5 Consolidated financial statements

Contents

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5.1 Consolidated income statement

(In thousands of euros)	Notes	At 2022/06/30	At 2023/06/30
Revenue	**5.1**	**2,202,613**	**2,406,221**
Purchases and external charges	5.2	(1,591,410)	(1,730,749)
Employee benefits expenses	6.1	(478,105)	(512,374)
Depreciation, amortization and impairment		(85,046)	(82,457)
Other operating income	5.3	23,880	32,933
Other operating expenses	5.3	(19,131)	(47,696)
Current operating income		**52,801**	**65,878**
Non-recurring items	5.4	(117,993)	(11,733)
Operating profit		**(65,193)**	**54,145**
Cost of net debt		(13,345)	(23,743)
Other financial income and expenses		(1,195)	(7,539)
Financial income	7.2	**(14,540)**	**(31,282)**
Share of net income from associates	4.2	(5,244)	4,384
Profit before tax		**(84,977)**	**27,247**
Income tax	8.1	(39,987)	(18,460)
Net income from continuing operations		(124,965)	8,788
Net income from discontinued operations	4.1	160,393	5,700
CONSOLIDATED NET INCOME		**35,429**	**14,488**
• Attributable to owners of the company		35,421	14,496
• Attributable to non-controlling interests		7	(8)
BASIC EARNINGS PER SHARE	9	**1.10**	**0.45**
DILUTED EARNINGS PER SHARE	9	**1.08**	**0.44**

Gains and losses recognized directly in equity

(In thousands of euros)	At 2022/06/30	At 2023/06/30
Net income for the period	**35,429**	**14,488**
Items that may be reclassified subsequently to P&L	**89,339**	**(78,591)**
Cash flow hedge	4,326	1,197
Translation adjustments	85,791	(79,246)
Tax effects	(778)	(542)
Items that may not be reclassified subsequently to P&L	**4,434**	**(101)**
Actuarial gains and losses on defined benefit plans	7,628	(164)
Tax effects	(2,280)	63
Unrealized gains and losses on financial assets[1]	(914)	0
Income and expenses recognized directly in equity	**93,773**	**(78,692)**
TOTAL RECOGNIZED INCOME AND EXPENSES	**129,202**	**(64,204)**
of which attributable to owners of the company	129,195	(64,196)
of which attributable to non-controlling interests	7	(8)

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

5.2 Consolidated balance sheet

Assets

(In thousands of euros)	Notes	At 2022/06/30	At 2023/06/30
Non-current assets		**1,014,262**	**989,067**
Other intangible assets	10.2	55,721	51,733
Goodwill	10.1	400,188	384,336
Property, plant and equipment	10.3	372,082	369,154
Rights of use	10.4	79,444	65,402
Investments in associates	4.2	84,323	94,957
Other non-current financial assets	7.4	3,287	5,360
Deferred tax	8.1	15,029	12,412
Other non-current assets	7.3	4,187	5,712
Current assets		**1,098,573**	**1,002,794**
Inventories and work-in-progress	5.5	618,296	668,080
Trade and other receivables	5.6	343,422	305,044
Tax receivables		1,914	11,021
Other current assets	7.3	5,887	6,260
Other current financial assets	7.3	7,790	3,382
Cash and cash equivalents	7.6	121,264	9,007
TOTAL ASSETS		**2,112,835**	**1,991,862**

Liabilities

(In thousands of euros)	Notes	At 2022/06/30	At 2023/06/30
Shareholders' equity (group share)		**852,412**	**774,462**
Share capital		57,103	57,103
Additional paid-in capital		40,103	40,103
Consolidated reserves		755,206	677,256
Non-controlling interests		**(6)**	**(6)**
Shareholders' equity		**852,406**	**774,456**
Non-current liabilities		**473,436**	**420,507**
Financial liabilities	7.6	338,125	296,947
Lease liabilities	7.6	76,336	62,475
Employee benefit obligations	6.2	20,855	21,688
Other non-current provisions	11.1	9,178	9,405
Deferred tax	8.1	3,045	3,437
Other non-current liabilities	7.3	25,896	26,554
Current liabilities		**786,994**	**796,899**
Current financial liabilities	7.6	60,102	75,183
Current lease liabilities	7.6	18,738	16,912
Current provisions	11.1	5,033	10,524
Trade and other payables	5.7	690,571	687,143
Tax payables		12,127	6,643
Other current liabilities	7.3	422	493
TOTAL LIABILITIES		**2,112,835**	**1,991,862**

5.3 Consolidated statement of cash flows

(In thousands of euros)	Notes	At 2022/06/30	At 2023/06/30
Net income from continuing operations		**(124,965)**	**8,788**
Share of net income from associates		5,244	(4,384)
Depreciation, amortization and impairment		186,947	88,459
Other non-cash items		(8,109)	8,802
Deferred tax	8.1	16,963	(1,162)
Accrued interest		(153)	546
Gross cash flows from operating activities		**75,927**	**101,050**
Change in WCR	5.5 & 5.6 & 5.7	(31,567)	(98,119)
Net cash flows from operating activities from continuing operations		**44,360**	**2,931**
Net cash flows from operating activities from discontinued operations		**78,807**	**0**
Net cash flows from operating activities		**123,167**	**2,931**
Acquisitions of consolidated companies, net of cash and cash equivalents[1]		(84,153)	(9,894)
Acquisition of property, plant and equipment and intangible assets[2]	10.2 & 10.3	(73,572)	(77,503)
Acquisitions of financial assets		(14)	(4)
Disposals of property, plant and equipment and financial assets[3]	5.3	2,194	663
Net change in loans and other non-current financial assets		1,164	(1,884)
Net cash flows from (used in) investing activities from continuing operations		**(154,381)**	**(88,623)**
Net cash flows from (used in) investing activities from discontinued operations		**432,306**	**19,466**
Net cash flows from (used in) investing activities		**277,925**	**(69,157)**
Transactions with non-controlling interests		0	0
(Acquisition) Disposal of treasury shares		(3,064)	(755)
Increase (Decrease) in non-current financial liabilities	7.6	(149,616)	(27,645)
Increase (Decrease) in current financial liabilities	7.6	(98,049)	10,437
Increase (Decrease) in lease liabilities	7.6	(18,230)	(19,283)
Dividends paid to group and minority Shareholders		(14,722)	(9,910)
Net cash flows from (used in) financing activities from continuing operations		**(283,681)**	**(47,155)**
Net cash flows from (used in) financing activities from discontinued operations		**(2,117)**	**0**
Net cash flows from (used in) financing activities		**(285,798)**	**(47,155)**
Impact of exchange rate changes		1,077	1,124
Change in cash and cash equivalents		**116,371**	**(112,256)**
Cash and cash equivalents - opening balance		4,894	121,264
Cash and cash equivalents - closing balance		121,264	9,007
CHANGE IN CASH AND CASH EQUIVALENTS		**116,371**	**(112,256)**

(1) Including mainly the acquisition of shares in Nortera Foods, accounted as an investment in associates.

(2) Investments correspond to the acquisitions of property, plant and equipment and intangible assets described in Notes 3.5.1.2 and 3.5.2, plus the change in related trade payables presented in Note 5.7.

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

5.4 Changes in consolidated shareholders' equity

(In thousands of euros)	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 Shareholder's equity
Shareholders' equity at June 30, 2021	**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		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							0	0	(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**
Income recognized directly through equity				(101)		(79,246)	655	(78,692)		(78,692)
Net income at 2023/06/30							14,496	14,496	(8)	14,488
Free allocation of shares							1,357	1,357		1,357
Puts on non-controlling interests							0	0	8	8
Treasury shares					(261)		(366)	(627)		(627)
Other(1)							(4,574)	(4,574)		(4,574)
Dividends paid							(9,910)	(9,910)		(9,910)
Shareholders' equity at June 30, 2023	**32,630,114**	**57,103**	**40,103**	**(1,199)**	**(10,738)**	**(106,262)**	**795,455**	**774,462**	**(6)**	**774,456**

(1) see Note 10.2.

5.5 Notes to the annual consolidated financial statements

NOTE 1 GENERAL INFORMATION

1.1 Group information and preparation methods

Listed on Euronext Paris (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, 2023, which will be submitted for approval at the Shareholders' Meeting of December 7, 2023.

The consolidated financial statements of the Bonduelle Group and its subsidiaries ("the group") for the fiscal year 2022-2023 have been prepared in compliance 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, 2022

The main texts newly applicable in 2022-2023 applicable to the group are as follows:

- Amendments to IAS 16, Property, plant and equipment - Proceeds before intended use,
- Amendments to IAS 37, Onerous contracts - Cost of fulfilling a contract,
- Amendments to IFRS 3, Reference to the conceptual framework.

The group has not noted any significant impact of these amendments on the consolidated financial statements at June 30, 2023.

Standards, amendments and interpretations that are not mandatory on July 1, 2023 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 2022-2023 and considers that they would not have a material impact on its results and financial position.

NOTE 2 SIGNIFICANT EVENTS

2.1 Governance evolution

Following the announcement of the departure of Guillaume Debrosse in May 2023, the group announced the appointment of Xavier Unkovic as Chief Executive Officer. This appointment took effect on June 1, 2023. Xavier Unkovic held positions in finance, sales, marketing and executive management in the United States for 23 years, within the Mars Group and then with Amy's kitchen, a B Corp-certified californian company that markers a range of organic prepared meals company, which he turned around and developed. Since 2021, Xavier Unkovic has been Chief Executive Officer of the french company NAOS, a major player in skin care and health under the brands Bioderma, Institut Esthederm and Etat Pur.

