	23	2%	23	2%	18	3%	18	2%	41	3%	42	2%
TOTAL	1 005	100%	1 080	100%	621	100%	861	100%	1 626	100%	1 941	100%

Services other than audit by the Bonduelle Group Statutory Auditors mainly comprise tax services provided in countries outside the European Union, enabling subsidiaries to meet their local filing obligations. They are subject, as appropriate, to authorization by the Supervisory Board and an annual review in accordance with Article L. 823-19 of the French Commercial Code.

13.2 Related-party transactions

13.2.1 Subsidiaries and associates

The list of the group's subsidiaries and associates is provided in Note 15.

All transactions between the parent company and its subsidiaries and among the subsidiaries are eliminated on consolidation.

These transactions are for the supply of raw materials and finished products as well as for the provision of services, notably IT and human resources, and for financial interest.

The group's transactions with Huerta Gama and Bonduelle Española were not material.

For OP OASI, recognized using the equity method, the main transactions carried out, as well as its receivables and debts, are as follows:

<i>(In thousands of euros)</i>	At 2021/06/30	At 2022/06/30
Balance sheet		
Customers	3,940	2,858
Suppliers	10,912	17,076
Income statement		
Sales	4,481	5,059
Purchasing	(75,249)	(74,734)

Transactions with other related parties were not material.

13.2.2 Executive Management and supervisory bodies over the past fiscal year

They consist of the following bodies:

1. the General Management, Pierre et Benoît Bonduelle SAS;
2. the Supervisory Board, consisting of nine members;
3. the Executive Committee, consisting of nine members as of June 30, 2022.

The current account with Pierre et Benoît Bonduelle SAS is 9,254 thousand euros in debit.

There are no other significant commitments to the latter.

13.2.3 Compensation of the directors and officers and corporate officers

Short-term benefits

They comprise:

- the compensation of the General Management, which is determined according to Article 17 of the Company's Articles of Association, in respect of which 1,429 thousand euros were paid for the fiscal year 2021-2022;
- the attendance fees received by the members of the Supervisory Board during the fiscal year 2021-2022, amounting to 71 thousand euros. This compensation is fixed by the Shareholders' Meeting;
- gross fixed and variable compensation paid to the Executive Committee.

The compensation paid to the Chairman and the Chief Executive Officer of Bonduelle SA is set by the Board of Directors on the advice of the Compensation Committee. The variable portion of compensation is based on the future performance of the group and its subsidiaries, in particular, as measured by the increase in revenue and profitability. The non-executive Chairman of Bonduelle SA does not receive any variable compensation

<i>(in euros)</i>	2020-2021	2021-2022
Number of members making up the Executive Committee at June 30	12	9
Gross compensation paid to the Executive Committee	7,243,792	3,994,378

Post-employment benefits

In application of the Decree of January 9, 2012, the group has established a supplementary, defined contribution pension plan (so-called Article 83 plan), which is paid for to a significant extent by the beneficiaries concerned, with the group paying the remainder.

This plan is for all managers who are members of the AGIRC scheme, with gross annual compensation of more than four times the annual French social security ceiling.

The reference compensation set by the plan in question and used to calculate beneficiaries' rights is the basic and variable annual compensation. This reference compensation does not include any sum that cannot be classed as salary within the meaning of Article L. 242-1 of the French Social Security Code, but which may be classed as such at a later date.

Entitlements are acquired on a monthly basis. The contributions used to fund the defined contribution pension fund amount to 8% of the reference compensation, calculated within the limit of tranches A, B and C.

62.5% of these contributions are paid by the Company and 37.5% by the beneficiary.

As regards tax and social security contributions payable by the Company, please note that:

- the tax limit is 8% of gross annual compensation limited to eight times the annual social security ceiling (PASS). Employer and employee contributions are both to be taken into consideration;
- social security contributions are 5% of gross annual compensation limited to five times the PASS. Only the employer's contribution is taken into consideration;
- the additional employer's contribution of 20% is payable on that part of the contribution that falls within the social contribution limit. Beyond this, the contribution is incorporated into the salary and is subject to social security charges.

