Proximity

GROUPE LDLC

UNIVERSAL
REGISTRATION
DOCUMENT
2022/2023

the ultimate_**high-tech experience**

“We are continuing to develop in our own innovative and open manner. ”

Laurent de la Clergerie
Chairman of the Management Board
and Founder of LDLC Group

PROXIMITY AS A CORE VALUE

Proximity is a fundamental component of the LDLC Group's identity.

Proximity to our customers, of course. During the financial year, we expanded our store chain and launched a national television campaign to strengthen our brand awareness. A first in the Group's history.

Proximity to our employees, first and foremost. We believe that a commitment to our employees is also a commitment to our customers. For the past six years, we have prioritised the well-being of our teams, particularly by promoting a better work-life balance through the introduction of a four-day week. With a staff turnover rate of just 2%, the strategy has paid off!

We are also in tune with the challenges of our time, particularly the climate crisis. After strengthening our contribution to Team for the Planet, in May 2023 we extended the warranty on our products to 3 years, free of charge. This sustainable business innovation creates value for our customers.

As such, we are continuing to develop in our own innovative and open manner, whilst recognising our driving forces and in particular our employees. A major challenge and our greatest achievement!

Olivier de la Clergerie
LDLC Group CEO

“We used this financial year to consolidate our fundamentals and step up our new customer acquisition cycle. ”

“The LDLC Group posted full-year 2022/2023 revenues of €567.4 million and EBITDA of €14.3 million. The financial year unfolded within a challenging environment, with a persistently high level of new equipment ownership, following the surge in high-tech purchases made during the COVID period, and external factors (inflation, rising energy prices, etc.) which led to postponements in purchases by retail and business customers.

Despite this, the Group in no way slowed down its development plan. On the contrary, we used this financial year to consolidate our fundamentals and step up our new customer acquisition cycle.

We strengthened our brand awareness, regional network and logistics capacity through the new centre in St-Quentin-Fallavier. We also announced and completed the acquisition of the A.C.T.I. MAC Group to consolidate our positioning in BtoB, a major growth driver. Furthermore, we continued to reward our shareholders through our dividend policy.

Backed by its strong fundamentals and healthy financial position, the LDLC Group can also count on the unwavering commitment of its employees. Confident in its ability to take advantage of the recovery of its markets as soon as the trend is confirmed, the LDLC Group remains convinced that it can become the go-to high-tech supplier for a wide audience on the French market.”

Key figures at 31 March 2023

€567.4 M
REVENUES 2022/2023

> 1,000
EMPLOYEES

46,000 M^2
DEDICATED LOGISTICS PLATFORM

UP TO 25,000
PARCELS/DAY

15
RETAIL CHAINS INCLUDING **7** E-COMMERCE WEBSITES

6
COUNTRIES COVERED:
FRANCE / BELGIUM / LUXEMBOURG / SWITZERLAND / SPAIN / ITALY
EUROPEAN COVERAGE
WITH A WEBSITE IN ENGLISH

> 50,000
LISTED PRODUCTS

113
STORES
INCLUDING **96** LDLC STORES IN FRANCE
(**81** LDLC STORES &
15 LDLC APPLE STORES)
8 MATERIEL.NET STORES
9 L'ARMOIRE DE BÉBÉ STORES

1500
HIGH-TECH PARTNER BRANDS

> 5,000,000
FOLLOWERS ON SOCIAL MEDIA

A SPECIALIST OMNICHANNEL MULTI-BRAND RETAILER

THE FRENCH HIGH-TECH LEADER

The LDLC Group was one of the first to venture into online sales in 1997.
Now a leading specialist multi-brand retailer and major player in the online IT and high-tech market, the LDLC Group serves both individual consumers (BtoC) and businesses (BtoB) via 15 retail chains including 7 e-commerce websites.

With shared & optimised back-office functions

IT SYSTEMS	SOURCING AND LISTING	LOGISTICS

* joined the Group on 1 April 2023

Expansion of L'Armoire de Bébé

Launched in May 2015, L'Armoire de Bébé successfully applies all the LDLC Group's fundamentals to the world of childcare products. It offers an extensive range of 8,600 products to meet all the needs of parents and their children through a multi-channel model combining a website and a store chain.
L'Armoire de Bébé stands out for its customer-focused approach, offering parents tailored advice on products and support to help them prepare for the birth of their child through themed workshops.
Since 2020, the brand's online reputation and growth have accelerated. In particular, it has focused on pursuing the expansion of its store chain, which will comprise ten stores by 30 June 2023, ranging from 70-80 m² "city" format concept stores to out-of-town stores of almost 500 m².
This distribution strategy enables L'Armoire de Bébé to reach a wide and diverse customer base, both online and in store, offering parents a unique shopping experience.

10
STORES
AT 30 JUNE 2023

€8.9M
REVENUES
2022/2023

€172.5M
BTOB REVENUES
2022/2023

Enhancing the BtoB offering

Digital uses in the business world are developing rapidly, particularly with the rise of teleworking. While large companies often have their own IT department to support this change, this is not the case for many small and medium-sized businesses. As a major growth driver, the LDLC Group is positioning itself to assist professionals in this transition. As with retail customers, the Group relies on the relevance of its product selection and advice, as well as its store chain and team of around 100 dedicated sales engineers to offer tailored solutions to professionals.
At the end of 2022, the Group decided to strengthen its BtoB offering via the acquisition of the A.C.T.I. MAC Group, which offers a comprehensive range of services for businesses, with five branches including three Apple Premium Reseller stores in France. With around 60 employees, the A.C.T.I. MAC Group posted revenues of around €42 million in its last financial year. The acquisition was completed at the beginning of the 2023/2024 financial year.

A YEAR TO
CONSOLIDATE OUR FUNDAMENTALS

46,000M²

OF DEDICATED LOGISTICS SPACE AT 31 MAY 2023

> 200

COMMITTED EMPLOYEES

2

LOGISTICS PLATFORMS COVERING THE WHOLE OF FRANCE

Greater logistics capacities

Logistics is a behind-the-scenes activity that is central to the LDLC Group's expertise, excellence and customer promise. Fully in-house, it draws on a workforce of over 200 employees to deliver to thousands of customers and more than 100 Group stores each day.

To support its growth, the LDLC Group has replaced its historic warehouse in St-Quentin-Fallavier with a new, more modern platform offering 28,000 m^2 of storage space. Also located in St-Quentin-Fallavier, it provides the Group with optimum coverage for the whole of France together with the warehouse in Grandchamp-des-Fontaines (Loire-Atlantique).

3 questions for
Rémi Helmstetter,
Logistics Director
LDLC Group

Last year, the Group announced that it was investing in a new logistics centre to replace its St-Quentin-Fallavier facility. How is this project progressing?
This year, we carried out the relocation of the old warehouse and commissioned the new site. A formidable challenge! We started in summer 2022. We had to move inventories, handle incoming deliveries from our suppliers and adapt to new processes, while maintaining quality and delivery times for our customers. The challenge was completed in October, with the new warehouse being commissioned just in time for Black Friday.

What is the strategic importance of the new warehouse for LDLC?
Logistics has always been an integral part of the LDLC Group's strategy. It is a profession in its own right, given its importance in ensuring our customers' satisfaction. The primary aim of the new warehouse is to support the Group's current and future growth. You don't change warehouses every year, so it was important to look ahead to the next ten years. We have optimized our storage areas by creating narrower aisles and using the full height of the building. We have also fostered synergies with our assembly workshop, which specialises in customised PC design, and which is now housed within the same warehouse. We have also taken advantage of new technologies and automation to optimise our processes and improve working conditions for our team members, all within a more eco-friendly building.

Have these innovations changed the way team members work?
It was important to use technology to lend meaning and value to the work of our team members. The use of automated robots helps to reduce their physical workload and fatigue. Their added value no longer lies in retrieving products but in the quality of the order preparation, a crucial element as the package is the first physical contact with the customer. Moreover, choosing the right cardboard or cushioning is a way of reducing our carbon footprint. The job of forklift operator has also evolved with the arrival of new three-directional trucks that can retrieve pallets from heights of up to ten metres! After all these changes, our objective for 2023 is to stabilise our processes and optimise them as efficiently as possible. Feedback from our on-site staff is invaluable in helping us to achieve this and ensuring that everyone is happy in their work so that we can provide the best possible service to our customers.

Focus on the logistics platform in Saint-Quentin-Fallavier (Isère)

28,000 M^2
OF STORAGE SPACE

12 M
CLEARANCE HEIGHT

150
AUTOMATED ROBOTS

SUMMER 2022
RELOCATION

→

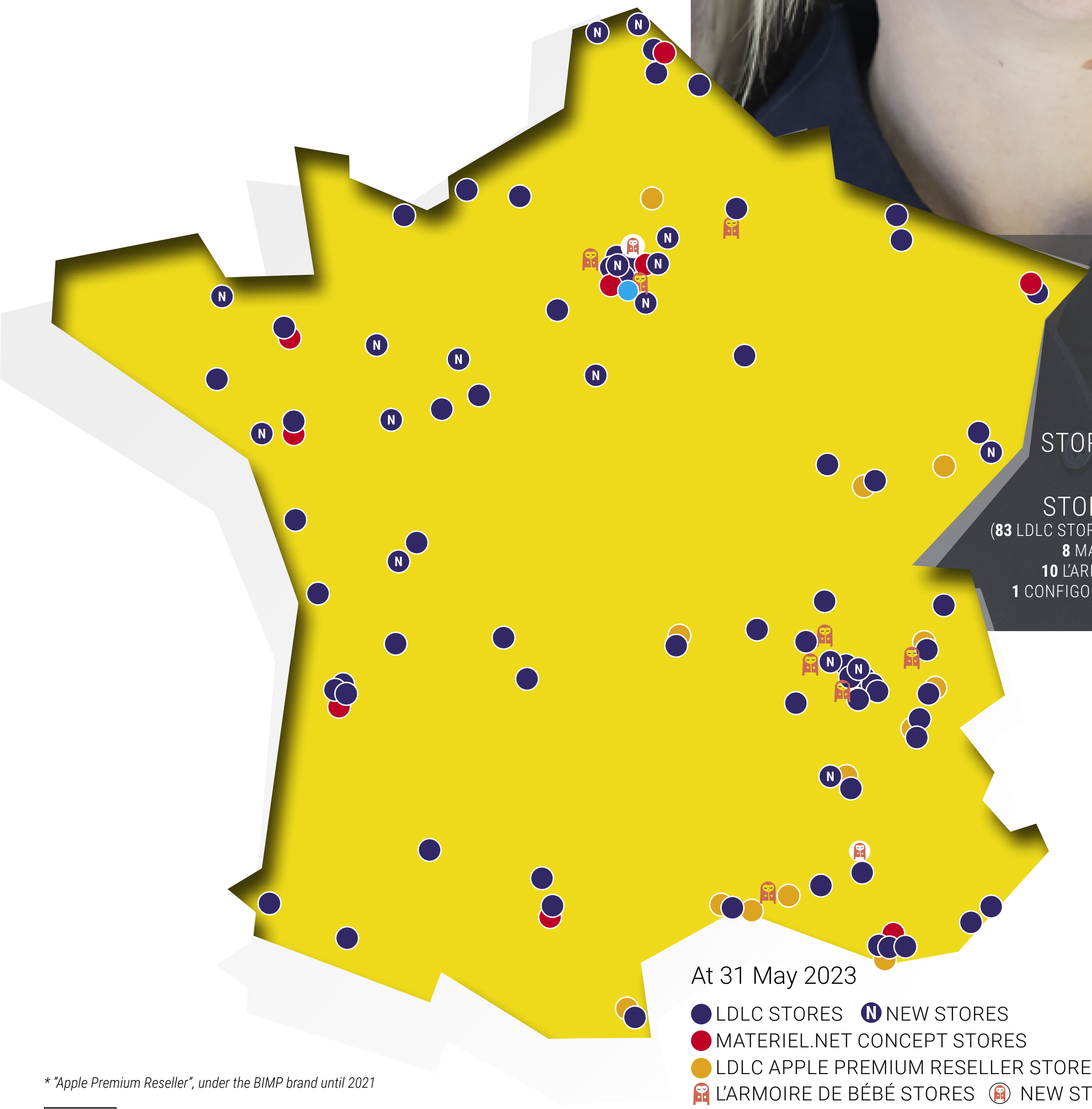
OCT. 2022
COMMISSIONING

CLOSER TO OUR CUSTOMERS

A stronger presence throughout France

For over ten years, the Group has developed an omnichannel retail model combining online retail with physical store chains (brand stores and franchises). With a nationwide presence, the LDLC Group works closely with its customers to offer advice and local services such as the repair and maintenance of their IT hardware.

Convinced of the merits of this model, the Group stepped up the pace of new store openings during the 2022/2023 financial year, boasting a total of 117 stores (across all retail chains) as at 31 May 2023. In the high-tech segment, the chain comprises 83 LDLC stores, 15 LDLC Apple stores*, 8 Materiel.net sales outlets, 1 CONFIGOMATIC BY TOPACHAT store and 10 L'Armoire de Bébé stores.



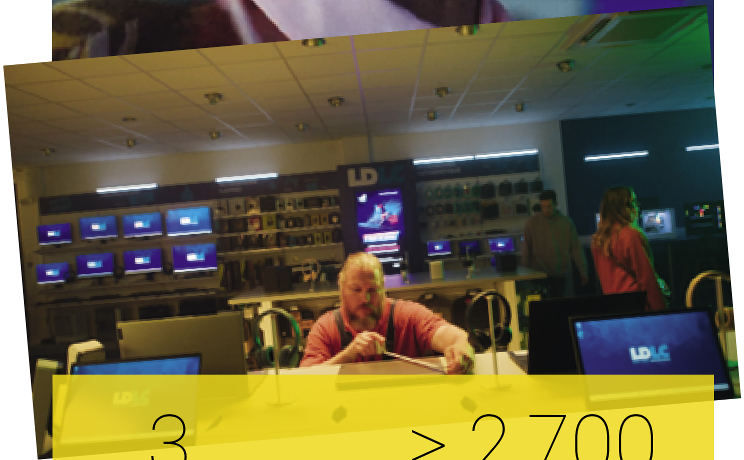
117

STORES INCLUDING
98 LDLC
STORES IN FRANCE
(**83** LDLC STORES & **15** LDLC APPLE* STORES)
8 MATERIEL.NET STORES
10 L'ARMOIRE DE BÉBÉ STORES
1 CONFIGOMATIC BY TOPACHAT STORE

At 31 May 2023

- LDLC STORES
- N NEW STORES
- MATERIEL.NET CONCEPT STORES
- LDLC APPLE PREMIUM RESELLER STORES (FORMERLY BIMP)
- L'ARMOIRE DE BÉBÉ STORES
- NEW STORES
- CONFIGOMATIC BY TOPACHAT

* "Apple Premium Reseller", under the BIMP brand until 2021



3
HIGHLIGHTS

> 2,700
ADS BROADCAST IN 2023

Bringing the LDLC brand to life

In May 2022, LDLC launched its very first national TV campaign under the tagline "LD, elle sait!". This three-part campaign covered all the major retail periods, including the back-to-school period and the festive season. Striking a humorous, offbeat tone, it immersed viewers in the adventures of a family in the midst of an IT disaster. Thanks to a clever play on words using the brand's name (the letters 'LC' in French are phonetically equivalent to the phrase 'Elle sait', 'She knows'), LDLC has succeeded in increasing its brand awareness among the general public.
The campaign is part of the Group's drive to position the LDLC brand as a market leader by showcasing its strengths: its ability to meet all consumer need thanks to its advisory approach, its wide range of services, its commitment to customer satisfaction and its store chain. This campaign also contributes to the Group's visibility and corporate reputation, which were already bolstered by various initiatives such as participation in the TV programme "Patron Incognito" (the French iteration of "Undercover Boss") and the introduction of a four-day week.
Broadcast on traditional channels and DTT, the campaign boosted traffic to the website and stores. On the back of this success, LDLC launched a new campaign in May 2023, highlighting the latest news from the brand, such as the extension of the product warranty from two to three years.

Customer service at the heart of our DNA

LDLC places customer advice and satisfaction, for both retail and business customers, at the heart of its development and positioning. The teams listen to customers and engage with them on a one-on-one basis, whether online or in-store, working to understand their requirements as precisely as possible and provide a rapid response tailored to their needs. Most importantly, this support continues after the sale to build a long-term relationship based on trust.
LDLC won the Customer Service of the Year award for the ninth year running with an overall score of 19.27/20 in the Technical Product Retail category. Over an eight-week period, 205 tests were carried out on LDLC's various communication channels, producing excellent results: telephone support quality, 100% response rate within just 45 minutes on social media and 20 seconds via the chat!
LDLC also won the 2023 Qualiweb Award for Best Online Customer Service across all sectors. Following a three-month assessment using mystery shopper surveys conducted via e-mail, Facebook, Twitter and Instagram, LDLC was also voted the best company in the Specialised Retail category, with a score of 92.9.

22
AWARDS FOR CUSTOMER SERVICES ACROSS ALL COMPETITIONS

60
ADVISERS DEDICATED TO ONLINE BOUTIQUE CUSTOMERS

* BVA Group survey - Viséo CI - Read more at escda.fr

COMMITMENT

TO OUR DRIVING FORCES

The LDLC Group is first and foremost a family business determined to contribute towards global issues and tackle the challenges of sustainable development through pragmatic thinking.
In keeping with the values that underpin the Company's success, the LDLC Group is fully aware of its role in its ecosystem. For many years, it has been conducting initiatives among all stakeholders with a view to responsible and sustainable development.

This approach focuses on three areas: employee well-being, the environment and regional development. It is in line with the United Nations Sustainable Development Goals (SDGs), of which the Group has chosen 11 to focus on.

INNOVATING FOR OUR EMPLOYEES

Aware that investing in its employees means investing in the Group's performance, LDLC has developed by constantly striving to improve the well-being of its teams. Management is committed to constantly improving working conditions through bold initiatives such as the four-day week. LDLC offers a new and innovative labour model that places people back at the heart of the company, contributing to constructive collective relations and the commitment of each and every employee.

Rethinking the way we work with a four-day week

In January 2021, the LDLC Group broke new ground by introducing a 32-hour, four-day working week for all its employees, while maintaining their salaries. This was a first in France - and indeed in the world - for a company of this size. The initial aim of this initiative was to improve employee well-being by enabling them to strike a better work-life balance. After being in practice for two years, the four-day week has more than fulfilled this objective. The employees - almost unanimously - would not wish to go back. And neither would LDLC! The initiative also contributes to a more relaxed atmosphere in the workplace, helps attract talent, reduces the Group's energy consumption and helps achieve a better gender balance. Lastly, contrary to its initial expectations, the Group has not needed to hire more people. More rested, the teams are also more productive. It's a win-win situation!
The initiative has already inspired Anikop, a corporate management software publisher and LDLC Group subsidiary. On 1 January 2023, Anikop introduced a four-day week, representing an additional benefit following the introduction of unlimited leave two years ago.

Dare

A four-day week!

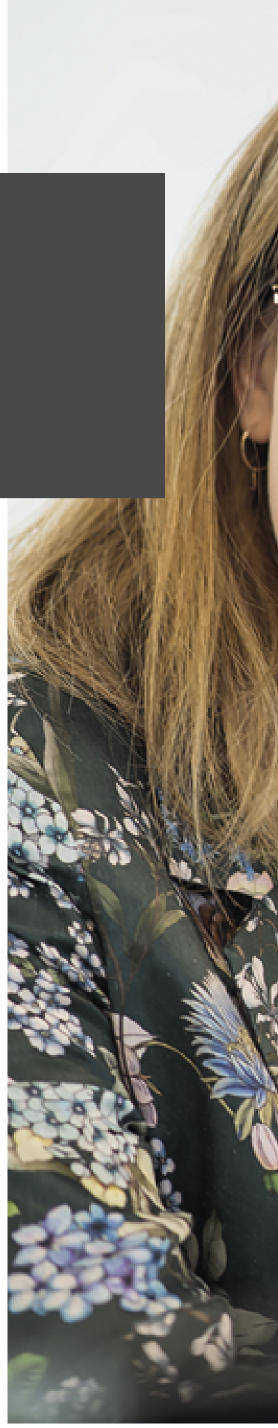
Laurent de la Clergerie's manifesto

Laurent de la Clergerie quickly became the champion of the four-day week in France. He was the first to "dare" to take this step. In addition to his numerous speeches on the subject, he has published a manifesto entitled "Osez la semaine de 4 jours!" ('Dare to adopt the 4-day week!'). The book shares experiences but also invites us to question the role work plays in our lives, the notion of urgency and the right to make mistakes.

"I'm convinced that this new approach to organising working hours is the future. Businesses must lead the way and show that another reality is possible."

Laurent de la Clergerie
Chairman of the Management Board
and Founder of LDLC Group

Always being present to ensure employee well-being



Many factors contribute to well-being at work. Barriers to well-being can arise at any time, even under ideal working conditions. The LDLC Group has created a team of in-house coaches who support employees in their moments of doubt in order to help them feel better at work.

3 questions for
Carole Agullo
In-house coach, horizontal guidance team

What does the support scheme entail?
The scheme was launched around four years ago at Laurent de la Clergerie's initiative. He wanted to create a "resource space" for employees so that they could discuss the difficulties they were encountering with complete freedom and confidentiality. There are three of us coaches who have been promoted internally. We therefore have in-depth knowledge of the LDLC Group. We work full time with no other assignments. The decision made by the management is a bold one, but it is also essential as it allows us to be fully dedicated to coaching.

How does it work?
The scheme is open to all Group employees. They can come to us with any number of problems, from public speaking to a lack of meaning in their work. We then draw up a "contract" to formalise the requirements. After that, we hold one coaching session per month, leaving plenty of room for the employee to express their views and feelings. At the end of the session, we agree on the "tasks" to be carried out over the next month. The idea is to be able to work on the problem outside the sessions. Coaching can last up to ten sessions, but on average employees no longer feel they need it after seven.

How is this different from leadership coaching, for example?
Coaching is not limited to leadership, rather, it is open to any issue that the employee wishes to address. This visionary scheme takes a holistic approach to employee well-being. We look at the problem as a whole, and work with the individual to devise a way forward. Drawing on listening skills and the specific "art of questioning" used in coaching, the individual is gradually able to take a step back and change the way they perceive the situation. We explore a huge range of issues, from self-esteem to appropriate workplace relationships. Over the course of the sessions, we help both the employee and their team, because a team that works well together is first and foremost a group of individuals who feel at ease.

1,155
EMPLOYEES
(GROUP AND SUBSIDIARIES)

93%
ON PERMANENT CONTRACTS
(GROUP AND SUBSIDIARIES)

98%
GENDER EQUALITY INDEX
(GROUPE LDLC ONLY)

LDLC included in the Best Workplaces ranking

With real and innovative commitments to the well-being of its employees, this year LDLC has been included in the list of "Best Workplaces" in France. This ranking recognises the top 100 French companies awarded "Great Place to Work" certification. This is a fine achievement for the Group, which can be proud of its record results.

89%

OF EMPLOYEES STATED THAT THEIR COMPANY IS **A GOOD PLACE TO WORK**

Better distribution of the value created within the company

The LDLC Group has introduced a bold compensation policy, setting the minimum wage at 25% above the legal requirement. While this move supports employees' purchasing power, its main aim is to recognise the vital role each employee plays in creating value for the company by sharing that value more equitably.
Several years ago, the LDLC Group decided to convert the variable components of its compensation into a fixed salary. This primarily affected the sales teams. The aim is to ensure that customer support is based solely on the appropriateness of the advice given.
With greater recognition, the employees are also more committed and productive.

Bringing teams together and strengthening the collective spirit

Mindful of the importance of internal unity, the LDLC Group encourages the creation of shared memories and organises regular events for its teams. In October 2022, after a delay of almost two years due to the health crisis, the Group brought together its employees and partners to celebrate its 25th anniversary. The programme included a spectacular gala evening that featured cultural and sporting performances reflecting the Group's commitments. As part of its annual store convention, LDLC brought together over 70 representatives from its stores in Lyon, who visited the new logistics centre and discussed the 2023 action plan with management.

GETTING INVOLVED OUTSIDE THE COMPANY

Mindful of current challenges, particularly environmental issues, the LDLC Group has adopted a voluntary sponsorship policy. True to its entrepreneurial spirit, LDLC is involved in innovative projects such as Team for the Planet and its corporate foundation. These initiatives are also an essential means of rallying employees together around tangible, meaningful commitments.

Supporting the fight against climate change

Based on its firm belief that enterprise is key to finding innovative solutions to environmental challenges, the LDLC Group joined Team for the Planet (formerly Time for the Planet) in 2021 with an initial contribution of €200,000. The Group stepped up its commitment in 2022 by investing a further €800,000, becoming one of the civic initiative's majority shareholders.

Team for the planet

3 questions for
Mehdi Coly,
Co-founder of
Team for the Planet

Could you briefly describe Team for the Planet (TFTP)?
Team for the Planet is a civic initiative that aims to combat greenhouse gas emissions on a large scale by identifying innovations that will enable us to produce less carbon. We invest in these initiatives, but that's not all: we also help them to structure themselves by recruiting successful entrepreneurs to lead the projects and contribute to strategic decision-making alongside the research team. To ensure the rapid dissemination of these innovations, we use open source licences. We use a crowdfunding model: each share costs €1, making it open and accessible to everyone. We have already raised over €18 million from more than 110,000 individuals and companies, including the LDLC Group.

What does the LDLC Group's participation mean for you?
Laurent and Olivier de la Clergerie placed their trust in us from the very beginning of the adventure, which was incredible. The LDLC Group is considered a visionary in its field, so its investment was a real boost to TFTP's visibility and credibility. It has been a factor in attracting other companies and its participation has also helped to get the message across that we are not a philanthropic project. We are also working to increase the liquidity of investments in TFTP as we don't want to be seen as a donation, but as an investment vehicle with the potential for long-term impact.

How does an investment in TFTP contribute to a company's decarbonisation strategy?
The first step in decarbonising a company is to reduce greenhouse gas emissions as much as possible. However, at some point this process will stall as a company cannot reduce its Scope 3 emissions on its own, which include those of its suppliers. Its only means of action is then to participate in a collective decarbonisation effort such as TFTP.
One of our distinctive features is that we offer a "climate dividend", which provides a very precise measurement of the CO_2 reductions achieved through investment in TFTP. In 2022, we saved or captured over 9,000 tonnes of CO_2, and we're just getting started!

Groupe LDLC Foundation

In 2020, LDLC launched its own corporate foundation under the aegis of Fondation de France. This initiative stands out by encouraging employees to participate in its activities. The issues it addresses - "Environment" and "Education and Family" - were chosen after a vote by the employees.

3 questions for
Mathya Say,
Traffic Manager and
Foundation Ambassador
Groupe LDLC

What does the role of Ambassador entail?
As Ambassadors, we liaise with project leaders to identify their needs and how we can help. We prioritise small-scale, local initiatives where we can have a genuine positive impact. We then present the project to the Foundation's Selection Committee and urge them to support it. If the project is selected, we follow it through to completion.

Why did you decide to get involved?
I have been donating to charities for a number of years now. When the Foundation was established, I saw it as an opportunity to go further. I was immediately drawn to the role of Ambassador as it puts me in direct contact with the charities and at the heart of the projects. With the four-day week, I also had more free time to devote to these projects and the Foundation offered training to help us make the most of our new role.

What have you gained from your involvement?
From a professional standpoint, it helps to give meaning to my work. The Foundation also gives me the opportunity to share ideas with my colleagues in a more informal setting. I sometimes even meet Group employees for the first time there. The Foundation also provides a fresh perspective on issues such as the environment and education, thanks to the charities' "on-the-ground" viewpoint and the in-depth knowledge provided by the two experts who work with us. Lastly, I would like to commend the energy of the ambassadors and project leaders who propose innovative solutions to challenges such as the environment. It's a real dose of optimism!

MiniKidsForest at Lycée Fernaudeau-Cholet

Developed by the Minibigforest association, MiniKidsForests are collaborative mini-forests located in school grounds. The Groupe LDLC Foundation supported the development of the mini-forest at Lycée Fernaudeau-Cholet, located near the Group's logistics site in Nantes. The pupils have been involved in the project from the outset, taking part in the planting and in workshops to raise awareness about forests and biodiversity. They are also involved in maintaining and monitoring the trees (by taking measurements and photographs) over a period of three years.

15	> 20	€200,000
AMBASSADOR EMPLOYEES	PROJECTS SUPPORTED	OF FUNDING (OVER 5 YEARS)

PROMOTING LDLC AND ITS VALUES

LDLC is actively involved in its ecosystem, particularly at the local level, contributing to the cultural and sporting fabric of the Lyon region and sharing its values with civil society. This policy helps promote the Group and the values it holds dear.

LDLC Arena, European cultural and sports centre

In 2021, the LDLC Group joined this ambitious project in the Lyon region through an agreement on the naming of the future venue for a period of eight years following its commissioning. Construction of the LDLC Arena began in January 2022 and is scheduled for completion by the end of 2023. The calendar for 2024 has already been announced and includes shows and concerts featuring international artists, as well as sporting events.

With a maximum capacity of 16,000 people, it will be France's largest event arena outside Paris and is already a European benchmark from a technological and environmental standpoint. This naming partnership is a means of raising the Group's profile in the region and in Europe as a whole. It also forms part of LDLC's long-term commitment to support sport and culture.


©Infinity Nine Media / Ilan Allouche

LDLC ASVEL Féminin: promoting gender diversity through sport

The LDLC Group has increased its support for the LDLC ASVEL Féminin basketball team in order to match its commitment to the LDLC ASVEL men's team. This represents a major step by the Group in favour of gender equality, and one that is all too rare in the world of sport.
LDLC ASVEL Féminin is the first high-level sports club to become a mission-driven company and aims to set a benchmark in terms of civic engagement geared specifically towards the achievements of women.
LDLC ASVEL Féminin will help the LDLC Group achieve its gender balance objectives by assisting with the recruitment of female sales assistants and students to strengthen gender equality in LDLC stores and the LDLC School. The club will also provide LDLC Group teams with training courses on management and gender balance in the workplace.

"Boldness, creativity and perseverance. These are core values that we share with LDLC.
I have no doubt that by working together, we will be able to improve gender equality in sport, business and society."

Marie-Sophie Obama,
Deputy President, LDLC ASVEL Féminin

Ecole LDLC

Launched in 2015 by Laurent de la Clergerie, Ecole LDLC offers an innovative syllabus in terms of both form and content, tailored to the current requirements of digital professions, in order to contribute to the development of the ecosystem and the growth of the French economy.
The school helps students to be agile, versatile, creative, inventive, ingenious, mature and ready to enter the world of work, in order to drive the digital transformation of businesses.
Each year, a wide range of guest speakers and former graduates talk to students about their career paths and professions. In 2022, they discussed WEB 3.0 and the major developments in digital technology: the metaverse, cryptocurrencies and artificial intelligence.