2.2 Adaptation of American industrial set up

In February 2023, the Bonduelle Group announced the adaptation of the industrial structure of its activity on the East Coast of the United States in order to improve its competitiveness in the fresh processed market in the United States and to refocus its activity on its valued segment. Thus, the manufacturing activities in Florence (New Jersey) are currently being transferred to the Swedesboro site (New Jersey). This operationaims at optimizing the production of all products intended for customers nationally, while achieving gains in efficiency and coverage of fixed costs.

At the closing date, the project was underway, with completion scheduled for the first half of fiscal year 2023-2024.

The net impact of this reorganization has been recorded for fiscal year 2022-2023 under non-recurring items (10.1 million euros - see Note 5.4).

2.3 Amendment of the green syndicated loan of 400 million euros

On February 6, 2023, the Bonduelle Group signed an amendment to its 400 million euro syndicated revolving credit facility (RCF) with its banking partners, thus securing an essential source of financing, particularly suited to the seasonal nature of its financing needs, and on very competitive terms, despite the current unstable economic environment. This arrangement provides for a two-year extension to the maturity, from 2026 to 2028, with two one-year extension options, bringing the final maturity of the loan to February 2030.
The financial terms of this credit line include Corporate Social Responsibility (CSR) indicators in line with the Group's mission and purpose, both in terms of B Corp certification and in terms of reducing its carbon footprint and contributing, with its agricultural partners, to a regenerative agriculture.
This transaction demonstrates once again the confidence shown by the banking partners in supporting the Bonduelle Group’s over the long-term.

2.4 First B Corp certifications awarded

In 2018, the Bonduelle Group announced its ambition to become a B Corp certified company by 2025. This ambitioninvolves each of its entities obtaining their certification one by one . The fiscal year 2022-2023 marks a major milestone with the certification of Bonduelle in Italy and Bonduelle Fresh Americas in the United States, together accounting for a third of group revenue. The two Bonduelle Group entities are the first to meet B Lab’s demanding social and environmental impact standards. They join the growing community of B Corp certified companies, working collectively to make the global economy more respectful of the planet, inclusive and equitable every day.

These two certifications illustrate the Bonduelle Group’s determination to place positive impact at the heart of its business model, formalized from 2020 through a roadmap called the B! Pact and built around three pillars: food, the planet and People. The B Corp certification process accelerates the commitment and mobilization of all of the company’s activities around the Group’s positive impact programs.

NOTE 3 ACCOUNTING PRINCIPLES

3.1 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, 2023 with the exception of the following companies: Bonduelle Kuban, Bonduelle do Brasil, Bonduelle Kazakhstan and Agro Rost. All these companies were consolidated on the basis of their accounting position as of June 30, 2023.

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.

3.2 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.

3.3 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.

3.4 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.

3.5 Accounting principles for assets and liabilities

The consolidated financial statements at June 30, 2023 are presented in thousands of euros, and reflect the financial position of the Company and its subsidiaries.

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.

3.5.1 Intangible assets

3.5.1.1 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.

3.5.1.2 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.

3.5.2 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.

3.5.3 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".

3.5.4 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 rights of use (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.

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, 2023, the group WACC stood at 7%.

The WACC is calculated based on a market-based debt of 26% of long-term equity and a risk-free rate of 3,6%.

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).

3.5.5 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.

3.5.6 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 3.5.3 for details of lease liabilities.

3.5.7 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 of assets or liabilities recognized in the consolidated balance sheet, its changes in value and those of the hedged item are recognized in profit or loss over the same period;

  - if the derivative is designated as a hedge of net foreign investments, its changes in value are recorded in equity under translation adjustments and are recycled in 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 (premium/discount and currency option premium, cross-currency swap basis 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.

3.5.8 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.

3.5.9 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.

3.5.10 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.

3.5.11 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.

3.5.12 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 head of the tax consolidation group that includes Bonduelle SA, Bonduelle Europe Long Life SAS, Sud Ouest Légumes Alliance SAS, Bonduelle Development SAS, Champiloire SAS, Bonduelle Frais Traiteur SAS, Bonduelle Frais France SAS, Bonduelle Traiteur International SAS, Euromycel SAS, MOD Bond SAS (formerly-Coviju 2 SAS), Coviju 3 SAS, Coviju 4 SAS, Bonduelle Ré SA, LBS Holding SARL and SACSA SA.

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.

3.5.13 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**
Type of plan	**Termination benefits and long-service awards**	**Retirement plans**	**Termination plans**
Discount rate	3.70%	3,70%	3,70%
Return on plan assets	3,70%	N/A	N/A
Future salary increase	2.20%	2,20%	N/A
Retirement age	64 years	65 years	68 years

Apart from the US work-related accident compensation scheme (worker's compensation) described in Section 3.5.14, the group does not have any obligations for medical benefits.

The same discount rate (3.70%) 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.

3.5.14 Other non-current and current provisions

Provisions are recognized for clearly identified risks and expenses whose timing or amount is uncertain, when an obligation to a third party exists and it is certain or likely that this obligation will result in an outflow of resources without receiving a consideration of at least equivalent size in return.

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 reasonable 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 at 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.

3.5.15 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.

3.5.16 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.

3.5.17 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 badwill, 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.

3.5.18 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.

3.5.19 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.

3.5.20 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.

3.5.21 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.

3.5.22 Reclassifications

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.

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

- **non-recurring items:** Note 3.5.17;
- **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 7.6.4) 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.

3.6 Consideration of the effects of climate change

Bonduelle has been committed to the fight against climate change for nearly 20 years. This commitment is evidenced *via* the group's positive impact strategy called B! Pact, which is based on three commitments, including the planet pillar, which commits the group to contributing to carbon neutrality. The group has incorporated its transition plan into the structure of the Net Zero Initiative and has defined targets validated by the SBTi (see Chapter 2 of the URD - Section 2.3.2). The group aims to achieve zero net emissions by 2050 with an intermediate target by 2035 of a 38% reduction in our scopes 1 and 2 GHG emissions by 2035 (*vs* FY20 in absolute terms) and a 30% reduction in our scope 3 GHG emissions by 2035 (vs FY20 in intensity).

To this end, the group has set up specific climate governance by creating dedicated bodies:

- The Carbon Accounting Corporate Committee, set up in 2022-2023, is tasked with integrating the carbon component into Bonduelle's financial and strategic management (see Chapter 2 of the URD - Section 2.3.2).
- The body dedicated to climate change adaptation, the Climate Change Committee defines and coordinates activities on this issue. The purpose of this committee is to identify the risks related to climate change, to adjust the climate strategy to the group's strategy and to structure the adaptation approaches in each of the pillars, to support the implementation of adaptation approaches and to inform the Executive Committee annually. All this will be done through a team structured around four themes: commercial, agro-industry, financial and CSR. This committee will also be tasked with analyzing climate scenarios to provide an overview of the impacts of climate change on Bonduelle's activities.

Also concerning physical risks, regular work at the level of our sites aims to identify these physical risks, and to date no major risk has been identified (see Chapter 4 of the URD - Section 4.2.2 Category 2). With regard to our value chain, Bonduelle has launched an overview of the effects of climate change on its major activities (see Chapter 2 of the URD - Section 2.3.2.2).

Bonduelle has drawn up a roadmap over several years to comply with the new requirements of the future sustainability reporting (CSRD-Corporate Sustainability Reporting Directive) concerning, in particular, the risks and opportunities related to climate change.

Thus, taking into account:

- the activities of the Bonduelle Group and its geographical location;
- the nature and magnitude of the current and potential impacts of risks and opportunities related to climate change as identified and assessed in its Risk Factors (Section 4.2) and its Extra-Financial Performance Statement (Section 2.7);
- the commitments made by the group in this area, particularly in terms of reducing its greenhouse gas emissions by 2035.

The Bonduelle Group has not identified any significant effects for fiscal year 2022-2023. In particular:

- no significant provisions for environmental risks and charges were recorded in the consolidated balance sheet at June 30, 2023;
- in 2022-2023, the group did not identify any significant effects of the commitments made in this area on the value of its property, plant and equipment or intangible assets. In particular, the implementation of action plans to adapt production tools does not affect their useful life.

NOTE 4 SCOPE OF CONSOLIDATION

4.1 Change in scope of consolidation

Final recognition of the loss of control of Bonduelle Americas Long Life

At June 30, 2022, the sale of 65% of Bonduelle Americas Long Life to the institutional investors Fonds de solidarité FTQ and the CDPQ was completed. The companies covered by this transaction are Bonduelle USA Inc., Bonduelle US holding and Bonduelle Canada Inc.; these companies, which were previously fully consolidated, are consolidated using the equity method from the date of the transaction.

The price was definitively adjusted in October 2022 and led to the recognition of an additional income from asset disposals of 5.7 million euros (after disposal costs and after tax), which was classified in the income statement at June 30, 2023, on the line "Income from discontinued operations" in accordance with IFRS 5.

There was no other significant change in scope over the period.

4.2 Associates

As of June 30, 2023, the share of net income from associates corresponds to the results of companies held prorated at the rates held by the Bonduelle Group (See Note 14). The change relative to fiscal year 2021-2022 is mainly explained by the use of the equity method to account for the 35% stake in Nortera Foods (formerly BU BALL) for 7.9 million euros, and by the recognition of exceptional impairments following below-expectation financial performance by non-controlled companies.