The contribution made by Bonduelle SA in respect of this plan in the fiscal year 2021-2022 was not material.

Other long-term benefits

None.

Employment contract termination benefit

These benefits comprise termination benefits and long service awards available to all employees in respect of the collective agreements linked to their employment contracts. For the fiscal year 2021-2022, these totaled 475 thousand euros for Executive Committee members.

Payment in shares

a) Share plans previously granted.

The shares allocated to members of the Executive Committee under previous free share allocation plans are described in Note 7.3 to the consolidated financial statements.

b) Free share allocations for the fiscal year for all members of the Executive Committee are described in Note 7.3 to the consolidated financial statements.

c) Effective allocation of free shares by the Executive Committee: at June 30, 2022, 48,937 shares had been vested by the members of the Executive Committee.

There were no acquisitions by the Company with a view to assignment to its employees, nor assignment of treasury shares by the Company to its employees, other than definitive allocation of free shares.

The Bonduelle Group has adopted the principles of the Afep-Medef Code regarding compensation.

NOTE 14 SUBSEQUENT EVENTS

No major events occurred between the closing date and the reporting date of the financial statements.

NOTE 15 LIST OF GROUP COMPANIES

Analysis of group companies by consolidation method:

	Principal activities	% interest 2021/06/30	% control 2022/06/30	% interest 2022/06/30
1. BY FULL CONSOLIDATION				
France				
Bonduelle SA	Holding company/Central corporate treasury	100.00%	100.00%	100.00%
SAS Champiloire	Holding	100.00%	100.00%	100.00%
Sud Ouest Légumes Alliance – Soléal SAS	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Frais Traiteur SAS	Holding	100.00%	100.00%	100.00%
Bonduelle Frais France SAS	Fresh	100.00%	100.00%	100.00%
Bonduelle Traiteur International SAS	Fresh	100.00%	100.00%	100.00%
Bonduelle Europe Long Life SAS	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Development SAS	Canned/Frozen	100.00%	100.00%	100.00%
SCA Cultures France Champignon	Canned/Frozen	100.00%	100.00%	100.00%
SAS Champignonnières des Roches ⁽¹⁾	Canned/Frozen	100.00%	0.00%	0.00%
SCA Champignonnières de l'Est ⁽¹⁾	Canned/Frozen	100.00%	0.00%	0.00%
SAS Champignonnières de la Vienne ⁽¹⁾	Canned/Frozen	100.00%	0.00%	0.00%
SCA Champignonnières de Rou Marson	Canned/Frozen	100.00%	100.00%	100.00%
SCA des Champignonnières du Moulin	Canned/Frozen	100.00%	100.00%	100.00%
SCA Culture de la Vienne ⁽¹⁾	Canned/Frozen	100.00%	0.00%	0.00%
Champiland SAS	Canned/Frozen	95.00%	95.00%	95.00%
Euromycel SAS	Canned/Frozen	100.00%	100.00%	100.00%
Champifor GIE ⁽¹⁾	EIG	77.06%	0.00%	0.00%
MOD Bond SAS (formerly Coviju 2)	Holding	100.00%	100.00%	100.00%
COVIJU3 SAS	Holding	100.00%	100.00%	100.00%
COVIJU4 SAS	Holding	100.00%	100.00%	100.00%