98 GRADUATES SINCE THE SCHOOL WAS FOUNDED

MAIN FINANCIAL INDICATORS

Summary income statement (1 April - 31 March)

€m - audited figures	2022/2023	H1 2022/2023	H2 2022/2023	2021/2022	Change (€m)
	12 months	6 months	6 months	12 months	
Revenues	**567.4**	**253.9**	**313.5**	**684.9**	**-117.5**
Gross margin	**118.2**	**51.0**	**67.2**	**154.3**	**-36.1**
Gross margin rate (%)	20.8%	20.1%	21.4%	22.5%	-1.7 pp
EBITDA[1]	**14.3**	**2.3**	**11.9**	**58.4**	**-44.1**
EBITDA margin (%)	2.5%	0.9%	3.8%	8.5%	-6.0 pp
EBIT	**5.3**	**(2.2)**	**7.5**	**51.0**	**-45.7**
Net income of consolidated companies	**1.5**	**(1.9)**	**3.4**	**36.1**	**-34.6**
Net income, Group share	**1.2**	**(1.9)**	**3.1**	**36.1**	**-34.9**

[1] EBITDA = Operating earnings (EBIT) before goodwill amortisation and impairment + operating depreciation, amortisation and provisions

Key takeaways

- Full-year revenues of €567.4m
- Gross margin rate of 20.8%, close to normalised Group level
- Solid EBITDA of €14.3m
- Net profit of €1.2m, in line with the decline in business

Main balance sheet items (at 31 March)

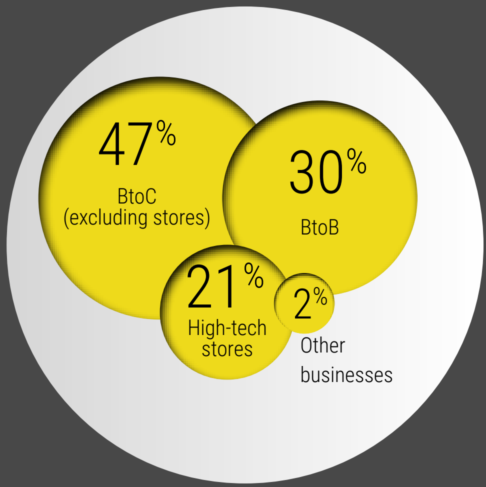
€m - audited figures	2022/2023	2021/2022
Shareholders' equity	118.4	116.7
Net (cash)/debt	(0.1)	(22.8)
Gearing*	(0.01)	(0.19)

*Net debt/equity

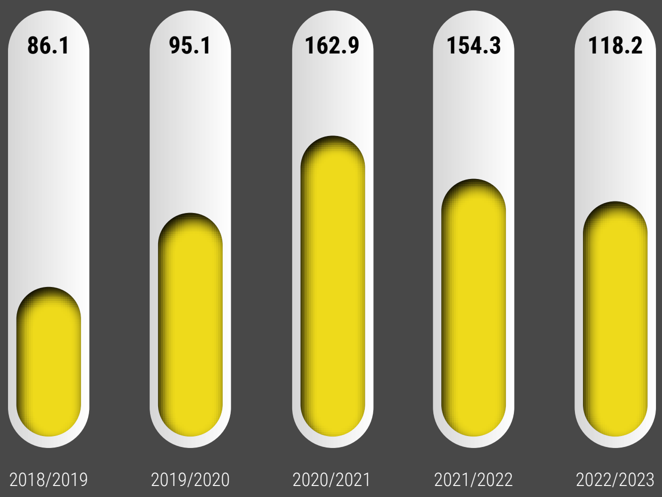
Key takeaways

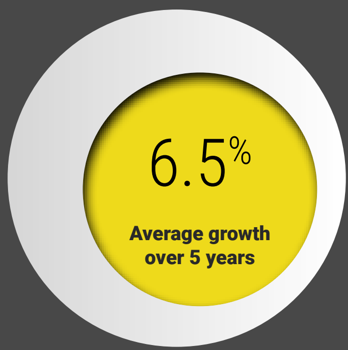
- Net cash at breakeven at 31 March 2023, taking into account the acquisition of the A.C.T.I. MAC Group, finalised on 1 April 2023
- Sound financial position

2022/2023 revenue breakdown
(1 April - 31 March) (€m)

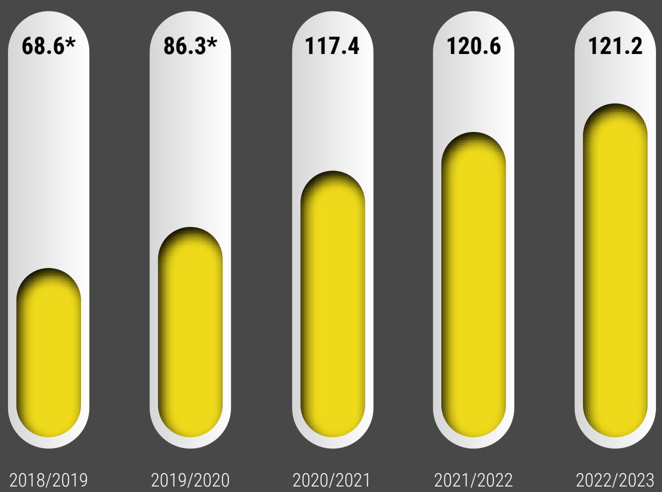


Five-year gross margin growth
(1 April - 31 March) (€m)





5-year store revenues
(1 April - 31 March) (€m)



* Revenues from LDLC stores alone

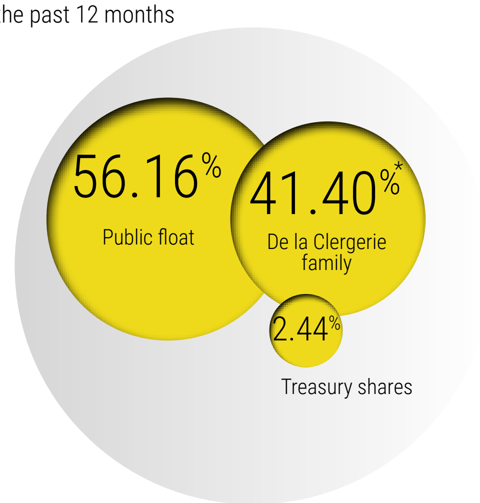
INVESTOR NOTEBOOK

Listing market	**EURONEXT Growth**
ISIN	**FR0000075442 ALLDL**
Number of shares at 14 June 2023	**6,171,776**
Indexes	**CAC All Shares, Enternext PEA-PME 150**
Market capitalisation at 14 June 2023	**€144 million**
Analysts tracking the share	**Gilbert Dupont - Gabriel Santier** **Midcap Partners - Florent Thy-Tine** **Kepler Chevreux - Alessandro Cuglietta**

Investor reporting timetable	**Date**
Q1 2023/2024 revenues	27 July 2023
General Meeting	29 September 2023
Q2 2023/2024 revenues	26 October 2023
H1 2023/2024 results	7 December 2023
Q3 2023/2024 revenues	25 January 2024
Q4 2023/2024 revenues	25 April 2024
2023/2024 full-year results	13 June 2024

18-month stock-market performance
(1 July 2022 - 14 June 2023)

Shareholder breakdown
Based on disclosures made over the past 12 months



Share price at 14 June 2023
€23.3
per share
- 1-year high: €31.15
- 1-year low: €19.32
- 3-year high: €70.5

De la Clergerie family*
Laurent de la Clergerie: 19.80%
Caroline de la Clergerie: 10.18%
Olivier de la Clergerie: 10.16%
Suzanne de la Clergerie: 1.25%

* No action in concert: this segment comprises members of the De la Clergerie family

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UNIVERSAL
REGISTRATION
DOCUMENT
2022/2023

French limited company (*société anonyme*) with a Management Board and Supervisory Board with share capital of €1,110,919.68

Registered office: 2 rue des Erables – CS 21035 – 69578 Limonest CEDEX

RCS Lyon 403 554 181

Universal Registration Document

including the Annual Report

2022/2023 financial year

This document is a free translation into English of the original French "Document d'enregistrement universel", hereafter referred to as the "Universal Registration Document". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

This Universal Registration Document was registered on 12 July 2023 with the French Financial Markets Authority (AMF) acting as the competent authority under Regulation (EU) no. 2017/1129, without prior approval in accordance with Article 9 of this Regulation.

The Universal Registration Document may be used for the purposes of making an offer of securities to the public or admission to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and all amendments made to the Universal Registration Document. All of these documents together are approved by the AMF in accordance with Regulation (EU) no. 2017/1129.

In application of Article 19 of Regulation (EU) no. 2017/1129 dated 14 June 2017, the following information is incorporated by reference into this Universal Registration Document:

- consolidated financial statements for the financial year ended 31 March 2021 prepared under French GAAP, in accordance with CRC regulation 99-02 applicable to the consolidated financial statements of commercial and state-owned companies, and the related statutory auditors' report presented on pages 126-197 of the 2020/2021 Universal Registration Document filed on 12 July 2021 under number D.21-0698;
- consolidated financial statements for the financial year ended 31 March 2022 prepared under French GAAP, in accordance with French Accounting Regulatory Committee regulation ANC 2020-01 applicable to the consolidated financial statements of commercial and state-owned companies, and the related statutory auditors' report presented on pages 128-198 of the 2021/2022 Universal Registration Document filed on 12 July 2022 under number D.22-0636.

The document may be obtained free of charge from the Company's registered office or downloaded from the AMF website (www.amf-france.org) or the Company website (www.groupe-ldlc.com).

SUMMARY

SUMMARY

SUMMARY

SUMMARY

GENERAL COMMENTS

Definitions

Throughout this document, unless stated otherwise:
the terms “**Company**” or “**Groupe LDLC**” refer to Groupe LDLC, a French limited company (*société anonyme*) with a Management Board and Supervisory Board whose registered office is located at 2 rue des Erables CS21035, 69578 Limonest CEDEX, registered in the Lyon Trade and Companies Register under number 403 554 181;
the term “**Group**” refers to the Company and all the companies included within its consolidation scope.

Disclaimer

This Universal Registration Document contains information regarding the Group’s business operations as well as the markets in which it operates. This information is derived from surveys based on internal and external sources (e.g. industry publications, special surveys, information published by market research companies, analyst reports). The Company believes that, at the date of this report, this information provides a true and fair view of its main market and competitive positioning on this market. However, this information has not been verified by an independent expert and the Group cannot guarantee that a third party using different methods to collate, analyse or calculate market data would obtain the same results.

Forward-looking information

This Universal Registration Document also includes information on Group objectives and development priorities. This information may be presented via the use of the future tense, conditional mood and forward-looking expressions such as “estimate”, “consider”, “aim to”, “expect”, “intend”, “should”, “wish”, “may” or any other variant or similar term. Please note that these objectives and development priorities do not represent historical data and must not be taken as a guarantee that the events and figures presented will transpire, that assumptions will be confirmed or that targets will be met. This concerns objectives which, by nature, may not be achieved. Furthermore, the information presented in this document may prove incorrect, in which case the Group will be under no obligation whatsoever to update the report, unless so required by applicable regulations.

Risk factors

Investors are also invited to consider the risk factors set out in Section 3 “Risk factors” of this document before making any investment decisions. The occurrence of some or all of these risks could have an adverse impact on the Group’s business, situation, financial performance or targets.

CHAPTER 1 • PERSONS RESPONSIBLE, INFORMATION OBTAINED FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL BY THE COMPETENT AUTHORITY

1.1. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Groupe LDLC is a French limited company (*société anonyme*) with a Management Board and Supervisory Board Registered office: 2 rue des Erables – CS 21035 – 69578 Limonest CEDEX

1.2. DECLARATION OF THE PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE UNIVERSAL REGISTRATION DOCUMENT

I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and provide a true and fair view of the assets and liabilities, financial position and earnings of the Company and all of the companies included in the consolidation scope, and that the management report set out on pages 27-247 of this document provides a fair presentation of the business performance, earnings and financial position of the Company and all of the companies included in the consolidation scope and describes the main risks and uncertainties to which they are exposed.

12 July 2023

Groupe LDLC

Represented by
Olivier Villemonte de la Clergerie,
CEO

CHAPTER 2 • STATUTORY AUDITORS

2.1. REGULAR STATUTORY AUDITORS

Cap Office, represented by Rémi Charnay,
26 rue Berjon – 69009 Lyon – France.

Date of reappointment: 28 September 2018

Term of office: 6 years

Expiry of term of office: end of Annual General Meeting called to approve the financial statements for the year ending 31 March 2024

Cap Office is a member of the Lyon Regional Institute of Statutory Auditors.

Mazars represented by Séverine Hervet, 109 rue Tête d'Or – CS10363 – 69451 Lyon – France.

Date of appointment: 27 September 2019

Term of office: 6 years

Expiry of term of office: end of Annual General Meeting called to approve the financial statements for the year ending 31 March 2025

Mazars is a member of the Lyon Regional Institute of Statutory Auditors.

2.2. ALTERNATE STATUTORY AUDITORS

Johan Azalbert, 26 boulevard Saint-Roch – 84000 Avignon – France

Date of appointment: 30 March 2023

Term of office: Johan Azalbert was appointed by the Ordinary General Meeting of 30 March 2023 to replace Fabrice Goenaga, the company's joint alternate statutory auditor, who resigned upon the termination of his professional activity, for the remainder of the latter's term of office.

Expiry of term of office: end of Annual General Meeting called to approve the financial statements for the year ending 31 March 2024

Johan Azalbert is a member of the Montpellier-Nîmes Regional Institute of Statutory Auditors.

Frédéric Maurel, 109 rue Tête d'Or – CS10363 – 69451 Lyon – France.

Date of appointment: 27 September 2019

Term of office: 6 years

Expiry of term of office: end of Annual General Meeting called to approve the financial statements for the year ending 31 March 2025

Frédéric Maurel is a member of the Lyon Regional Institute of Statutory Auditors.

CHAPTER 3 • RISK FACTORS

The Company operates in an environment involving risks that are beyond its control.

Investors are encouraged to take all information contained in this Universal Registration Document into account before deciding to acquire or subscribe for Company shares, including the risk factors specific to the Company described in this section.

Nevertheless, investors' attention is drawn to the fact that the list of risks described below is not exhaustive. Other risks or uncertainties that are unknown or that the Company does not consider, at the date of registration of this document, as likely to have a material adverse impact on the Group, its business, financial position, earnings or outlook, may exist and could become important factors that could have a material adverse impact on the Group, its business, financial position, earnings, growth or outlook.

In preparing this Universal Registration Document, the Company carried out a review of the major risks that are specific to it and that may have a material adverse impact on its business, financial position, earnings or ability to meet its targets. At the date on which this Universal Registration Document was filed, the Company has assessed the materiality of the risk factors in terms of their likelihood of occurrence and the extent of their adverse impact, making allowance for risk management policies implemented. These policies cannot provide complete assurance that these risks will be contained.

The Company has classified these risks into four categories below, with no order of precedence implied. However, within each category, the most material risks arising from the Company's assessment are first presented in terms of the level of adverse impact they would have on the Company and their estimated likelihood of occurrence, in descending order, at the date on which the Universal Registration Document was filed.

Material and specific risks to which the Group considers it is exposed		Net criticality
Group business risks	Customer, supplier and product risks	High
	Market risks	Moderate
	Technology and security risks	Moderate
Financial risks	Goods warranty risks	Moderate
	Currency risks	Moderate
	Liquidity risks	Moderate
	Interest rate risks	Moderate
Legal, regulatory and litigation risks	Risks related to regulations and regulatory changes	Moderate
	Litigation risks	Moderate
	Risks related to intellectual property	Moderate
Claims risks	Risks relating to inventories and transport	Moderate

Where possible, the Company has also provided quantitative information on the materiality of the risk factor.

3.1. GROUP BUSINESS RISKS

3.1.1. Customer, supplier and product risks

3.1.1.1. Risks related to operations and trade receivables

The Group operates in an uncertain geopolitical environment, where trade tensions, such as those that may exist with Asia, are increasingly significant. Although the Group carries out most of its activities as a specialist retailer in France, the value chain (i.e. product sourcing and listing) remains on a global scale, mainly due to the high concentration of high-tech equipment manufacturers abroad.

The direct and indirect consequences of instability in the political, economic and regulatory environment in which the Group operates, along with a further deterioration in global trade relations, could therefore have a material adverse impact on the Group's business, financial position, earnings, growth and outlook.

In this respect, the war in Ukraine and the resulting international economic sanctions are sources of uncertainty, particularly in terms of their impact on global trade (such as a significant rise in the price of raw materials and/or energy), even though the Group has no stores in the area of conflict between Russia and Ukraine as at the date of this Universal Registration Document.

The Group is also likely to be exposed to the risk of default, notably due to the characteristics of the individual consumer market in which it operates, which generates a large number of small receivables which may be difficult to recover individually.

A customer follow-up department has been set up in order to minimise the risk of default, although this risk is fairly limited due to the nature of the Group's customer base, given that around 70% of its revenues come from individual customers, who tend to pay at the time of order shipment.

The number of cases of fraud was limited to less than 1 per 1,000 over the financial year (500 online payment rejections among almost 750,000 transactions).

In the interests of continuously improving protection against this risk, the Group has also introduced an internal control system designed to check orders before they are approved, as well as a procedure for continuous improvement.

Moreover, the Group frequently uses a credit insurance firm in order to minimise credit risk from business customers. Nevertheless, the development of its BtoB and franchising businesses could lead to exposure to this risk, which could affect the Group's financial position. The risk remains under control and has been considerably limited thanks to internal procedures.

Note 2.4.2 to the consolidated financial statements provides further information on trade receivables risk.

A significant increase in unpaid receivables could have a direct or indirect material adverse impact on the Group's business, financial position, earnings, growth and outlook.

Finally, the Group is developing new activities, particularly in relation to video games and research and development projects (Nemeio, Solaari, etc.). However, these new business lines are different from the core business and the Group is required to assume a higher level of risk in these areas, as it needs to acquire new expertise and build strong positions in a new sector, which could lead to higher losses during the initial investment period. More generally, there is always an inherent uncertainty in the achievement of objectives, the operating budget and the financing plan, which may be greater in the new businesses being developed by the Group.

3.1.1.2. Supplier risks

The Group has a broad panel of suppliers, most of which are wholesalers. The Group is not materially dependent on one particular supplier. On the other hand, the Group may choose to confer preferential status on a partner that offers the most advantageous commercial conditions in terms of price, lead times, quality, etc.

The Group is careful to maintain or increase the diversification of its sources of supply and transport in the face of component shortages; in any event, the Group takes into account the market environment.

The Group's market is influenced to a certain extent by trends. In this respect, any supply problems encountered by the Group will be shared by its competitors. Given the volumes of its orders, which have increased since the acquisition of Materiel.net and TopAchat, and its status as the leading high-tech seller in France, the Group has a significant position vis-à-vis its suppliers.

In the financial year ended 31 March 2023, the LDLC Group's main supplier accounted for around 17% of Group procurement, while the top ten suppliers accounted for around 60%.

One or more geopolitical issues, restrictive economic and/or commercial measures, health measures imposed by an authority, deterioration in the Group's relations with its main suppliers, tightening of supplier conditions, supplier difficulties meeting contractual commitments, particularly with regard to production, product quality, volumes or lead times, and non-renewal or early termination of the Group's main contracts for the supply of goods or services, could have a material adverse impact on the Group's business, financial position, earnings, growth, outlook and ability to ensure deliveries and sales to its end customers, particularly in the context of stockouts or increases in manufacturing or transport costs.

3.1.2. Market risks

3.1.2.1. Risks related to changes in the economic environment and consumer behaviour

The current economic environment is impacting household purchases of high-tech equipment, which was one of the most buoyant sectors with consumers during the health crisis. That said, fluctuations in the US dollar or in prices of components such as memory chips, graphics cards or processors, which may vary considerably in accordance with cyclical trends, are important factors in the high-tech sector. They can lead to a slowdown in Group business, as we have seen in the past. Furthermore, all products, including those purchased in euros, are impacted at some time or other by changes in US dollar exchange rates. The Company manages this sales risk via its ability to quickly adjust its selling prices to current market conditions, as well as by adjusting inventory levels wherever necessary, thus spreading the impact of currency fluctuations over time.

The Group has introduced stock rotation analysis tools in order to optimise management of supplies and inventories (see Note 2.4.1.2 to the consolidated financial statements).

Following a period of strong demand in 2020 and 2021 driven by the boom in remote working, the digitisation of business and increased use of PCs by households in the wake of the COVID-19 pandemic, the slowdown in consumer spending due in particular to expectations of a global recession, rising inflation and higher interest rates all had an adverse impact on the Group's business (see section 5.2).

A sustained downward trend in demand for high-tech equipment would have an adverse impact on the Group's business, financial position and earnings.

The Group therefore remains vigilant and periodically reassesses, with the utmost attention, the evolution of the situation and its impact on its operations and earnings.

Should one or more of these events occur, the Group may suffer a direct or indirect material adverse impact on its business, financial position, earnings, growth and outlook.

3.1.2.2. Franchising risks

The success of the retail chains is partly based on the high level of awareness and good reputation of our brands among consumers. The Group is actively pursuing marketing initiatives to develop its reputation in this regard.

At 31 March 2023, the Group had 81 LDLC stores, including 51 franchises, located all over France, plus 8 Materiel.net concept stores and 15 LDLC Apple Premium Reseller stores.

To maintain the Group's image, franchises are selected according to a rigorous set of criteria, while training in management, sales, customer service etc. is provided during the store set-up process (see Section 5.1.1 for more information on the Group's franchise operations).

Practices that fail to comply with regulations or Group standards and values could have a direct or indirect material adverse impact on the Group's business, financial position, earnings, growth, outlook and reputation.

For this reason, a dedicated unit for monitoring and supporting franchises has been set up. This system helps the Group ensure smooth contractual relations and compliance with all requirements applicable to franchises, including level of service and brand image quality.

3.1.2.3. Risks related to acquisitions, disposals and other external growth transactions

For several years, the LDLC Group has pursued a specialist multi-brand, multi-channel retailer strategy currently targeted at both BtoC and BtoB markets. The Group's growth has been marked by a number of key milestones: the creation of a store chain (brand stores and franchises), developing the BtoB offering (launch of LDLC.pro website in 2015) and increasing market share through acquisitions including main competitor Materiel.net, the Olys group (a Premium Apple Reseller), the TopAchat business in April 2020 and the A.C.T.I. MAC Group on 1 April 2023.

The Group has completed external growth transactions and could continue to do so, under any legal terms and conditions, in particular via acquisitions of businesses or companies or mergers of different sizes, some of which could be material in relation to the size of the Group.

Such transactions entail a number of risks, including the following: (i) the assumptions underlying the business plans used for the valuation of the target entities may turn out to be inaccurate, in particular regarding synergies and sales demand; (ii) the Group could fail to successfully integrate the acquired or merged companies, their technology, product ranges and employees; (iii) the Group may be unable to retain specific employees, customers or key suppliers of the acquired companies; (iv) the Group may be obliged or may decide to terminate pre-existing contractual relations, under costly and/or unfavourable financial conditions; (v) the Group may have to increase its debt in order to finance such external growth transactions; (vi) the Group may be required to seek contributions from one or more investors via the issuance of new shares or securities without shareholder preferential subscription rights in order to finance some or all of the corresponding requirements, leading to further dilution of shareholders' equity interests; (vii) the Group may be required to dispose of businesses or limit the growth of specific businesses in order to obtain the authorisations required for the completion of the transactions, in particular with regard to competition regulations.

In addition, accelerating the expansion of its store chain by opening new brand stores or franchises could involve risks, including the following: (i) increased investments and store opening/closing costs; (ii) unfavourable contractual terms for the Group, with immediate or long-term effects; (iii) failure to achieve the store revenue and earnings budgets; (iv) recognition of non-recurring expenses related to unforeseeable events (destruction, store upgrading work, etc.), for example.

Should one or more of these events occur, the Group may suffer a direct or indirect material adverse impact on its business, financial position, earnings, growth and outlook.

3.1.2.4. Competitive risks

The LDLC Group's niche positioning as a specialised retailer enables it to significantly minimise competitive risks compared to generalist retailers, who do not offer the same degree of expertise or depth of product catalogue. The last few years have seen a trend towards concentration together with the disappearance of a number of online sellers of IT and electronic equipment, mainly due to the takeover of brands by traditional retailers. The LDLC Group jumped on this bandwagon by purchasing the entire share capital of its main competitor, Domisys (a Materiel.net brand), in March 2016. The Olys acquisition in January 2018 further strengthened the LDLC's Group positioning as high-tech specialist, in particular in the Apple BtoB sector. The acquisition of the TopAchat business on 10 April 2020 enabled the Group to add a long-standing high-tech brand to its catalogue in order to pursue its development.

However, intensification in the competitive landscape could have a material adverse impact on the Group's image, revenues, earnings, financial position, market share and outlook.

3.1.3. Technology and security risks

The Group's websites are administered by the Company at specialised data centres responsible for maintenance and security. Measures implemented include cyber-attack protection systems (anti-virus programmes, firewall), data back-up systems, duplicate IT systems in case of equipment failure and a secure payment system offered by our service provider partners.

A weakness or failure of these systems could disrupt the normal functioning of operations with potential material impacts on commercial and financial performances, particularly regarding websites, order and payment systems, especially during peak business periods such as the end of the calendar year.

Similarly, the Group could be subject to cyber-attacks on its online stores and its databases could be corrupted. The Group could also be subject to malicious acts through unauthorised access, particularly due to insufficient security of our access to IT systems and networks. Employees and customers could be subject to phishing attacks, which could result in unlawful data capture.

Finally, in the course of its day-to-day business and strategic development, the Group processes and stores key information that could be subject to malicious use. The Group must therefore ensure that confidential information is managed in a controlled manner at all times.

Should one or more of these events occur, the Group may suffer a direct or indirect material adverse impact on its business, financial position, earnings, growth and outlook.

3.2. FINANCIAL RISKS

3.2.1. Goods warranty risk

As an e-commerce retailer, besides the general requirements applicable to all sellers, particularly on a BtoC market, the Group is required to comply with specific regulations arising from consumer protection and e-commerce laws. As such, the French Consumer Code provides for a specific warranty in cases of product non-conformity, including products purchased online.

Furthermore, since 27 April 2023, the Company has offered a free three-year warranty on the entire LDLC catalogue, with the exception of consumables (cartridges, toners, etc.), second-hand products and products offered by seller-partners on our marketplace, which are nonetheless covered by the legal warranty.

Compliance with regulations for Group products is an important factor for which insufficient consideration may have an adverse impact on the Group's reputation, operations and financial performance, in addition to legal consequences.

3.2.2. Currency risk

The Group generates most of its sales in euros. However, it purchases a significant amount of goods in USD. These purchases are the main source of transactional currency risk to which the Group is exposed.

Exchange rate fluctuations are a competitive issue requiring expert management. The Group's currency risk policy is based on minimising the risk through pricing policies and by protecting gross margins. Due to exchange rate fluctuations, the Group is constantly obliged to adapt its pricing policy and therefore revise its selling prices. The Group may also use currency futures to hedge part of its dollar purchases.

See Note 2.4.1.1 to the consolidated financial statements for further details on currency risks.

3.2.3. Liquidity risk

The Group keeps close track of liquidity risk via periodic financial reporting.

Notes 2.4.4, 3.10, 3.11 and 3.14 to the consolidated financial statements for the year ended 31 March 2023 provide further details on exposure to liquidity risk. See Section 8.1 and, more specifically, the breakdown of the Group's debt maturities at 31 March 2023.

You will find below a summary of the Group's cash and debt position at 31 March 2022 and 2023:bv

€000	**31/03/2023**	**31/03/2022**
Gross borrowings	43,199	21,328
Cash and cash equivalents	43,320	44,095
Net cash/(debt)	122	22,768

Summary of borrowings by due date at 31 March 2023:

€000	**Principal outstanding**	**Due in < 1 year**	**Due in 1-5 years**	**Due in > 5 years**
Loans	42,780	8,624	28,049	6,107
Finance leases	0	0	0	0
Total	**42,780**	**8,624**	**28,049**	**6,107**

The Company carried out a specific review of its liquidity risk and considers that it is able to meet its liabilities as they fall due over the 12 months following the filing of this document.

Note 3.14 to the consolidated financial statements for the year ended 31 March 2023 sets out the terms and conditions of all Group financing lines.

Cash pooling

In March 2017, the Company signed a cash pooling agreement with all of its subsidiaries for a one-year term tacitly renewable for further one-year periods. New subsidiaries are integrated one by one into this agreement. This agreement is intended to centralise Group cash management in order to coordinate and optimise use of surplus cash and coverage of cash requirements as assessed globally across the Group.

3.2.4. Interest rate risk

The Group uses loans to finance its growth and capital expenditure policy.

At 31 March 2023, no sensitivity tests were carried out given that the Group had no outstanding floating-rate borrowings.

See Notes 2.4.4, 3.14 and 3.16 to the consolidated financial statements for the year ended 31 March 2023 for details on interest rate risks.

3.3. LEGAL, REGULATORY AND LITIGATION RISKS

3.3.1. Risk related to regulations and regulatory changes

Across the broad spectrum of its operations, the Group is subject to various regulatory requirements in areas such as digital law, urban planning, establishments open to the public, logistics, consumer law and data protection. The Group must keep track of developments in these areas in order to maintain compliance.

The opening and extension of stores may require administrative permit procedures due to changes in regulations.

The Group is also affected by frequent changes in distance selling regulations related to new practices (cooling-off period, mediation, remote payment), besides the requirements of the French Data Protection Act concerning customer personal data and the implementation of the European General Data Protection Regulation (GDPR).

As a result of its retail activities, both in stores and online, the Group is subject to changes in the legal and regulatory environment in the countries in which it operates. In particular, the Group's activities are subject to controls, inspections and regulations relating to consumer protection, competition, e-commerce, contractual warranties granted to customers and the safety and accessibility of its stores. The Group's activities are also impacted by environmental regulations, which may have an effect on the products distributed by its retail chains, the organisation of customer service, the methods and costs of transporting the products distributed or the costs incurred by our retail chains for renting commercial premises.

Compliance with these regulations may result in an adverse material impact on the Group's business (in particular a decrease in prices, lower margin, loss of market share), financial position, earnings, growth and outlook.

In addition, financial sanctions and/or the publication of such sanctions may be imposed on the Group, should the Group's attempts at compliance be deemed insufficient, which could have a direct or indirect material adverse impact on the Group's business, financial position, earnings, growth and outlook.

Regulations are monitored and taken into account by senior management with support from the Group's adviser network. Mandatory in-house training on our obligations is provided in person or via e-learning modules.

3.3.2. Litigation risks

The Group may regularly be the subject of disputes and complaints, or be involved in a dispute, arbitration or other legal proceedings.

Disputes are managed by various Group departments in cooperation with law firms.

In the event of claims made against the Group by one or more of its contractual counterparties or any other interested party, such claims, whatever their foundation, may adversely impact the Group's business, operating earnings and outlook.

To the Group's knowledge, there are no pending government, judicial or arbitration proceedings to which the Group is party liable to have or that have had, over the past 12 months, a material impact on its financial position.

It is not possible to guarantee that proceedings will not be initiated against any of the Group's entities in the future. If the outcome of such proceedings is unfavourable, they could have an adverse impact on the Group's business, financial position, operating earnings and outlook.

3.3.3. Risk related to intellectual property

The Group owns various trademarks registered in France or in the countries where the Group markets or is liable to market such trademarks. A clearance search is performed to check the availability of all trademarks and domain names. Given the individual circumstances, such searches cannot eliminate the risk of objections emanating from third-party holders of rights to similar signs.

The Group periodically checks compliance and monitors its intellectual property rights and the assets required for its operations. These checks also afford protection against the risk of intellectual property infringement by third parties.

All proprietary software is a key asset for the Group. The Group's ability to deal with periodic increases in volume is determined by this software's capacity for development and suitability to the Group's operations.

The trademarks, expertise and other intellectual property and copyright titles exploited by the Group are particularly important to its business. Any infringement of its rights by third parties could have adverse consequences for its business and reputation. However, although the Group strives for constant protection of its rights, it cannot guarantee that the steps taken to protect its intellectual and industrial property rights will be effective, or that third parties will not infringe, misappropriate or obtain the annulment of its intellectual and industrial property rights.

Should one or more of these events occur, the Group may suffer a direct or indirect material adverse impact on its business, financial position, earnings, growth and outlook.

3.4. CLAIMS RISKS

3.4.1. Risks relating to inventories and transport

The three types of risk related to inventories are destruction by fire, stockout of specific products and inventory shrinkage due to theft or breakage.

Fire risk is the major risk faced by the Group, as inventory destruction would lead to suspension of deliveries. Besides taking out fully comprehensive business insurance policies, the Company has adopted a proactive risk prevention policy with regard to inventories and inventory shrinkage, by implementing appropriate systems and measures: CCTV systems, alarms, detectors and extinguishers to protect against the significant risk of fire and risks of theft and breakage.

Furthermore, this risk has been minimised since the acquisition of Materiel.net given that, if a problem occurred at one of the Group's two logistics centres, the other centre would be able to cover all delivery requirements. The Group now has two centres, located in Saint-Quentin-Fallavier (Isère) and Nantes (Loire-Atlantique), representing 46,000 m^2 of warehouse space.

To minimise stockouts, the Group has installed powerful dedicated inventory management software. The only stockouts affecting the Group are those experienced by its component suppliers.

With regard to transportation, the Group has diversified its carriers, using both the French postal service and private transport companies, thereby mitigating the risks related to industrial action. The real risks would arise from extreme weather conditions (snow, rain) preventing delivery. However, now that the Group has two main logistics centres located in Lyon and Nantes, it has the capacity to deal with this risk.

The emergence of difficulties in managing logistics platforms, over/underestimation of customer demand by the Group or supply chain disruption, even temporary, could hamper the Group's ability to manage this risk. To address this risk, respond to an increase in business and support the rapid expansion of the store chain, the Group has invested in a new warehouse to replace its historical site at Saint-Quentin-Fallavier (Isère), which was reaching saturation point.

This new platform, also located in Saint-Quentin-Fallavier, has an optimised storage area of around 28,000 m^2. Featuring the most advanced technology, better use of height and narrower aisles, it has triple the storage capacity of the old site (15,000 pallets) and is largely automated for low-volume products.

In addition to the risks associated with the operational management of its inventories, the Group is also exposed to the risk of product inventory obsolescence. This risk arises from the discrepancy that may occur between product supplies ordered from suppliers and insufficient customer demand. The short lifespan of certain products requires the Group to carefully monitor its inventories.

Should one or more of these events occur, the Group may suffer a direct or indirect material adverse impact on its business, financial position, earnings, growth and outlook.

3.4.2. Policy regarding insurance

The Group's policy on insurance is mainly based on identifying insurable risks through periodic reviews of existing and emerging risks conducted, in close cooperation, by the operating departments, Group senior management and insurance brokers.

The policy is geared towards maintaining or enhancing protection of Group assets, customers and employees whilst keeping costs under tight control.

The Group centralises its policy on insurance in order to guarantee consistency, pool insurance cover and capitalise on economies of scale, insofar as regulations and operating constraints allow. All new companies created are covered right from the outset under the Group insurance programme, under the same terms and conditions applicable to other Group companies.