NOTE 5 OPERATING DATA AND NON-RECURRING ITEMS

5.1 Segment reporting

(In thousands of euros)	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**

(In thousands of euros)	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**

(In thousands of euros)	Europe Zone	Non-Europe Zone	Eliminations	Total at 2023/06/30
Income statement				
Revenue	1,511,149	898,137	(3,065)	2,406,221
Intercompany sales	(3,065)	0	3,065	0
TOTAL REVENUE	**1,508,084**	**898,137**		**2,406,221**
Current operating income	**71,561**	**(5,683)**		**65,878**

(In thousands of euros)	Europe Zone	Non-Europe Zone	Total at 2023/06/30
Non-current assets			
France	332,775		332,775
United States		379,875	379,875
Other	**167,105**	**109,311**	276,417
TOTAL NON-CURRENT ASSETS	**499,880**	**489 186**	**989,067**

5.1.1 Information by segment

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

(In thousands of euros)	Canned	Fresh	Frozen	Total at 2023/06/30
Revenue – excluding intercompany	1,126,301	278,784	1,001,137	**2,406,221**

5.1.2 Information by destination geographical region

(In thousands of euros)	At 2022/06/30		At 2023/06/30	
United States	627,909	29%	604,495	25%
France	668,350	30%	762,275	32%
Southern Europe	233,344	11%	249,231	10%
Germany	203,409	9%	219,918	9%
Eurasia[1]	202,392	9%	235,684	10%
Northern Europe	125,243	6%	130,851	5%
Central and Eastern Europe	87,031	4%	140,376	6%
Other	54,936	2%	63,391	3%
TOTAL REVENUE	**2,202,613**	**100%**	**2,406,221**	**100%**

(1) Russia and other CIS countries.

5.2 Purchases and external charges

(In thousands of euros)	At 2022/06/30	At 2023/06/30
Purchases of goods and other supplies	(1,217,888)	(1,304,793)
Production in inventory	48,986	75,041
Changes in inventories of goods and other supplies	68,960	35,629
Other external charges	(491,469)	(536,626)
TOTAL PURCHASES AND EXTERNAL CHARGES	**(1,591,410)**	**(1,730,749)**

5.3 Other operating income and expenses

(In thousands of euros)	Notes	At 2022/06/30	At 2023/06/30
Operating services		4,511	14,178
Reversals of provisions	11.1	3,132	3,147
Reversal of current asset impairment	5.5 & 5.6	2,084	5,014
Grants		2,338	3,159
Income from asset disposals		882	681
Other operating income[1]		10,935	6,754
TOTAL OTHER OPERATING INCOME		**23,880**	**32,933**

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

(In thousands of euros)	Notes	At 2022/06/30	At 2023/06/30
Taxes and duties		(22,325)	(21,352)
Provisions	11.1	(2,975)	(8,798)
Impairment of current assets	5.5 & 5.6	(2,670)	(21,599)
Other operating expenses[1]		8,839	4,053
TOTAL OTHER OPERATING EXPENSES		**(19,131)**	**(47,696)**

(1) This item mainly consists of capitalized production.

5.4 Non-recurring items

(In thousands of euros)	At 2022/06/30	At 2023/06/30
Reorganization and restructuring costs(1)	(8,289)	(11,454)
Insurance deductibles and costs relating to claims	(1,850)	1,306
Impairment of property, plant and equipment and goodwill(2)	(107,081)	(1,788)
Other (net balance)	(774)	203
TOTAL NON-RECURRING ITEMS	**(117,993)**	**(11,733)**

(1) Mainly includes various expenses related to organizational changes and shutdowns, and in particular at June 30, 2023, expenses of 8.3 million euros for the reorganization of the fresh ready-to-use business in North America.

(2) Concerns the industrial restructuring of the North American fresh ready-to-use business, with an impairment of 43.5 million euros on underperforming industrial assets and goodwill impairment of 63.5 million euros over fiscal year 2021-2022. For fiscal year 2022-2023, an additional impairment of 1.8 million euros was recognized on rights of use.

5.5 Inventories and work in progress

(In thousands of euros)	Gross amounts	Impairment	Net carrying amount at 2022/06/30	Gross amounts	Impairment	Net carrying amount at 2023/06/30
Materials and packaging	238,440	(9,868)	228,572	230,511	(11,407)	219,104
Work-in-progress and finished products	410,924	(21,200)	389,724	479,424	(30,449)	448,976
TOTAL INVENTORIES AND WORK-IN-PROGRESS	**649,364**	**(31,068)**	**618,296**	**709,935**	**(41,856)**	**668,080**

Detail of impairment of inventories and work-in-progress

(In thousands of euros)	At 2022/06/30	At 2023/06/30
Materials and packaging		
Opening balance	(2,099)	(9,868)
Additions(1)	(6,278)	(5,605)
Reversals	868	3,443
Change in scope of consolidation	0	0
Translation adjustments and other	(2,359)	623
CLOSING BALANCE	**(9,868)**	**(11,407)**
Work-in-progress and finished products		
Opening balance	(27,724)	(21,200)
Additions	67	(13,891)
Reversals	1,083	1,192
Change in scope of consolidation	7,316	0
Translation adjustments and other	(1,943)	3,450
CLOSING BALANCE	**(21,200)**	**(30,449)**

(1) At June 30, 2022, impairment recognized following the in-depth analysis of the fresh food business in North America: 3.9 million euros.

5.6 Trade and other receivables

Analysis of trade and other receivables:

(In thousands of euros)	Gross amounts	Impairment	Net carrying amount at 2022/06/30	Gross amounts	Impairment	Net carrying amount at 2023/06/30
Customers	220,633	(1,763)	218,869	214,075	(3,473)	210,602
Tax and social security receivables	54,706	0	54,706	47,116	0	47,116
Other receivables[1]	70,269	(422)	69,846	48,306	(981)	47,325
TOTAL TRADE AND OTHER RECEIVABLES	**345,607**	**(2,186)**	**343,422**	**309,497**	**(4,454)**	**305,043**

(1) Including at June 30, 2022 the escrow account and the payment to be received as part of the disposal of 65% of Bonduelle Americas Long Life.

Change in impairment of trade and other receivables

(In thousands of euros)	At 2022/06/30	At 2023/06/30
Customers		
Opening balance	(1,200)	(1,763)
Additions	(811)	(1,786)
Reversals	137	363
Change in scope of consolidation	149	0
Translation adjustments and other[1]	(39)	(286)
CLOSING BALANCE	**(1,763)**	**(3,473)**
Other receivables		
Opening balance	(208)	(422)
Additions	(9)	(722)
Reversals	0	18
Translation adjustments and other[1]	(206)	145
CLOSING BALANCE	**(422)**	**(981)**

(1) Reclassifications from account to account.

Trade and related receivables by maturity

(In thousands of euros)	At 2022/06/30	At 2023/06/30
Not yet due	184,338	182,751
Overdue		
• less than 30 days	26,446	17,423
• between 30 and 90 days	5,295	7,144
• more than 90 days	2,789	3,286
TOTAL TRADE AND RELATED RECEIVABLES	**218,869**	**210,604**

5.7 Trade and other payables

(In thousands of euros)	At 2022/06/30	At 2023/06/30
Trade payables	475,484	465,964
Amounts payable for acquisition of assets	24,092	25,873
Tax and social security payables	121,713	130,883
Other payables	69,281	64,423
TOTAL TRADE AND OTHER PAYABLES	**690,571**	**687,143**

NOTE 6 EXPENSES, HEADCOUNT AND EMPLOYEE BENEFITS

6.1 Compensation and workforce

(In thousands of euros and number of employees)	At 2022/06/30	At 2023/06/30
Employee expense for consolidated companies	(478,105)	(512,374)
Average annual workforce	12,111	11,038
Permanent workforce	9,174	8,363

6.2 Employee benefit obligations

6.2.1 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 33,359 thousand euros at June 30, 2023, compared with 33,553 thousand euros at June 30, 2022.

6.2.2 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 3.5.13.

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

(In thousands of euros)	2021-2022	2022-2023
Income statement: Retirement expense		
Cost of services rendered during the year	2,030	1,191
Impact of discounting	205	704
Projected return on plan assets	0	0
(Gains) / Losses related to plan liquidation	0	0
RETIREMENT (INCOME) EXPENSE RECOGNIZED	**2,235**	**1,894**

(In thousands of euros)	2021-2022	2022-2023
Change in the present value of the obligation		
Present value of DBO[(1)] at July 1	**30,645**	**21,849**
Cost of services rendered during the year	2,030	1,461
Impact of discounting	205	704
Employee contributions	0	0
Plan reduction and amendment	0	(271)
Currency effect	(15)	21
Benefits paid	(2,380)	(1,183)
Actuarial (gains)/losses related to changes in demographic assumptions	0	(1,021)
Actuarial (gains)/losses related to changes in actuarial assumptions	(7,615)	508
Actuarial (gains)/losses related to experience differences	33	805
Other movements	(1,054)	0
PRESENT VALUE OF DBO[(1)] AT JUNE 30	**21,849**	**22,874**

(1) DBO: Defined benefit obligation.

(In thousands of euros)	2021-2022	2022-2023
Change in fair value of plan assets		
Fair value of plan assets at July 1	**1,003**	**993**
Projected return on plan assets	(0)	0
Employer contributions	2,150	1,409
Employee contributions	0	0
Plan liquidation	0	0
Benefits paid	(2,185)	(1,217)
Actuarial gains/(losses) related to experience differences	25	1
FAIR VALUE OF PLAN ASSETS AT JUNE 30	**993**	**1,186**

(In thousands of euros)	2021-2022	2022-2023
Reconciliation with amount recognized in balance sheet		
Net financial position: surplus/(deficit)	(20,855)	(21,688)
Impact of the limiting of surpluses	0	0
(Provision) at June 30	**(20,855)**	**(21,688)**
NET ASSETS AT JUNE 30	0	0

(In thousands of euros)	2021-2022	2022-2023
Actuarial gains and losses		
Actuarial (gains)/losses generated at July 1	8,344	737
Actuarial (gains)/losses generated between July 1 and June 30	(7,607)	166

(In thousands of euros)	2021-2022	2022-2023
Change in carrying amounts recognized during the fiscal year		
Net opening (liability) asset	(29,641)	(20,855)
Retirement (expense) income	(2,235)	(1,894)
Benefits paid by the employer	2,345	1,374
Currency effect	15	(21)
Actuarial differences recognized in equity	7,607	(292)
Other movements	1,054	(0)
NET CLOSING (LIABILITY) ASSET	**(20,855)**	**(21,688)**

For the actuarial assumptions at fiscal year-end, refer to Note 3.5.13.