Bonduelle Ré	Reinsurance	100.00%	100.00%	100.00%
Outside France				
Bonduelle Northern Europe, Belgium	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Nederland, Netherlands	Canned/Frozen	100.00%	100.00%	100.00%
BDG GmbH, Germany	Fresh	100.00%	100.00%	100.00%
BFP GmbH, Germany ⁽²⁾	Fresh	100.00%	0.00%	0.00%
Bonduelle Nordic, Denmark	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Limited, UK	No activity	100.00%	100.00%	100.00%
Bonduelle Italia, Italy	Fresh	100.00%	100.00%	100.00%
Agricola Lombarda, Italy	Fresh	100.00%	100.00%	100.00%
Bonduelle Iberica SAU, Spain	Canned/Frozen	100.00%	100.00%	100.00%
BF Agricola 4G, Spain	Fresh	100.00%	100.00%	100.00%
BF Nature Bio 4G, Spain	Fresh	100.00%	100.00%	100.00%
Bonduelle Portugal, Portugal	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Polska, Poland	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Ceska Republika, Czech Republic	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Central Europe, Hungary	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Kuban, Russia	Canned/Frozen	100.00%	100.00%	100.00%
Coubanskije Conservi, Russia	Canned/Frozen	100.00%	100.00%	100.00%
Agro-Rost, Russia	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Belgorod, Russia ⁽³⁾	Canned/Frozen	100.00%	0.00%	0.00%
Bonduelle Kazakhstan, Kazakhstan	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Argentina, Argentina	Canned/Frozen	100.00%	100.00%	100.00%
Primeurop Argentina, Argentina	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Do Brasil Produtos Alimenticios, Brazil	Canned/Frozen	100.00%	100.00%	100.00%
Ready Pac Foods Inc., USA	Fresh	100.00%	100.00%	100.00%
Ready Pac Produce Inc., USA	Fresh	100.00%	100.00%	100.00%
Missa Bay, LLC, USA	Fresh	100.00%	100.00%	100.00%
Ready Pac Florence, Partnership, USA	Fresh	100.00%	100.00%	100.00%
Salad Time, LLC, USA	Fresh	100.00%	100.00%	100.00%

2. BY THE EQUITY METHOD

France				
Vegehub	Canned/Frozen	44.40%	44.40%	44.40%
Outside France				
Charleston US Acquisition Corporation ⁽⁴⁾	Holding	0.00%	35.00%	35.00%
Bonduelle USA Inc., USA ⁽⁴⁾	Canned/Frozen	100.00%	35.00%	35.00%
Bonduelle US Holding, USA ⁽⁴⁾	Holding	100.00%	35.00%	35.00%
Bonduelle Canada Inc., Canada ⁽⁴⁾	Canned/Frozen	100.00%	35.00%	35.00%
OP OASI, Italy	Fresh	35,00 %	35,00 %	35,00 %
Huerta Gama SC, Spain	Fresh	16,66 %	16,66 %	16,66 %
Bonduelle Española, Spain	No activity	50.00%	50.00%	50.00%
Aybio	Canned/Frozen	34.00%	34.00%	34.00%

⁽¹⁾ these entities were dissolved by combination of assets as indicated in the paragraph scope of consolidation (Note 5)

⁽²⁾ the company was merged with BDG GmbH as indicated in Note 5 - Scope of consolidation

⁽³⁾ the company was merged with Bonduelle Kuban as indicated in Note 5 - Scope of consolidation

⁽⁴⁾ these companies, previously fully consolidated, were accounted for using the equity method (see Note 3 - Disposal of Bonduelle Americas Long Life).

NOTE 16 ESEF DATA

Name of the reporting entity	Bonduelle SCA
Domicile of the reporting entity	Rue Nicolas Appert BP 30173 59653 - Villeneuve d'Ascq (France)
Legal form of the entity	French limited partnership with shares
Country of incorporation	France
Address of the entity's registered office	La Woestyne – 59173 Renescure (France)
Description of the nature of operations and the main activities	A leading player in plant-based food, holds leading positions in the processed vegetable market in Europe and outside Europe and is involved in three technologies: canned, frozen and fresh ready-to-use products (prepared ready to eat vegetables and ready-to-eat fresh food).

5.6 Statutory Auditors' report on the consolidated financial statements