All insurance policies are contracted with insurers that have the capacity to assume their cover obligations. In general, insurance policies are revised every three years on average.

Liability insurance

The Group has insured a number of its business activities by covering operating liability pre-delivery up to €10 million and post-delivery up to €3 million per claim, plus professional liability up to €500,000 per insurance year.

Comprehensive business insurance

The Group insures all its premises against damage to property and consecutive business interruption resulting from the usual risks including fire, flood and theft, subject to a policy limit of €130 million per claim.

Comprehensive environmental liability insurance

The Group is also insured against environmental risks including civil liability for harm to the environment, environmental liability, site clean-up costs and insured damage prevention costs, subject to a policy limit of €5 million per claim and per annum.

Directors' and officers' liability

The Group has taken out a D&O liability policy with a cover limit of €5 million per insurance year. This policy covers civil liability, defence costs and other extensions of cover.

Key personnel

The Group has taken out a policy covering death and permanent and total disability for Laurent Villemonte de la Clergerie and Olivier Villemonte de la Clergerie.

Goods transport

The Group transport insurance policy covers damage to goods during transportation by professional carriers, whether by air, sea, rail, road or any other means of transport. Transport risks are covered up to €600,000 per incident.

CHAPTER 4 • INFORMATION REGARDING THE ISSUER

4.1. COMPANY NAME AND TRADING NAME

The company name is: Groupe LDLC.

The Company owns the following trade names: FRE – Multi Expeditions – SOLAARI – Hardware.fr – TopAchat – Materiel.net

4.2. PLACE AND NUMBER OF REGISTRATION

The Company is registered in the Lyon Trade and Companies Register under the single identification number 403 554 181.

The Company LEI code is: 969500DJ67NWWO3OJ977.

4.3. DATE AND TERM OF INCORPORATION

The Company was registered in the Lyon Trade and Companies Register on 25 January 1996 for a term of 99 years ending on 25 January 2095 unless wound up early or extended.

4.4. COMPANY REGISTERED OFFICE, LEGAL FORM, GOVERNING LAW AND WEBSITE

The Company's registered office is located at: 2 rue des Erables – CS21035 – 69578 Limonest CEDEX.

Telephone number: +33 (0)4 72 52 37 77.

The Company is a French limited company (*société anonyme*) with a Management Board and Supervisory Board governed by French law.

Website: www.groupe-ldlc.com

We draw the reader's attention to the fact that, unless otherwise provided in this Universal Registration Document, the information featured on this website does not form part of this document.

CHAPTER 5 • BUSINESS OVERVIEW

5.1. MAIN BUSINESS ACTIVITIES

5.1.1. Mission and positioning

Since its foundation in 1996, the LDLC Group has established itself as one of the pioneers of e-commerce in France. Bolstered by the numerous awards it has won for the excellence of its customer relations and the recognition it has earned through the efficiency of its integrated logistics platform, the LDLC Group has become the No. 1 online IT and high-tech equipment retailer by endeavouring to cater for the growing demand for state-of-the-art technology amongst individual consumers and professionals alike.

The LDLC Group operates via 15 retail chains and runs 7 online stores, covering a huge segment of the IT and high-tech market as well as the related area of childcare products. Since 2013, the Group has been developing a chain of brand stores and franchises to cover its core market. At 31 March 2023, the LDLC Group had 104 high-tech stores in France, including 81 LDLC stores.

At 31 March 2023, the Group headcount was around 1,150 employees.

The LDLC Group offering can be divided into three segments: individual consumers (BtoC), professionals (BtoB) and related businesses.

The LDLC Group operates mainly in France and also in nearby French-speaking countries including Belgium, Luxembourg and Switzerland. The Group has also set up an e-commerce website for Spain and, more recently, Italy. In 2021, the Group launched an English version of the LDLC website to reach a wider European customer base.

1. BtoC online business

LDLC.com is the leader in the online high-tech market (management estimate). It offers a catalogue of over 30,000 products spanning over 730 active IT brands, including a range of LDLC own brand products. The product offering includes computer, audio, telephone, photo and video equipment.

Materiel.net was founded in 1999 and joined the LDLC Group in 2016. Also a specialist in online retail of high-tech products, like LDLC.com Materiel.net has a sterling reputation and currently boasts a catalogue of over 14,000 products, focusing more on high-end products.

TopAchat was founded in 1999. Purchased by Rue du Commerce (Carrefour group) in 2009, the TopAchat business was acquired by Groupe LDLC in April 2020. The TopAchat website is a pioneering online retailer of mass market IT hardware and electronics in France and enjoys a strong reputation among buffs and geeks eager to control their budget.

L'Armoire de Bébé is an online boutique created in 2015 and specialising in childcare products. It offers a comprehensive range of baby clothing and accessories, with over 8,600 product references and 250 rigorously selected brands. After the opening of the first store in the Lyon region (April 2018) followed by a second in the Paris region (July 2020), the Group stepped up the expansion of the store chain since 2021 with five openings during the 2021/2022 financial year and two new stores in Avignon and Paris during the 2022/2023 financial year. Accordingly, at 31 March 2023, L'Armoire de Bébé had nine physical stores.

Shop.Hardware.com markets desktops and laptops, components (processors, memory chips, etc.), devices (monitors, printers, etc.) and everything you need to set up your own home network (modems, PLC components, etc.). This website leverages the reputation of Hardware.fr, a French hardware information provider which offers feedback and forums to guide visitors in their choice of computer equipment.

Its BtoC division employs 60 advisers committed to serving customers.

2. BtoB business

Unlike many of its competitors, in particular generalist suppliers, the LDLC Group's specialist positioning has enabled it to set up a website and services specifically geared to professionals.

Offering everything from the simplest to the most sophisticated hardware components, www.ldlc.pro has rapidly become a trusted partner of companies, government agencies, educational establishments, local authorities and resellers. Acutely aware of businesses' technical and financial requirements, as well as the opportunities for companies able to guide them through their technical choices, the LDLC Group took the decision to step up the development of its BtoB offering. Around 100 sales engineers are ready to listen to the needs of small and medium-sized businesses and propose tailored solutions. Some 78,000 LDLC.pro customer accounts have placed orders over the last three years, and around 15,000 new accounts were created in 2022/2023.

DLP Connect provides an additional service to professionals by offering solutions in the field of electrical equipment and installations, including electrical systems, computer networks, CCTV and home automation.

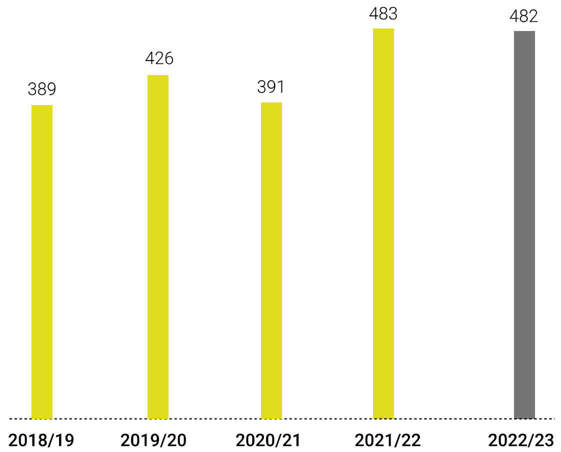
Acquired in 2016, the BIMP Apple Premium Reseller network, renamed LDLC Apple Premium Reseller in December 2021, offers IT solutions for individuals and professionals on macOS, Windows and mobile platforms.

At the end of 2022, to further enhance its offering and positioning in the BtoB segment, the LDLC Group announced plans to acquire the A.C.T.I. MAC Group, which offers a comprehensive range of services for professionals, as well as five branches, including three Apple Premium Reseller stores in France. With around 60 employees, the A.C.T.I. MAC Group posted revenues of around €42 million in its last financial year. The acquisition was completed at the beginning of the 2023/2024 financial year.

331,000 new customer accounts (BtoB and BtoC) were created in 2022/2023.

Changes in average basket size (BtoB and BtoC) over a 5-year period

(€ excl. VAT)



3. Related businesses

Anikop is a software publisher and the leading French provider of solutions for processing prepaid gift, holiday and restaurant vouchers. An LDLC Group subsidiary, Anikop has maintained a substantial lead over its competitors thanks to its custom-developed image recognition technology.

LDLC Event is a communication agency specialising in e-sports that provides its customers with expertise, responsiveness and versatility in brand management, Pro Gamer team management and community-targeted programmes gained from seven years of professional experience in e-sports. In May 2023, the LDLC Group announced LDLC Event's withdrawal from the e-sports scene and the cessation of its operations in this sector as of the end of July.

LDLC VR Studio is a virtual reality video game design studio set up in 2020. The studio targets virtual reality facility owners and plans to offer immersive experiences on the borderline between dream and reality. The studio's first creation is called "*Catch The Dragon*." The VR game catalogue has been expanded with Mission NAR-6, Rune Tales: The Citadel, and Rune Tales: Underground.

LDLC VR Experience is a virtual reality gaming room launched by the LDLC Group in June 2021. Located in Dardilly, near Lyon, the new 300 m² complex welcomes all VR enthusiasts for immersive "Pod" and "Free Roaming" virtual reality experiences.

4. Chain of franchises and brand stores

Confident in the effectiveness of its omnichannel retail model comprising a chain of franchises and brand stores, LDLC gives customers the chance to discover up to 2,000 of the products featured in its web catalogue, including computers, smartphones, tablets and other game accessories.

The LDLC store concept

LDLC stores are designed to act as a technology showcase for the brand. They offer a top value-for-money selection of expertly designed IT and high-tech products and services.

In addition to the high quality of the products on offer, LDLC stores are reputed for their level of service: good advice, diagnostics, a comprehensive hardware repair service, quick assembly, computer customisation, etc.

Sales space | **Workshop/Reserve storage area** | **Services** Services Advice, assembly, customer service, Click and Collect, collection point | **Location** Large towns and cities

LDLC franchises

The franchises purchase their stocks from the central LDLC purchasing department and pay a fee amounting to 4% of their sales (3% for use of the trademark and 1% for communications) in addition to a €37,350 entry fee (including start-up support).

To ensure adherence to its high standards of service, the Group provides a 25-day training course for franchisees located on LDLC premises and run by a special in-house team. The franchisee is then supported at all stages of development. Target revenues depend on the size of the store and generally range from €1.5 to 2.5 million excluding VAT.

LDLC franchisees are selected primarily according to the following five criteria:
- Commercial mindset: a good feel for customer service is essential.
- An interest in the world of high-tech: if you know the product well, you will find it easier to sell.
- Management skills: each store is a business - as such, you must know how to manage your purchases, sales, etc.
- Entrepreneurial spirit: opening a shop is a kind of adventure. You must be able to take risks and must be deeply motivated!
- Think in terms of network and brand: when you run a franchise, you have to adhere to the decisions made by the Group. Team spirit is the watchword!

Before a store is opened, the LDLC Group helps franchisees assess their plan by providing the following resources:
- In-house expertise (finance, marketing, purchasing and development departments) to help the franchisee prepare and assess the business plan.
- Documents and methods: guidelines for analysing market potential and conducting market surveys.
- Initial 25-day pre-opening training course.
- Dedicated professional mentor to help the franchisee prepare for opening.

The LDLC Group supports the franchisee over the length of the 9-year contract: day-to-day support is provided by a multi-disciplinary team possessing the required skills (coordination, marketing, merchandising, supply chain, etc.) supplemented by a collaborative approach that ensures the success of each LDLC franchise project. This guidance includes visits from the network coordinator, a telephone helpline, regular events, promotional campaigns to enhance brand image and production of marketing materials.

At 31 March 2023, the Group had 81 LDLC stores, including 51 franchises, located all over France, plus 8 Materiel.net concept stores and 15 LDLC Apple Premium Reseller stores. The Group's high-tech stores (across all chains) posted combined revenues of €121.2 million for the 2022/2023 financial year, up 0.5%.

Breakdown of revenues by business line over the last three years (€m)

	2022/2023	**2021/2022**	**2020/2021**
BtoC	381.4	477.6	526.2
of which high-tech stores	*121.2*	*120.6*	*117.4*
BtoB	172.5	194.7	185.9
Other	13.4	12.6	12.0
Total revenues	**567.4**	**684.9**	**724.1**

5.1.2. Competitive advantages

Advice and customer service

Since its inception, LDLC has demonstrated its ability to create a community of customers and computer fans by positioning itself as a genuine high-tech specialist. In 2007, it provided further proof of its pioneering spirit by setting up a hotline designed to provide advice and customer service in the true sense of the term.

A strategic pillar of the Group, the customer relations department is reputed both for its technical expertise and for its ability to provide rapid solutions to customer problems. The customer relations department employs around 60 advisers and is open Monday to Friday from 9am to 6pm and on Saturday from 10am to 1pm and from 2pm to 5pm. The department is committed to replying to requests sent via social media or email within 4 hours.

One of the features of the LDLC customer relations is the ample time allotted for discussion and advice, which gives customers the opportunity to define their needs precisely and receive answers to all their questions. Accordingly, the average speaking time between support contact and customer is often longer than six minutes. The quality of this service has already been recognised on 22 occasions. For example, in 2023 LDLC won the “Customer Service of the Year” award for the ninth year running in the “Technical Product Retail” category, earning an impressive score of 19.27/20, a record among all categories since the award was created (BVA survey - Viséo CI - May-July 2022). All in all, 205 tests were conducted by phone, email, Internet and social media in order to assess advisers’ responsiveness, quality of advice and ability to listen (read more at escda.fr). LDLC also won the 2023 Qualiweb Award for Best Online Customer Relations across all sectors.

Product range

With over 1,500 partner brands and more than 50,000 products listed, LDLC is renowned for its extensive catalogue and the quality of its own brand products. In order to offer products of unbeatable value for money, LDLC markets a range of white label high-tech products including laptops, tablets, IT components and accessories.

Another strength is the LDLC custom assembly service, which offers the possibility of specialised configurations and customised machines built with customer-selected components. This unique, highly appreciated service is used extensively by gamers and contributes towards building the Group’s pure player reputation.

LDLC is recognised on social media as a specialist. The Group boasts a huge community of fans, with over 5 million social media fans and followers at 31 March 2023 (Facebook, Twitter, Instagram, etc.).

Cross-channel proximity

Backed by long-standing experience of store selling, the first store having been opened in Lyon in 1998 followed by a second store in Paris in 2006, the LDLC Group chose to capitalise on this experience and get closer to its customers in order to listen to and serve them better. The Group has chosen to develop a chain of franchises and brand stores in order to expand its field of action.

One of the first steps was to define a concept in keeping with the fundamental drivers of the Group’s success. Veritable showcases of technology, LDLC stores differ from standard stores by having a surface area of between 100 and 300m^2. The store layout is structured around a consultation and demonstration area.

Customers can view up to 2,000 of the 30,000 products found in the LDLC catalogue, which they can also consult via digital terminals installed in the shop. Each product category has its own space dedicated to current special offers and promotions.

Finally, a customer service and custom assembly unit is on hand to provide customers with a personalised, bespoke service. Focal points for meeting customers and sharing advice, these stores act as a window for the LDLC website “hyperstore”, thus generating mutual synergies between the two sales channels.

The store interior was designed by a specialist firm tasked with creating a friendly and modern atmosphere.

Logistics expertise

The LDLC Group also excels in the quality of its logistics. The Group now has two centres, located in Saint-Quentin-Fallavier (Isère) and Nantes (Loire-Atlantique), representing 46,000 m^2 of warehouse space. They are fully managed by Group employees and can handle up to 25,000 parcels per day.

In order to gain control of its entire value chain and thereby ensure quality of service for its customers, in 2005 the LDLC Group took the strategic option of creating its own logistics platform and developing its own proprietary IT system.

To cope with the current and future growth of its business and support the rapid expansion of the store chain, the Group has invested in a new warehouse to replace its historical site at Saint-Quentin-Fallavier (Isère), which was reaching saturation point.

This new platform, also located in Saint-Quentin-Fallavier, has an optimised storage area of around 28,000 m^2. Featuring the most advanced technology, better use of height and narrower aisles, it has triple the storage capacity of the old site (15,000 pallets) and is largely automated for low-volume products. The aim is to increase parcel preparation efficiency and optimise costs, while improving working conditions for the site's hundred or so employees.

This new platform also includes a goods-in unit, a shipment area served by 7 carrier firms selected according to customer profile, an assembly task force comprising 20 technicians able to configure equipment to the most stringent customer specifications, and a customer service department staffed by around 15 technicians ready to resolve any issues arising from defective equipment. Having begun in the summer of 2022, the relocation was completed and the site commissioned in October 2022.

This platform is supplemented by an 18,000 m² logistics site in Nantes. All in all, over 100 employees work around the clock to ensure that every Group customer receives their order on time and benefits from a service of truly exceptional quality.

Backed by its new storage capacity, the Group plans to close the Gennevilliers warehouse next year, as the facility has no role to play in the new Group logistics plan.

5.1.3. An offering geared towards market trends

In view of the volatility of customer requirements and its market environment, the Group constantly adapts its technology offering and organises daily promotional offers and special operations reserved for subscribers to its newsletter. Given its position as the No. 1 French high-tech brand, the LDLC Group relies on quality of service rather than an aggressive pricing policy.

In keeping with this innovative mindset, the LDLC Group was one of the very first players to install a virtual reality experience zone in its stores. At the beginning of 2020, the Group decided to take a quantum leap forward by investing in virtual reality and creating a brand named LDLC VR Studio, a studio that designs virtual reality video games. The Group is also developing a virtual reality facility in the Lyon region named LDLC VR Experience, which opened on 9 June 2021.

The Group's unique experience has also enabled it to launch complementary e-commerce sites such as Shop.Hardware.com, which targets young consumers searching for attractively-priced components, and L'Armoire de Bébé, which has already scored a resounding success with parents in search of fashionable childcare products.

Launched in May 2015 by the LDLC Group, L'Armoire de Bébé has enjoyed booming sales over the past two years. With an innovative concept in the world of childcare and the success of its omnichannel offer (e-commerce website and nine stores at 31 March 2023, ranging from 70-80 m² "city" format concept stores to out-of-town stores of almost 500 m²).

Lastly, the Group set up a research and development department in 2017/2018 in order to design and bring to market innovative products with high sales potential within the scope of the Group's expertise. So far, two products have emerged from this innovation incubator, the Solaari lightsaber and the Nemeio customisable keyboard. The Solaari lightsaber received a warm reception with almost 500 units pre-ordered during the Kickstarter campaign. The product has been on sale since late 2019. The Nemeio customisable e-ink keyboard with screen obtained an award for innovation at the CES in Las Vegas in January 2019. While it is too early to talk about its contribution to revenues, Nemeio remains a potential long-term growth driver for the Group.

In 2019/2020, the Group also launched two new keyboards: the LDLC SWL10, a wireless keyboard designed for office and multimedia use that is recharged by sunlight or artificial light, and the AZERTY+, the first ever AZERTY keyboard that complies with French standard NF Z71-300: the keyboard features an improved AZERTY layout that makes it easier to type French letters with accents.

5.2. MAIN MARKETS

5.2.1. LDLC Group target segments

The LDLC Group is first and foremost a pure player in the online/offline high-tech market: it sells computing and multimedia equipment (components, computers and devices, video, audio and telephone equipment, games and game consoles, consumables, connection systems, software) to individual consumers and professionals.

Building on its specialist positioning and high quality of service (advice, logistics and customer service), the LDLC Group had previously opted not to host a marketplace, thus marking it out from other, more generalist, online retailers in France such as Amazon, Fnac-Darty and Cdiscount. In late 2019, the Group launched a marketplace, which it plans to develop over the coming years in order to supplement the website catalogue of IT and high-tech products by offering a broader selection of related products (IT, image & sound, telephone & car, games & leisure, connected devices and stationery) for which proprietary sourcing by the LDLC Group is not worthwhile. With a medium-term target of listing over 100,000 additional catalogue items, the new marketplace has enabled the LDLC Group to enrich its offering, attract new customers and generate additional BtoC revenues.

Since its inception, the Group's growth has been driven by the development of e-commerce and the IT equipment market and market share gains achieved thanks to its positioning as a pure player.

For a breakdown of LDLC Group revenues by business activity over the past two years, see Note 2.5 to the consolidated financial statements in Section 18.1 of this Universal Registration Document.

1. **E-commerce, a growing market**

NB: the data provided below is taken from the "2021 key figures" annual survey and 2022 France e-commerce report issued by FEVAD, the French e-commerce and distance selling federation, which constantly tracks economic developments in e-commerce markets on a standalone basis or in partnership with various institutions, including official national or sector-specific statistics offices, public opinion pollsters and professional federations. Some of the following market data was not updated by FEVAD as at 31 December 2022. In these cases we have left the previous data.

1.a. **BtoC e-commerce, ongoing sustained post-crisis growth**

Following on from the records set during the COVID period, the products and services e-commerce sector continued to grow in 2022 to reach €146.9 billion (including €62.3 billion in product sales), an increase of 13.8%. This performance was underpinned by a significant increase in sales in the transport, tourism and leisure sectors, which bolstered the services sector (up 36% year-on-year, up 50% compared with 2019). Online product sales were down 7% on 2021, but up 33% compared to 2019.

In 2022, e-commerce websites (products and services combined) recorded more than 2.3 billion transactions, up 6.5%.

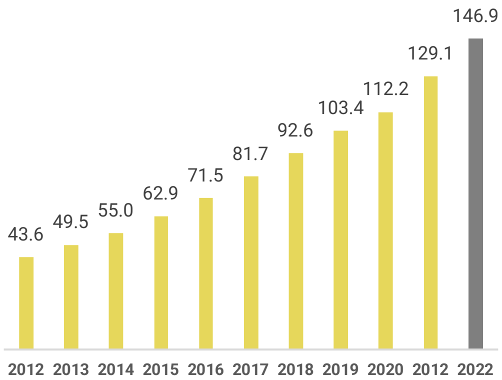
Average basket value was €65 in 2022, up 6.9% on 2021 (€60 in 2020), due to the combined effect of the recovery in services, which are more expensive, and inflation. On average, each shopper made more than one online purchase per week in 2022, with an average amount spent per shopper of €3,500.

The online share of product sales dipped in 2022 to an estimated 12.5% of retail sales (down 1.6 percentage points versus 2021) (2022 e-commerce report).

The online offering continues to expand, with over 207,000 e-commerce websites identified in Q4 2023, up 5% year-on-year.

E-commerce revenues in France

(€bn)



From 2012 to 2022, online sales grew by an average of 12.9% per year (source: FEVAD/iCE).

In 2020, the health crisis prompted an upswing in online product sales. Both lockdowns resulted in unprecedented peaks in online product sales. Sales between these two periods remained high. The acceleration in sales was particularly marked in the fourth quarter. The closure of stores and "non-essential" services led to a sharp sales surge in November which carried over into December, despite the reopening of physical stores.

Online sales enabled a large number of closed physical stores to maintain business activity. The increase in e-commerce also affected online sales via marketplaces, which were able to supply an outlet for a large number of SMEs and limit their revenue losses.

While 54% of online shoppers have not changed their online shopping habits, 38% say they are ordering more online than before the health crisis (source: Médiamétrie - quarterly e-commerce audience survey France - 2021 full-year report).

In Q4 2022, 42 million French consumers (80% of Internet users aged 11 and over) made at least one online purchase across all screens. On average, 47.6 million Internet users (75% of the French population) consulted at least one of the Top 20 sites and/or applications each month. This figure has not changed since the second quarter of 2021 (source: e-commerce audience survey - Q4 2022).

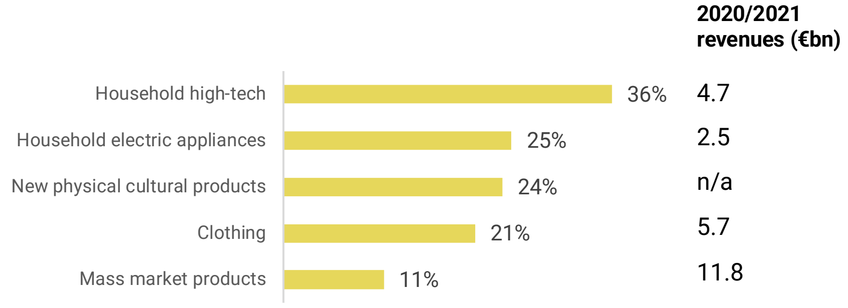
Sales via mobile terminals (smartphones and tablets) continued to grow (up 8% versus 2021), despite the 6% decline in product sales, driven by the acceleration in travel and leisure purchases. In 2022, sales via mobile terminals accounted for 49% of iCM panel website revenues, up one percentage point on 2021 (source: 2022 e-commerce report - FEVAD).

FEVAD has identified the emergence of new trends, such as greater environmental expectations among e-shoppers and the continued rise in second-hand purchases, which are becoming increasingly common among online shoppers (50% of online shoppers bought reconditioned or second-hand goods online in 2021, or 80% including online shoppers also acting as sellers).

More specifically, in the "household high-tech" segment in which the LDLC Group is positioned, e-commerce sales had a 36% market share in 2021 generating revenues estimated at €4.7 billion (source: FEVAD estimate - 2022 key figures).

2021 market share by sector

(estimate)



(source: GfK (consumer panel for cultural products; retailer panel for household goods), IFM, NielsenIQ Homescan)

Although 200,100 active e-commerce websites were registered in France in Q4 2021 (up 11% versus Q4 2020), the sector remains concentrated according to FEVAD estimates, with 92.1% of e-commerce revenues generated via 7.2% of the websites. Accordingly, in 2021 1.2% of French e-commerce websites generated revenues of over €10 million (75.8% of total revenues), 6.0% generated revenues of €1-10 million (16.3% of total revenues) and 92.8% generated revenues below €1 million (7.9% of total revenues) (source: FEVAD - 2022 e-commerce figures).

Marketplaces continue to be an important component of the BtoC e-commerce sector. Although the volume of business generated via marketplaces in 2022 fell slightly compared with 2021 (down 1.6%), it has risen by 30% since 2019, while the volume of own product sales has increased by 17%. Marketplaces account for 14.9% of the total volume of FEVAD-iCE panel websites (source: iCE/FEVAD).

After a continuous eight-year decline, the average basket value crossed back over the €60 mark in 2020 (compared to €59 in 2019) and continued its upward trend in 2022, reaching €65. The average e-shopper carried out 54 online transactions totalling €3,515 during the year (2021: 51 transactions totalling €3,089) (source: FEVAD - 2022 e-commerce report).

Online/offline synergies continue to develop at each stage of the purchase process, boosted by increasing use of mobile screens throughout the customer experience. It is worth noting (source: FEVAD - 2019 key figures) that 56% of online shoppers possessing a smartphone use it to do research before buying a product or service from a store. Moreover, 80% of online retailers noted that their website has an impact on their stores: more visits to physical stores (79%), increase in physical store revenues (63%) and the enlargement of the catchment area (42%) (source: SME special online retailer profile, Oxatis/Ernst&Young - January 2019). 28% of online shoppers made further purchases while picking up their order from a collection point or store (source: FEVAD/CSA survey - January 2019).

In 2020, many companies and retailers stepped up their digitisation to offer customers the possibility of continuing to buy and take delivery at home or collecting their orders in-store (click & collect). Online sales enabled a large number of physical stores closed during lockdowns to maintain business activity. Consumers, who have tested these new services or are using them more frequently, are now in favour of this omnichannel offering among their favourite retail chains, including local businesses. Some 84% of online shoppers reported having made purchases on pure player websites and 71% on physical retailer websites (source: FEVAD/Médiamétrie - August 2020).

In 2021, Europe accounted for 14% of global e-commerce revenues, posting e-commerce revenues estimated at €718 billion, up 13% versus 2020. The five largest consumers in 2021 were, in descending order, the UK (€162 billion), France (€129 billion), Germany (€108 billion), Spain (€56 billion) and Italy (€39 billion) (source: E-commerce Europe/FEVAD - E-commerce key figures - 2022).

1.b. BtoB e-commerce, strong growth potential

After a mixed year in 2020 (up 10.7%, reflecting a drop in the first half of the year followed by a sustained recovery in the second half) and a sharp return to growth in 2021 (up 16.3%), online BtoB sales in 2022 showed a more measured increase of 9.9% compared with 2021, but remained well above pre-crisis levels (up 41% compared with 2019) (source: iCE/FEVAD).

A survey carried out by FEVAD in 2021 ("BtoB purchases & e-commerce" - Médiamétrie/FEVAD) highlights the rapid digitisation of BtoB purchasing practices, particularly among start-ups and SMEs. Companies are making more use of the Internet at all stages of commercial relations, purchase preparation and negotiation, and so on. However, while the use of digital technology in customer-supplier relations is now a matter of routine, the survey reveals a lower degree of certainty that it will continue to progress and, above all, that these new uses have coexisted alongside a significant resumption of physical exchanges with suppliers since 2021: 40% of companies surveyed believe that the COVID-19 crisis has led them to develop online ordering (up 8 percentage points versus 2020) and 28% think that the trend will continue.

Based on a recent FEVAD survey ("BtoB purchases & trade: issues, strategies and impact - the view of BtoB suppliers and buyers" - FEVAD and Next Content), according to BtoB procurement decision-makers, the main challenges before 2025 are first and foremost supplier negotiations within an inflationary environment. Fifty-six per cent of these players also cite the rise in inflation as a factor in the rapid increase in online orders. This acceleration is expected to continue gradually between now and 2025, and will be driven by suppliers' e-commerce websites according to 60% of the buyers questioned, and by specialist or sector-specific B2B marketplaces for 59% of respondents.

Since the COVID period and the resulting supply difficulties, security of supply has become a major criterion when it comes to choosing a BtoB supplier. Also of note is the increased importance of criteria relating to CSR policy and performance, product or service quality guarantees and digital services (digitisation of purchasing processes, quality of e-commerce and e-procurement solutions offered). Lastly, the location of suppliers in France or in the company's local area and guarantees regarding delivery lead times also remain important criteria.

2. Slowdown in the IT product market

The technology market is primarily driven by i) innovation cycles, leading to the boom in smartphone sales for example, ii) household equipment levels, iii) frequency of equipment replacement or upgrading and iv) economic conditions, particularly trends in household incomes and how they are spent.

PC market

After a long period of decline with occasional modest growth, the pandemic revived the PC industry, with sustained strong growth over the latter part of 2020 and into 2021, despite supply shortages due to this high demand. The market was boosted by the boom in remote working and increased PC use by households.

The latter part of 2021 and 2022 as a whole marked a turning point, with a significant drop in PC shipments worldwide. The fourth quarter of 2022 saw the biggest quarterly decline in shipments since Gartner began tracking the PC market in the mid-1990s. Fourth-quarter shipments totalled 65.3 million units, down 28.5% compared to the same period a year earlier. In 2022, PC shipments totalled 286.2 million units, down 16.2% from 2021. This drop was due to a slowdown in demand for PCs among individual customers and professionals as a result of expectations of a global recession, rising inflation and higher interest rates.

As a result, the PC supply shortfall caused by strong demand and supply chain disruptions until 2021 turned into excess supply (source: Gartner - January 2023). With high inflation rates and the impending recession squeezing discretionary spending and budgets, Gartner estimates that consumers and businesses will extend their PC and tablet replacement cycles by more than nine months by the end of 2023.

Worldwide PC shipments followed this trend in the first quarter of 2023, totalling 55.2 million units. Down 30% versus Q1 2022, this marked the second consecutive quarter of historic year-on-year decline. Business demand for PCs was also sluggish over the quarter, particularly among SMEs, with PCs often being the first items affected by budget cuts as product lifetimes can be extended (source: Gartner - April 2023).

Smartphone market

Global smartphone shipments were also affected, down 11.9% in 2022. Consumers are holding on to their phones for between six and nine months longer than expected, and have favoured fixed contracts in favour of flexible ones in the absence of significant technological advances. In addition, suppliers have passed component price inflation on to users, dampening demand even further. Spending on smartphones is expected to fall 3.8% in 2023 (source: Gartner - January 2023).

Outlook

	2022 Shipments	2022 Change (%)	2023 Shipments	2023 Change (%)
PC	287,159	-16.0	267,676	-6.8
Tablet	136,938	-12.0	132,963	-2.9
Smartphone	1,395,247	-11.0	1,339,505	-4.0
Total	**1,819,344**	**-11.9**	**1,740,143**	**-4.4**

The PC segment includes desktops, laptops, high-end ultramobile computers and Chromebooks. Tablets include all Android and iOS versions.
Source: Gartner (January 2023).

According to Gartner, worldwide device shipments (PCs, tablets and smartphones) are expected to fall 4.4% to 1.7 billion units in 2023 and end-user spending on devices is expected to drop 5.1% over the year. However, the downward trend in the electronic device market is set to ease in 2023 thanks to a less pessimistic economic outlook.