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

As of June 30, 2023, 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 1,254 thousand euros. Conversely, a 0.50-point drop would have increased the group's liability by 1,367 thousand euros.

6.3 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. 17	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	2018/12/06
Date of the General Management decision	2019/12/12	2019/12/12	2019/12/12	2019/12/12	2019/12/12	2019/12/12	2019/12/12
Initial number of shares allocated	21,230	35,535	3,581	898	136,062	364	3,239
• Of which number of shares allocated to Guillaume Debrosse, Permanent Representative of Pierre et Benoit Bonduelle SAS, General Manager of Bonduelle SCA (until May 2, 2023)**[2]**	0	0	0	0	18,339	0	0
• Of which number of shares granted to Guillaume Debrosse, Permanent Representative of Pierre et Benoit Bonduelle SAS, General Manager of Bonduelle SCA[3]	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
• Of which number of shares granted to the Executive Committee**[4]**	0	9,275	0	0	75,824	0	0
• Of which others	21,230	26,260	3,581	898	41,899	364	3,239
Total number of free shares allocated	**21,230**	**35,535**	**3,581**	**898**	**136,062**	**364**	**3,239**
Total number of free shares canceled or expired	**0**	**34,716**	**2,848**	**449**	**128,310**	**182**	**3,146**
Effective allocation date	2022/12/13	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	2022/12/13	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, 2023	**21,230**	**819**	**733**	**449**	**7,752**	**182**	**93**

	Plan No. 24	Plan No. 25	Plan No. 26	Plan No. 27	Plan No. 28	Plan No. 29
Date of Shareholders' Meeting:	2018/12/06	2018/12/06	2018/12/06	2018/12/06	2021/12/02	2021/12/02
Date of General Management decision	2019/12/12	2019/12/12	2019/12/12	2020/12/10	2021/12/09	2022/12/13
Initial number of shares allocated	1,928	2,910	16,388	232,735	182,995	289,117
• Of which number of shares allocated to Guillaume Debrosse, Permanent Representative of Pierre et Benoit Bonduelle SAS, General Manager of Bonduelle SCA (until May 2, 2023)**[2]**	0	0	0	24,987	25,172	40,935
• Of which number of shares granted to Guillaume Debrosse, Permanent Representative of Pierre et Benoit Bonduelle SAS, General Manager of Bonduelle SCA[3]	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
• Of which number of shares granted to the Executive Committee**[4]**	0	0	12,786	89,898	87,885	97,661
• Of which others	1,928	2,910	3,602	117,850	69,938	150,521
Total number of free shares allocated	**1,928**	**2,910**	**16,388**	**232,735**	**182,995**	**289,117**
Total number of free shares canceled or expired	**963**	**2,409**	**16,364**	**10,699**	**0**	**0**
Effective allocation date	2022/12/13	2022/12/13	2022/12/13	2023/11/15	2024/11/14	2025/11/18
Date from which shares can be sold	2022/12/13	2022/12/13	2022/12/13	2023/11/15	2024/11/15	2025/11/19
Number of shares actually allocated at June 30, 2023	**965**	**501**	**24**	**14,282**	**0**	**0**

(1) The free share allocation is based, on the one hand, on a long-term profit-sharing scheme. Plans based on a criterion of return on capital employed and on a CSR criterion relating to the B Corp ambition, 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 directors and officers, 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) Bonduelle SCA has no employees. Compensation is due in respect of the corporate office at Bonduelle SA and any other compensation within the group. No compensation is paid in respect of the office of permanent representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA. Guillaume Debrosse was appointed as permanent representative during fiscal year 2018-2019, his corporate office at Bonduelle SA ended on May 2, 2023, he ceased to be permanent representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA on the same date.
(3) By decision of May 2, 2023, it was decided that the legal representative of Pierre et Benoît Bonduelle SAS, Christophe Bonduelle, will represent said company alone with regard to third parties. Christophe Bonduelle is not a beneficiary of any free share allocation plan.
(4) Group Management Committee from Plan No. 17 until Plan No. 26, then Executive Committee from Plan No. 27. The term "Executive Committee" is understood to mean the members comprising it on the date of the free share allocation. The free shares allocated to the permanent and legal representatives of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA, are not included in this line, as they are presented above.

Valuation of stock option and free share allocation plans

As stated in Note 3.5.18, share purchase options and free shares granted to employees are measured at their fair value on the allocation date, based on the Black & Scholes pricing model for option plans and the dividend discount model 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 General Management.

The expense under IFRS 2 for the period was 1,176 thousand euros.

NOTE 7 FINANCING AND FINANCIAL INSTRUMENTS

7.1 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.

7.1.1 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 for optimal flexibility of the group's financing (see Note 7.6 of the notes to the consolidated financial statements at June 30, 2023).

Lastly, as of June 30, 2023, Bonduelle's subsidiaries in Russia had local credit lines that could be immediately mobilized to finance current operations in Russia in compliance with international sanctions.

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

7.1.2. Market risks

Currency risk

Risks related to changes in foreign exchange rates

The group publishes its consolidated financial statements in euros, and in 2022-2023, 58.8% of revenue and 93.2% of current operating income were denominated in euros.

The portion of assets, liabilities, sales and results, expressed in other currencies, is constantly changing. 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 7.2 and 7.5 to the consolidated financial statements at June 30, 2023.

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 7.2 and 7.5 to the consolidated financial statements at June 30, 2023.

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 counterparty 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.

To protect itself against the volatility of energy raw materials, including electricity and gas, the Bonduelle Group has deployed a management framework that enables it to monitor these exposures over several years, and to instruct subsidiaries to set up physical hedges (purchase of quantities at fixed prices) directly with gas and electricity suppliers.

7.1.3 Equity management and dividends

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, dividend distribution for Shareholders and to maintain sufficient financial flexibility to take advantage of any opportunities that may arise.

Shareholders' equity at June 30, 2023 stood at 774.5 million euros. On this basis, General Management will propose a dividend of 0.25 euro per share to the Shareholders' Meeting of December 7, 2023. On the basis of the shares holding dividend rights on July 1, 2023, *i.e.* 32,630,114 shares, the dividend distribution proposed for approval at the Shareholders' Meeting will amount to 8.2 million euros.

The dividend per share proposed at the Shareholders' Meeting of December 1, 2022 for the fiscal year ended June 30, 2022 amounted to 0.30 euro per share.

7.2 Financial income

The group's financial income at June 30, 2023 amounted to -31.3 million euros, compared with -14.5 million euros the previous year.

(In thousands of euros)		At 2022/06/30	At 2023/06/30
Cost of net debt	**A**	**(13,345)**	**(23,743)**
Cash and cash equivalents		40	70
Interest expense (at effective interest rate)		(13,386)	(23,804)
Gains and losses on liabilities covered by fair value hedges		10,328	4,151
Gains and losses on fair value hedging derivatives		(10,328)	(4,160)
Other financial income and expenses	**B**	**(1,195)**	**(7,539)**
Foreign exchange gain (loss)		1,410	(5,087)
Net gain (loss) on derivatives ineligible for hedge accounting (foreign currency & interest rate risk)		(265)	491
Other financial income and expenses		(2,340)	(2,944)
FINANCIAL INCOME	**A + B**	**(14,540)**	**(31,282)**

The cost of net debt, the main component of financial income, was up from -13.3 million euros at June 30, 2022 to -23.7 million euros at June 30, 2023.

It mainly consists of interest paid at the effective interest rate on the Group's various debts by currency for 23.8 million euros. The increase is due to the increase in interest rates and also to the increase in our average outstandings over the fiscal year due to inflation.

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 hedging derivatives recognized at fair value, is recognized in equity and will be recognized in profit or loss when the underlying debt matures, in line with the option offered by IFRS 9 and adopted by the group.

The interest rate, calculated on the group's average debt, all currencies combined, and restated for IFRS impacts, stood at 4.01%, compared with 2.59% the previous year (at constant scope).

Other financial income and expenses (-7.5 million euros) break down as follows:

- a -4.6 million-euro foreign exchange loss corresponding to gains/losses 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 -2.9 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

	Change in interest rates			
	+50 bps		-50 bps	
(In thousands of euros)	Impact on equity	Impact on results	Impact on equity	Impact on results
Interest on debt		(1,913)		2,040
Mark-to-market valuation of debt		1,381		(1,405)
Debts	**0**	**(532)**	**0**	**635**
Financial income from interest rate derivatives	0	644		(535)
Mark-to-market valuation of interest rate derivatives	2,072	(1,381)	(2,008)	1,405
Interest rate derivatives	**2,072**	**(738)**	**(2,008)**	**870**
TOTAL	**2,072**	**(1,269)**	**(2,008)**	**1,505**

With regard to exposure to exchange rate fluctuations on the currencies used by the group in its commercial activities and debt (USD, HUF, CZK, PLN, etc.), the valuation methods used are identical to those used for interest rate sensitivity calculations (information systems and valuation platform, etc.). The scope used includes debts and receivables recorded in the balance sheet, the share of future commercial flows to be realized over the period covered, after hedging transactions.