5.2.2. Strategy

For several years, the LDLC Group has pursued a specialist multi-brand, multi-channel retailer strategy currently targeted at both BtoC and BtoB markets. The growth of the LDLC Group has been marked by a number of key milestones: the creation of a store chain with brand stores (leases, purchase of leasehold rights and business assets (Giga Hertz in 2022)) and franchises, developing the BtoB offering (launch of LDLC.pro website in 2015, acquisition of the A.C.T.I. MAC Group in 2023) and increasing market share through acquisitions including main competitor Materiel.net, the Olys group (Apple Premium Reseller) and, in April 2020, the TopAchat business.

As a result, the LDLC Group now has a comprehensive offering spanning a number of market segments, backed by business expertise and a logistics system allowing the Group to deliver premium customer service coupled with strong financial performance.

In the online BtoC segment, LDLC.com, Materiel.net, Shop.Hardware.com and TopAchat are expected to continue to increase both market share and revenues thanks to their reputation, specialist status and distinct but complementary positioning.

The Group continues to invest in growth drivers including:

1/ the deployment of a chain of stores generating steady growth in revenues as new brand stores and franchises are opened;

2/ heightened brand awareness of LDLC among the general public, in particular through television advertising campaigns;

3/ the BtoB market buoyed in the medium term by favourable underlying trends (upgrading of company computer equipment, new products, development of e-commerce purchasing);

4/ the development of additional related businesses, in particular L'Armoire de Bébé, but also Anikop, innovative products with high market potential developed by the R&D unit (such as the Nemeio customisable e-ink keyboard recognised for innovation at CES Las Vegas in January 2019);

5/ gradual roll-out of a marketplace offering products for which proprietary sourcing is not worthwhile.

For further information, see Sections 7.6 and 7.7 of this Universal Registration Document regarding material events in the Company's business development.

Group strategy with regard to non-financial matters is covered in Chapter 22 of this document.

5.3. COMPETITIVE POSITIONING IN FRANCE

The LDLC Group's competitors include both generalist chains, in particular large retail chains, specialised chains such as Fnac-Darty, Boulanger, But and Cultura, via a network of sales outlets backed in certain cases by a website, and online pure players including generalist players (Amazon, Cdiscount, Rue du Commerce) and specialists (e.g. Grosbill). One of the major strengths possessed by specialist chains and, especially, online pure players, lies in the depth of the product ranges they offer, together with the related advice and services they provide (home delivery, customer service, etc.).

Since its inception, the LDLC Group has pursued a constant strategy based on a positioning as a high-tech specialist, thereby maintaining a clear identity associated with quality products and services. This firm positioning allows the Group to apply a less aggressive pricing policy than some of its competitors, in particular players such as Amazon and Cdiscount, whose highly aggressive pricing policies are incompatible with the controlled development targeted by the LDLC Group.

In a concentrating market that has undergone major changes in the past few years (M&As, disappearance of players, etc.), the LDLC Group has demonstrated a clear interest in gathering other companies under its umbrella, a policy illustrated by its early 2016 takeover of Materiel.net, one of its main competitors with a very similar positioning.

Main sector business combinations in France:
- In 2013, Darty acquired MisterGoodDeal, a specialist in online retail of household appliances.
- In 2014, German holding company Mutarès acquired Pixmania, placed under court-ordered rehabilitation a few months later then purchased by Ventes du Diable.
- In 2016, four major transactions were completed:
  - Mutarès also acquired Grosbill, previously a member of the Auchan group.
  - Rue du Commerce, previously owned by property developer Altarea, was acquired by the Carrefour group. The acquisition of Rue du Commerce also brought TopAchat, its subsidiary since 2009, under Carrefour's wing.
  - Merger between Fnac and Darty, two major players in the specialist retail sector.
  - Acquisition of Materiel.net by the LDLC Group, which strengthened the Group's leadership in the online high-tech sector and raised its revenues to around €500 million, placing it among the top 15 French companies.
- In 2017, the LDLC Group acquired the Olys group. Ceconomy acquired the shares held by Artemis (Pinault family holding company) in Fnac-Darty representing 24.3% of the share capital.
- In 2018, French insurance broker SFAM purchased an equity stake of over 11% in Fnac-Darty. Cybertek won the court proceedings for the takeover of Grosbill.
- In 2020, Carrefour sold Rue du Commerce to Shopinvest at the time the LDLC Group acquired the business assets of TopAchat.

(Sources: company press releases)

5.4. CAPITAL EXPENDITURE

5.4.1. Main capital expenditure over the last three years

€000	2022/2023	Anikop, Lyon ASVEL Féminin, Bluescreen acquisitions (ch. in conso. scope)	2021/2022	Hexa-Tech, LDLC Event & MyMultimedia acquisitions (ch. in conso. scope)	2020/2021	Anikop & I-Artificielle acquisitions (ch. in conso. scope)
Intangible assets	3,908	1,967	1,965	1,145	5,536	644
- Goodwill	2,357	1,967	1,135	1,135	644	644
Concessions, patents and licences	55		53	10	417	
TopAchat trademark	0		0		4,069	
Leasehold rights	420		95			
Other intangible assets						
Intangible assets in progress	1,077		681		407	
Property, plant and equipment	9,018		7,165	254	2,468	
Fixtures and fittings	4,606		2,624	208	729	
Equipment	2,350		30		63	
Vehicles and delivery equipment	15		0		3	
Office equipment and furniture	1,199		439	47	517	
PP&E in progress	848		4,072		1,157	
Total acquisitions of intangible assets and PP&E	**12,927**	**1,967**	**9,130**	**1,399**	**8,005**	**644**
Expenditure amounts covered by detailed notes below	11,770	1,967	8,151	1,389	6,734	644
% of total acquisition amount covered by notes	91%	100%	89%	99%	84%	100%

For the year ended 31 March 2023, the acquisitions of additional shares in Anikop and Lyon ASVEL Féminin generated goodwill of €206,000 and €1,761,000, respectively.

The acquisition of the Giga Hertz business by LDLC Boutiques on 21 July 2022 generated goodwill of €390,000.

The new LDLC and L'Armoire de Bébé stores accounted for the €420,000 investment in leasehold rights recognised in the year ended 31 March 2023, amounting to €150,000 and €270,000 respectively.

Acquisitions of intangible assets in progress recognised at 31 March 2023 mainly consisted of in-house R&D costs of €1,061,000, which accounted for 99% of intangible assets in progress.

The year ended 31 March 2023 was marked by the relocation of the former warehouses in the Lyon region to a single logistics centre in Saint-Quentin-Fallavier spanning approximately 28,000 m^2. The new warehouse has been operational since late August 2022 and accounted for €3,834,000 in expenditure on PP&E during the year ended 31 March 2023, comprised of €3,528,000 in equipment, fixtures and fittings and €306,000 in furniture and IT hardware, representing 43% of acquisitions of property, plant and equipment for the year.

In 2022/2023, the Group strengthened its store chain with the opening of sixteen new LDLC stores and two L'Armoire de Bébé stores.

These new store openings resulted in an acquisition of property, plant and equipment for the year ended 31 March 2023 totalling €3,495,000, including €3,157,000 for the LDLC stores and €338,000 for the L'Armoire de Bébé stores, representing 39% of expenditure on PP&E for the year.

PP&E expenditure for the LDLC chain amounted to €3,157,000 and consisted of fixtures and fittings totalling €2,654,000 and furniture and computer hardware totalling €503,000.

Acquisitions of property, plant and equipment by the L'Armoire de Bébé chain amounted to €338,000, comprising fixtures and fittings (€332,000) and furniture and IT hardware (€6,000).

At 31 March 2023, the main acquisitions of property, plant and equipment in progress concern the planned opening of new LDLC and L'Armoire de Bébé stores next year, with fit-out costs of €523,000 and €80,000 respectively.

For the year ended 31 March 2022, the acquisitions of additional shares in MyMultimedia and LDLC Event generated goodwill of €400,000 and €222,000 respectively.

The acquisition of Hexa-Tech on 8 July 2021 generated goodwill of €513,000.

Excluding goodwill, the main investments in intangible assets made during the year ended 31 March 2022 were in internal research and development totalling €657,000, representing 96% of intangible assets in progress and 80% of expenditure on intangible assets during the year (excluding changes in consolidation scope).

Following the opening of five new L'Armoire de Bébé stores and two new LDLC stores during the year ended 31 March 2022, expenditure on PP&E corresponding to fixtures and fittings, furniture and IT equipment amounted to €1,528,000 and €363,000 respectively, representing a total of €1,891,000 or 27% of expenditure on PP&E during the year (excluding changes in consolidation scope).

At 31 March 2022, property, plant and equipment arising from changes in consolidation scope in an amount of €254,000 was attributable to the Hexa-Tech acquisition.

In the interests of brand consistency and in order to capitalise on the reputation of the LDLC store chain, the Group decided to rebrand the BIMP stores owned by Olys, which were renamed LDLC APR (Apple Premium Reseller) at 31 March 2022, accounting for the acquisition of fixtures and fittings in an amount of €145,000.

At 31 March 2022, the main acquisitions of property, plant and equipment in progress were as follows:
- alterations, fit-out work and new logistics software for the new warehouse (€3,557,000);
- replacement of Group telephone equipment (€218,000);
- fit-out works on new LDLC stores scheduled for opening next year (€295,000).

This property, plant and equipment in progress, totalling €4,070,000, represented 59% of expenditure on PP&E (excluding changes in consolidation scope) for the year ended 31 March 2022.

For the year ended 31 March 2021, the acquisitions of additional shares in Anikop and I-Artificielle generated goodwill of €620,000 and €24,000 respectively.

The acquisition of the TopAchat business on 10 April 2020 accounted for €4,069,000 of intangible assets acquired in the year ended 31 March 2021, representing 73% of newly acquired intangible assets.

In addition, the change in payroll and accounting software represented new intangible asset expenditure of €259,000 in the year ended 31 March 2021. During the year ended 31 March 2021, the Group continued to work on research and development projects totalling €394,000, representing 97% of acquisitions of intangible assets in progress at 31 March 2021.

Acquisitions of property, plant and equipment in progress at 31 March 2021 mainly relate to the repurposing and refurbishment of LDLC VR Studio premises at a cost of €585,000. Capital expenditure on installation and fit-out work at three new L'Armoire de Bébé stores totalled €784,000 and accounted for 32% of expenditure on PP&E acquired during the year ended 31 March 2021. These works were carried out on two stores due to open in the year ended 31 March 2022 and were therefore recorded under property, plant and equipment in progress for an amount of €357,000.

Generally speaking, capital expenditure is intended to support the Group's strategic plan, in particular by increasing business in the years ahead and expanding the store chain.

5.4.2. Main capital expenditure planned

In 2023/2024, capital expenditure plans will continue to focus on new store openings for all the Group's brands, maintaining the existing chain and making additional investments in logistics totalling around €8-10 million.

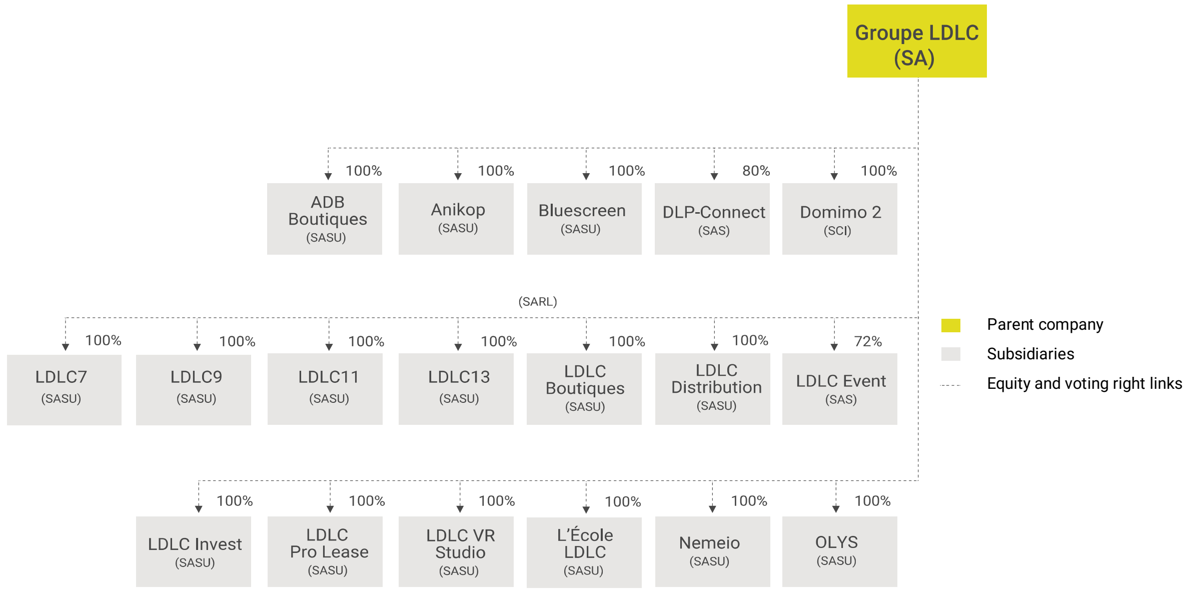
Lastly, next year the Group plans to invest around €1 million in in-house projects, including research and development and IT projects.

Section 8.5 of this Universal Registration Document sets out the financing arrangements for the main capital expenditure items outlined above.

CHAPTER 6 • ORGANISATIONAL STRUCTURE

6.1. ORGANISATIONAL CHART AT 31 MARCH 2023

The following organisational chart shows the Company and all of its subsidiaries as defined by Article L.233-1 of the French Commercial Code at 31 March 2023.



6.2. LIST OF MAIN COMPANY SUBSIDIARIES

See Note 2.3 to the consolidated financial statements (Section 18.1 of this Universal Registration Document) setting out the Group consolidation scope.

All of the Company's subsidiaries have their registered offices in France.

6.3. SIGNIFICANT EQUITY INVESTMENTS AND TAKEOVERS

In accordance with Articles L.233-6 paragraph 1 and L.247-1, I (1) of the French Commercial Code, we hereby inform you that during the past financial year, the Company has directly acquired more than one-twentieth of the share capital and voting rights of TFTP (Team For The Planet) -10 rue Bellecordière - 69002 Lyon - Lyon Trade and Companies Register no. 849 876 339.

No material changes were made with regard to equity interests held by the Company during the year ended 31 March 2023 apart from the transactions presented below:
- the Company increased its equity stake in Anikop from 95% to 100% on 5 May 2022;
- the Company increased its equity stake in Bluescreen from 80% to 100% on 24 November 2022.

Furthermore, we hereby inform you that the Company sold no equity investments to a third party outside the Group during the year ended 31 March 2023.

We remind you that, since the balance sheet date, the Company has acquired, indirectly via its subsidiary LDLC7, all the shares in A.C.T.I. MAC (Caen Trade and Companies Register no. 389 497 348) and its wholly-owned subsidiary O.S.I. Nx (Caen Trade and Companies Register no. 482 827 698), on 1 April 2023.

6.4. LIST OF EXISTING BRANCHES

In accordance with Article L.232-1, II of the French Commercial Code, a list of Company branches existing as at 31 March 2023 is presented below:

Address	**Town/city**
22 rue de la Gare	Lyon 9 (69)
24 rue de la Gare	Lyon 9 (69)
150 allée des Fresnes	Limonest (69)
10 rue du Maine	Saint-Quentin-Fallavier (38)
12-14 rue de l'Eglise	Paris 15 (75)
47 route principale du Port – 2 rue Mercière	Gennevilliers (92)
281 route d'Espagne	Toulouse (31)
724 avenue du Club Hippique – Le Centre ensoleillé	Aix-en-Provence (13)
100 rue Lucien Faure	Bordeaux (33)
188 bis route de Rennes	Nantes (44)
Rue Olivier de Serres – ZAC Erette Grandchamps-des-Fontaines	Grandchamps-des-Fontaines (44)
18 rue Edison – ZAC Ecoparc	Montgermont (35)
11 C route de Brumath	Vendenheim (67)
4 avenue du Général de Gaulle	Chelles (77)
9 rue des Moissons – ZAC du Haut Touquet	Marquette-Lez-Lille (59)

CHAPTER 7 ● OPERATING AND FINANCIAL REVIEW

Definitions and alternative performance indicators:

Definition of net cash/(debt)

Net cash/(debt) equals gross cash and cash equivalents less gross borrowings.

Definition of gross margin as a % of revenues

This definition is provided in Section 7.1.1 of this Universal Registration Document.

Definition of EBIT margin as a % of revenues

This definition is provided in Section 7.1.1 of this Universal Registration Document.

Group non-financial performance indicators are set out in Chapter 22 of this Universal Registration Document (see in particular pages 215, 218, 219, 222, 224, 226, 228, 229, 231, 232, 233 and 234).

7.1. ANALYSIS OF GROUP FINANCIAL POSITION - PRESENTATION OF THE GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE LAST THREE FINANCIAL YEARS

The published financial information presented below is taken from the consolidated financial statements for the years ended 31 March 2021, 31 March 2022 and 31 March 2023, which were prepared in accordance with French statutory and regulatory provisions pursuant to ANC regulation 2020-01 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables*, ANC), regarding the consolidated financial statements of commercial enterprises, which are of mandatory application at the present date.

The financial data presented below should be read in conjunction with the consolidated financial statements for the years ended 31 March 2022 and 31 March 2023, as featured in Section 18.1 of this Universal Registration Document.

7.1.1. Key figures - Group income statement

€000	2022/2023	2021/2022	2020/2021
Revenues	567,389	684,896	724,065
Gross margin	118,174	154,259	162,851
Gross margin - % of revenues (1)	20.83%	22.52%	22.49%
Operating earnings (EBIT) before goodwill amortisation and impairment (2)	5,481	50,961	62,686
EBIT margin - % of revenues (3)	1.0%	7.4%	8.7%
Goodwill amortisation and impairment	(142)	0	0
Operating earnings (EBIT) after goodwill amortisation and impairment	5,339	50,961	62,686
Net income/(loss) of consolidated companies	1,521	36,104	42,213
Consolidated net income	1,234	36,104	42,213
Earnings per share (€)	0.20	5.86	6.68
Diluted earnings per share (€)	0.20	5.86	6.68
EBITDA (4)	14,266	58,426	70,002

(1) Gross margin divided by revenues.
(2) Total operating income less operating expenses (excluding goodwill amortisation and impairment).
(3) Operating earnings (EBIT) before goodwill amortisation and impairment divided by revenues.
(4) Operating earnings (EBIT) before goodwill amortisation and impairment plus net amortisation, depreciation and provision charges included in operating earnings (EBIT) before goodwill amortisation and impairment (see Note 2.5 to the consolidated financial statements for the year ended 31 March 2023).

7.1.2. Key figures - Group balance sheet

€000	31/03/2023	31/03/2022	31/03/2021
Non-current assets	80,975	72,281	69,595
Current assets	191,028	194,925	209,637
Shareholders' equity	108,360	116,671	101,594
Provisions	7,373	6,135	5,226
Total liabilities	156,270	144,400	172,412
Loans and borrowings	*43,199*	*21,328*	*19,978*
Cash and cash equivalents	*43,320*	*44,095*	*51,260*
Net cash/(debt)	122	22,768	31,283

Goodwill resulting from the acquisition of additional equity interests, the launch of growth-generating projects, in particular the start of operations at the new logistics site in Saint-Quentin-Fallavier and the opening of new stores, including sixteen in the LDLC chain and two in the L'Armoire de Bébé chain, accounted for the €9,686,000 change in non-current assets at 31 March 2023.

Current assets at 31 March 2023 included a €17,124,000 reduction in net inventories as a result of the decline in business, offset by a €15,477,000 increase in "Other receivables", mainly attributable to the €16,500,000 deposited in an escrow account in connection with the Group's post-balance sheet acquisitions.

Shareholders' equity amounted to €108,360,000 at 31 March 2023, down €8,311,000 from €116,671,000 at 31 March 2022, mainly due to the decline in business over the year.

The significant increase in borrowings at 31 March 2023 reflects the subscription of new loans totalling €27,750,000 to finance the Group's working capital requirements, the acquisition of the A.C.T.I. MAC Group on 1 April 2023 and investments to strengthen the Group's operational capacities.

At 31 March 2022, net trade receivables included in current assets and net trade payables included in liabilities accounted for reductions in those items amounting to €8,479,000 and €19,400,000 respectively.

The purchase of 150,330 treasury shares for cancellation under the buyback agreement explained a €6,596,000 reduction in cash and cash equivalents at 31 March 2022 and a matching reduction in Group shareholders' equity.

Shareholders' equity increased from €101,594,000 at 31 March 2021 to €116,671,000 at 31 March 2022.

The sharp increase in Group revenues and earnings in FY 2020/2021 explains the significant increases in current assets, shareholders' equity and liabilities. The Group successfully leveraged its positioning as a specialist omnichannel retailer (physical stores, BtoB and BtoC online) to deliver a record performance.

As a result of its financial performance for the year ended, the Group posted a cash surplus of €31.3 million at 31 March 2021.

7.1.3. Key figures - Group cash flow statement

€000	2022/2023	2021/2022	2020/2021
Gross operating cash flow before tax	12,815	58,882	69,898
Change in working capital	(7,767)	(21,092)	1,946
Net cash flow from operating activities	4,133	22,255	51,002
Net cash flow from investing activities	(17,184)	(9,252)	(8,068)
Net cash flow from financing activities	12,158	(20,021)	(11,250)
Net cash/(debt)	122	22,768	31,283

At 31 March 2023, the Group's net cash position remains positive at €122,000 compared to €22,768,000 at 31 March 2022 and €31,283,000 at 31 March 2021.

At 31 March 2023, the Group's cash position was at breakeven, including the €16,500,000 deposited in an escrow account in connection with the Group's post-balance sheet acquisitions, despite a year of decline marked by an unfavourable economic climate with inflation, rising energy prices and high dollar volatility prompting postponements in purchases by retail and business customers.

At 31 March 2022, the Group had a comfortable net cash position, with a cash surplus of €22,768,000, confirming the Group's healthy financial position.

The purchase of 150,330 treasury shares for cancellation under the buyback agreement explained a €6,596,000 reduction in net cash and cash equivalents at 31 March 2022.

The €31,283,000 cash surplus recorded at 31 March 2021 was mainly due to significant increases in revenues and EBITDA margin.

Changes in cash and cash flow are covered by Section 8.2 of this Universal Registration Document.

7.1.4. Group revenues

The following table shows a breakdown of Group revenues by region:

			Change FY 21/22 vs FY 22/23			**Change FY 21/22 vs FY 20/21**	
€000	**2022/2023**	**2021/2022**	€000	%	**2020/2021**	€000	%
Sales of goods - France	480,680	578,467	(97,787)	(16.9%)	618,134	(39,667)	(6.4%)
Sales of goods - Export	58,525	77,194	(18,669)	(24.2%)	74,337	2,857	3.8%
Total sales of goods	**539,204**	**655,660**	**(116,456)**	**(17.8%)**	**692,471**	**(36,811)**	**(5.3%)**
Provision of services France	24,506	24,420	86	0.4%	25,544	(1,124)	(4.4%)
Provision of services - Export	3,679	4,816	(1,137)	(23.6%)	6,050	(1,234)	(20.4%)
Total provision of services	**28,185**	**29,236**	**(1,051)**	**(3.6%)**	**31,594**	**(2,358)**	**(7.5%)**
Total net revenues	**567,389**	**684,896**	**(117,507)**	**(17.2%)**	**724,065**	**(39,169)**	**(5.4%)**

Consolidated revenues for the year ended 31 March 2023 amounted to €567.4 million, down 17.2% from the previous year.

Business was impacted by a challenging comparison base in the first half and a persistently high level of new equipment ownership among households and businesses, following the significant high-tech purchases made during the COVID period. The economic backdrop also weighed heavily on sales, with households and professionals preferring to postpone discretionary spending in the face of price hikes, particularly energy costs.

The BtoC business posted full-year revenues of €381.4 million, down from €477.6 million the previous year. While the online business was hit particularly hard, down 27.1%, due to pressure on purchasing power, stores edged up 0.5%, posting full-year revenues of €121.2 million. This positive trend confirms the merits of the Group's investments aimed at getting closer to its customers by expanding the regional network. The LDLC Group opened 20 new high-tech stores during the 2022/2023 financial year.

BtoB revenues fell 11.4% to €172.5 million. Albeit less impacted than BtoC, the BtoB segment was hit by the postponement of high-tech spending by companies, a temporary measure to cope with rising costs mainly prompted by the surge in energy prices and high dollar volatility. In the medium to long term, this segment will be a major growth driver for the LDLC Group. Indeed, companies will have to continue to invest heavily in order to adapt to the boom in digital technology and the new uses and needs it brings. Having already consolidated its BtoB presence and offering in the last few years, the LDLC Group completed the planned acquisition of the A.C.T.I. MAC Group in April 2023, thereby considerably strengthening the BtoB offering. The Group is ideally positioned to take advantage of the recovery in this segment.

Other businesses posted total full-year revenues of €13.4 million, up 6.5%. L'Armoire de Bébé pursued its growth path with revenues up 5.5% at €8.9 million. The success of this business is mainly driven by the development of its online reputation and the expansion of the store chain (9 stores at 31 March 2023 versus 7 at 31 March 2022).

Consolidated revenues for the year ended 31 March 2022 amounted to €684.9 million, down 5.4% on the record performance in FY 2020/2021. After a first half of growth, the Group was faced with a market environment disrupted by difficulties in the supply of graphics cards during key periods (Black Friday and Christmas) combined with a return to a normal consumption pattern in the BtoC business.

BtoC revenues amounted to €477.6 million at 31 March 2022, down 9.2% from €526.2 million for the year ended 31 March 2021. LDLC store revenues (62 LDLC stores in France at 31 March 2022) rose sharply by 4.7% to €90.3 million. Total revenues from all Group stores across all retail chains amounted to €120.6 million, up 2.7%.

In the 2021/2022 financial year, the BtoB business posted revenues of €194.7 million, up 4.8% from €185.9 million the previous year, reflecting strong business momentum during the first half.

Other businesses posted total revenues of €12.6 million for the year ended 31 March 2022, up 5.1% from €12 million the previous year.

Childcare brand L'Armoire de Bébé posted revenues up 7.9% to €8.4 million for 2021/2022, thus continuing its growth trajectory, driven by its online reputation and the opening of five new sales outlets during the year ended 31 March 2022.

2020/2021 was a year of robust top-line growth with revenues up 46.8% year-on-year. This record achievement reflects strong growth in the BtoC online business since the start of the financial year, the contribution of TopAchat, acquired in April 2020, and positive performances in the LDLC store and BtoB businesses since the end of the first lockdown.

BtoC revenues came to €526.2 million for the year ended 31 March 2021, up 62.6% (up 30% at constant consolidation scope). LDLC store chain revenues (57 LDLC stores in France at 31 March 2021) rose sharply by 25.8% to €86.3 million.

Boosted by a strong recovery since Q2 2020/2021 (third quarter of the calendar year), BtoB revenues for the year ended 31 March 2021 amounted to €185.9 million, up 14.6%.

Other businesses posted total revenues of €12 million for the year ended 31 March 2021, up 59.6% mainly driven by brisk sales at L'Armoire de Bébé. The childcare brand posted revenues of €7.8 million for the year ended 31 March 2021, up 150% driven by the surge in online sales and the June 2020 opening of a second store in the Paris region.

Seasonal factors

Group business is strongly impacted by seasonal factors, including a significant increase in store shopping and online purchasing towards the end of the year with Black Friday in late November followed by the lead-up to the Christmas period.

For the year ended 31 March 2023, the Group generated 30% of its full-year consolidated revenues in the third quarter (€170.8 million). However, Q3 2022/2023 revenues were down 10.7% compared to Q3 2021/2022.

The Group generated 28% of its consolidated revenues for the year ended 31 March 2022 in the third quarter (€191.4 million). However, Q3 2021/2022 revenues were down 16% compared to Q3 2020/2021.

This decline was due to supply shortfalls in graphics cards, which had a direct impact on the Group's growth during this normally very busy period.

The Group posted Q3 2020/2021 revenues of €227.8 million accounting for 31% of full-year consolidated revenues.

Changes in exchange rates

The Group is exposed to currency risk, mainly relating to the US dollar. The Group uses foreign exchange futures or adjusts its selling prices in order to counteract volatility in the dollar (see Note 2.4.1.1 to the consolidated financial statements for the year ended 31 March 2023).

At 31 March 2023, there were no foreign exchange futures contracts outstanding.

Number of stores

The following table shows changes in the number of stores over the period:

Number of stores/collection points per retail chain	2023			2022			2021		
	Brand stores	**Franchises**	**Total**	**Brand stores**	**Franchises**	**Total**	**Brand stores**	**Franchises**	**Total**
France									
LDLC	30	51	**81**	14	48	**62**	9	46	**55**
Materiel.net	8	0	**8**	9	0	**9**	9	0	**9**
LDLC APR (formerly BIMP) (1)	15	0	**15**	16	0	**16**	16	0	**16**
LDLC – BIMP (2)	0	0	**0**	0	0	**0**	2	0	**2**
L'Armoire de Bébé	9	0	**9**	7	0	**7**	2	0	**2**
Total	**63**	**51**	113	**46**	**48**	**94**	**38**	**46**	84

(1) In the year ended 31 March 2022, the Group decided to rebrand the former BIMP stores under the name LDLC APR (Apple Premium Reseller).
(2) In the year ended 31 March 2022, the Group decided to rebrand the two former LDLC-BIMP stores under the name LDLC.

In the year ended 31 March 2023, the Group opened 20 stores in the LDLC retail chain, including 16 brand stores and four franchises. During the same period, one store left the LDLC franchise chain and one LDLC APR store and one Materiel.net store closed.

In the year ended 31 March 2023, L'Armoire de Bébé opened two new stores, giving it a total of nine brand stores in its retail chain.

In the year ended 31 March 2022, the Group opened six stores in the LDLC retail chain, including two brand stores and four franchises. During the same period, one store left the LDLC franchise chain and the Group took over one store belonging to this chain.

At 31 March 2022, L'Armoire de Bébé had five new brand stores in its retail chain.

During the year ended 31 March 2021, the LDLC Group opened seven franchises and removed one store from the store chain.

L'Armoire de Bébé opened a new brand store in June 2020.

The brand stores' results are consolidated in the Group financial statements. The Group analyses developments in its revenues over a given period taking into account its entire store park.

Regarding the franchises, the sale of goods to franchisees is included in Group revenues from sale of goods, while the fee based on revenues generated by the franchises from sales to their customers is included in Group service revenues.

7.2. BREAKDOWN OF NET INCOME

7.2.1. Breakdown of operating earnings (EBIT) after goodwill amortisation and impairment

€000	2022/2023	(% of revenues)	2021/2022	(% of revenues)	2022/2021	(% of revenues)
Total net revenues	**567,389**	**100%**	**684,896**	**100%**	**724,065**	**100%**
Other operating income	482	0.1%	410	0.1%	620	0.1%
Cost of goods sold	(449,697)	(79.3%)	(531,048)	(77.5%)	(561,834)	(77.6%)
Gross margin	**118,174**	**20.8%**	**154,259**	**22.5%**	**162,851**	**22.5%**
Other purchases and external costs	(40,572)	(7.2%)	(33,205)	(4.8%)	(32,568)	(4.5%)
Miscellaneous taxes	(3,666)	(0.6%)	(3,548)	(0.5%)	(3,563)	(0.5%)
Staff costs	(57,880)	(10.2%)	(58,094)	(8.5%)	(55,102)	(7.6%)
Net depreciation, amortisation and provisions	(8,784)	(1.5%)	(7,465)	(1.1%)	(7,315)	(1.0%)
Other income and expenses	(1,790)	(0.3%)	(986)	(0.1%)	(1,616)	(0.2%)
Operating earnings (EBIT) before goodwill amortisation and impairment	**5,481**	**1.0%**	**50,961**	**7.4%**	**62,686**	**8.7%**
Goodwill amortisation and impairment	(142)	(0.0%)	0	0.0%	0	0.0%
Operating earnings (EBIT) after goodwill amortisation and impairment	**5,339**	**0.9%**	**50,961**	**7.4%**	**62,686**	**8.7%**

Group operating earnings (EBIT) after goodwill amortisation and impairment for the year ended 31 March 2023 came to €5,339,000 or 0.9% of full-year consolidated revenues, compared to €50,961,000 or 7.4% for the year ended 31 March 2022 and €62,686,000 or 8.7% for the year ended 31 March 2021.

Despite adverse economic conditions and a return to normal levels of high-tech purchases, which resulted in a 17.2% fall in revenues in the year ended 31 March 2023 compared to the previous year, the Group recorded operating earnings (EBIT) after goodwill amortisation and impairment of €5,339,000 for 2020/2023, with a gross margin of €118,174,000 and a gross margin rate of 20.8%, just slightly below the normalised Group rate of 21.5%.

The Group used the financial year ending 31 March 2023 to consolidate its fundamentals by increasing its brand awareness, notably through a national television advertising campaign in three instalments, and by expanding its store chain with sixteen new brand stores in the LDLC chain and two in the L'Armoire de Bébé chain. The expansion of the Group's logistics capacity through the new logistics warehouse in Saint-Quentin-Fallavier will underpin the Group's future growth. These actions taken to support the Group's future growth explain the increase in operating expenses. New store openings inevitably lead to an increase in staff costs, with a further 64 people employed at 31 March 2023.

Operating earnings (EBIT) after goodwill amortisation and impairment of €50,961,000 for the year ended 31 March 2022 vindicated the merits of the Group's cash-generating business model.

After a first half of growth, the Group was faced with a market environment disrupted by difficulties in the supply of graphics cards during key periods (Black Friday and Christmas) combined with a return to a normal consumption pattern in the BtoC business. The lower level of supply in the third quarter had a significant impact on the Group's growth trajectory in this traditionally very busy period.

The Group performed well during the year despite a €39.2 million decline in 2021/2022 revenues given the record levels of the previous year. In fact, revenues increased significantly compared to pre-crisis levels.

The gross margin for the year ended 31 March 2022 was €154,259,000 and remained stable at 22.5% of revenues.

The increase in 2021/2022 staff costs was mainly due to the increase in headcount following the takeover of one franchise and the opening of two new LDLC stores and five new L'Armoire de Bébé stores.

For the year ended 31 March 2021, the robust growth in operating earnings (EBIT) after goodwill amortisation and impairment was in line with the €230.7 million increase in consolidated revenues versus the previous year.

Boosted by the strategic repositioning of the Group's brands, the gross margin increased 71% to €162.9 million for the year ended 31 March 2021.

This substantial increase reflected growth in business as well as a structural hike in the gross margin rate. The Group benefited from a unique market environment impacted by a shortage of certain high-tech products, which partly explained (around 1%) the change in its margin rate. As a result, the gross margin rate rose 3.2 percentage points to 22.5% for the year ended 31 March 2021.

The sharp increase in the Group EBITDA margin can therefore be attributed to the increase in the gross margin and consequent reduction in the weighting of other operating expenses. The Group successfully leveraged its positioning as a specialist omnichannel retailer (physical stores, BtoB and BtoC online) to deliver a record performance.

The increase in staff costs for the year ended 31 March 2021 was mainly due to the sharp increase in employee profit-sharing and related social security charges, which amounted to €4,841,000 for the year ended 31 March 2021.

7.2.2. Net financial income/(expense)

€000	**2022/2023**	**2021/2022**	**2020/2021**
Interest on borrowings	(210)	(206)	(401)
Bank interest, current account charges and financing commissions	(69)	(50)	(37)
Net cost of debt	**(279)**	**(256)**	**(439)**
Net (charges)/write-backs of provisions for impairment of financial assets	(1,422)	11	(11)
Other financial income	257	135	78
Other financial expenses	(5)	5	(5)
Net financial income/(expense)	**(1,449)**	**(105)**	**(376)**

The Group posted a net financial expense of €1,449,000 for FY 2022/2023, compared to €105,000 the previous year and €376,000 the year before that.

The net financial expense for the year ended 31 March 2023 primarily reflects the valuation of 39,781 treasury shares acquired with a view to allocating bonus share plans, but not allocated to a specific plan at 31 March 2023, at the average share price over the last month of the financial year, for which a €1,422,000 provision was recognised.

In order to finance the partial acquisition of the Materiel.net group, Olys and Synopsis, in March 2016 and January 2018 the LDLC Group entered into loan agreements amounting to €23 million and €10 million with a pool of banking partners. The Group opted to prepay these loans in full on 30 June 2021, which largely explains the decrease in interest on borrowings for the year ended 31 March 2022 (see Note 3.13 to the 2021/2022 consolidated financial statements).

Income from other investments during the same period accounted for other financial income of €75,000.

The €567,000 decrease in interest on borrowings for the year ended 31 March 2021 was mainly due to loan prepayments made in December 2019 and September 2020 (see Note 3.13 to the 2020/2021 consolidated financial statements).

The sustained growth in all Group business lines and the profits generated in the 2020/2021 financial year generated cash flow, which explains the reduction in bank interest.

7.2.3. Net non-recurring income/(expense)

€000	2022/2023	2021/2022	2020/2021
Non-recurring income	179	307	551
Non-recurring expenses	(745)	(355)	(590)
Net non-recurring income/(expense)	(566)	(47)	(39)

For the year ended 31 March 2023, the Group posted a net non-recurring expense of €566,000, compared to net non-recurring expenses of €47,000 in 2021/2022 and €39,000 in 2020/2021.

The vesting of bonus shares accounts for a non-recurring expense in the amount of €112,000 for the year ended 31 March 2023.

The retirement of the assets of the former logistics warehouses and the provision for fixtures and fittings at the Gennevilliers logistics facility earmarked for closure, accounted for non-recurring expenses of €300,000.

For the year ended 31 March 2022, the vesting of bonus shares accounted for a non-recurring expense in the amount of €250,000.

Non-recurring items for the year ended 31 March 2021 mainly comprised:
- income totalling €160,000 mainly arising from the write-back of a provision by Groupe LDLC España relating to negotiations on the termination of the lease on the Madrid premises and the revision of severance payments awarded to the company's employees;
- the vesting of bonus shares (€235,000 expense);
- exceptional depreciation charges corresponding to additional depreciation on scrapped non-current assets (€158,000).

7.2.4. Earnings per share

€000	2022/2023	2021/2022	2020/2021
Earnings before tax	**3,324**	**50,809**	**62,271**
Income tax	(1,803)	(14,705)	(20,058)
Net income from equity associates	(287)	0	0
Net income for the year:	**1,234**	**36,104**	**42,213**
Company shareholders	1,234	36,104	42,213
Minority interests	0	0	0
Weighted average number of shares outstanding	6,163,572	6,163,092	6,321,072
Earnings per share (€)	**0.20**	**5.86**	**6.68**
Diluted earnings per share (€)	**0.20**	**5.86**	**6.68**

Earnings per share corresponds to net income, Group share divided by the average number of shares outstanding during the financial year.

7.3. PRESENTATION OF COMPANY FINANCIAL STATEMENTS AND ACCOUNTING METHODS - GROUPE LDLC EARNINGS

The presentation rules and accounting methods applied comply with regulations in force.

The Company financial statements were prepared in a manner consistent with prior years and in accordance with the French chart of accounts ("*plan comptable général*").

The Company financial statements for the year ended 31 March 2023 are presented in Section 18.3 of this Universal Registration Document.

For the year ended 31 March 2023, Groupe LDLC posted net revenues of €519,076,550 compared to €640,120,047 the previous year and €657,527,597 the year before that.

Operating expenses for the year ended 31 March 2023 amounted to €518,613,777 compared to €590,861,311 the previous year and €597,943,076 the year before that.

Operating income totalled €531,935,112, with net operating income (EBIT) amounting to €13,321,335 compared to €57,973,625 the previous year and €67,550,051 for the year ended 31 March 2021.

Financial expenses for the year ended 31 March 2023 amounted to €10,396,094 compared to €322,194 the previous year and €2,149,889 the year before that. Financial income for the year ended 31 March 2023 amounted to €1,187,041 compared to €287,370 the previous year and €12,561,047 the year before that.

Accordingly, the Company posted a net financial expense of €9,209,054 for the year ended 31 March 2023 compared to a net financial expense of €34,824 the previous year and net financial income of €10,411,158 the year before that.

Earnings before tax and non-recurring items amounted to €4,112,281 for the year ended 31 March 2023 compared to €57,938,801 the previous year and €77,961,209 the year before that.

Total non-recurring income for the year ended 31 March 2023 amounted to €180,994, while non-recurring expenses totalled €958,113, giving a net non-recurring expense of €777,119 compared to net expenses of €267,825 the previous year and €46,070 the year before that.

Given these results, after a corporate income tax charge of €857,412 and an employee profit-sharing expense of €350,780, the Company posted net income of €2,126,971 for the year ended 31 March 2023 compared to €38,071,177 the previous year and €52,212,613 the year before that.

7.4. GOVERNMENTAL, ECONOMIC, BUDGETARY, MONETARY OR POLITICAL STRATEGY OR FACTORS THAT HAVE HAD OR COULD HAVE A MARKED INFLUENCE, EITHER DIRECT OR INDIRECT, ON THE ISSUER'S OPERATIONS

Loans outstanding at 31 March 2023 in connection with the acquisition of the A.C.T.I. MAC Group completed on 1 April 2023 do not include any restrictive covenants.

In connection with acquisitions made in 2016 and 2018, the Group entered into a loan agreement that contained the usual provisions for this type of financing arrangement, including bank covenants, general restrictive undertakings and an acceleration clause.

These Group commitments curtailed its flexibility in conducting its operations and executing certain capital expenditure transactions, without this list being exhaustive.

However, on 30 June 2021 Groupe LDLC opted to prepay the entire outstanding balance of the loan, in the amount of €6,385,000 (principal and interest), without incurring any voluntary prepayment penalties or other related costs (see Note 3.13 to the 2020/2021 consolidated financial statements).

This full prepayment allowed the Group to regain full financial and operational agility, as it was no longer required to comply with the ratios and capex limits imposed by this loan agreement (see Note 3.2.1 on liquidity risks in this Universal Registration Document).

7.5. REVENUES AND EARNINGS OF SUBSIDIARIES AND CONTROLLED COMPANIES

In accordance with Articles L.233-6 para. 2 and R.225-102 of the French Commercial Code, below you will find the revenues and earnings of the Company's subsidiaries and companies that it controls, by business line:

All of the data presented below is stated in euros.

Business	Revenues	Earnings before tax and non-recurring items	Net earnings after tax	New investments in PP&E	Average headcount	Period
Wholesale trader of all computer hardware and software, plus all related services						
Nemeio	0	(17,068)	(17,068)	0	0	01/04/2022 to 31/03/2023
Business line total	**0**	**(17,068)**	**(17,068)**	**0**	**0**	
Installation of cable networks and access control, CCTV and telecommunications systems						
DLP-Connect	2,348,998	(88,856)	(86,325)	15,851	13	01/04/2022 to 31/03/2023
Business line total	**2,348,998**	**(88,856)**	**(86,325)**	**15,851**	**13**	
Design, development and sale of software and provision of IT services, maintenance; secondary activity in customer service for goods sold, training						
Anikop	2,848,742	13,806	15,966	6,496	33	01/04/2022 to 31/03/2023
Business line total	**2,848,742**	**13,806**	**15,966**	**6,496**	**33**	
Creation and development of a distribution network for the sale of all equipment and services, as well as the granting of all franchising or licensing rights						
LDLC Distribution	4,909,019	236,234	236,234	9,350	30	01/04/2022 to 31/03/2023
Business line total	**4,909,019**	**236,234**	**236,234**	**9,350**	**30**	
Higher education						
Ecole LDLC	272,044	(89,747)	(89,747)	12,297	5	01/04/2022 to 31/03/2023
Business line total	**272,044**	**(89,747)**	**(89,747)**	**12,297**	**5**	
Outsourced IT system management for business customers, remote monitoring, on-site services, IT product repair centre						
Bluescreen	354,733	(107,191)	(107,191)	875	5	01/04/2022 to 31/03/2023
Business line total	**354,733**	**(107,191)**	**(107,191)**	**875**	**5**	

Business	Revenues	Earnings before tax and non-recurring items	Net earnings after tax	New investments in PP&E	Average headcount	Period
Operation of all business undertakings involving the practice of sport and/or indoor leisure activities, development and sale of video games, catering for consumption on the premises or takeaway						
LDLC VR Studio	133,797	(1,038,823)	(1,038,823)	39,847	13	01/04/2022 to 31/03/2023
Business line total	**133,797**	**(1,038,823)**	**(1,038,823)**	**39,847**	**13**	
Retail sale of all IT hardware and software and all multimedia and digital products						
LDLC Boutiques	21,602,009	(1,643,932)	(1,642,782)	3,893,234	93	01/04/2022 to 31/03/2023
LDLC7	0	(70,163)	(70,163)	0	0	01/04/2022 to 31/03/2023
LDLC9	0	(169,124)	(169,124)	186,896	1	01/04/2022 to 31/03/2023
LDLC11	0	(1,034)	(1,034)	0	0	01/04/2022 to 31/03/2023
LDLC13	0	(1,035)	(1,035)	0	0	01/04/2022 to 31/03/2023
Business line total	**21,602,009**	**(1,885,288)**	**(1,884,138)**	**4,080,130**	**94**	
Acquisition of any interests in any business, company or any group whose purpose is all research and development activities, and all industrial, commercial, agricultural, investment, real estate or financial activities						
LDLC Invest	0	20,515	19,310	0	0	01/04/2022 to 31/03/2023
Business line total	**0**	**20,515**	**19,310**	**0**	**0**	
Retail store sale of personal equipment and childcare products						
ADB Boutiques	4,372,396	(1,424,551)	(1,424,668)	461,656	35	01/04/2022 to 31/03/2023
Business line total	**4,372,396**	**(1,424,551)**	**(1,424,668)**	**461,656**	**35**	

Business	Revenues	Earnings before tax and non-recurring items	Net earnings after tax	New investments in PP&E	Average headcount	Period
Organisation and management of events, particularly in the e-sports sector						
Business line total	**1,415,621**	**(1,112,526)**	**(1,112,526)**	**50,529**	**10**	
Acquisition, use and development of land for the construction and leasing of a building						
Domimo 2	0	151,710	113,871	0	0	01/04/2022 to 31/03/2023
Business line total	**0**	**151,710**	**113,871**	**0**	**0**	
Trade, representation in any form whatsoever of computer hardware and all derived products, telephone and network equipment and multimedia						
OLYS	70,751,953	(1,125,176)	(1,061,306)	201,329	188	01/04/2022 to 31/03/2023
Business line total	**70,751,953**	**(1,125,176)**	**(1,061,306)**	**201,329**	**188**	
Lease of computer and telecommunications hardware and software, lease of all industrial equipment, sale of second-hand computer and telecommunications hardware, trading						
LDLC Pro Lease	1,787,155	81,899	61,424	0	0	01/04/2022 to 31/03/2023
Business line total	**1,787,155**	**81,899**	**61,424**	**0**	**0**	
Total	**110,796,467**	**(6,385,062)**	**(6,374,987)**	**4,878,360**	**426**	

Nemeio:

Nemeio posted zero revenues for 2022/2023, as in the previous year, as the company does not conduct any operations.

The company posted an EBIT loss of €4,000 for the year ended 31 March 2023, compared to a €25,000 loss the previous year.

The company posted a 2022/2023 net loss of €17,000, compared to a net loss of €25,000 the previous year.

DLP-Connect:

DLP-Connect posted 2022/2023 revenues of €2,349,000, up 27% from €1,849,000 the previous year.

It posted an EBIT loss of €63,000 for the year ended 31 March 2023 compared to positive EBIT of €98,000 the previous year.

The net loss for 2022/2023 amounted to €86,000 compared to net income of €89,000 the previous year.

Anikop:

On 5 May 2022, Groupe LDLC acquired the remaining 150 shares in Anikop's capital, thereby becoming the company's sole shareholder.

Anikop was brought into the Groupe LDLC tax consolidation group on 1 April 2022.

Anikop posted 2022/2023 revenues of €2,849,000, up 4% from €2,730,000 the previous year.

The company posted EBIT of €24,000 for the financial year ended 31 March 2023, compared to €138,000 for the year ended 31 March 2022.

Net income came to €16,000 for the period ended 31 March 2023, compared to €133,000 for the year ended 31 March 2022.

LDLC Distribution:

LDLC Distribution posted 2022/2023 revenues of €4,909,000, up 3% from €4,749,000 the previous year.

This increase is mainly due to the opening of 20 stores in the LDLC store chain in the year ended 31 March 2023.

The company posted EBIT of €239,000 for the year ended 31 March 2023 compared to €316,000 the previous year.

Net income came to €236,000 for the period ended 31 March 2023, compared to €316,000 for the year ended 31 March 2022.

LDLC School:

The LDLC School recorded fewer admissions for the 2022/2023 academic year with 34 new students, 2 fewer than the previous year.

The school posted 2022/2023 revenues of €272,000, down 5% from €287,000 the previous year.

LDLC school posted an EBIT loss of €112,000 for the year ended 31 March 2023, compared to a €17,000 loss for the year ended 31 March 2022.

As a result, the school posted a 2022/2023 net loss of €90,000, compared to a net loss of €10,000 the previous year.

Bluescreen:

On 24 November 2022, Groupe LDLC purchased 6,000 shares in Bluescreen at a price of €1, thereby becoming the company's sole shareholder holding a 100% equity stake.

Bluescreen posted 2022/2023 revenues of €355,000, up 46% from €243,000 the previous year.

The company posted an EBIT loss of €92,000 for the year ended 31 March 2023, compared to a €128,000 loss for the year ended 31 March 2022.

The company posted a 2022/2023 net loss of €107,000, compared to a net loss of €132,000 the previous year.

LDLC VR Studio:

In early July 2022, 14 Groupe LDLC employees were transferred to LDLC VR Studio to strengthen its virtual reality video game development business. Meanwhile, LDLC VR Studio is continuing to develop the leisure business of its "LDLC VR Experience" room by diversifying the offerings available to customers.

LDLC VR Studio posted 2022/2023 revenues of €134,000, up 105% from €65,000 the previous year.

The company posted an EBIT loss of €967,000 for the year ended 31 March 2023, compared to a €514,000 loss the previous year.

The net loss for the year ended 31 March 2023 came to €1,039,000, compared to a net loss of €532,000 the previous year.

LDLC Boutiques:

At 31 March 2023, LDLC Boutiques had 26 stores following the acquisition of the business assets of a store in Saint-Brieuc and the opening of 15 new stores during the year.

LDLC Boutiques posted 2022/2023 revenues of €21,602,000, up 62% from €13,342,000 the previous year.

The company posted an EBIT loss of €1,522,000 for the year ended 31 March 2023, compared to positive EBIT of €617,000 the previous year.

The net loss for 2022/2023 amounted to €1,643,000 compared to net income of €538,000 the previous year.

LDLC7:

On 1 April 2023, LDLC7, a wholly-owned subsidiary of Groupe LDLC assigned to the development and management of the Apple store chain (excluding BIMP stores), acquired all shares in A.C.T.I. MAC (Caen Trade and Companies Register no. 389 497 348) and its wholly-owned subsidiary, O.S.I. Nx (Caen Trade and Companies Register no. 482 827 698).

For this purpose, LDLC7 requested an intercompany loan from Groupe LDLC, its sole shareholder and chairman, to finance part of the acquisition price.

On 27 March 2023, Groupe LDLC and its subsidiary LDLC7 entered into an intercompany loan agreement in order to define the repayment terms for Groupe LDLC's loan to LDLC7.

LDLC7 posted zero revenues for 2022/2023, as in the previous year.

The company posted an EBIT loss of €59,000 for the year ended 31 March 2023, compared to a €1,000 loss for the year ended 31 March 2022.

The company posted a 2022/2023 net loss of €70,000, compared to a net loss of €1,000 the previous year.

LDLC9:

LDLC9 posted zero revenues for 2022/2023, as in the previous year, due to the fact that the company has not yet started trading.

The company posted an EBIT loss of €168,000 for the year ended 31 March 2023, compared to a €1,000 loss for the year ended 31 March 2022.

The company posted a 2022/2023 net loss of €169,000, compared to a net loss of €1,000 the previous year.

LDLC Invest:

During the year ended 31 March 2023, LDLC Invest acquired €2,500,000 of undated subordinated notes and additional shares in Lyon ASVEL Féminin, thereby increasing its equity stake to 29.20%.

LDLC Invest posted zero revenues for 2022/2023, as in the previous year.

The company posted an EBIT loss of €5,000 for the year ended 31 March 2023, compared to a €2,000 loss for the year ended 31 March 2022.

The company posted net financial income of €25,000 for the year ended 31 March 2023, compared to a net loss of €2,000 the previous year.

Net income for the year ended 31 March 2023 came to €19,000 compared to a net loss of €4,000 the previous year.

ADB Boutiques:

At 31 March 2023, ADB Boutiques had 9 stores following the opening of two new stores during the year.

The company posted 2022/2023 revenues of €4,372,000, up 30% from €3,367,000 the previous year.

The company posted an EBIT loss of €1,240,000 for the financial year ended 31 March 2023, compared to a €777,000 loss for the year ended 31 March 2022.

The company posted a 2022/2023 net loss of €1,425,000, compared to a net loss of €813,000 the previous year.

LDLC Event:

LDLC Event posted 2022/2023 revenues of €1,416,000, up 7% from €1,327,000 the previous year.

The company posted an EBIT loss of €974,000 for the financial year ended 31 March 2023, compared to an €892,000 loss for the year ended 31 March 2022.

The company posted a 2022/2023 net loss of €1,113,000, compared to a net loss of €929,000 the previous year.

Domimo 2:

SCI Domimo 2 posted zero revenues for the year 2022/2023 financial year, as in the previous year, due to the sale of its sole property in June 2019.

The company posted an EBIT loss of €8,000 for the year ended 31 March 2023 compared to positive EBIT of €4,000 the previous year.

Net income came to €114,000 for the period ended 31 March 2023, compared to €12,000 for the year ended 31 March 2022.

Olys:

At 31 March 2023, the Olys group had 17 stores in France following the closure of one of its stores during the year.

Olys posted 2022/2023 revenues of €70,752,000, up 5% from €67,706,000 the previous year.

The company posted an EBIT loss of €791,000 for the year ended 31 March 2023, compared to positive EBIT of €425,000 the previous year.

The net loss for 2022/2023 amounted to €1,061,000 compared to net income of €420,000 the previous year.

LDLC Pro Lease:

LDLC Pro Lease was brought into the Groupe LDLC tax consolidation group on 1 April 2022.

LDLC Pro Lease posted 2022/2023 revenues of €1,787,000 compared to €2,079,000 for the 15-month financial year ended 31 March 2022.

The company posted positive EBIT of €87,000 for the year ended 31 March 2023 compared to €44,000 for the 15-month financial year ended 31 March 2022.

Net income came to €61,000 for the period ended 31 March 2023, compared to €33,000 for the 15-month financial year ended 31 March 2022.

LDLC11 and LDLC13 conducted no operations during the year ended 31 March 2023. These companies have been included in the Groupe LDLC tax group.

7.6. GROUPE LDLC RESEARCH AND DEVELOPMENT

In accordance with Article L.232-1 of the French Commercial Code, we hereby inform you that Groupe LDLC has engaged in research and development since the year ended 31 March 2016. In December 2016, the Group brought to market the first product created by its R&D team.

In respect of the 2022/2023 financial year, the Group considers that the conditions for capitalising research and development costs were partly met. Accordingly, research and development costs were recognised under either expenses or non-current assets, depending on the project.

€1,061,000 in research and development costs were capitalised in respect of the 2022/2023 financial year compared to €657,000 the previous year and €394,000 the year before that.

The Nemeio customisable e-ink keyboard with screen recognised at CES Las Vegas in January 2019 was still in the design phase at 31 March 2023. The Group was faced with (i) a market environment disrupted by supply difficulties for certain components (particularly during the COVID-19 period); and (ii) technical difficulties in design/manufacturing processes, which impacted the launch date of the Nemeio keyboard.

The product's final technical specifications have not yet been defined.

Depending on the progress of these factors, the first series of Nemeio keyboards are set to be marketed during the 2023/2024 financial year.

Nemeio is the first customisable keyboard offering limitless configuration capabilities that can therefore be adapted to all alphabets, characters and symbols. It is easy to switch from one language to another and create customised shortcuts and presets in order to mould the perfect keyboard for professional or personal use. Nemeio received a pre-launch from November to December 2020 in the form of a crowdfunding campaign on the Kickstarter website. This platform enabled more than 536 devotees to pre-order their keyboard. Since December 2020 it has been possible to pre-order the keyboard on a new platform called Indiegogo.

Groupe LDLC did not receive a research tax credit for 2022, in contrast to the €33,000 research tax credit received in 2020. This tax credit is awarded to companies making significant investments in research and development.

7.7. MATERIAL POST-BALANCE SHEET EVENTS

On 1 April 2023, the LDLC Group finalised the acquisition of 100% of the share capital and voting rights of A.C.T.I. MAC and its subsidiary O.S.I. Nx. This acquisition was financed entirely by bank loans (see Notes 2.6 and 3.14 to the consolidated financial statements for the year ended 31 March 2023 - press release dated 3 April 2023).

On 1 May 2023, the LDLC Group launched its second nationwide TV advertising campaign in the same format as the first campaign, i.e. in three instalments. The purpose of this second advertising campaign is to enhance LDLC brand awareness among the general public by reaching out nationwide through the French stores (see press release dated 2 May 2023).

In keeping with its unflagging commitment to customer satisfaction, since 3 May 2023 the LDLC Group has offered a free three-year warranty extension on all LDLC catalogue products purchased online or in-store, excluding consumables (ink and toner cartridges, etc.), second-hand goods and products offered by the Group's marketplace partners (see press release dated 3 May 2023).

On 16 May 2023, the LDLC Group and OL Group decided on the early termination of their partnership with effect from the end of July 2023. The end of this partnership also marks LDLC Event's withdrawal from the e-sport scene and the cessation of its operations in this sector (see press release dated 16 May 2023).

In accordance with Article L.232-1, II of the French Commercial Code, it is specified that, to the best of our knowledge, no other significant events liable to have a material impact on the assessment of the Company's financial position have taken place since the balance sheet date.

CHAPTER 8 • CASH AND CAPITAL

The LDLC Group's main capital requirements are related to funding working capital and operational capital expenditure. The A.C.T.I. MAC Group acquisition on 1 April 2023 was financed entirely by bank loans.

The statement of changes in consolidated shareholders' equity is presented in Note 1.3 to the consolidated financial statements for the year ended 31 March 2023. A breakdown of the share capital is provided in Note 3.12 of the same financial statements, which are found in Section 18.1 of this Universal Registration Document.

8.1. INFORMATION ON GROUP SHORT- AND LONG-TERM FINANCIAL RESOURCES

Cash: cash and cash equivalents amounted to €43,320,000 at 31 March 2023 compared to €44,095,000 at 31 March 2022 and €51,260,000 at 31 March 2021.

The decrease in net cash and cash equivalents at 31 March 2022 was mainly due to the acquisition of 150,330 treasury shares for collection under a share buyback contract in the amount of €6,596,000.

Borrowings: On 1 April 2023, LDLC7, a wholly-owned subsidiary of Groupe LDLC assigned to the development and management of the Apple store chain (excluding BIMP stores), acquired the entire share capital of A.C.T.I. MAC and its wholly-owned subsidiary, O.S.I. Nx (the "A.C.T.I. MAC Group").

For this purpose, LDLC7 requested an intercompany loan from Groupe LDLC, its sole shareholder and chairman, to finance part of the acquisition price.

Groupe LDLC considered it more appropriate and advantageous to fund the loan with bank debt rather than available cash. On 27 March 2023, Groupe LDLC took out two loans amounting to €10 million and €5 million.

In general, the Group uses borrowings to pursue its strategy, including the expansion of its brand store chain and the growth of its business in the coming years.

The Group has a net cash surplus, which breaks down as follows:

€000	31/03/2023	31/03/2022	31/03/2021
Gross borrowings	43,199	21,328	19,978
Cash and cash equivalents	43,320	44,095	51,260
Net cash/(debt)	**122**	**22,768**	**31,283**

The following table shows the Group's debt instalment maturities at 31 March 2023:

€000	Total	Due in < 1 year	Due in 1-3 years	Due in 3-5 years	Due in > 5 years
Long-term loans and borrowings	34,157	0	17,070	10,979	6,107
Loans	34,157	0	17,070	10,979	6,107
Short-term loans and borrowings	9,042	9,042	0	0	0
Guarantee deposits received	0	0	0	0	0
Loans	8,592	8,592	0	0	0
Accrued interest on loans	31	31	0	0	0
Bank overdrafts	198	198	0	0	0
Current accounts	220	220	0	0	0
Total	**43,199**	**9,042**	**17,070**	**10,979**	**6,107**

Debt at 31 March 2023:

A €5 million loan was taken out in June 2022 to finance Group working capital requirements. This loan is repayable over a 7-year term with repayment deferred for 8 quarters.

Between July and September 2022, three new loans amounting to €5 million, €2.5 million and €3.5 million (total €11 million) were taken out to finance Group capital expenditure. At 31 March 2023, the €5 million and €2.5 million loans were partly released in the amount of €4.25 million.

The interest on these two loans is paid on the amounts made available. The first instalment comprising principal repayment and interest is due on 30 October 2023 for the €5 million loan and, for the €2.5 million loan, within three months following its full release or no later than 11 December 2023.

Financing arrangements related to the acquisition of the A.C.T.I. MAC Group completed on 1 April 2023:

On 1 April 2023, LDLC7 acquired the entire share capital and voting rights of the A.C.T.I. MAC Group. For this purpose, LDLC7 requested an intercompany loan from Groupe LDLC, its sole shareholder and chairman, to finance part of the acquisition price.

Groupe LDLC considered it more opportune and advantageous to take out a bank loan rather than use its available cash to release the funds relating to the intra-group loan. On 27 March 2023, Groupe LDLC took out two loans amounting to €10 million and €5 million, repayable over a 7-year term at respective rates of 3.90% and 4.08% per annum.

Repayments under the €5 million loan are deferred for 8 quarters. The first instalment combining principal repayment and interest is scheduled for 30 June 2025, with the last instalment due on 31 March 2030. On 27 March 2023, Groupe LDLC also decided to draw down €1.5 million under the €3.5 million loan taken out in September 2022.

Debt at 31 March 2022:

A €5 million loan was taken out in April 2021 to finance Group working capital requirements.

In March 2022, the LDLC Group took out two €3.5 million loans to finance growth investments related to the new logistics warehouse, including new logistics software, optimised storage space to accommodate future business growth and the expansion of the store chain.

On 8 July 2021, the LDLC Group acquired Hexa-Tech, a member of its franchise network. At the acquisition date, this company had total borrowings of €208,000, which were prepaid in full on 28 July 2021.

In March 2022, Groupe LDLC signed an amendment to the March 2017 factoring agreement with Eurofactor.

8.2. CASH FLOW ANALYSIS

8.2.1. Cash flows:

€000	**2022/2023**	**2021/2022**	**2020/2021**
Net cash flow from operating activities	4,133	22,255	51,002
Net cash flow from investing activities	(17,184)	(9,252)	(8,068)
Net cash flow from financing activities	12,158	(20,021)	(11,250)
Net change in cash and cash equivalents	**(893)**	**(7,019)**	**31,684**

8.2.2. Net cash flow from operating activities:

€000	2022/2023	2021/2022	2020/2021
Net income from continuing operations	1,234	36,104	42,213
Elimination of non-cash income and expenses	9,777	8,040	7,698
Tax expense (current and deferred)	1,803	14,705	20,058
Gains/losses on disposal of assets	2	33	(71)
Gross operating cash flow before tax	12,815	58,882	69,898
Tax paid	(915)	(15,535)	(20,843)
Change in working capital	(7,767)	(21,092)	1,946
Net cash flow from operating activities	**4,133**	**22,255**	**51,002**

Net operating cash flow for the year ended 31 March 2023 amounted to a €4,133,000 inflow compared to a €22,255,000 inflow the previous year and a €51,002,000 inflow the year before that.

Net cash flow from operating activities remained positive at €4,133,000, despite the unfavourable economic climate during the year ended 31 March 2023, which caused both individuals and businesses to postpone their spending, particularly in the face of inflation and rising energy prices.

Gross operating cash flow before tax amounted to €12,815,000 for the year ended 31 March 2023, demonstrating the Group's ability to generate cash despite a downturn in business.

With pressure easing on supplies and demand returning to normal, the Group continued to adapt inventory levels, thereby reducing its working capital.

Despite a reduction in business activity compared to the record performance in FY 2020/2021, net income from continuing operations remained well above pre-Covid levels, with net operating cash flow of €22,255,000 reflecting the excellent performance achieved in FY 2021/2022.

Gross operating cash flow before tax of €58,882,000 in FY 2021/2022 confirmed the merits of the Group's business model, which continued to generate cash.

The significant change in working capital in FY 2021/2022 was mainly due to the €19,674,000 decrease in trade payables.

The sharp increase in net operating cash flow in FY 2020/2021 was mainly due to Group revenue and margin growth: net income from continuing operations rose by 408%. As a result, gross operating cash flow before tax rose significantly in FY 2020/2021 reflecting the increase in gross funds generated by the Group's business activities.

8.2.3. Net cash flow from investing activities:

€000	2022/2023	2021/2022	2020/2021
Income from disposal of non-current assets, after tax	7	10	109
Acquisition of non-current assets	(15,097)	(8,755)	(8,350)
Reduction in financial assets	112	218	174
Change in consolidation scope	(2,206)	(726)	0
Net cash flow from investing activities	**(17,184)**	**(9,252)**	**(8,068)**

Net cash flow from investing activities for the year ended 31 March 2023 amounted to a €17,184,000 outflow versus a €9,252,000 outflow the previous year and an €8,068,000 outflow the year before that.

The €17,184,000 net outflow for FY 2022/2023 was mainly due to the acquisition of non-current assets totalling €15,097,000, comprising intangible assets and property, plant and equipment totalling €10,960,000 and financial assets totalling €4,137,000 (see Note 3.5 to the 2022/2023 consolidated financial statements).