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)

(Foreign exchange exposures hedged by derivatives)

	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	346	(172)	(378)	154
USD/EUR	35	(101)	(38)	108
PLN/EUR	40	(221)	(44)	240
CZK/EUR	117	(225)	(128)	217
TOTAL	**538**	**(719)**	**(588)**	**719**

7.3 Presentation of financial assets and liabilities by category

At 2022/06/30

(In thousands of euros)	Value on the balance sheet	Fair value	Financial assets within the scope of application of IFRS 9 on financial instruments – Amortized cost	Fair value through equity	Fair value through profit or loss	Assets excluded from the scope of application of IFRS 9 on financial instruments
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**			

(In thousands of euros)	Value on the balance sheet	Fair value	Financial liabilities within the scope of application of IFRS 9 on financial instruments – Amortized cost	Fair value through equity	Fair value through profit or loss	Financial liabilities excluded from the scope of application of IFRS 9 on financial instruments
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

At 2023/06/30

(In thousands of euros)	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	
Non-current assets						
Other non-current financial assets	**5,360**	**5,360**	**1,970**	**3,108**	**282**	
Equity investments	387	387		387		
Derivative assets	3,003	3,003		2,721	282	
Other non-current financial assets	1 970	1,970	1 970			
Other non-current assets	**5,669**	**5,669**	**2,906**			**2,763**
Other non-current receivables	2,906	2,906	2 906			
Prepaid expenses	2,763	2,763	-			2,763
Current assets						
Trade & other receivables	**305,044**	**305,044**	**305,044**			
Other current assets	**7,293**	**7,293**	**83**			**7,210**
Non-consolidated loans and receivables	61	61	61			
Prepaid expenses	7,210	7,210				7,210
Other assets	22	22	22			
Derivative assets	**3,382**	**3,382**		**2,474**	**909**	
Marketable securities and other investments	**19**	**19**	**19**			
Cash and cash equivalents	**8,988**	**8,988**	**8,988**			

(In thousands of euros)	Value on the balance sheet	Fair value	Financial liabilities within the scope of application of IFRS 9 on financial instruments			Financial liabilities excluded from the scope of application of IFRS 9 on financial instruments
			Amortized cost	Fair value through equity	Fair value through profit or loss	
Non-current liabilities						
Financial liabilities	**296,947**	**297,053**	**296,735**	**10**	**307**	
Financial liability excluding derivatives	289,817	289,923	296,735		(6,812)	
Derivative liabilities	7,129	7,129		10	7,119	
Other non-current liabilities	**24,496**	**24,496**	**18,662**			**5,833**
Prepaid income and other accrual accounts	5,833	5,833				5,833
Miscellaneous debts	18,662	18,662	18,662			
Current liabilities						
Trade and other payables	**687,143**	**687,143**	**687,143**			
Current financial liabilities	**75,183**	**75,183**	**74,245**	**162**	**775**	
Financial liability excluding derivatives	72,542	72,542	74 245		(1,703)	
Current derivative liabilities	2,640	2,640		162	2,478	
Other current liabilities	**493**	**493**				**493**
Prepaid income and other accrual accounts	493	493				493

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: +4.6 million euros;
- net amount of derivative liabilities under IFRS 7.13: -8.0 million euros.

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

7.4 Other non-current financial assets

Analysis of changes in gross amounts and impairment:

(In thousands of euros)	At 2021/06/30	Acquisitions	Disposals or reversals	Others[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**

(In thousands of euros)	At 2022/06/30	Acquisitions	Disposals or reversals	Others[3]	At 2023/06/30
Gross amount[1]					
Equity investments[2]	18,012	331	0	0	18,343
Derivative assets	1,310	0	0	1,693	3,003
Other non-current financial assets	2,126	1,958	(20)	(1,888)	2,176
	21,448	**2,289**	**(20)**	**(195)**	**23,522**
Impairment					
Equity investments[2]	17,955	0	0	0	17,955
Other non-current financial assets	206	0	0	0	206
	18,161	**0**	**0**	**0**	**18,161**
Net carrying amount					
Equity investments[2]	57	331	0	0	388
Derivative assets	1,310	0	0	1,693	3,003
Other non-current financial assets	1,920	1,958	(20)	(1,888)	1,970
	3,287	**2,289**	**(20)**	**(195)**	**5,360**

(1) The valuation principles are specified in Note 4.
(2) This heading 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.

7.5 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.

7.5.1 Interest rate derivatives

Fair value hedges

One of the fixed-rate bonds issued by the group were swapped to a variable interest rate at issuance. 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

With regard to the EUR tranche of the USPP issued in July 2017, caps and tunnels 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, 2023, the group did not have any interest rate hedges that were not eligible for hedge accounting.

7.5.2 Foreign currency derivatives

Fair value hedges

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 (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, Hungarian forint, Czech koruna 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.

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 2022/06/30

(In thousands of euros)	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
o.w. forward contracts: Swaps	*0*	*0*	*0*	*0*	*0*
o.w. options: Caps	*0*	*0*	*0*	*0*	*0*
o.w. options: Floors	*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
o.w. forward contracts	*7,798*	*148*	*114*	*148*	*114*
o.w. options	*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
o.w. forward contracts	*17,098*	*398*	*553*	*398*	*553*
o.w. options	*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.

Derivatives at 2023/06/30

(In thousands of euros)	Notional	Market value		Carrying amount	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges[1]	170,000	3,872	0	3,872	0
Fair value hedges	150,000	279	8,904	279	8,904
Hedges not eligible for hedge accounting under IFRS	0	0	0	0	0
o.w. forward contracts: Swaps	*0*	*0*	*0*	*0*	*0*
o.w. options: Caps	*0*	*0*	*0*	*0*	*0*
o.w. options: Floors	*0*	*0*	*0*	*0*	*0*
Current portion				**1,175**	**1,779**
Non-current portion				**2,976**	**7,125**
Foreign currency derivatives (B)					
Cash flow hedges	30,243	1,373	172	1,373	172
o.w. forward contracts	*26,301*	*1,172*	*134*	*1,172*	*134*
o.w. options	*3,942*	*201*	*38*	*201*	*38*
Fair value hedges	29,358	555	523	555	523
Hedges not eligible for hedge accounting under IFRS	19,934	306	170	306	170
o.w. forward contracts	*9,837*	*152*	*16*	*152*	*16*
o.w. options	*10,097*	*154*	*154*	*154*	*154*
Current portion				**2,207**	**861**
Non-current portion				**27**	**4**
TOTAL DERIVATIVES (A + B)					
Current portion				3,382	2,640
Non-current portion				3,003	7,129

(1) Including asset caps.

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

(Net foreign exchange position hedged by derivatives)

(In thousands of euros)			2022/06/30		
Group's net currency position* (excluding exposure on subsidiaries' net equity)	**USD/EUR**	**HUF/EUR**	**USD/CAD**	**PLN/EUR**	**OTHER**
Net position before hedging	(1,933)	17,826		5,156	(122)
Net position after hedging	(2,701)	596		804	(59)

(In thousands of euros)			2023/06/30		
Net position after hedging	**USD/EUR**	**HUF/EUR**	**CZK/EUR**	**PLN/EUR**	**OTHER**
Net position before hedging	761	25,317	(5,027)	(2,861)	(1,899)
Net position after hedging	(1,602)	(3,250)	(1,446)	(1,528)	(288)

7.6 Net debt

7.6.1 Analysis of net debt by type

At 2022/06/30

(In thousands of euros)	**Nominal**	**< 6 months**	**< 1 year**	**1 to 5 years**	**> 5 years**	**Total**
Bonds (USPP)	363,784	30,960	0	238,685	94,620	364,265
Lease liabilities	95,074	9,369	9,369	52,398	23,937	95,074
Other bank borrowings	102	39	39	25	0	102
Other borrowings and financial liabilities	67	21	21	26	0	67
Accrued interest	1,956	1,956	0	0	0	1,956
Current bank lines	24,567	24,567	0	0	0	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
o.w derivatives hedging a debt in a fair value hedge		*0*	*0*	*0*	*4,770*	*4,770*
o.w. other derivatives		*1,053*	*1 448*	*0*	*0*	*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
o.w derivatives hedging a debt in a fair value hedge		*5,332*	*0*	*279*	*0*	*5,611*
o.w. other derivatives		*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**

At 2023/06/30

(In thousands of euros)	Nominal	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	336,015	37,479	0	261,678	27,967	327,124
Lease liabilities	79,387	8,456	8,456	45,481	16,994	79,387
Other bank borrowings	99	39	39	21	0	99
Other borrowings and financial liabilities	184	17	17	151	0	184
Accrued interest	2,623	2,623	0	0	0	2,623
Current bank lines	32,330	32,330	0	0	0	32,330
Total gross debt before derivatives	**450,638**	**80,944**	**8,512**	**307,331**	**44,961**	**441,747**
Derivatives – Liabilities		**2,447**	**194**	**7,129**	0	**9,770**
o.w derivatives hedging a debt in a fair value hedge		1,781	0	*7,125*	0	8,906
o.w. other derivatives		*666*	*194*	*4*	0	864
Total gross debt after fair value of derivatives		83,391	8,705	314,460	44,961	451,517
Derivatives – Assets		**1,524**	**1,858**	**3,003**	0	**6,384**
o.w derivatives hedging a debt in a fair value hedge		0	0	*279*	0	279
o.w. other derivatives		*1,524*	*1,858*	*2,724*	0	*6,105*
Securities	**19**	**19**	0	0	0	**19**
Cash	**8,988**	**8,988**	0	0	0	**8,988**
TOTAL NET DEBT		**72,860**	**6,847**	**311,458**	**44,961**	**436,124**
TOTAL NET DEBT – EXCLUDING IFRS 16		**64,404**	**(1,609)**	**265,977**	**27,967**	**356,737**