Acquisitions of intangible assets in FY 2022/2023 mainly relate to in-house R&D projects amounting to €1,061,000.

The main acquisitions of property, plant and equipment in the year ended 31 March 2023 were as follows:
- fit-out works, equipment and furniture for the new logistics warehouse in Saint-Quentin-Fallavier (€3,834,000);
- fit-out works for 16 new LDLC stores and two new L'Armoire de Bébé stores opened during the year ended 31 March 2023 (€3,495,000);
- fit-out works for new stores due to open this year (€603,000).

The €2,206,000 change in consolidation scope is due to the acquisition of additional equity interests.

The €9,252,000 net outflow for FY 2021/2022 was mainly due to the acquisition of the following non-current assets:
- acquisition of intangible assets derived from in-house R&D projects (€657,000);
- fixtures and fittings, furniture and IT hardware for five new L'Armoire de Bébé stores launched during the year and two new LDLC stores (€1,528,000 and €363,000 respectively);
- property, plant and equipment in progress corresponding to alterations, fit-out work and new logistics software for the new warehouse (€3,557,000) and fixtures and fittings for the new LDLC stores due to open during the current financial year (€295,000).

The €726,000 cash outflow under "Change in consolidation scope" was mainly due to the acquisition of Hexa-Tech on 8 July 2021 (€105,000) and the purchase of additional shares in LDLC Event and MyMultimedia (€222,000 and €400,000 respectively).

The €8,068,000 net outflow for FY 2020/2021 was mainly due to the following asset acquisitions:
- value of the TopAchat trademark (€3 million);
- capitalised R&D project expenditure (€394,000);
- refurbishment work on the LDLC VR Studio premises (€585,000);
- fixtures and fittings installed in three L'Armoire de Bébé stores (€784,000).

8.2.4. Net cash flow from financing activities:

€000	2022/2023	2021/2022	2020/2021
Treasury share transactions	6,633	(6,950)	17
Capital reduction	(6,596)	0	0
New borrowings	27,750	12,000	18,000
Repayment of borrowings	(5,979)	(10,905)	(26,015)
Finance lease payments	0	(9)	(62)
Change in other borrowings	(18)	(80)	(97)
Capital increase (nominal)	0	0	0
Additional paid-in capital + undistributable reserves + retained earnings	0	0	0
Decrease in shareholders' equity (dividends)	(7,224)	(9,229)	0
Interim dividend	(2,408)	(4,848)	(3,093)
Net cash flow from financing activities	**12,158**	**(20,021)**	**(11,250)**

In the year ended 31 March 2023, net cash flow from financing activities amounted to a €12,158,000 inflow compared to a €20,021,000 outflow the previous year and an €11,250,000 outflow the year before that.

On 16 June 2022, the LDLC Group decided to reduce its share capital by cancelling 150,330 treasury shares amounting to €6,596,000, which accounts for the treasury share transactions for the same amount during the year ended 31 March 2023.

At 31 March 2023, the LDLC Group had taken out three loans totalling €11 million to finance Group capital expenditure, of which €7.75 million had been released by 31 March 2023, as well as a €5 million loan to finance Group working capital.

On 1 April 2023, LDLC7 acquired the entire share capital and voting rights of the A.C.T.I. MAC Group. For this purpose, LDLC7 requested an intercompany loan from Groupe LDLC, its sole shareholder and chairman, to finance part of the acquisition price.

Groupe LDLC considered it more appropriate and advantageous to fund the loan with bank debt rather than available cash. On 27 March 2023, Groupe LDLC took out two loans amounting to €10 million and €5 million,

The decrease in loan repayments for the year ended 31 March 2023 is mainly due to the 30 June 2021 prepayment of the €23 million and €10 million loans taken out to partly finance the Materiel.net, Olys and Synopsis acquisitions, representing a total amount of €6,353,000.

The €7,224,000 dividend paid to shareholders represents the balance of the €2 per share dividend awarded in respect of the 2021/2022 financial year, taking into account the €4,848,000 interim dividend paid on 25 February 2022.

In line with the policy of rewarding shareholders applied in previous years, on 24 February 2023 the LDLC Group paid an interim ordinary dividend of €0.40 per share in respect of the 2022/2023 financial year, representing an amount of €2,408,000 for the year ended 31 March 2023.

In FY 2021/2022, treasury share transactions primarily related to the acquisition of 150,330 treasury shares for cancellation under a share buyback contract, in the amount of €6,596,000.

The new borrowings of €12 million recognised at 31 March 2022 were due to the subscription of a €5 million loan in April 2021 to finance Group working capital and two €3.5 million loans to finance capital expenditure for the new logistics warehouse.

In FY 2021/2022, the €9,229,000 dividend paid to shareholders represents the balance of the €2 per share dividend awarded in respect of the 2021/2022 financial year, taking into account the €3,093,000 interim dividend paid on 25 February 2021.

In line with the policy of rewarding shareholders announced for the year ended 31 March 2021, on 25 February 2022 the LDLC Group paid an interim ordinary dividend of €0.80 per share in respect of the 2021/2022 financial year, representing an amount of €4,848,000 for the year ended 31 March 2022.

In connection with the COVID-19 health crisis, in late April 2020 the LDLC Group obtained four €4.5 million PGE state-guaranteed loans totalling €18 million in order to cover Group cash requirements, which explains the new borrowings recognised at 31 March 2021. All four loans were fully prepaid in February 2021.

In accordance with Amendment 2 to the loan agreement, the sale of the Nantes concept store held by Domimo 3 during the 2019/2020 financial year triggered a €407,000 prepayment under each of the €23 million and €10 million loans on 30 September 2020.

During the 2020/2021 financial year, another Group subsidiary also fully prepaid its loan in an amount of €91,000.

8.3. INFORMATION ON GROUP BORROWING TERMS AND FINANCING STRUCTURE

Information on the financing of the Group's business may be found in Section 8.1 "Information on Group short- and long-term financial resources" of this Universal Registration Document and in Notes 1.4 and 3.14 to the consolidated financial statements for the year ended 31 March 2023 included in Section 18.1 of this Universal Registration Document.

8.3.1. Financing policy

Non-current assets: acquisitions

The Group is strengthening its commitment to the Team for the Planet civic initiative by injecting a further €800,000 into this climate protection project, representing 800 additional shares.

The Group purchased 450 shares in Anikop on 30 June 2020 at a price of €600,000 and a further 150 shares on 5 May 2022 at a price of €200,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

On 24 November 2022, the Group acquired 6,000 shares in Bluescreen at a price of €1, becoming the company's sole shareholder holding a 100% equity stake.

In June 2022, the Group increased its stake in Lyon ASVEL Féminin to 29.20%.

On 21 July 2022, the Group acquired the Giga Hertz computer hardware retail business at a price of €400,000.

The Group made no other acquisitions during the year ended 31 March 2023.

During the year ended 31 March 2022, the Group acquired the entire share capital of LDLC Pro Lease and Hexa-Tech at respective prices of €100,000 and €655,000 in June 2021 and July 2021.

Effective 31 August 2021, Hexa-Tech was merged by absorption into LDLC Boutiques.

On 26 July 2021, Groupe LDLC purchased 909 LDLC Event shares at a price of €222,000, thereby increasing its equity stake to 72.30%.

On 30 November 2021, the Group bought up all minority interests in MyMultimedia amounting to 40% of the share capital at a price of €400,000, thereby becoming the company's sole shareholder holding a 100% equity stake. See Note 2.1 to the consolidated financial statements for the year ended 31 March 2022.

Effective 31 January 2022, MyMultimedia was merged by absorption into Olys.

Non-current assets: property financing

At 31 March 2023 all premises used by the Group are rented.

Non-current assets: financing of other assets

Between July and September 2022, three new loans amounting to €5 million, €3.5 million and €2.5 million (total €11 million) were taken out to finance Group capital expenditure. At 31 March 2023, the €5 million and €2.5 million loans were partly released in the amount of €4.25 million.

In March 2022, Groupe LDLC took out two €3.5 million loans to finance alterations, fit-out work and new logistics software for the new warehouse.

Financing of working capital

Group working capital is financed via short- and long-term loans (see Note 3.14 to the consolidated financial statements for the year ended 31 March 2023).

In June 2022, a €5 million loan was taken out to finance Group working capital requirements.

In April 2021, Groupe LDLC took out a new €5 million loan to finance Group working capital.

In connection with the COVID-19 health crisis, in late April 2020 the LDLC Group obtained four €4.5 million PGE state-guaranteed loans totalling €18 million in order to cover Group cash requirements. Given the strength of the Group's profit margins, all four loans were fully prepaid in February 2021.

Overdraft authorisations granted to the Group amounted to €25 million at 31 March 2023.

On 30 June 2021, the Company voluntarily prepaid the €23 million and €10 million loans contracted to partly finance the acquisitions of Materiel.net, OLYS and Synopsis, via a total prepayment of €6,385,000 (principal and interest), without incurring any voluntary prepayment penalties or other related costs. This prepayment also required the Company to waive the €13.5 million revolving credit facility associated with the loan agreement (see Note 3.13 to the 2020/2021 consolidated financial statements).

The Group assigns its receivables on a non-recourse basis. In March 2022, the Group signed an amendment to the March 2017 factoring agreement with Eurofactor.

8.3.2. Summary of borrowings by due date

€000	Principal outstanding	Due in < 1 year	Due in 1-5 years	Due in > 5 years
Loans	42,780	8,624	28,049	6,107
Finance leases	0	0	0	0
Total	**42,780**	**8,624**	**28,049**	**6,107**

8.3.4. Changes in borrowings

€000	Loans	Finance leases	Total
31/03/2021	19,511	9	19,520
New borrowings	12,000	0	12,000
Repayment of borrowings	(10,905)	(9)	(10,914)
Other changes	403	0	403
31/03/2022	21,009	(0)	21,009
New borrowings	27,750	0	27,750
Repayment of borrowings	(5,979)	0	(5,979)
Other changes	0	0	0
31/03/2023	**42,780**	**(0)**	**42,780**

At 31 March 2023, new loans totalling €27,750,000 had been taken out to fund Group acquisitions, capital expenditure and working capital (see Note 8.2.4 above).

"New borrowings" taken out during the 2021/2022 financial year corresponded to two €3.5 million loans taken out in March 2022 to finance alterations, fit-out work and new logistics software for the new warehouse, representing a total amount of €7 million.

A €5 million loan was taken out in April 2021 to finance Group working capital requirements.

The repayments for the year ended 31 March 2022 included the total prepayment on 30 June 2021 of the €23 million and €10 million loans taken out to partly finance the Materiel.net, Olys and Synopsis acquisitions, representing a total amount of €6,353,000.

Other changes totalling €403,000 for the period ended 31 March 2022 were due to the consolidation of Hexa-Tech cash flows.

8.4. INFORMATION ON ALL LIMITATIONS ON THE USE OF CAPITAL OR THAT COULD HAVE A MARKED IMPACT, EITHER DIRECT OR INDIRECT, ON GROUP OPERATIONS

8.4.1. Bank covenants

The voluntary early repayment on 30 June 2021 of the two loans taken out to partly finance the Materiel.net, Olys and Synopsis acquisitions removed the requirement for compliance with the ratios and capex limits associated with these loans.

The Group thus regained full financial and operational flexibility.

Loans outstanding at 31 March 2023 do not include any financial or restrictive covenants.

8.4.2. Information on market, credit, interest rate and liquidity risks

Group exposure to the various risks as at 31 March 2023 is analysed in Note 2.4 to the consolidated financial statements for the year ended 31 March 2023, as featured in Section 18.1 of this Universal Registration Document.

At 31 March 2023, no sensitivity tests were carried out given that the Group had no outstanding floating-rate borrowings.

For further information, see Chapter 3 of this document.

8.5. INFORMATION ON EXPECTED SOURCES OF FINANCING FOR CARRYING OUT PLANNED INVESTMENTS

During the year, Groupe LDLC may take out new borrowings to finance some or all of its capital expenditure.

CHAPTER 9 ● REGULATORY ENVIRONMENT

Within the e-commerce sector, the Group is faced with a complex and constantly changing regulatory environment. These regulations primarily concern e-commerce, electronics, personal data protection and ICPE (French industrial, commercial, and agricultural operations subject to particular regulations and environmental protection measures).

You will find below a description of the main regulations liable to have a significant influence on Group operations, as well as all administrative, economic, budgetary, monetary and political measures and factors that have or could have a significant direct or indirect influence on Group operations.

9.1. REGULATIONS ON E-COMMERCE SALES

As an e-commerce retailer, besides the general requirements applicable to all sellers, particularly on a BtoC market, the Group is required to comply with specific regulations arising from consumer protection and e-commerce laws. The main requirements to be taken into account are:

- **The conditions for cancellation:** Articles L.221-18 et seq. of the French Consumer Code give consumers a 14-day cooling-off period for any contract, particularly purchases, made online or through other types of distance selling. This right must be granted free of charge.
  All e-commerce operators are thus required to inform their consumer customers of the existence of this right and to make it easily accessible by filling in a special form.
- **Guarantee of conformity:** in addition to the statutory guarantees binding the seller provided for by the French Civil Code (in particular the hidden defect guarantee provided for by Articles 1641 et seq. of said code), consumers also benefit from a specific guarantee provided for by Articles L.217-4 et seq. of the French Consumer Code in the event of non-conformity of the goods purchased, particularly online.
  This guarantee also applies to digital services and content since administrative order no. 2021-1247 of 29 September 2021.
  In the case of tangible goods, this guarantee can be exercised within the 2 years following receipt of the goods (i.e. delivery in the case of online purchases) and is owed by the seller/e-seller without prejudice to and notwithstanding the commercial contractual warranties that may otherwise be granted by the manufacturer (often for a period ranging from 1 to 2 years as of sale).
  For second-hand goods, the guarantee period is 12 months. Goods repaired under the legal guarantee of conformity benefit from a 6-month extension of this guarantee. Those replaced under the guarantee (where the seller has not accepted a request for repair) are subject to a new guarantee of conformity for 2 years from the date of replacement.
- **Direct marketing by electronic means:** in application of Article L.34-5 of the French Postal and Electronic Communications Code, any form of direct marketing by electronic means (email, SMS, etc.) must in principle be subject to the prior consent of the person concerned ("opt-in" rule).
  This implies that, in principle, e-sellers may not send newsletters or advertising messages to customers and prospects who have not given their prior express consent.
  The law provides for multiple exceptions to this requirement, particularly if the recipient of the direct marketing is already a customer of the business concerned and if the direct marketing concerns products or services similar to those already provided by the company to said customer.
  In any case, the recipient of the communication must have the option of objecting to future solicitations by unsubscribing from the mailing list.
- **Checking of online reviews:** the new Article L.111-7-2 of the French Consumer Code requires all operators that collect and/or publish consumer reviews online to provide honest, clear and transparent information on how these reviews are published and processed.
  Operators must also disclose how reviews are checked, the dates of publication and updates, reasons for refusal or withdrawal of a review, etc. They must also set up a system of justified notification in the case of suspect reviews.
  A new European directive adopted on 8 November 2019 has tightened this requirement by adding failure to disclose such information to the list of unfair business practices.

These requirements, particularly the most recent ones regarding online platforms and checking online reviews, may require changes to the general terms of use of e-commerce websites, their interfaces and functions and general practices in the sector.

- In relation to its **marketplace business**, the LDLC Group is also subject to new obligations:
  - **Stringent disclosure requirements**

> Regarding consumers

A breakdown of the information that must be provided to consumers is set out in Articles D.111-7 et seq. of the French Consumer Code. In substance, disclosures must specifically include the procedures for listing, delisting and ranking content, as well as the existence of remuneration or another capital-based relation between a seller and the marketplace platform. The aforementioned directive adopted on 8 November 2019 has tightened these requirements by adding failure to disclose such information to the list of unfair business practices. The directive also adds the requirement to notify the consumer of all paid advertising and payments made to obtain a better ranking on the marketplace platform. The directive has yet to be implemented in French law.

> Regarding business users

In application of the *Platform to Business* (P2B) Regulation of 20 June 2019, applicable from 12 July 2020, marketplaces must notify business users of the measures taken to guarantee the fairness and transparency of the platform (e.g. state the reasons for suspending or closing seller accounts, the main parameters for ranking and information regarding the treatment of disputes and access to mediation).

- **Payment services**

Furthermore, the Company's operations are likely to be influenced by the entry into force of the revised Payment Services Directive (PSD2). According to the European Commission (see press release dated 27 November 2017), the directive was revised to increase and improve consumer choice on the European retail payments market. At the same time, it fixes stricter security standards for online payments. Since the Company is not a provider of payment services, it does not fall under the scope of application of the standards. However, the implementation of PSD2 by payment services providers (in particular the implementation of "strong customer authentication" or SCA) involved in the purchasing process for Company customers could have an impact on Group operations.

- **Misleading commercial practices**

The transposition of the European "Omnibus" Directive 2010/2161 of 27 November 2019 by administrative order no. 2021-1734, which came into force on 28 May 2022, is also likely to increase the obligations of the LDLC Group.

This legislation broadly extends the obligations of e-commerce and distance selling retailers and increases the levels of applicable sanctions.

Furthermore, the French Consumer Code (L.121-2) provides for new misleading commercial practices, particularly, depending on the situation:
- the presentation of a good as being identical to another good marketed in one or more Member States, even though it has different components or characteristics;
- the absence of certain material information from any commercial communication constituting a solicitation to purchase. This is accompanied by new disclosure requirements in commercial communications (professional or non-professional status of the seller on the marketplace, classification of products online, etc.). The absence of an indication of the price previously charged by the professional in any advertisement for a price reduction.

Certain practices are deemed misleading by nature (L.121-4, 25 et seq. of the French Consumer Code), in particular:
- delivering search results in response to a consumer's online query without clearly informing the consumer of any payment made specifically by a third party to obtain a higher product ranking;
- disseminating or procuring the dissemination of false consumer reviews or recommendations.

- **New obligations arising from the European "Digital Package"**

In future years, the LDLC Group's business activities are also likely to be impacted by the "European digital package", which includes the Digital Services Act (DSA) and the Digital Markets Act (DMA), two European regulations governing online platforms, the European digital market, consumer protection and more.

The DSA was formally adopted on 19 October 2022 and its main provisions will come into force on 17 February 2024. It establishes a number of rules designed to protect professional and private users of online platforms, including marketplaces.

As a result, marketplaces will now be subject to a more stringent transparency obligation and will have to ensure the traceability of sellers and the products they sell by providing complete information in this regard. The DSA also requires online platforms to implement solutions enabling Internet users to easily report illegal content. Marketplaces will also have to provide reports on the number of complaints received, disputes and out-of-court settlements in which they are involved.

Non-compliance with the DSA is punishable by fines of up to 6% of global revenues.

The DMA was formally adopted on 14 September 2022 and will be phased in from 2 May 2023. The regulation also sets out a number of new obligations for platforms, in particular to prevent unfair practices relating to user data and the practice of posting fake online reviews. Its purpose is to enable business users to conduct their activities without restriction and to promote transparent advertising practices. Failure to comply with the DMA could result in the European Commission imposing a fine of up to 10% of the company's total global revenues and up to 20% in the event of a repeat offence.

9.2. REGULATIONS ON PERSONAL DATA PROTECTION

Data privacy regulations have recently changed with the entry into force, on 25 May 2018, of EU Regulation 2016/679 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation or GDPR). The GDPR has required amendments to domestic regulations, in particular via the adoption of the new French Data Protection Act no. 2018-493 of 20 June 2018 and its implementing decree no. 2018-687 of 1 August 2018, and subsequently administrative order no. 2018-1125 of 12 December 2018 implementing Article 32 of French Act no. 2018-493 of 20 June 2018 on personal data protection and amending the French Data Protection Act no. 78-17 of 6 January 1978 and various provisions regarding the protection of personal data.

This new regulation imposes stricter requirements on companies and operators that process personal data, the rights of the individuals concerned by such processing and the powers of regulators (such as the Commission Nationale de l'Informatique et des Libertés (CNIL) for France).

Accordingly, companies must ensure that they have procedures and documentary records in place to prove their compliance with regulatory requirements (record of processing, notification of personal data breaches, contracts with data processors, etc.) and to guarantee the exercise of individual rights (information notices, cookie consent forms, rights administration procedures, etc.).

These obligations have a strong impact on e-commerce businesses, which involve processing large amounts of consumer data, where the extent of information held on individuals could be a risk factor (basket analysis, cookies used for retargeting, profiling and targeted advertising, etc.).

In accordance with these obligations, companies are now required to monitor cookies, particularly those used for audience measurement, which transfer personal data outside the European Union to countries that do not have a data protection system comparable to the one in place within the European area. To this end, data transfers to the United States have been prohibited since the Schrems II ruling led to the cancellation of the Privacy Shield, an agreement that allowed data to be transferred to the United States, unless adequate safeguards are put in place, which must be examined in the context of a transfer impact assessment.

Following on from this ruling, on 10 February 2022 the CNIL issued a formal notice stating that the use of Google Analytics was leading to non-compliant data transfers to the United States, with regard to the unique identifier assigned to each website visitor. The CNIL is therefore calling on French companies to adopt European solutions unless they put in place technical solutions to avoid this type of transfer (by setting up proxy servers).

Over the coming years, the business activities of the Company and Group are liable to be impacted by the forthcoming adoption of the E-Privacy Regulation destined to cancel and supersede the E-Privacy Directive. This regulation, which is still under discussion within the European Union, will supplement the new system already established by the GDPR in terms of personal data protection and will regulate the provision and use of electronic communications services.

9.3. REGULATIONS REGARDING FACILITIES SUBJECT TO ICPE ENVIRONMENTAL PROTECTION REGULATIONS AND DETAILS ON CONTRIBUTIONS TOWARDS THE PREVENTION AND MANAGEMENT OF WASTE

The Group operates logistics hubs at two locations in France, Saint-Quentin-Fallavier (Isère) and Grandchamps-des-Fontaines (Loire-Atlantique).

To limit the risks of harm to the environment, some of these facilities are subject to French ICPE environmental protection regulations and must be operated in consultation with the facility owner in accordance with an operating licence delivered by the local prefect’s office. Specifically, the provisions of the ministerial orders governing the operations of ICPE-listed facilities must be complied with for warehouses in operation as at 31 March 2022:

- 1510: storage of materials, products and combustible substances in covered warehouses;
- 1530: storage areas for paper, cardboard and similar combustible materials;
- 1532: storage of wood and similar combustible materials;
- 2663: storage of plastics;
- 2910: combustion installation (boiler);
- 2925: battery charging workshop (handling equipment charging room).

In accordance with these requirements, oil interceptors have been installed in the car parks at Saint-Quentin-Fallavier and Grandchamps-des-Fontaines, as well as a fire water retention system.

The aforementioned orders also include guidelines on waste management with which the Group must comply. In this respect, one of the Group’s key priorities is the continuous improvement of operational waste sorting at source in order to recycle as much waste as possible.

In addition, Article L.541-10-9 of the French Environmental Code, resulting from French Act no. 2020-105 of 10 February 2020 on the prevention of waste and the circular economy provides that, from 1 January 2022, marketplaces and platforms will be required to provide for or contribute to the prevention and management of waste generated by distance selling or delivery, on behalf of a third party, of products covered by Extended Producer Responsibility (EPR), such as electrical and electronic equipment. They can only benefit from an exemption if they can prove that the third party in question has already fulfilled the aforementioned waste prevention and management requirements. For this purpose, they are required to file supporting documentation in a register made available to the administrative authority.

CHAPTER 10 • INFORMATION ON TRENDS

10.1. MAIN TRENDS AFFECTING PRODUCTION, SALES AND INVENTORIES, COSTS AND SELLING PRICES; MATERIAL POST-BALANCE SHEET CHANGES IN GROUP FINANCIAL PERFORMANCE

Except for the information set out below, the Company is not aware of (i) other material trends having affected production, sales and inventories, costs and selling prices, or (ii) material changes in financial performance from the end of the financial year ended 31 March 2023 until the date of filing the Universal Registration Document.

- **Press release dated 3 April 2023:** completion of the A.C.T.I. MAC acquisition

On 1 April 2023, the LDLC Group finalised the acquisition of 100% of the share capital and voting rights of A.C.T.I. MAC and its subsidiary O.S.I. Nx (the “A.C.T.I. MAC Group”), following the lifting of all conditions precedent in accordance with the schedule.

The acquisition was financed entirely by bank loans.

The deal notably enables the LDLC Group to strengthen its BtoB division. As previously announced, the A.C.T.I. MAC Group has five branches including three Apple Premium Reseller stores in France. It also offers a comprehensive range of services for businesses. With around 60 employees, the A.C.T.I. MAC Group posted revenues of around €42 million in its last financial year.

Olivier de la Clergerie, LDLC Group CEO, said: *“We are delighted to welcome the employees of the A.C.T.I. MAC Group into our Group. This economic and human alliance is a source of opportunities and synergies for the new entity, especially in the professional market.”*

- **Press release dated 27 April 2023:**
  - 2022/2023 revenues of €567.4 million; slower decline in Q4 consolidated revenues at €142.7 million;
  - growth in store business for 2nd consecutive quarter;
  - ongoing investments for the Group’s development: brand awareness, store chain, logistics capacities, BtoB offering;
  - solid fundamentals and business model driving medium-term growth.

Olivier de la Clergerie, LDLC Group CEO, said: *“The LDLC Group posted full-year 2022/2023 revenues of €567.4 million, down 17.2% from the previous year. As previously announced, the year was impacted by a challenging comparison base in the first half, with a high level of high-tech equipment ownership among households and external factors (inflation, rising energy prices, etc.) which led to postponements in purchases by retail and business customers. Although we have not yet seen a significant recovery in the market, the outlook brightened for LDLC in Q4 2022/2023 nonetheless. As a result, store revenues were up for the second consecutive quarter following the expansion of the store chain during the year. Although it’s too early to speak about growth, business picked up in March. Furthermore, in April, daily invoicing was no longer down versus the previous year.*

Despite an unfavourable short-term environment, we used this year to consolidate our fundamentals by strengthening our brand awareness, regional network and logistics capacities through the new centre in Saint-Quentin-Fallavier. We also announced the acquisition of the A.C.T.I. MAC Group to consolidate our positioning in BtoB, which is a major growth driver.

Backed by our solid fundamentals, sound financial position and proven ability to safeguard our gross margin, we have kicked off the 2023/2024 financial year with confidence and determination. We are convinced of our ability to take advantage of market recovery as soon as the trend is confirmed.”

12-month consolidated revenues (1 April to 31 March)

€m (unaudited)	2022/2023	2021/2022	Change (%)
Q1 revenues	126.3	163.7	-22.8%
Q2 revenues	127.6	169.7	-24.8%
Q3 revenues	170.8	191.4	-10.7%
Q4 revenues	142.7	160.1	-10.9%
12-month revenues	**567.4**	**684.9**	**-17.2%**

Corporate data: Q4 2022/2023 revenues amounted to €131.0 million and 12-month revenues came to €519.1 million.

Q4 2022/2023 revenues: €142.7 million

Q4 2022/2023 revenues totalled €142.7 million, down 10.9% from the previous year. In line with the previous quarter, business was stronger than in the first half due to a less demanding comparison base and more buoyant upgrading programme, particularly among retail customers (launch of new processors and graphics cards).

The BtoC business posted Q4 revenues of €98.0 million, down 10.3% from the previous year. Store revenues were up 13.1% to €31.7 million, confirming their positive trend after returning to growth in the previous quarter (up 5.5% in Q3 2022/2023).

The BtoB business posted Q4 revenues of €41.4 million, down 13.2% from €47.7 million the previous year.

Revenues from other businesses were up 3.1% at €3.3 million, driven by the success of childcare brand L'Armoire de Bébé, which posted revenues up 3.6% versus Q4 2021/2022.

FY 2022/2023 revenues:
€567.4 million

Full-year 2022/2023 consolidated revenues amounted to €567.4 million, down 17.2%. Business was impacted by a challenging comparison base in the first half and a persistently high level of new equipment ownership among households and businesses, following the significant high-tech purchases made during the COVID period. The economic backdrop also weighed heavily on sales, with households and professionals preferring to postpone discretionary spending in the face of price hikes, particularly energy costs.

The BtoC business posted full-year revenues of €381.4 million, down from €477.6 million the previous year. While the online business was hit particularly hard, down 27.1%, due to pressure on purchasing power, stores edged up 0.5%, posting full-year revenues of €121.2 million. This positive trend confirms the merits of the Group's investments aimed at getting closer to its customers by expanding the regional network. The LDLC Group opened 20 new high-tech stores during the 2022/2023 financial year.

BtoB revenues fell 11.4% to €172.5 million. Albeit less impacted than BtoC, the BtoB segment was hit by the postponement of high-tech spending by companies, a temporary measure to cope with rising costs mainly prompted by the surge in energy prices and high dollar volatility. In the medium to long term, this segment will be a major growth driver for the LDLC Group. Indeed, companies will have to continue to invest heavily in order to adapt to the boom in digital technology and the new uses and needs it brings. Having already consolidated its BtoB presence and offering in the last few years, the LDLC Group completed the planned acquisition of the A.C.T.I. MAC Group in April 2023, thereby considerably strengthening the BtoB offering. The Group is ideally positioned to take advantage of the recovery in this segment.

Other businesses posted total full-year revenues of €13.4 million, up 6.5%. L'Armoire de Bébé pursued its growth path with revenues up 5.5% at €8.9 million. The success of this business is mainly driven by the development of its online reputation and the expansion of the store chain (9 stores at 31 March 2023 versus 7 at 31 March 2022).

Recent news and outlook

Completion of the A.C.T.I. MAC Group acquisition

On 1 April 2023, the LDLC Group finalised the acquisition of 100% of the share capital of A.C.T.I. MAC and its subsidiary O.S.I. Nx (the "A.C.T.I. MAC Group"). The acquisition was financed entirely by bank loans.

The deal notably enables the LDLC Group to strengthen its BtoB division. The A.C.T.I. MAC Group has five branches including three Apple Premium Reseller stores in France. It also offers a comprehensive range of services for businesses.

With around 60 employees, the A.C.T.I. MAC Group posted revenues of around €42 million in its last financial year.

LDLC once again receives Qualiweb awards for customer relations

With a score of 92.9, LDLC came out on top of the 230 brands tested for the competition this year and won the Qualiweb Award for Best Online Customer Relations across all sectors.

The survey highlighted LDLC's strengths, including the responsiveness, quality and accuracy of its teams' handling of customer requests, in particular their ability to genuinely listen to the customer. Having already won in 2018, this is the second time LDLC has reached the top of the Qualiweb ranking based on mystery shopper surveys. LDLC has received a total of 22 awards for its customer relations across all competitions.

Outlook

2023/2024 business is expected to progress steadily and see a slight return to growth (at constant consolidation scope), with retail and business customers still cautious about committing to purchases at present.

Moreover, the BtoB business was strengthened by the acquisition of the A.C.T.I. MAC Group.

Over the medium term, the Group will be operating in fast-growing markets. To capture growth in these markets as soon as they recover, the LDLC Group will be relying on its persistently sound financial position and the fundamentals consolidated in 2022/2023. The Group will also leverage the measures taken to strengthen its brand awareness, ramp up the development of its store chain and expand its BtoB offering. Future growth will also be driven by new logistics solutions and facilities, including the ramp-up of operations at the new warehouse in Saint-Quentin-Fallavier.

Drawing on these strengths, and even though present factors could still impact its economic performance in the short term, the LDLC Group confirms its ability to return to normalised gross margin and profit levels in the medium term.

- **Press release dated 16 May 2023:** end of LDLC OL partnership - discontinuation of e-sport operations

Through its subsidiary LDLC Event, the LDLC Group has been a pioneering driver of e-sports in France, contributing to the discipline's professionalisation and recognition. In 2010, the Group created Team LDLC, which merged with the Olympique Lyonnais team in 2020 to become LDLC OL. Over nearly 15 years, LDLC OL has ranked on the podium in over 180 national and international competitions and has trained over 30 active professional players.

While the teams benefit from a considerable reputation and recognition among gaming enthusiasts, they have not, despite their best efforts, managed to carve out a sufficient positioning among the general public. As such, the LDLC Group and OL Group have decided on the early termination of their LDLC OL partnership with effect from the end of July 2023. The end of this partnership will also mark LDLC Event's withdrawal from the e-sports scene and the cessation of its operations in this sector.

The LDLC Group would like to thank all LDLC Event and LDLC OL teams for their commitment and professionalism and wish them every success in their future e-sports projects.

- **Press release dated 15 June 2023:** 2022/2023 full-year results
  - annual revenues of €567.4 million and gross margin rate of 20.8%, close to normalised Group level;
  - EBITDA of €14.3 million and net income of €1.2 million, in line with decline in business;
  - stable net cash position at 31 March 2023, taking into account the acquisition of the A.C.T.I. MAC Group finalised on 1 April 2023;
  - moderate revenue growth target for 2023/2024 (at constant consolidation scope).