7.6.2 Analysis of net debt by interest rate

(In thousands of euros)	**2022/06/30**	**At 2023/06/30**
Net financial liability – Excluding IFRS 16	**267,863**	**356,737**
Before interest rate hedging		
Fixed rate	366,288	329,931
Floating rate	(98,425)	26,806
After interest rate hedging		
Fixed rate	264,501	318,658
Variable rate*	3,362	38,079

** Of which protected variable rate (40,000 euros).*

7.6.3 Analysis of net debt by currency

(in thousands of euros)/(-) = cash balance	**2022/06/30**	**At 2023/06/30**
EUR	148,569	298,115
USD	83,169	57,759
HUF	18,369	(1,138)
RUB	6,635	187
BRL	458	(2,854)
PLN	9,231	2,906
KZT	1,432	1,983
OTHER	0	(221)
TOTAL NET DEBT – EXCLUDING IFRS 16	**267,863**	**356,737**

7.6.4 Net debt (including derivatives) and gearing

	2022/06/30	Increase	(Decrease)	Changes in fair value of debt	Changes in fair value of derivatives	Translation adjustments	Other(1)	2023/06/30
Financial liabilities	398,228	163	(17,371)	(9,372)	2,673	(2,677)	486	372,129
Lease liabilities	95,073	22,789	(19,300)			(15,997)	(3,177)	79,387
Investments and derivative assets	130,365		(114,353)		(2,541)	1,124	798	15,392
Net debt (A)	**362,936**	**22,952**	**77,682**	**(9 372)**	**5,214**	**(19,798)**	**(3,489)**	**436,124**
Net debt – excluding IFRS 16 (C)	**267,863**	**163**	**96,982**	**(9 372)**	**5,214**	**(3,801)**	**(312)**	**356,737**
Total Shareholders' equity (B)	**852,406**							**774,456**
Total Shareholders' equity - Excluding IFRS 16 (D)	**855,261**							**789,090**
Capital employed (A + B)	**1,215,342**							**1,210,580**
Gearing (A/B)	**42.6%**							**56.3%**
Gearing - Excluding IFRS 16 (C/D)	**31.3%**							**45.2%**
REBITDA (E)	**137,846**							**148,335**
REBITDA - EXCLUDING IFRS 16 (F)	**117,536**							**125,399**
Leverage ratio (A/E)	**2.64**							**2.94**
Leverage ratio - Excluding IFRS16 (C/F)	**2.28**							**2.84**

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

7.6.5 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.

	At 2022/06/30		
(In thousands of euros)	**Par value**	**Market value**	**Carrying amount**
Liabilities			
Debts			
Bonds (USPP)	363,784	367,669	364,265
Euro PP bond	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**

(In thousands of euros)	At 2023/06/30 Par value	Market value	Carrying amount
Liabilities			
Debts			
Bonds (USPP)	336,015	330,385	327,124
Lease liabilities	79,387	79,387	79,387
Bank borrowings	99	99	99
Other borrowings and financial liabilities	184	184	184
Accrued interest	2,623	2,623	2,623
Current bank lines	32,330	32,330	32,330
TOTAL	**450,638**	**445,009**	**441,747**
o.w. debt covered by fair value hedge		***144,535***	***141,273***
o.w. debt covered by cash flow hedge		***170,000***	***170,000***
Assets			
Cash and securities	9,007	9,007	9,007
TOTAL	**9,007**	**9,007**	**9,007**

7.6.6 Analysis of bond issue maturities

				< 1 year		1 to 5 years		> 5 years		TOTAL	
	Maturity	Notional	Currencies	Nominal	Interest*	Nominal	Interest*	Nominal	Interest*	Nominal	Interest*
Public issues											
Private issues	2027	150,000	EUR	30,000	2,119	120,000	3,202			150,000	5,321
	2027	50,000	USD	9,203	1,414	36,812	2,088			46,015	3,502
	2029	140,000	EUR	0	2,604	112,000	6,954	28,000	435	140,000	9,994

** Amounts expressed in euros and before any interest rate hedges affecting future income.*

At June 30, 2023

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, 2023, the group complied with these financial covenants.

7.6.7 Liquidity

On February 6, 2023, the Bonduelle Group signed an amendment to its 400 million euro syndicated revolving credit facility (RCF) with its banking partners, thus securing an essential source of financing, particularly suited to the seasonal nature of its financing needs, and on very competitive terms, despite the current unstable economic environment. This arrangement provides for a two-year extension, of the maturity to February 6, 2028, with two one-year extension options, bringing the final maturity of the facility to 2030.

This line of credit incorporates Corporate Social Responsibility (CSR) indicators in line with the Group's ambition and mission, in terms of B Corp certification, reducing its carbon footprint and contributing, with its agricultural partners, to regenerative agriculture.

As of June 30, 2023, the RCF was not used.

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 three years, bringing the total amount of confirmed bank lines (including RCF) to 500 million euros (540 million euros at June 30, 2022), unused at June 30, 2023.

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 8 INCOME TAX

8.1 Income tax

8.1.1 Analysis of net income tax expense

Total income tax expense is analyzed in the following manner:

	At 2022/06/30	At 2023/06/30
Average tax rate:	(50.1)%	80.7%

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

8.1.2 Reconciliation of income tax expense and profit before tax

(In thousands of euros)	At 2022/06/30	%	At 2023/06/30	%
Net income from continuing operations	(124,965)		8,788	
Share of net income from associates	5,244		(4,384)	
Income tax expense	39,987		18,460	
PROFIT BEFORE TAX AND SHARE OF NET INCOME FROM ASSOCIATES	**(79,734)**		**22,864**	
Theoretical tax expense[1]	**(22,652)**	**28.41%**	**5,906**	**25.83%**
Reconciliation:				
Permanent differences	13,074	(16.4)%	(902)	(3.9)%
Rate differential (outside France)[2]	7,733	(9.7)%	(1,841)	(8.1)%
Impact of tax loss carryforwards and other[3]	41,832	(52.5)%	15,297	66.9%
ACTUAL INCOME TAX EXPENSE	**39,987**	**(50.1)%**	**18,460**	**80.7%**

(1) In France, the extraordinary tax contribution to which the group is subject is 3.3% for fiscal year 2022-2023. The theoretical tax rate, including this extraordinary contribution, was 25.83% in 2022-2023.
(2) The main contributors to the tax rate differential are the United States, Hungary and Russia.
(3) As the review carried out on the fresh food business in North America impacted profitability outlook, the losses for fiscal year 2022-2023 were not capitalized.

At June 30, 2023, tax paid amounted to 33,189 thousand euros.

8.1.3 Deferred taxes

(In thousands of euros)	At 2022/06/30	At 2023/06/30
Provisions and non-current assets	22,595	19,558
Margin in inventory	332	498
Tax loss carryforwards[1]	700	798
Tax depreciation and regulated provisions	(12,985)	(12,026)
Others[2]	1,342	148
NET DEFERRED TAX ASSETS (LIABILITIES)	**11,984**	**8,975**

(1) Due to the profitability outlook of the companies concerned.
(2) Change in taxes due to restatements of financial instruments.

Change in net deferred tax assets (liabilities)

(In thousands of euros)	At 2022/06/30	At 2023/06/30
OPENING BALANCE	**19,981**	**11,984**
Acquisitions and disposals of subsidiaries	11,764	0
Taxes recognized in the income statement	(19,480)	1,162
Taxes recognized directly through equity	(3,212)	(845)
Other changes(1)	2,931	(3,326)
CLOSING BALANCE	**11,984**	**8,975**

(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 9 EARNINGS PER SHARE

A dividend of 0.25 euro per share will be proposed at the Shareholders' Meeting to be held on December 7, 2023.

At June 30, 2023, 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 2022/06/30	At 2023/06/30
Net income attributable to owners of the Company	**35,421**	**14,496**
Number of shares used to calculate:		
• Net income	**32,085,087**	**32,020,545**
• Diluted net income	**32,722,952**	**32,700,411**
Earnings per share *(in euros)*		
• Basic	**1.10**	**0.45**
• Diluted(1)	**1.08**	**0.44**

(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 10 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

10.1 Goodwill

Changes in goodwill were as follows:

(In thousands of euros)	At 2021/06/30	Acquisitions	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.

(In thousands of euros)	At 2022/06/30	Acquisitions	Deconsolidations	Other[(1)]	At 2023/06/30
GROSS AMOUNT	**463,719**	897		(19,550)	**445,066**
Impairment	(63,531)	0		2,801	(60,730)
NET CARRYING AMOUNT	**400,188**	897	0	(16,749)	**384,336**

(1) Translation adjustments.

At June 30, 2023, the net carrying amount per CGU was as follows:

Goodwill per CGU	At 2022/06/30	Acquisitions	Deconsolidations	Other[(1)]	At 2023/06/30
Europe/canned and frozen	73,084	897		246	74,227
Europe/fresh ready-to-use	73,160			0	73,160
Eastern Europe/canned and frozen	17,385			(6,628)	10,757
North and South America/fresh ready-to-use	236,560			(10,368)	226,192
Total	**400,188**	**897**	**0**	**(16,750)**	**384,336**

(1) Translation adjustments.

Implementation of impairment tests

Cash Generating Units (CGUs) presenting indications of impairment or comprising goodwill underwent impairment testing in 2023.

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 3.5.1.

For the impairment tests at June 30, 2023, the group has projected in its business plans the effects on its various activities of the following items, according to its best estimate based on the information available at that date concerning external items and the initiatives and projects that will be implemented by the group as envisaged at that same date. Inflation was taken into account according to the assumptions known to date.