Olivier de la Clergerie, LDLC Group CEO, said: *"The LDLC Group posted full-year 2022/2023 revenues of €567.4 million, a gross margin rate of 20.8%, reaching 21.4% for the second half and approaching normalised rates, and EBITDA of €14.3 million. Although margins dipped due to challenging conditions during the financial year, our solid performance once again reflects the resilience of our Group and business model.*

In this context, we demonstrated our ability to remain agile, flexible and forward-looking. As such, we continued our investments to gain new market share by strengthening LDLC brand awareness, expanding the store chain, enhancing the BtoB offering and expanding logistics capacities at our two main warehouses. We also made a number of strategic decisions, including the closure of the Gennevilliers warehouse and the announced shutdown of LDLC Event operations by the end of July 2023.

We will continue to ramp up and optimise our growth drivers, with full confidence in our ability to return to modest growth at constant consolidation scope in 2023/2024 and step up our growth rate following the consolidation of the A.C.T.I. MAC Group from 1 April 2023."

Simplified full-year income statement (1 April to 31 March)

€m - audited figures	2022/2023 12 months	H1 2022/2023 6 months	H2 2022/2023 6 months	2021/2022 12 months	Change €m
Revenues	**567.4**	**253.9**	**313.5**	**684.9**	**-117.5**
Gross margin	**118.2**	**51.0**	**67.2**	**154.3**	**-36.1**
Gross margin rate	*20.8%*	*20.1%*	*21.4%*	*22.5%*	*-1.7 pp*
EBITDA (1)	**14.3**	**2.3**	**11.9**	**58.4**	**-44.1**
EBITDA margin	*2.5%*	*0.9%*	*3.8%*	*8.5%*	*-6.0 pp*
Operating earnings (EBIT) after goodwill amortisation and impairment (2)	**5.3**	**(2.2)**	**7.5**	**51.0**	**-45.7**
Net financial income/(expense)	(1.5)	-	*(1.5)*	(0.1)	-1.4
Net non-recurring income/(expense)	(0.6)	(0.3)	(0.2)	-	-0.6
Income tax	(1.8)	*0.6*	*(2.4)*	(14.7)	+12.9
Net income/(loss) of consolidated companies	**1.5**	**(1.9)**	**3.4**	**36.1**	**-34.6**
Net income, Group share	**1.2**	**(1.9)**	**3.1**	**36.1**	**-34.9**

(1) EBITDA = Operating earnings (EBIT) before goodwill amortisation and impairment + operating depreciation, amortisation and provisions.
(2) A €0.1 million goodwill amortisation and impairment charge was recorded for 2022/2023, whereas no charge was recorded for 2021/2022.

On 15 June 2023, the LDLC Management and Supervisory Boards approved the consolidated financial statements for the financial year ended 31 March 2023.

Overview of the 2022/2023 financial year

Full-year revenues of €567.4 million

2022/2023 consolidated revenues came to €567.4 million, down 17.2%. Business was impacted by a challenging comparison base in the first half and a persistently high level of new equipment ownership among households and businesses, following the surge in high-tech purchases during the COVID period. The economic backdrop also weighed heavily on sales, with households and professionals preferring to postpone discretionary spending and investments in the face of price hikes, particularly in terms of energy costs.

The BtoC business posted full-year revenues of €381.4 million, down from €477.6 million the previous year. Store revenues edged up 0.5% to €121.2 million. This positive trend confirms the merits of the Group's investments aimed at getting closer to its customers by expanding the regional network. The LDLC Group opened 20 new high-tech stores during the 2022/2023 financial year.

The BtoB business posted revenues of €172.5 million, down 11.4%.

The Group attracted 331,000 new customers (BtoC and BtoB) in 2022/2023, fewer than the previous year (443,000 new customers in 2021/2022) due to the economic environment. The Group average basket value remained stable at €482 excl. VAT (versus €483 the previous year).

Other businesses posted total full-year revenues of €13.4 million, up 6.5%. L'Armoire de Bébé pursued its growth path with revenues up 5.5% at €8.9 million. The success of this business is mainly driven by the development of its online reputation and the expansion of the store chain (9 stores at 31 March 2023 versus 7 at 31 March 2022).

Gross margin of €118.2 million, giving a gross margin rate of 20.8%

After reaching exceptional levels in previous years backed by strong business driven by the health crisis, the gross margin rate was impacted by the economic downturn in the first half of the financial year (20.1%). The rate rose to 21.4% in the second half of 2022/2023, reflecting the strength of the LDLC Group business model.

The full-year gross margin rate came to 20.8%, close to the Group's target normalised rate. The LDLC Group is confident in its ability to deliver a normalised gross margin rate between 21% and 22% over the short and medium term.

EBITDA of €14.3 million

During the 2022/2023 financial year, the LDLC Group began a new customer acquisition cycle by launching its first ever national TV advertising campaign to strengthen brand awareness, alongside the expansion of its store chain (20 new LDLC stores, two new L'Armoire de Bébé stores). Representing an investment of over €5.5 million, these actions accounted for the sharp 22.3% rise in purchases and other external costs.

EBITDA amounted to €14.3 million (compared to €58.4 million in 2021/2022), giving an EBITDA margin of 2.5% (including 3.8% in H2 2022/2023), compared to 8.5% in 2021/2022.

After depreciation, amortisation and provisions, which increased due to provisions recorded for the closure of the Gennevilliers warehouse (€1.8 million), EBIT amounted to €5.3 million.

The Group posted a net financial expense of €1.5 million (versus a €0.1 million expense a year earlier), due to a non-cash accounting expense related to the launch of the Group's first employee share ownership plan (€1.4 million).

The tax expense totalled €1.8 million. Net income, Group share for 2022/2023 remained positive at €1.2 million.

A sound financial structure, albeit impacted by acquisitions in the short term

On 1 April 2023, the LDLC Group finalised the acquisition of the A.C.T.I. MAC Group through bank loans. Taking into account the €16.5 million in loans taken out before 31 March 2023 for this acquisition, net cash was at breakeven (€0.1 million at 31 March 2023 versus €22.8 million at 31 March 2022). Shareholders' equity amounted to €108.4 million at 31 March 2023 (€116.7 million at 31 March 2022).

In 2022/2023, the Group incurred a net cash outflow of €0.9 million, mainly reflecting a decrease in operating cash flow (€4.1 million inflow in 2022/2023 versus €22.3 million inflow the previous year), including an exceptional increase in working capital arising from the A.C.T.I. MAC Group acquisition. Adjusted for the acquisition financing amount, working capital is improving thanks to measures taken to reduce inventory levels. Moreover, during the financial year the Group allocated €9.6 million to the payment of dividends (2021/2022 balance and 2022/2023 interim dividend payments), thus confirming the ongoing policy of rewarding shareholders.

2022/2023 dividend

In line with the shareholder compensation policy renewed last year, the LDLC Group will propose a dividend of €1.20 per share for the 2022/2023 financial year to the General Meeting of shareholders to be held on 29 September 2023. Subject to approval by the Annual General Meeting and the Management Board's decision, shares would go ex-dividend on 4 October 2023 and the dividend would be paid on 6 October 2023.

By way of reminder, the LDLC Group has already paid an interim dividend of €0.40 per share in respect of the 2022/2023 financial year (payment date 24 February 2023).

LDLC Group commitment towards its ecosystem and sustainable development

Having implemented a groundbreaking four-day week, contributed a further €800,000 to the Team For The Planet civic initiative to combat climate change (€1 million in total since 2021) and actively promoted gender diversity through sport by strengthening its support for the ASVEL Féminin basketball team to match its commitment to the men's team, the LDLC Group is pursuing its commitments during the new financial year.

It has already announced the free warranty extension on products sold by LDLC[1] from two to three years. In helping to extend the lives of high-tech products, this innovation is also in line with LDLC's strategy of acquiring new customers in order to become the go-to high-tech brand, thus enabling the Group to differentiate itself and create commercial value.

The LDLC Group also launched its first employee share ownership plan via the distribution of bonus shares (100 shares per eligible employee). This initiative is meant to last, with a view to onboarding new staff members, better sharing the value created among employees and aligning the Company's interests more closely with those of its stakeholders.

The LDLC Group is also strengthening its commitment to employee well-being by introducing a 20-week parental leave for both parents, starting from their first child.

Supervisory Board changes, including the appointment of an independent member

Having served on the Groupe LDLC Supervisory Board for over 20 years, Suzanne de la Clergerie and Marc de la Clergerie have decided to step down at the close of the 29 September 2023 General Meeting.

At this juncture, the LDLC Group will propose to the shareholders that the Board membership be reshuffled in line with the new economic, environmental, social and societal challenges facing the Group, while converging with best practices in terms of corporate governance.

Accordingly, two new members will be submitted for approval by the shareholders: Caroline de la Clergerie, stepping down as a member of the Management Board on this occasion, and Kevin Kuipers, an independent candidate within the meaning of the Middlenext Code. Carrying over 20 years' professional experience in digital and other technologies, Kevin Kuipers notably co-founded Gamekult and Molotov.tv and is currently CEO of Galion.exe, a portfolio management company focusing on seed funding.

Outlook

The LDLC Group operates in buoyant markets in which it has embarked on a new investment cycle to expand its target audiences and strengthen its capacities. The Group is furthering its ambition to become the leading high-tech brand among a broader audience by strengthening brand awareness, stepping up its initiatives, expanding the store chain and ramping up logistics capacities with the new warehouse in Saint-Quentin-Fallavier.

In the short term, the LDLC Group predicts that individuals and businesses will maintain their cautious purchasing behaviour, which is expected to gradually ease due to the normalisation of new equipment ownership and the ensuing commencement of new product upgrading cycles. The LDLC Group expects to benefit from this recovery alongside the initiatives undertaken to acquire new customers. It is therefore aiming for a return to modest growth at constant consolidation scope in 2023/2024, as well as brisker momentum in light of the consolidation of the A.C.T.I. MAC Group's operations from 1 April 2023.

The challenge for the 2023/2024 financial year will also involve continuing our optimisation and performance initiatives (the steps taken regarding LDLC Event and Gennevilliers represent full-year savings of €2.5 million). All these measures will enable the LDLC Group to develop with confidence while maintaining the advantage of its long-standing successful fixed-charge business model with a high normalised gross margin rate between 21% and 22%.

[1] *See terms and conditions (in French) at:* https://www.ldlc.com/aide/50-la-garantie-ldlc/

10.2. KNOWN TRENDS, UNCERTAINTIES, CONSTRAINTS, COMMITMENTS AND EVENTS LIKELY TO HAVE A MARKED INFLUENCE ON THE COMPANY'S OUTLOOK FOR THE CURRENT YEAR

The LDLC Group operates in buoyant markets in which it has embarked on a new investment cycle to expand its target audiences and strengthen its capacities. The Group is furthering its ambition to become the leading high-tech brand among a broader audience by strengthening brand awareness, stepping up its initiatives, expanding the store chain and ramping up logistics capacities with the new warehouse in Saint-Quentin-Fallavier.

In the short term, the LDLC Group predicts that individuals and businesses will maintain their cautious purchasing behaviour, which is expected to gradually ease due to the normalisation of new equipment ownership and the ensuing commencement of new product upgrading cycles. The LDLC Group expects to benefit from this recovery alongside the initiatives undertaken to acquire new customers. It is therefore aiming for a return to modest growth at constant consolidation scope in 2023/2024, as well as brisker momentum in light of the consolidation of the A.C.T.I. MAC Group's operations from 1 April 2023.

The challenge for the 2023/2024 financial year will also involve continuing our optimisation and performance initiatives (the steps taken regarding LDLC Event and Gennevilliers represent full-year savings of €2.5 million). All these measures will enable the LDLC Group to develop with confidence while maintaining the advantage of its long-standing successful fixed-charge business model with a high normalised gross margin rate between 21% and 22%.

See Chapter 3 of this Universal Registration Document on the risk factors affecting the Group.

CHAPTER 11 • PROFIT FORECASTS AND ESTIMATES

The Company does not plan to make any profit forecasts or estimates.

CHAPTER 12 • ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

12.1. MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

12.1.1. Membership of the Management Board

The membership of the Management Board is set out in the "Supervisory Board report on corporate governance" in Section 14.5 of this Universal Registration Document.

The Management Board members have their business address at the Company's registered office.

The members of the Management Board acquired their management skills and experience through the various employment and management positions they have occupied in the past (see Section 12.1.5 of this Universal Registration Document).

12.1.2. Membership of the Supervisory Board

The members of the Supervisory Board are presented in the "Supervisory Board report on corporate governance" in Section 14.5 of this Universal Registration Document.

The Supervisory Board members have their business address at the Company's registered office.

The members of the Supervisory Board acquired their skills and experience through the various employment and management positions they have occupied in the past (see Section 12.1.5 of this Universal Registration Document).

12.1.3. Other positions held by the members of the Management and Supervisory Boards

For further information, see Section 14.5 "Supervisory Board report on corporate governance" of this Universal Registration Document.

12.1.4. Disclosures regarding members of the Management and Supervisory Boards

We hereby inform you that:
- Marc Villemonte de la Clergerie (member of the Supervisory Board) and Suzanne Villemonte de la Clergerie (Chairwoman and member of the Supervisory Board) are the parents of Caroline Villemonte de la Clergerie (member of the Management Board), Laurent Villemonte de la Clergerie (Chairman and member of the Management Board) and Olivier Villemonte de la Clergerie (CEO and member of the Management Board); and
- Anne-Marie Bignier Valentin (member of the Supervisory Board) is the sister of Suzanne Villemonte de la Clergerie.

To the best of the Company's knowledge, there are no other family ties between members of the Management Board and Supervisory Board.

To the best of the Company's knowledge, no member of the Management Board or Supervisory Board has, over the past five years:
- been sentenced for fraud;
- been linked to a bankruptcy, receivership, liquidation or company placed under court-ordered administration in the capacity of executive director, Board member or Supervisory Board member;
- been charged or had official public sanctions imposed on them by statutory or regulatory authorities (including designated professional organisations);
- been deprived by court order of the right to be a member of a corporate body of an issuer or be involved in managing or directing the business of an issuer.

12.1.5. Career summary of members of the Management and Supervisory Boards

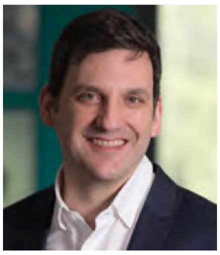
> Laurent Villemonte de la Clergerie

Chairman of the Management Board and founder of the LDLC Group
Born in 1970, a French national

Having studied economic science and electronic engineering, Laurent de la Clergerie was ideally qualified to start his own website, combining an indispensable knowledge of information technology with the ability to analyse the market.

In 1997, driven by his courage and inspiration, he launched LDLC.com in Lyon. This was the dawn of the age of e-commerce… Twenty years later, LDLC.com is now the e-commerce leader in the French IT and high-tech markets.

> Olivier Villemonte de la Clergerie



Member of the Management Board - LDLC Group CEO
Born in 1972, a French national

After graduating from ECAM Lyon engineering school in 1994, Olivier de la Clergerie continued his studies at EM Lyon Business School.

In 1996, he helped his brother Laurent set up LDLC.com, a company specialising in the online sale of IT and high-tech products.

After military service in the Czech Republic and a spell at Arthur Andersen as an IT systems auditor, Olivier finally moved to LDLC.com as Chief Financial Officer in March 2000.

Since 2001, Olivier de la Clergerie has been Chief Executive Officer of the LDLC Group responsible for back-office services.

> Marc Prieur

Member of the Management Board
Born in 1979, a French national

Marc Prieur created Hardware.fr, the No. 1 computer hardware website in France, in 1997 while he was still at secondary school.

In 2000, the website was acquired by LDLC and became a Group brand. Specialising in spare parts, this information website offers articles, comparisons, advice and a members' forum. In 2016, the website launched an e-commerce operation in the same field.

> Caroline Villemonte de la Clergerie

Member of the Management Board
Born in 1975, a French national

Having graduated in financial control at EBP Bordeaux and HEC Paris, Caroline Villemonte de la Clergerie joined her brothers in 1998 right at the start of the LDLC.com adventure.

Administrative Director until 2015, she has guided the Group's growth in all aspects of administration and finance.

Caroline Villemonte de la Clergerie is a member of the LDLC Group Management Board.

> **Harry de Lépine**

Member of the Management Board in charge of retail and general services - CEO of LDLC Distribution - CEO of LDLC Boutiques - CEO of DLP-Connect
Born in 1980, a French national

Since joining the LDLC Group in 2004, Harry de Lépine has supported its development in a number of positions. He began by setting up DLP-Connect, a subsidiary specialising in electricity, security and business network installation.

He subsequently became the manager of the Group's general services and real estate department. In 2021, he became head of LDLC Distribution, the Group entity dedicated to developing the LDLC franchise chain. In September 2022, he was appointed CEO of LDLC Boutiques, the Group entity dedicated to developing the LDLC store chain.

Finally, in December 2022, in accordance with its strategy of developing the retail business, the LDLC Group appointed Harry de Lépine member of the Management Board in order to contribute his expertise in this field.

> **Anne-Marie Bignier Valentin**

Member of the Supervisory Board
Born in 1959, a French national

Anne-Marie Bignier Valentin graduated from HEC Paris with a specialisation in marketing in 1981. In 1983 she joined the EDF group, filling various managerial posts primarily in the areas of customer relations, sales, HR, organisation and auditing.

Anne-Marie Bignier Valentin is a member of the LDLC Group Supervisory Board.

> **Suzanne Villemonte de la Clergerie**

Chairwoman and member of the Supervisory Board
Born in 1947, a French national

Suzanne Villemonte de la Clergerie studied law and psychology. She has been involved in the family business since 1997 and was officially appointed Chairwoman of the LDLC Group Supervisory Board in 2000.

> **Marc Villemonte de la Clergerie**

Vice-Chairman and member of the Supervisory Board
Born in 1943, a French national

As a graduate of the *Ecole Supérieure de Commerce* in Bordeaux, Marc Villemonte de la Clergerie spent his career at the Renault group. He occupied a number of executive positions, mainly in finance, economics, sales and marketing. Involved right from the start of his children's venture into the world of business, Marc Villemonte de la Clergerie has been Vice-Chairman of the Supervisory Board since 2001 and a member of the Supervisory Board since 2000, the year of its creation.

12.2. CONFLICT OF INTEREST WITHIN CORPORATE BODIES

To the best of the Company's knowledge, there is no potential conflict of interest between the duties of the members of the Company's Management Board and Supervisory Board towards the Company and their private interests or other duties.

The Supervisory Board adopted a set of internal regulations, including a clause entitled "Conflict of interests – Disclosure requirement" regarding the prevention of conflicts of interests. This provision requires members of the Supervisory Board who find themselves in any situation entailing or that could entail a conflict between the Company's interests and their own direct or indirect personal interests to notify the Supervisory Board as soon as they become aware of such a situation.

To the best of the Company's knowledge, as at the date of this Universal Registration Document there is no restriction accepted by the persons referred to in Section 12.1 above regarding the sale or transfer, within a specific time period, of their interest in the Company's share capital, except for the restrictions related to pledges as explained in Section 19.1.7.2 of this Universal Registration Document.

To the best of the Company's knowledge, there is no arrangement or agreement of any kind entered into with the main shareholders, customers, suppliers or other parties that provides for the appointment of any of the members of the Management Board or Supervisory Board.

CHAPTER 13 • REMUNERATION AND BENEFITS

13.1. COMPENSATION PAID TO MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

To ensure compliance with the provisions of point 13.1 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, applicable by reference to point 1.1 of Annex 2 of said regulation, below you will find, based on the information in our possession, the compensation and benefits of all kinds owed and/or paid to the corporate officers of the Company during the financial years ended 31 March 2022 and 31 March 2023. The remuneration and benefits presented below include those received from all companies included with the Company's scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code.

We hereby inform you that:
- all members of the Management Board or Supervisory Board are entitled, upon presentation of corresponding receipts, to the repayment of travel and business trip expenses, as well as expenses incurred during the performance of their duties and in the Company's interest;
- no commitment of any kind has been made by the Company in favour of its corporate officers relating to compensation, indemnities or benefits owed or likely to be owed due to the taking up, termination or change of duties or after the performance of said duties, in particular pension and other annuities.

The tables set out in Appendix 2 of AMF recommendation 2021-02 are presented below.

Tables 1: Summary of compensation, options and shares granted to each executive director

	Financial year ended 31 March 2022	Financial year ended 31 March 2023
Laurent Villemonte de la Clergerie, Chairman of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€651,833.23	€875,294.86
Multi-year variable compensation awarded during the year	None	None
Options granted during the year *(breakdown in Table 4)*	None	None
Bonus shares granted *(breakdown in Table 6)*	None	None
Total	**€651,833.23**	**€875,294.86**

	Financial year ended 31 March 2022	Financial year ended 31 March 2023
Olivier Villemonte de la Clergerie, Chief Executive Officer		
Compensation due for the year *(breakdown in Table 2)*	€547,777.71	€771,241.05
Multi-year variable compensation awarded during the year	None	None
Options granted during the year *(breakdown in Table 4)*	None	None
Bonus shares granted *(breakdown in Table 6)*	None	None
Total	**€547,777.71**	**€771,241.05**

	Financial year ended 31 March 2022	Financial year ended 31 March 2023
Caroline Villemonte de la Clergerie, Member of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€27,874.24	€27,874.00
Multi-year variable compensation awarded during the year	None	None
Options granted during the year *(breakdown in Table 4)*	None	None
Bonus shares granted *(breakdown in Table 6)*	None	None
Total	**€27,874.24**	**€27,874.00**

	Financial year ended 31 March 2022	Financial year ended 31 March 2023
Marc Prieur, Member of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€308,481.03	€456,179.08
Multi-year variable compensation awarded during the year	None	None
Options granted during the year *(breakdown in Table 4)*	None	None
Bonus shares granted *(breakdown in Table 6)*	None	None
Total	**€308,481.03**	**€456,179.08**

	Financial year ended 31 March 2022	Financial year ended 31 March 2023
Harry de Lépine, member of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€149,936.47	€177,224.66
Multi-year variable compensation awarded during the year	None	None
Options granted during the year (*breakdown in Table 4)*	None	None
Bonus shares granted (*breakdown in Tables 6, 7 and 10)*	€64,142.49	€47,464.89
Total	**€214,078.96**	**€224,689.55**

Tables 2: **Summary of compensation paid to each executive director**

The tables presented below list compensation owed to executive directors for the years ended 31 March 2022 and 2023 and compensation actually received by them during the same years (gross amounts before tax).

The following terms used in the tables below are defined as follows:
- *"Amounts due"* corresponds to provisions for compensation owed to the executive director recorded in the annual financial statements at the relevant closing date, the amount of which is not liable to change, irrespective of the payment date;
- *"Amounts paid"* means the total compensation paid during the year to the executive director.

We remind you that as of the financial year commencing 1 April 2022, the members of the Management Board no longer receive variable annual compensation, which, as of the same financial year, has been partially integrated into the fixed annual compensation of the members of the Management Board, as decided by the Supervisory Board on 16 June 2022.

The Supervisory Board has decided to align, to a certain extent, the compensation policy applicable to the members of the Management Board and the Group's wage policy, mainly by shifting the target bonuses and variable bonuses to fixed salaries.

However, with regard to the variable compensation owed in respect of the financial year ended 31 March 2022 and paid during the financial year ended 31 March 2023, we inform you that:
- the amounts of the targets used to calculate each executive director's annual variable compensation as shown in the tables below cannot be disclosed, for confidentiality reasons;
- to calculate the variable compensation awarded to corporate officers, no non-financial criteria are currently taken into account and the calculation is based solely on Group EBIT before deduction of the employee profit-share. The Company considers that this accounting indicator provides a sufficiently accurate view of its situation during a given financial year reflecting the collective and individual performance of corporate officers. Furthermore, the Company considers that this indicator indirectly takes into account the results of the Company's CSR initiatives.

	Laurent Villemonte de la Clergerie, Chairman of the Management Board			
	Financial year ended 31 March 2022		**Financial year ended 31 March 2023**	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed compensation for corporate office	0	€210,000.00 (6)	0	€420,000.00 (8)
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus (1)	0	€39,618.61	0	€53,084.76
Annual variable compensation (2)(3)	€400,000.00 (5)	€400,000.00	0 (7)	€400,000.00 (5)
Benefits in kind (4)	0	€2,214.62	0	€2,210.10
Total	**€400,000.00**	**€651,833.23**	**0**	**€875,294.86**

(1) On 18 June 2020, the Supervisory Board decided that the "June" annual bonus would be awarded to Laurent Villemonte de la Clergerie with effect from 1 April 2020, and for all subsequent financial years until decided otherwise, under the conditions applicable to Company employees, i.e. 30% of the June gross base salary every year.
(2) With regard to annual variable compensation, (i) the only item taken into consideration is Group EBIT before deduction of the employee profit-share, to which a percentage is applied in order to calculate the annual variable compensation; (ii) there is no correlation between the amount of annual variable compensation awarded and the fixed compensation for corporate office.
(3) On 18 June 2020, the Company's Supervisory Board decided that the annual variable compensation liable to be awarded to Laurent Villemonte de la Clergerie, provided that he holds at least 2% of the share capital in the form of registered shares at the closing date, would be calculated on the basis of Group EBIT before deduction of the employee profit-share as recognised at the closing date of each financial year, multiplied by a percentage on a sliding scale between 0% (zero EBIT) and 2.25%. In any event, this variable compensation is capped at €400,000 gross per financial year.
(4) Company vehicle in respect of his position as member of the Management Board
(5) On 16 June 2022, the Supervisory Board noted the achievement of the target amount of Group underlying EBIT before deduction of the employee profit-share set for Laurent Villemonte de la Clergerie and noted the corresponding award of his variable compensation for the financial year ended 31 March 2022.
(6) On 17 June 2021, with effect from 1 April 2021, the Supervisory Board set the fixed gross annual compensation awarded to Laurent Villemonte de la Clergerie as Chairman of the Management Board at €210,000.
(7) On 16 June 2022, the Supervisory Board decided to cancel the variable compensation awarded to the Chairman of the Management Board in respect of his corporate office, as of the year ending 31 March 2023 and for all subsequent years until decided otherwise by the Supervisory Board.
(8) On 16 June 2022, with effect from 1 April 2022, the Supervisory Board set the fixed gross annual compensation awarded to Laurent Villemonte de la Clergerie as Chairman of the Management Board at €420,000.

Olivier Villemonte de la Clergerie, Chief Executive Officer				
	Financial year ended 31 March 2022		Financial year ended 31 March 2023	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation for corporate office	0	€210,000.00 (6)	0	€420,000.00 (8)
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus (1)	0	€34,114.46	0	€47,582.31
Annual variable compensation (2)(3)	€300,000.00 (5)	€300,000.00	0 (7)	€300,000.00 (5)
Benefits in kind (4)	0	€3,663.25	0	€3,658.74
Total	**€300,000.00**	**€547,777.71**	**0**	**€771,241.05**

(1) On 18 June 2020, the Supervisory Board decided that the "June" annual bonus would be awarded to Olivier Villemonte de la Clergerie with effect from 1 April 2020, and for all subsequent financial years until decided otherwise, under the conditions applicable to Company employees, i.e. 30% of the June gross base salary every year.
(2) With regard to annual variable compensation, (i) the only item taken into consideration is Group EBIT before deduction of the employee profit-share, to which a percentage is applied in order to calculate the annual variable compensation; (ii) there is no correlation between the amount of annual variable compensation awarded and the fixed compensation for corporate office.
(3) On 18 June 2020, the Company's Supervisory Board decided that the annual variable compensation liable to be awarded to Olivier Villemonte de la Clergerie, provided that he holds at least 2% of the share capital in the form of registered shares at the closing date, would be calculated on the basis of Group EBIT before deduction of the employee profit-share as recognised at the closing date of each financial year, multiplied by a percentage on a sliding scale between 0% (zero EBIT) and 1.5%. This variable compensation is capped at €300,000 gross per financial year.
(4) Company vehicle in respect of his position as member of the Management Board
(5) On 16 June 2022, the Supervisory Board noted the achievement of the target amount of Group underlying EBIT before deduction of the employee profit-share set for Olivier Villemonte de la Clergerie and noted the corresponding award of his variable compensation for the financial year ended 31 March 2022.
(6) On 17 June 2021, with effect from 1 April 2021, the Supervisory Board set the fixed gross annual compensation awarded to Olivier Villemonte de la Clergerie as Chief Executive Officer at €210,000.
(7) On 16 June 2022, the Supervisory Board decided to cancel the variable compensation awarded to the Chief Executive Officer in respect of his corporate office, as of the year ending 31 March 2023 and for all subsequent years until decided otherwise by the Supervisory Board.
(8) On 16 June 2022, with effect from 1 April 2022, the Supervisory Board set the fixed gross annual compensation awarded to Olivier Villemonte de la Clergerie as Chief Executive Officer at €420,000.

Caroline Villemonte de la Clergerie, Member of the Management Board				
	Financial year ended 31 March 2022		Financial year ended 31 March 2023	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation for corporate office(1)	0	€24,000.00	0	€24,000.00
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus (2)	0	€2,074.24	0	€2,074.00
Annual variable compensation (3)		None		None
Benefits in kind (4)	0	€1,800.00	0	€1,800.00
Total	**0**	**€27,874.24**	**0**	**€27,874.00**

(1) On 18 June 2020, with effect from 1 April 2020 and for all subsequent financial years until decided otherwise, the Supervisory Board set the fixed gross annual compensation awarded to Caroline Villemonte de la Clergerie as member of the Management Board at €24,000.
(2) On 18 June 2020, the Supervisory Board decided that the "June" annual bonus would be awarded to Caroline Villemonte de la Clergerie with effect from 1 April 2020, and for all subsequent financial years until decided otherwise, under the conditions applicable to Company employees, i.e. 30% of the June gross base salary every year.
(3) After the Supervisory Board decision on 17 June 2021, at her request, no annual variable compensation shall be awarded to Caroline Villemonte de la Clergerie for her role as a Member of the Management Board as of the financial year ended 31 March 2022 and for all subsequent years until decided otherwise by the Supervisory Board.
(4) Company vehicle in respect of her position as member of the Management Board

Marc Prieur, Member of the Management Board				
	Financial year ended 31 March 2022		Financial year ended 31 March 2023	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Compensation for corporate office within Groupe LDLC				
Fixed compensation for corporate office	0	€100,500.00 (8)	0	€276,000.00 (10)
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus (1)	0	€12,821.03	0	€28,379.08
Annual variable compensation (2)(3)	€150,000.00 (7)	€150,000.00	0 (9)	€150,000.00 (7)
Benefits in kind (4)	0	€1,800.00	0	€1,800.00
Compensation as employee of Hardware.fr (5)				
Fixed compensation as employee of Hardware.fr	0	€24,600.00	0	0
Bonus in relation to work as employee of Hardware.fr (6)	0	€18,760.00	0	0
Total	**€150,000.00**	**€308,481.03**	**0**	**€456,179.08**

(1) On 18 June 2020, the Supervisory Board decided that the "June" annual bonus would be awarded to Marc Prieur with effect from 1 April 2020, and for all subsequent years until decided otherwise, under the conditions applicable to Company employees, i.e. 30% of the June gross base salary every year.
(2) With regard to annual variable compensation, (i) the only item taken into consideration is Group EBIT before deduction of the employee profit-share, to which a percentage is applied in order to calculate the annual variable compensation; (ii) there is no correlation between the amount of annual variable compensation awarded and the fixed compensation for corporate office.
(3) On 18 June 2020, the Company's Supervisory Board decided that the annual variable compensation liable to be awarded to Marc Prieur, provided that he (i) has an employment contract with the Group and does not receive annual variable compensation under this contract and (ii) proves that he holds at least 2% of the share capital in the form of registered shares at the closing date, would be calculated on the basis of Group EBIT before deduction of the employee profit-share as recognised at the closing date of each financial year, multiplied by a percentage on a sliding scale between 0% (zero EBIT) and 0.75%. This variable compensation is capped at €150,000 gross per financial year.
(4) Company vehicle in respect of his position as member of the Management Board
(5) On 17 June 2021, with effect from 28 June 2021, the Supervisory Board noted the end of Marc Prieur's employment contract at the Hardware.fr company and the ensuing end of compensation owed for this purpose.
(6) 13th month bonus
(7) On 16 June 2022, the Supervisory Board noted the achievement of the target amount of Group EBIT before deduction of the employee profit-share set for Marc Prieur and noted the corresponding award of his variable compensation for the financial year ended 31 March 2022.
(8) On 17 June 2021, with effect from 1 July 2021, the Supervisory Board set the fixed gross annual compensation awarded to Marc Prieur as member of the Management Board at €100,500.
(9) On 16 June 2022, the Supervisory Board decided to cancel the variable compensation awarded to Marc Prieur in respect of his corporate office, as of the year ending 31 March 2023 and for all subsequent years until decided otherwise by the Supervisory Board.
(10) On 16 June 2022, with effect from 1 April 2022, the Supervisory Board set the fixed gross annual compensation awarded to Marc Prieur as member of the Management Board at €276,000.