Monitoring the fresh ready-to-use food business in North America

At June 30, 2022, the difficulties encountered by the fresh ready-to-use food business in North America had led the Group to review the profitability outlook and to recognize a 63.5 million euro impairment of intangible assets (Goodwill).
During fiscal year 2022-2023, the Bonduelle Group implemented its restructuring plan of its industrial facilities on the East Coast of the United States. This reorganization, effective since the summer of 2023, will have beneficial effects from the year 2023-2024. No impairment was recognized during the fiscal year and the test showed that the recoverable amount of the assets was higher than the net carrying amount.

The following are the sensitivities to changes in the three variables: the discount rate, the margin level, and long-term growth:

SENSITIVITY TESTS (in millions of euros)	Impact on recoverable amount
Margin rate - 0.5 point decrease	(35.2)
WACC rate - 1 point increase	(33.8)
Long-term growth - 1 point decrease	(28.1)

BEAM CGU asset value test

The group performed an impairment test on the assets of the BEAM CGU, including Russia, on the basis of cash flow projection with a cautious approach on growth parameters, and taking into account limiting parameters such as: investments and the temporary closure of the Belgorod site.

No impairment was recognized during the fiscal year.

Other CGUs

CGUs deemed to be sensitive to one of these three variables are those for which an increase of more than 1 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 1 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.

10.2 Other intangible assets

Analysis of changes in gross amounts and impairment:

(In thousands of euros)	At 2021/06/30	Acquisitions	Disposal, sale or reversal	Deconsolidations	Other(1)	At 2022/06/30
Gross amounts						
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
Assets under construction(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
Assets under construction	9,100					13,010
	62,381					**55,721**

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

(2) Including costs capitalized under the B!One program : transformation program, involving changes in IT tools.

(In thousands of euros)	At 2022/06/30	Acquisitions	Disposal, sale or reversal	Deconsolidations	Other(1)	At 2023/06/30
Gross amounts						
Trademarks, patents and licenses	23,704	0	(49)	0	1	23,657
Software	87,042	1,184	(7)	0	5,991	94,209
Other	7,446	547	0	0	1,315	9,309
Assets under construction	13,010	3,802	0	0	(11,007)	5,804
	131,202	**5,533**	**(56)**	**0**	**(3,700)**	**132,979**
Depreciation, amortization and impairment						
Trademarks, patents and licenses	1,796	2	(51)	0	1	1,748
Software	73,619	5,976	(7)	0	(160)	79,428
Other	66	0	0	0	2	68
	75,481	**5,978**	**(58)**	**0**	**(156)**	**81,245**
Net carrying amount						
Trademarks, patents and licenses	21,908					21,908
Software	13,423					14,781
Other	7,380					9,241
Assets under construction	13,010					5,804
	55,721					**51,733**

(1) Translation adjustments, item-to-item transfers, and correction of the recognition of costs capitalized as part of the B!One program (transformation program, involving changes in IT tools) for -6.2 million euros (i.e. -4.6 million euros net of tax).

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

Brands per CGU	Brand	At 2022/06/30	Acquisitions	Deconsolidations	Other	At 2023/06/30
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
Total		**21,715**	**0**	**0**	**0**	**21,715**

10.3 Property, plant and equipment

Analysis of changes in gross amounts and impairment:

(In thousands of euros)	At 2021/06/30	Acquisitions	Disposal, sale or reversal	Deconsolidations	Other[(1)]	At 2022/06/30
Gross amounts						
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
Assets under construction	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
Assets under construction	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
Assets under construction	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
Assets under construction	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.

(In thousands of euros)	At 2022/06/30	Acquisitions	Disposal, sale or reversal	Deconsolidations	Other[1]	At 2023/06/30
Gross amounts						
Land	49,447	37	(54)	0	(1,406)	48,025
Buildings	427,677	1,177	(143)	0	(6,899)	421,812
Industrial plant, tools and equipment	885,353	11,064	(6,924)	0	17,143	906,637
Other	67,983	5,690	(1,191)	0	(3,135)	69,346
Assets under construction	54,498	58,075	(152)	0	(52,040)	60,381
	1,484,957	**76,043**	**(8,463)**	**0**	**(46,336)**	**1,506,201**
Depreciation						
Land	14,936	1,063	0	0	135	16,134
Buildings	333,387	11,995	(142)	0	(9,474)	335,766
Industrial plant, tools and equipment	681,883	39,313	(5,422)	0	(16,287)	699,487
Other	49,531	6,309	(864)	0	(724)	54,252
Assets under construction	0	0	0	0	0	0
	1,079,736	**58,680**	**(6,428)**	**0**	**(26,350)**	**1,105,638**
Impairment						
Land	163	0	0	0	0	163
Buildings	7,501	273	0	0	(338)	7,436
Industrial plant, tools and equipment	24,187	450	0	0	(1,076)	23,562
Other	96	(7)	0	0	(4)	85
Assets under construction	1,192	0	(1,030)	0	0	162
	33,139	**716**	**(1,030)**	**0**	**(1,417)**	**31,409**
Net carrying amount						
Land	34,349					31,728
Buildings	86,788					78,610
Industrial plant, tools and equipment	179,283					183,588
Other	18,356					15,010
Assets under construction	53,306					60,218
	372,082					**369,154**

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

10.4 Rights of use

(In thousands of euros)	At 2021/06/30	Acquisitions	Disposal, sale or reversal	Deconsolidations	Other[1]	At 2022/06/30
Gross amounts						
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.

(In thousands of euros)	At 2022/06/30	Acquisitions	Disposal, sale or reversal	Deconsolidations	Other[1]	At 2023/06/30
Gross amounts						
Land	38,803	4,848	0	0	(18,981)	24,669
Buildings	74,014	10,387	(457)	0	(4,444)	79,500
Industrial plant, tools and equipment	14,726	5,022	(378)	0	(3,230)	16,141
Other	15,023	2,413	(992)	0	(2,794)	13,651
	142,565	**22,670**	**(1,826)**	**0**	**(29,448)**	**133,961**
Depreciation						
Land	7,383	1,989	0	0	(3,311)	6,060
Buildings	27,928	8,337	(453)	0	(2,033)	33,780
Industrial plant, tools and equipment	7,976	2,902	(369)	0	(3,075)	7,434
Other	6,817	3,730	(951)	0	(2,345)	7,251
	50,105	**16,958**	**(1,773)**	**0**	**(10,764)**	**54,526**
Impairment[2]						
Land	0	0	0	0	0	0
Buildings	11,962	1,685	0	0	(592)	13,055
Industrial plant, tools and equipment	1,054	0	0	0	(76)	978
Other	0	0	0	0	0	0
	13,016	**1,685**	**0**	**0**	**(668)**	**14,033**
Net carrying amount						
Land	31,420					18,609
Buildings	34,123					32,665
Industrial plant, tools and equipment	5,696					7,729
Other	8,206					6,400
	79,444					**65,402**

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

(2) Impairment recognized following the in-depth analysis of the fresh food business in North America: 1.7 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 11 OTHER PROVISIONS AND CONTINGENT LIABILITIES

11.1 Other provisions

(In thousands of euros)	**2022/06/30**	**Charges**	**Used reversals**	**Unused reversals**	**Deconsolidations**	**Other[(2)]**	**2023/06/30**
Sales-related risks	1,440	1,607	(357)	(18)	0	(771)	1,900
Employee-related risks[(1)]	9,261	2,807	(384)	(219)	0	(400)	11,065
Restructuring and reorganization	563	301	(149)	0	0	0	715
Agro-industrial risks	1,438	3,796	(1,439)	0	0	0	3,794
Other risks	1,510	2,084	(2,179)	0	0	1,041	2,456
	14,212	**10,595**	**(4,509)**	**(238)**	**0**	**(130)**	**19,929**

(In thousands of euros)	**Current**	**Non-current**	**2023/06/30**
Sales-related risks	977	923	1 900
Employee-related risks[(1)]	4,710	6,354	11,065
Restructuring and reorganization	0	715	715
Agro-industrial risks	3,794	0	3,794
Other risks	1,042	1,414	2,456
	10,524	**9,405**	**19,929**

(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.

11.2 Risks and disputes

11.2.1 Bonduelle's activity in Russia

<u>Continuation of commercial activity</u>

Bonduelle's mission is to ensure the population's access to food, whether in Ukraine, Russia and neighboring countries, while ensuring the safety of its employees and compliance with international sanctions. In this context, during fiscal year 2022-2023, the Bonduelle Group continued its activity in Russia *via* its Russian subsidiaries

For fiscal year 2022-2023, annual external revenue from customers based in Russia amounted to 191.0 million euros, *i.e.* 7.9% of consolidated revenue. An increase compared to the previous fiscal year (6.0% for fiscal year 2021-2022), mainly due to the temporary favorable currency effects (strengthening of the ruble against the euro). Given the predominantly branded long-life business in Russia, this activity is accretive for the Group.

In addition, and in accordance with its mission, Bonduelle continued its commercial activity in Ukraine, which represents less than 0.5% of the group's revenue, while ensuring the safety of its employees as a priority.

<u>Investment and asset valuation</u>

The Bonduelle Group has suspended all development investment projects in Russia, except those necessary to continue commercial activity.

At June 30, 2023, net fixed assets related to activities in Russia represented 27.9 million euros, *i.e.* 3.5% of the group's fixed assets. These assets were tested as part of the impairment tests of the Eastern Europe CGU, with a sensitivity analysis, taking into account an increased risk related to the macroeconomic and geopolitical environment; the risk of impairment was limited.

As employee safety is an absolute priority, the Bonduelle Group decided to temporarily shut down its plant in the Belgorod region, given the tensions in that area. Alternative solutions have been put in place for the freezing and packaging processes. The group considers that at this stage no impairment is necessary on these assets, it being specified that their amount at June 30, 2023 is not material (5.8 million euros).

Financial risks

As of June 30, 2023, Bonduelle's subsidiaries in Russia had local financing lines that could be immediately mobilized to finance current operations in Russia in compliance with international sanctions and did not receive any financial support from the group during the fiscal year. With regard to foreign exchange exposure, the impacts related to foreign exchange exposures are included in financial income (see Note 7.2).

11.2.2 Other 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 previously mentioned, 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 2022-2023 financial statements, no feedback on the comments made had been received. No provision was recorded in the financial statements at June 30, 2023 in respect of this notification.

11.3 Contingent liabilities

(In thousands of euros)	**At 2022/06/30**	**At 2023/06/30**
Commitments given		
Guarantees and security deposits given (net of uses)	45,000	43,517
Commitments received		
Guarantees and security deposits received (net of uses)	12,605	8,675

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: without a defined IFRS accounting treatment, greenhouse gas quotas are not recognized in the consolidated financial statements.

Bonduelle Group's certified and reported emissions stood at 16,641 tCO_2 for 2023.

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, 2023.

NOTE 12 OTHER INFORMATION

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

Deloitte & Associés

Represented by 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 2021-2022 and 2022-2023.

	Mazars				Deloitte & Associés				Other				Total			
	2021-2022		2022-2023		2021-2022		2022-2023		2021-2022		2022-2023		2021-2022		2022-2023	
(In thousands of euros)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Certification of consolidated and statutory financial statements	984	91%	648	92%	731	85%	843	89%	0		110	100%	1,715	88%	1,601	91%
Other certification-related services	73	7%	34	5%	112	13%	104	11%	0		0	0%	185	10%	138	8%
Total fees for audit-related services	1,057	98%	682	97%	843	98%	947	100%	0		110	100%	1 900	98%	1,740	99%
Tax services	18	2%	18	3%	18	2%	0	0%	0		0	0%	37	2%	18	1%
Other	5	0%	5	1%	0	0%	0	0%	0		0	0%	5	0%	5	0%
Total fees for non-audit services	23	2%	23	3%	18	2%	0	0%	0		0	0%	42	2%	23	1%
TOTAL	**1,080**	**100%**	**706**	**100%**	861	100%	**947**	**100%**	0		**110**	**100%**	1,941	100 %	**1,763**	**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.

12.2 Related-party transactions

12.2.1 Subsidiaries and associates

The list of the group's subsidiaries and associates is provided in Note 14.

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 and Nortera Foods, recognized using the equity method, the main transactions carried out, as well as its receivables and debts, are as follows:

(In thousands of euros)	At 2022/06/30	At 2023/06/30
Balance sheet		
Customers	2,858	3,372
Suppliers	17,076	14,039
Income statement		
Sales	5,059	10,468
Purchasing	(74,734)	(75,039)

Transactions with other related parties were not material.

12.2.2 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, including one employee representative;
3. the Executive Committee, consisting of nine members as of June 30, 2023.

The current account in credit with Pierre et Benoît Bonduelle SAS amounts to 10,085 thousand euros.

There are no other significant commitments to the latter.

12.2.3 Compensation of the directors, 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 886 thousand euros were paid for the fiscal year 2022-2023;
- compensation paid to members of the Supervisory Board for their work during fiscal year 2022-2023 of 67 thousand euros;
- 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.

(In euros)	2021-2022	2022-2023
Number of members making up the Executive Committee at June 30	9	9
Gross compensation paid to the Executive Committee	3,944,378	4,456,468

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.

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 fiscal year 2022-2023, these totaled 253 thousand euros for Executive Committee members.

Payment in shares

a) Share plans previously allocated.

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 6.3 to the consolidated financial statements.

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 13 SUBSEQUENT EVENTS

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

NOTE 14 LIST OF GROUP COMPANIES

Analysis of group companies by consolidation method:

	Principal activities	% interest 2022/06/30	% control 2023/06/30	% interest 2023/06/30
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	Frozen	100.00%	100.00%	100.00%
Bonduelle Traiteur International SAS	Frozen	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%
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%
Champiland SAS	Canned/Frozen	95.00%	95.00%	95.00%
Euromycel SAS	Canned/Frozen	100.00%	100.00%	100.00%
MOD Bond SAS (formerly Coviju 2)	Holding	100.00%	100.00%	100.00%
Coviju 3 SAS	Holding	100.00%	100.00%	100.00%
Coviju 4 SAS	Holding	100.00%	100.00%	100.00%
Bonduelle Ré SA	Reinsurance	100.00%	100.00%	100.00%
SACSA SAS	Canned/Frozen	0.00%	100.00%	100.00%
LBS Holding SARL	Holding	0,00%	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	Frozen	100.00%	100.00%	100.00%
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	Frozen	100.00%	100.00%	100.00%
Agricola Lombarda, Italy	Frozen	100.00%	100.00%	100.00%
Bonduelle Iberica SAU, Spain	Canned/Frozen	100.00%	100.00%	100.00%
BF Agricola 4G, Spain	Frozen	100.00%	100.00%	100.00%
BF Nature Bio 4G, Spain	Frozen	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%
Coubanskie Conservi Russie, Russia[1]	Canned/Frozen	100.00%	0.00%	0.00%
Agro-Rost, Russia	Canned/Frozen	100.00%	100.00%	100.00%
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	Frozen	100.00%	100.00%	100.00%
Ready Pac Produce Inc., USA	Frozen	100.00%	100.00%	100.00%
Missa Bay, LLC, USA	Frozen	100.00%	100.00%	100.00%

Ready Pac Florence, Partnership, USA	Frozen	100.00%	100.00%	100.00%
Salad Time, LLC, USA	Frozen	100.00%	100.00%	100.00%

2. BY THE EQUITY METHOD				
France				
Vegehub	Canned/Frozen	44.40%	44.40%	44.0%
Outside France				
Charleston US Acquisition Corporation, USA	Holding	35.00%	35.00%	35.00%
Nortera Foods USA Inc., USA	Canned/Frozen	35.00%	35.00%	35.00%
Nortera US Holding Inc, USA	Holding	35.00%	35.00%	35.00%
Aliments Nortera Inc, Canada	Canned/Frozen	35.00%	35.00%	35.00%
OP OASI, Italy	Frozen	35.00%	35.00%	35.00%
Huerta Gama SC, Spain	Frozen	16.66%	16.66%	16.66%
Bonduelle Española, Spain	No activity	50.00%	50.00%	50.00%
Aybioo	Canned/Frozen	34.00%	0.00%	0.00%

(1) The company was merged with Agro Rost.

5.6 Statutory auditors' report on the consolidated financial statements

For the year ended June 30,2023

This is a translation into English of the statutory auditors' report on the financial statements of BONDUELLE SCA issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of BONDUELLE SCA

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of BONDUELLE SCA for the year ended June 30,2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at June 30,2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from July 1,2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

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

<table>
<tr><td colspan="2">Measurement of goodwill (cf. note 3.5.1.1 « Goodwill », note 3.5.4 «Impairment losses on fixed assets » and note 10.1 « Goodwill »)</td></tr>
<tr><td>Risk identified
Goodwill amounted to 384,3 million euros at June 30, 2023 (400,2 million euros at June 30, 2022)
Impairment tests conducted by the Executive Management on the goodwill of each CGU defined by Bonduelle include a significant number of judgments and assumptions relating, in particular, to:
- future cash flows;
- the discount rates (WACC) and long-term growth rates used to forecast such flows.

The recoverable amounts determined as part of the impairment tests were subject to sensitivity tests, both upwards and downwards, on the assumptions of discount rates, long-term growth rates and operating margin rates.</td><td>Our response
We have read about the controls put in place by the company as part of the preparation of the update of the "mid-term visions" prepared by each business units on which the depreciation tests of each of the CGU are based.
Based on this information, we carried out the following procedures:
• we assessed the reasonableness of the key assumptions used to:
o determine cash flows in line with underlying operational data,
o the long-term growth of such cash flows;

• we assessed, with the support of our evaluation specialists, the selected discount rates (WACC) in their different components including, where appropriate, a premium to take account of risk factors.</td></tr>
</table>

For the North America CGU/ Fresh ready-to-use, the sensitivity tests performed by your group indicate in particular that an unfavourable change in assumptions would lead to the identification of recoverable values below net book value as presented in Note 10.1. For other CGUs, the sensitivity tests performed lead to a recoverable amount higher than the net book value. However, the valuation of these CGUs remains dependent on the management's assumptions disclosed in note 10.1 We therefore considered the impairment testing of the goodwill of these CGUs to be a key audit matter.	• We have obtained and examined the sensitivity analyses carried out by the management. We also conducted our own sensitivity calculations to ensure that only unreasonable variation in assumptions could lead to a significant depreciation of goodwill. Finally, we verified the appropriateness of the disclosures in notes 3.5.1.1 "Goodwill", 3.5.4 "Impairment losses on fixed assets" and 10.1 "Goodwill") to the consolidated financial statements.

Specific Verifications

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

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

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in Group management report [in the information pertaining to the Group presented in the management report], it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the board of Directors complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

Deloitte & Associés	Mazars
Was appointed statutory auditors of Bonduelle SCA by the General Meeting of December 7,2006	Was appointed statutory auditors of Bonduelle SCA by the General Meeting of December 20,1989
As of June 30, 2023, Deloitte & Associés was in its 17th year of uninterrupted engagement	As of June 30, 2023, Mazars was in its 34th year of uninterrupted engagement and its 25th year since securities of the Company were admitted to trading on a regulated market.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.
The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.
The consolidated financial statements were approved by the Board of Directors.

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

Objectives and audit approach

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

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

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

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee2 the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Lille, Septembre 29, 2023

The Statutory Auditors

French original signed by

MAZARS	Deloitte & Associés
Jean-Maurice EL NOUCHI	Edouard LHOMME