Harry de Lépine, member of the Management Board				
	Financial year ended 31 March 2022		**Financial year ended 31 March 2023**	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Compensation for corporate office within Groupe LDLC				
Fixed compensation as member of the Management Board	0	0	0	€46,000.00 (7)
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus (1)	0	0	0	0
Benefits in kind relating to corporate office (2)	0	0	0	€1,602.84
Compensation for corporate office within LDLC Distribution (3)				
Fixed compensation for the office of Chief Executive Officer of LDLC Distribution		€24,000.00	0	€16,000.00
Compensation as employee of Groupe LDLC (4)				
Fixed compensation as employee of Groupe LDLC	0	€100,980.00	0	€70,686.00
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus as employee of Groupe LDLC	0	€8,658.88	0	€10,195.51
Bonus in relation to work as employee of Groupe LDLC	0	€2,775.00 (6)	0	€21,148.09 (8)
Employee profit-sharing		€8,061.67	0	€7,769.25
Benefits in kind for work as employee of Groupe LDLC (5)		€5,460.92	0	€3,822.97
Total	**0**	**€149,936.47**	**0**	**€177,224.66**

(1) On 1 December 2022, the Supervisory Board decided that the "June" annual bonus would be awarded to Harry de Lépine with effect from 1 April 2023, and for all subsequent years until decided otherwise, under the conditions applicable to Company employees, i.e. 30% of the June gross base salary every year.
(2) Company vehicle in respect of his position as member of the Management Board
(3) By decision dated 1 August 2020, the sole shareholder of LDLC Distribution set the gross annual compensation of Harry de Lépine in his capacity as Chief Executive Officer at €24,000. By decision dated 1 December 2022, with effect from 30 November 2022, the sole shareholder of LDLC Distribution cancelled the compensation owed to Harry de Lépine in respect of his position as Chief Executive Officer.
(4) Harry de Lépine resigned from his salaried position within Groupe LDLC with effect from 30 November 2022.
(5) Company vehicle in respect of work as employee of Groupe LDLC
(6) "Christmas" bonus and long-service bonus owed in respect of work as an employee of Groupe LDLC
(7) On 1 December 2022, the Supervisory Board set the fixed gross annual compensation of Harry de Lépine in his capacity as member of the Management Board at €46,000 for the months of December 2022 to March 2023, in respect of the financial year ending 31 March 2023, and then increased the fixed gross annual compensation in respect of the financial year ending 31 March 2024 and any subsequent financial year to €138,000.
(8) Paid leave owed as a result of termination of employment contract and long-service bonus as at 30 November 2022

Tables 3: **Table presenting the compensation awarded to members of the Supervisory Board as provided for in Article L.225-83 of the French Commercial Code and the other compensation received by non-executive directors**

	Financial year ended 31 March 2022	Financial year ended 31 March 2023
Suzanne Villemonte de la Clergerie, Chairwoman of the Supervisory Board		
Compensation awarded under Article L.225-83, French Commercial Code	None	None
Fixed compensation for corporate office	€21,600.00	€21,600.00
Total	**€21,600.00**	**€21,600.00**

	Financial year ended 31 March 2022	Financial year ended 31 March 2023
Marc Villemonte de la Clergerie, Vice-Chairman of the Supervisory Board		
Compensation awarded under Article L.225-83, French Commercial Code	None	None
Fixed compensation for corporate office	€16,800.00	€16,800.00
Total	**€16,800.00**	**€16,800.00**

	Financial year ended 31 March 2022	Financial year ended 31 March 2023
Anne-Marie Bignier Valentin, Member of the Supervisory Board		
Compensation awarded under Article L.225-83, French Commercial Code	None	None
Total	**None**	**None**

Table 4: **Stock options granted during the year to each executive director by the issuer and by any Group company**

None.

Table 5: **Stock options exercised during the year by each executive director**

None.

Table 6: **Bonus shares granted to each corporate officer during the year ended**

None.

It should be noted that the bonus shares allocated to Harry de Lépine were awarded on the basis of his duties as an employee of the Company, as decided by the Management Board on 22 July 2020. At that date, Harry de Lépine held no corporate office within the Company.

Please refer to Table 10.

Table 7: **Bonus shares available for sale by each corporate officer during the year ended**

None.

It should be noted that the bonus shares allocated to Harry de Lépine were awarded on the basis of his duties as an employee of the Company, as decided by the Management Board on 22 July 2020. At that date, Harry de Lépine held no corporate office within the Company.

Please refer to Table 10.

Table 8: **History of stock options granted**

None.

Table 9: **Stock options granted to the first ten non-director employees and options exercised by them**

None.

Table 10: **History of bonus shares granted**

Date of General Meeting	30/09/2016	30/09/2016	30/09/2016	27/09/2019	27/09/2019	30/09/2022
Date of Management Board meeting	29/06/2017	13/11/2017	23/02/2018	22/07/2020	01/09/2022	01/02/2023
Total number of bonus shares granted (to):	10,000	2,000	70,000	20,000	1,000	88,900
Harry de Lépine (3)				10,000		
Vesting date	(1)	13/11/2019	(1)	(1)	(1)	01/02/2024
End of lock-in period	(1)	14/11/2021	(1)	(1)	(1)	01/02/2025
Number of shares acquired at 31 March 2023	3,000	2,000	35,000	6,000	None	None
Total number of shares cancelled or expired at 31 March 2023	7,000	None	35,000	None	None	1,200
Bonus shares outstanding at year-end	None	None	None	14,000	1,000	87,700
Share value (closing price on allotment date)	€28.49	€19.55	€17.94	€27.20	€26.70	€20.50
Euro valuation of shares under the method used for the 2022/2023 consolidated financial statements (2)	None	None	None	€91,432.95	€3,588.18	€122,259.32
o/w valuation of bonus shares awarded to Harry de Lépine				€47,464.89		

(1) Please see the special report on the Management Board's exercise of the authorisations to grant Company bonus shares pursuant to Articles L. 225-197-1 et seq. of said Code. This report is presented in Chapter 24 of this Universal Registration Document.

(2) For further information, see Notes 3.12, 3.13 and 4.2 to the consolidated financial statements in Section 18.1.

(3) For his work as a Company employee and not as a corporate officer.

Table 11: **The following table provides specific information on conditions regarding compensation and other benefits granted to executive directors in office at 31 March 2023:**

Executive directors	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to become due following termination or a change of office, including retirement commitments and other annuities		Compensation arising from a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Laurent Villemonte de la Clergerie		X		X		X		X
Date of appointment:	7 March 2000							
Expiry of appointment:	End of Annual General Meeting called to approve the financial statements for the year ending 31/03/2025							
Olivier Villemonte de la Clergerie		X		X		X		X
Date of appointment:	7 March 2000							
Expiry of appointment:	End of Annual General Meeting called to approve the financial statements for the year ending 31/03/2025							
Caroline Villemonte de la Clergerie		X		X		X		X
Date of appointment:	7 March 2000							
Expiry of appointment:	End of Annual General Meeting called to approve the financial statements for the year ending 31/03/2025							
Marc Prieur		X		X		X		X
Date of appointment:	14 April 2005							
Expiry of appointment:	End of Annual General Meeting called to approve the financial statements for the year ending 31/03/2025							
Harry de Lépine		X [1]		X		X		X
Date of appointment:	1 December 2022							
Expiry of appointment:	End of Annual General Meeting called to approve the financial statements for the year ending 31/03/2025							

Harry de Lépine was general services manager and a Company employee until his contract was terminated on 30 November 2022.

For further information, see Section 14.5 “Supervisory Board report on corporate governance” of this Universal Registration Document.

13.2. PROVISIONS AND OTHER AMOUNTS RECORDED BY THE COMPANY OR ITS SUBSIDIARIES FOR THE PAYMENT OF CORPORATE OFFICER PENSIONS, RETIREMENT OR OTHER BENEFITS

Besides the provisions for statutory retirement bonuses described under Note 3.13 to the consolidated financial statements presented in Section 18.1 of this Universal Registration Document, the Company has not recorded any provisions for the payment of pensions, retirement and other benefits to members of the Management or Supervisory Boards.

The Company did not pay any golden hellos or golden parachutes to the aforementioned directors or to any other corporate officers.

13.3. SUMMARY STATEMENT OF COMPANY SHARE TRANSACTIONS CARRIED OUT DURING THE YEAR ENDED BY DIRECTORS AND PERSONS LISTED UNDER ARTICLE L.621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE

Pursuant to Article L.621-18-2 of the French Monetary and Financial Code and Articles 223-23 and 223-26 of the AMF General Regulation, the Company has been notified of the execution of the following transactions, as referred to in Article 19 of EU Regulation 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse, during the year ended 31 March 2023.

Persons concerned	Type of transaction	Number of transactions	Month of transaction	Volume	Price per share (€)
Olivier Villemonte de la Clergerie, Chief Executive Officer	Pledge	1	May 2022	70,000	€31.8500
Olivier Villemonte de la Clergerie, Chief Executive Officer	Release of pledge	1	June 2022	70,000	€27.8500
Wolfgarath SASU, legal entity related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	2	December 2022	4,779	€21.1961
				685	€21.5449

CHAPTER 14 • BOARD PRACTICES

14.1. COMPANY MANAGEMENT

Further information on the members of the Management Board may be found in Chapter 12 "Administrative, management and supervisory bodies and senior management" of this Universal Registration Document.

14.2. INFORMATION ON AGREEMENTS BETWEEN DIRECTORS AND THE COMPANY OR ONE OF ITS SUBSIDIARIES

Harry de Lépine (member of the Management Board) had an employment contract with the Company which expired on 30 November 2022.

There are no other contracts between corporate officers and the Company or any of its subsidiaries.

14.3. SUPERVISORY BOARD – CORPORATE GOVERNANCE

14.3.1. Supervisory Board

For further information, see Section 14.5 "Supervisory Board report on corporate governance" of this Universal Registration Document.

14.3.2. Governance

For further information, see Section 14.5 "Supervisory Board report on corporate governance" of this Universal Registration Document.

14.4. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Company objectives with regard to internal control and risk management procedures

The purposes of the internal control procedures applicable within the Company are:
- to ensure that managerial acts, the execution of transactions and staff conduct comply with the guidelines imposed on the Company's business activities by its corporate bodies, applicable laws and regulations and the Company's values, standards and internal rules;
- to ensure that the accounting, financial and administrative information forwarded to the Company's bodies gives a true and fair view of the operations and financial position of the Company and its subsidiaries.

One of the goals of internal control is to forestall and control the risks arising from the operations of the Company and its subsidiaries and the risks of error and fraud, particularly with regard to finance and accounting. Like any control system, however, it cannot provide complete assurance that such risks have been fully eliminated.

Overview of applicable procedures
- Internal control at Company level is organised centrally by department, under the responsibility of a director or departmental manager based at head office and reporting directly to the Management Board and specifically to the Chairman of the Management Board and/or the Chief Executive Officers.

Internal control procedures are in place at the Company and, where necessary, are amended by decision of senior management, with the coordination and assistance of each director or departmental manager concerned. There are no written procedures or internal procedure manuals or guides.
- The main departments and individuals responsible for internal control are:
  - the members of the Management Board, i.e. Caroline, Laurent and Olivier Villemonte de la Clergerie, Marc Prieur and Harry de Lépine;
  - the directors and operating or departmental managers of the Company and its subsidiaries responsible for the following departments:

Sales department

Based at three different sites, the sales department is responsible for:
- upstream relations with specific manufacturers, including Intel, Microsoft, Apple, HP, etc.;
- BtoB sales.

As part of the services it provides to businesses, the Company also provides cable installation services via its subsidiary, DLP-Connect, as well as the installation and/or repair of IT equipment via the company Bluescreen.

IT department

The employees working in this division are responsible for the following IT projects:
- technical development of e-commerce websites (upgrading the browser experience, SEO, etc.);
- implementation of security systems (websites, hardware, etc.);
- in-house development of software required for Company operations. During the course of a few years, over thirty software applications have been developed and upgraded, covering all back-office operations (order analysis, order processing, inventory management, statistical operational analysis, analysis of incoming and outgoing phone calls, logistics platform administration).

General services department

The general services department is responsible for the legal aspects of the Company, the management of premises, travel and the implementation of projects involving the relocation or extension of premises. It is also responsible for monitoring compliance with provisional schedules and for recording any delay in implementing strategic decisions that could have a material impact on the Group's business.

Customer contact centre department

The customer contact centre department is split over two sites, it is mainly responsible for customer relations, technical support and telephone contact with the stores, covering all Group e-commerce websites.

Finance department

This department is dedicated to Group accounting and financial control and is responsible the following:
- accounts management;
- customer follow-up;
- accounts management for subsidiaries under a service contract;
- receipts processing (cheques, card payments, stores);
- preparation of annual and half-year statements, etc.;
- setting budgets;
- monitoring cash and supplier payments.

Banking partner relations are managed directly by senior management.

Human resources department

This department is responsible for recruitment and hiring, transfers, induction, schedules, payroll and employment contract management as well as managing the training budget.

Procurement department

This department manages contractual relations with suppliers and all procurement for the LDLC Group and prepares technical data sheets for the website.

Logistics department

The logistics department ensures proper fulfilment of Group customer orders and delivery. It also manages after-sales flows and computer assembly workshops.

L'Armoire de Bébé department

This department is responsible for managing all aspects of the childcare brand, including procurement and website/point of sale management.

Research and development department

This department designs new products and patents for Groupe LDLC with a view to development and market launch.

14.5. SUPERVISORY BOARD REPORT ON CORPORATE GOVERNANCE

Dear Shareholders,

In accordance with Article L.225-68, paragraph 6 of the French Commercial Code, we hereby provide the information required under Article L.225-37-4 of the French Commercial Code, as adapted where applicable to companies with a Supervisory Board, as well as the Supervisory Board's comments on the Management Board report and financial statements for the year ended 31 March 2023.

The content of this report, prepared on the basis of information provided to the Supervisory Board, was approved by the Supervisory Board at its meeting held on 15 June 2023.

14.5.1. Corporate governance

The Company notes that Article L.22-10-10 (4) of the French Commercial Code, applicable by reference from Article L.22-10-20 of said Code relating to the selection of a corporate governance code, no longer applies to the Company. However, the Company has decided to continue to voluntarily use the Middlenext code revised in September 2021 as its reference corporate governance code.

The Company considers that this code is suited to the Company's size and shareholder structure.

It may be consulted on the Middlenext website (www.middlenext.com).

The Management Board has launched an initiative aimed at gradually bringing the Company into line with the Middlenext corporate governance code recommendations. The revision of the code prompted the Company to take this action in order to comply with new recommendations, while making allowance for its specific features.

Middlenext code recommendation	Adopted on 31 March 2023	Not adopted on 31 March 2023
I. Supervisory power		
R 1: Code of conduct for Board members	X	
R 2: Conflicts of interests	X	
R 3: Board membership – Independent members		X(1)
R 4: Provision of information to Board members	X	
R 5: Provision of training to Board members	X(2)	
R6: Organisation of Board and committee meetings	X	
R7: Establishment of committees	X	
R8: Creation of a specialised Committee on Corporate Social Responsibility (CSR)		X(3)
R9: Establishment of Board internal regulations	X(8)	
R10: Choice of each Board member	X	
R11: Board members' term of office		X(4)
R12: Compensation awarded to the Board members in respect of their office		X(5)
R13: Establishment of a system for assessing the work of the Board	X(6)	
R14: Shareholder relations	X	
II. Executive power		
R15: Diversity and equity policy within the Company	X	
R16: Definition and transparency of executive directors' compensation		X(9)
R17: Succession plans for directors	X(7)	

Middlenext code recommendation	Adopted on 31 March 2023	Not adopted on 31 March 2023
R18: Combining employment contract with corporate office	X	
R19: Severance pay	X	
R20: Supplementary pension schemes	X	
R21: Stock options and bonus shares	X	
R22: Review of checkpoints	X	

(1) At 31 March 2023, none of the three members of the Supervisory Board strictly met the five criteria set out in Middlenext code recommendation R3, given the family ties between the current members. See Section 14.5, I of the 2021/2022 Universal Registration Document for the justifications provided by the Company in this regard.
As part of the changes to the membership of the Supervisory Board and the corresponding draft resolutions submitted to the General Meeting of 29 September 2023, the Company has taken into account Middlenext code recommendation R3 and proposed the appointment of a new independent member to the Supervisory Board. As at the date of this document, the Company is not opposed to the idea of appointing a second independent member to its Supervisory Board, provided it can identify a profile that meets the specific challenges of the Company, its business, its outlook and, more generally, its corporate purpose.
For further information, see Section 14.7 of this document.
(2) In order to comply with Middlenext code recommendation 5, on 16 June 2022 the Board approved a three-year training programme for its Supervisory Board members.
(3) In accordance with Middlenext code recommendation 8, on 16 June 2022 the Supervisory Board examined the appropriateness of setting up a special committee on Corporate Social Responsibility (CSR) and decided, in view of its membership, needs and topicality, that the creation of such an ad hoc special committee is not relevant. The Supervisory Board, within the framework of its legal prerogatives, has already been carrying out an analysis of the Company’s social and environmental responsibility for several years. In order to comply with this new recommendation, at its meeting of 15 June 2023, the Board considered more specifically the sharing of value and, in particular, the balance between the compensation for all employees, the shareholder’s reward for risk-taking and the investments necessary to ensure the Company’s long-term survival.
(4) The Supervisory Board considers that the term of office provided for by the articles of association is suited to the nature of the Company, within the limits provided by law. However, in view of the size and membership of the Supervisory Board, the Company does not consider it appropriate to ask the shareholders to vote on an amendment to the articles of association providing for staggered reappointments.
(5) At 31 March 2023, the members of the Supervisory Board did not receive any compensation within the meaning of Article L.225-83 of the French Commercial Code (formerly attendance fees). See Section 14.7 of this document for further information on the proposal submitted in this respect to the General Meeting of 29 September 2023 as part of the changes in corporate governance.
(6) In order to comply with Middlenext code recommendation 13, on 15 June 2023 the Board conducted an assessment of its operations.
(7) In accordance with Article 1.2 of the Company’s internal regulations, if it sees fit to do so, the Supervisory Board reviews the question of the successor to the present executive director (and possible other key personnel).
(8) The internal regulations of the Company’s Supervisory Board may be consulted on request at the head office and without restriction on the Company website.
(9) In accordance with Middlenext code recommendation 16, paragraph b), the ratio between the compensation of each member of the Management Board and the minimum wage, on a full-time equivalent basis, of the Company’s employees other than the corporate officers is as follows:

	Laurent Villemonte de la Clergerie, member and Chairman of the Management Board	Olivier Villemonte de la Clergerie, member of the Management Board and Chief Executive Officer	Marc Prieur, member of the Management Board	Harry de Lépine, member of the Management Board	Caroline Villemonte de la Clergerie, member of the Management Board
	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
Ratio between the compensation of the corporate officer concerned and the minimum wage, on a full-time equivalent basis, of the Company’s employees other than corporate officers	17.85	17.70	11.50	6.66	1.05

Methodological note concerning the equity ratio for the year ended 31 March 2023

In the numerator: total compensation, on a gross before-tax basis, paid to members of the Management Board for the financial year ended 31 March 2023 (with the exception of variable annual compensation paid during the financial year ended 31 March 2023 but due in respect of the financial year ended 31 March 2022).

In the denominator: the minimum salary of the Company's employees other than corporate officers as at 31 March 2023, on a full-time equivalent basis resulting from the company agreement relating to the 2022 mandatory negotiation and including the mandatory bonus resulting from the collective agreement (Art. 30 of the National Collective Bargaining Agreement (CCN)) (subject to a condition of presence), plus the top-up bonus provided for in the company agreement relating to the 2018 mandatory negotiation (subject in particular to conditions of seniority and presence), i.e. €26,622.84 gross per year.

The Company considers that calculating the equity ratio on the basis of the French minimum wage (SMIC), as recommended by Middlenext code recommendation 16, paragraph b, is not indicative of the Company's situation insofar as the Group, which has been working for four years on improving its employment model, has notably switched all its teams to a four-day, 32-hour working week (4x8), set a salary over 25% above the minimum wage and incorporated target-based and variable bonuses into the fixed salary.

Scope of employees concerned: only the Company's employees are concerned, on a non-consolidated basis, i.e. 669 people as at 31 March 2023, representing 57.92% of the Group's salaried workforce as at that date.

At its meeting on 15 June 2023, the Company's Supervisory Board duly noted the checkpoints specified in the Middlenext code, in accordance with recommendation 22.

14.5.1.1. Membership of the Management Board

The Company is managed by a Management Board, which performs its duties under the supervision of a Supervisory Board.

The Management Board consists of a maximum of five members, appointed by the Supervisory Board. However, if the share capital is less than €150,000, a single person may be appointed by the Supervisory Board to perform the duties entrusted to the Management Board. Such person shall have the title of sole Chief Executive Officer.

Members of the Management Board are appointed for a term of five (5) years and may always be reappointed. The duties of members of the Management Board shall cease at the end of the Ordinary General Meeting called to approve the financial statements for the year-ended, held during the year in which their term of office expires.

Nobody aged over 65 may be appointed as a member of the Management Board. A member of the Management Board who has passed this age shall be deemed to have resigned at the end of the next Supervisory Board meeting.

Members of the Management Board may be removed from office at any time, for any reason, by decision of the Supervisory Board.

The Supervisory Board shall determine the compensation awarded to members of the Management Board and shall appoint one of them as Chairman.

In addition, in accordance with Article L.225-66 of the French Commercial Code, the articles of association may authorise the Supervisory Board to assign the same power of representation to one or more members of the Management Board, who shall in such case bear the title of Chief Executive Officer.

At 31 March 2023, the Company's Management Board had 5 members.

Name	Office	Date of appointment and expiry of office
Laurent Villemonte de la Clergerie	Member of the Management Board	First appointment: 7 March 2000 1st reappointment: 19 July 2005 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th reappointment: 18 June 2020 Expiry of term of office: end of the General Meeting called to approve the financial statements for the year ending 31 March 2025
	Chairman of the Management Board	First appointment: 7 March 2000 1st reappointment: 19 July 2005 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th reappointment: 18 June 2020 Expiry of term of office: end of the General Meeting called to approve the financial statements for the year ending 31 March 2025

Name	Office	Date of appointment and expiry of office
Olivier Villemonte de la Clergerie	Member of the Management Board	First appointment: 7 March 2000 1st reappointment: 19 July 2005 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th reappointment: 18 June 2020 Expiry of term of office: end of the General Meeting called to approve the financial statements for the year ending 31 March 2025
	Chief Executive Officer	First appointment: 5 March 2001 1st reappointment: 19 July 2005 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th reappointment: 18 June 2020 Expiry of term of office: end of the General Meeting called to approve the financial statements for the year ending 31 March 2025
Marc Prieur	Member of the Management Board	First appointment: 14 April 2005 1st reappointment: 19 July 2005 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th reappointment: 18 June 2020 Expiry of term of office: end of the General Meeting called to approve the financial statements for the year ending 31 March 2025
Caroline Villemonte de la Clergerie	Member of the Management Board	First appointment: 7 March 2000 1st reappointment: 19 July 2005 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th reappointment: 18 June 2020 Expiry of term of office: end of the General Meeting called to approve the financial statements for the year ending 31 March 2025 (1)
Harry de Lépine	Member of the Management Board	First appointment: 1 December 2022 Expiry of term of office: end of the General Meeting called to approve the financial statements for the year ending 31 March 2025

(1) At its meeting on 15 June 2023, the Management Board noted the resignation of Caroline Villemonte de la Clergerie from her position as member of the Company's Management Board, with effect from the end of the General Meeting to be held on 29 September 2023. For further information, see Section 14.7 of this document.

In accordance with Middlenext code recommendation 1, members of the Management Board hold no more than two corporate offices in companies whose shares are admitted to trading on a regulated market, including companies outside the Group.

See Section 12.1 of this Universal Registration Document for further details regarding the experience and skills of each member of the Management Board.

14.5.1.2. Membership of the Supervisory Board

The Supervisory Board consists of no fewer than three and no more than 18 members, subject to the exception provided for by the French Commercial Code in the event of a merger.

Members may be individuals or legal entities and are appointed by the Ordinary General Meeting of shareholders from amongst their number. In the event of a merger or demerger, members may be appointed by an Extraordinary General Meeting.

No member of the Supervisory Board may stand on the Management Board.

Up to one third of incumbent Supervisory Board members may benefit from an employment contract corresponding to an actual position.

Members of the Supervisory Board serve for a term of six (6) years ending at the end of the shareholders' Ordinary General Meeting called to approve the financial statements for the year ended, held during the year in which their term of office expires.

They may be re-appointed. They may be removed from office at any time by the Ordinary General Meeting.

No more than one third of the incumbent members of the Supervisory Board may be aged 80 or over.

The Supervisory Board shall appoint two individuals from amongst its members as Chairman and Vice-Chairman, who shall be tasked with convening Board meetings and chairing discussions. They shall be appointed for the duration of their term of office as Supervisory Board members. The Supervisory Board shall determine their compensation, as appropriate.

At 31 March 2023, the Company's Supervisory Board had 3 members.

Name	Office	Date of appointment	Reappointments	Date of expiry of office
Suzanne Villemonte de la Clergerie	Member of the Supervisory Board Chairwoman of the Supervisory Board	7 March 2000	29 September 2006 28 September 2012 28 September 2018 7 July 2006 22 June 2012 13 June 2018	End of General Meeting called to approve the financial statements for the year ending 31 March 2024 (1)
Marc Villemonte de la Clergerie	Member of the Supervisory Board Vice-Chairman of the Supervisory Board	7 March 2000	29 September 2006 28 September 2012 28 September 2018 7 July 2006 22 June 2012 13 June 2018	End of General Meeting called to approve the financial statements for the year ending 31 March 2024 (1)
Anne-Marie Bignier Valentin	Member of the Supervisory Board	7 March 2000	29 September 2006 28 September 2012 28 September 2018	End of General Meeting called to approve the financial statements for the year ending 31 March 2024

(1) At its meeting on 15 June 2023, the Supervisory Board noted the resignation of Suzanne Villemonte de la Clergerie from her position as Chairwoman and member of the Supervisory Board and the resignation of Marc Villemonte de la Clergerie from his position as Vice-Chairman and member of the Supervisory Board, with effect from the end of the General Meeting to be held on 29 September 2023.

See Section 12.1 of this Universal Registration Document for further details regarding the experience and skills of each member of the Supervisory Board.

14.5.1.3. Independent members of the Supervisory Board

The Company applies the definition of independent member set out in Middlenext code recommendation 3:
- the member is not and has not been, during the last five years, an employee or executive director of the Company or of a company in its Group;
- the member is not and has not been, during the last two years, in a major business relationship with the Company or its Group (customer, supplier, competitor, service provider, creditor, banker, etc.);
- the member is not a major shareholder of the Company and does not hold a significant percentage of its voting rights;
- the member has no close relationship or immediate family ties with a corporate officer or major shareholder;
- the member has not been an auditor of the Company over the last six years.

At its meeting on 15 June 2023, the Supervisory Board reviewed its members' circumstances in light of these independence criteria and decided that, due to their family ties, none of its members met the independence criteria of the Middlenext corporate governance code.

14.5.1.4. Terms of office

Supervisory Board members' term of office is set at six (6) years. In view of the size and membership of the Supervisory Board, the Company does not consider it appropriate to ask the shareholders to vote on an amendment to the articles of association providing for staggered reappointments.

14.5.1.5. Rules of conduct

In accordance with Middlenext code recommendation 1, all members of the Supervisory Board are made aware of the duties incumbent upon them at the time of their appointment and are encouraged to follow the rules of conduct applicable to their office.

At the start of their term of office, they sign the Board internal regulations and undertake to:
- comply with statutory regulations regarding the combination of offices;
- comply with applicable regulations;
- notify the Board in the event of a conflict of interests arising after their appointment;
- regularly attend the meetings of the Board and the General Meeting;
- make sure that they have all the required information regarding items on the agenda of Board meetings before making any decision; and
- observe professional secrecy.

14.5.1.6. Selection of Supervisory Board members

The members of the Supervisory Board are selected mainly in terms of their understanding of the workings of the e-commerce market, their knowledge of the Company and their ability to ensure that the Company's strategy is in line with its interests. Information on the experience and skills of each Supervisory Board member is communicated to the General Meeting for the purposes of appointing each new member. The appointment of each new member is the subject of a separate resolution.

14.5.1.7. Missions of the Management Board and Supervisory Board

Management Board

The Management Board is vested with full powers with regard to third parties to act on the Company's behalf under all circumstances, within the limits of the Company's objects, subject to the powers expressly assigned by law to the Supervisory Board and shareholders' meetings.

In relations with third parties, the Company is bound even by acts of the Management Board that do not fall within the scope of the Company's objects, unless it can prove that the third parties were aware that the act exceeded such objects or that, given the circumstances, they could not be unaware of this fact. The mere publication of the articles of association shall not constitute proof of this fact.

In accordance with Article L.225-68 of the French Commercial Code, sureties, endorsements and guarantees must be authorised by the Supervisory Board. Transactions in breach of this provision are only binding on third parties in the cases provided for by law.

The Management Board shall present a report to the Supervisory Board at least once a quarter.

Within three months of the balance sheet date, the Management Board shall present the Company and consolidated financial statements, accompanied by the related management report, as well as, where applicable, the report referred to in Article L.225-68 of the French Commercial Code, for the purposes of audit and verification.

The Chairman of the Management Board represents the Company in its dealings with third parties.

The Supervisory Board may assign the same power of representation to one or more members of the Management Board, who shall in such case bear the title of Chief Executive Officer.

Acts and deeds that bind the Company with regard to third parties must bear the signature of the Chairman of the Management Board, one of the Chief Executive Officers or any proxy duly empowered to such end.

The Management Board met 13 times during the year ended 31 March 2023, with an average attendance rate of 93.08%.

Supervisory Board

The Supervisory Board permanently oversees the management of the Company by the Management Board.

It appoints the members of the Management Board, the Chairman and any Chief Executive Officers and sets the amount of their compensation.

It convenes the General Meeting of shareholders, unless the meeting is convened by the Management Board.

At any time during the year, it shall carry out checks and verifications it deems appropriate and may request any documents it considers useful for the fulfilment of its mission.

It presents its comments on the Management Board report, as well as the financial statements for the year, to the Annual Ordinary General Meeting of shareholders.

The Supervisory Board met eight times during the year ended 31 March 2023, with an average attendance rate of 95.75%.

It should be noted that during the Supervisory Board meeting of 15 June 2023, the members of the Board paid particular attention to negative votes by analysing, among other things, how the majority of minority shareholders expressed themselves at the Annual General Meeting of 30 September 2022 and at the Ordinary General Meeting of 30 March 2023, in accordance with Middlenext code recommendation 14. The Board considered whether it would be appropriate to revise the elements that may have led to negative votes in view of the next General Meeting.

14.5.1.8. Establishment of committees

In accordance with Middlenext code recommendation 7, we hereby report to you on the Company's decision with regard to special committees.

As of 31 March 2023, the Supervisory Board does not have any specialised committees.

We hereby remind you that, at its meeting on 12 December 2019, the Supervisory Board, on the basis of a favourable opinion issued by the Audit Committee and the Company's statutory auditors, unanimously decided as from that date to discontinue the Supervisory Board's Audit Committee, which was set up in order to comply with the provisions of Articles L.823-19 and L.823-20-4 of the French Commercial Code.

This decision is justified (i) by the fact that, since 2 September 2019 when the Company's shares were admitted for trading on the Euronext Growth organised multilateral trading facility instead of the Euronext Paris regulated market, the creation of an Audit Committee has been optional for the Company; and (ii) in order to simplify the operation of the Supervisory Board given the size of the Company and membership of its corporate bodies.

In any case, it is recalled that the Supervisory Board continues to monitor all matters related to the preparation and auditing of accounting and financial information to the full extent permitted by the legal authority granted to it pursuant to Article L.225-68 of the French Commercial Code.

In accordance with Middlenext code recommendation 8, on 16 June 2022 the Supervisory Board examined the appropriateness of setting up a special committee on Corporate Social Responsibility (CSR) and decided, in view of its membership, needs and topicality, that the creation of such an ad hoc special committee is not relevant. The Supervisory Board, within the framework of its legal prerogatives, has already been carrying out an analysis of the Company's social and environmental responsibility for several years.

At its meeting of 15 June 2023, the Board considered the sharing of value and, in particular, the balance between the compensation for all employees, the shareholder's reward for risk-taking and the investments necessary to ensure the Company's long-term survival.

14.5.1.9. Implementation of a three-year training programme for members of the Supervisory Board

In accordance with Middlenext code recommendation 5, the Supervisory Board, at its 16 June 2022 meeting, adopted the following training programme: four training sessions, from now until the end of 2025, with one to two sessions per year.

During the year ended 31 March 2023, the current members of the Supervisory Board were not able to attend any training courses and agreed that a further review of the progress of the training plan would be carried out next year, taking into account changes in governance (see Section 14.7 of this document).

14.5.1.10. Implementation of a diversity and equity policy within the Company

In accordance with Middlenext code recommendation 15, the Supervisory Board, at its 15 June 2023 meeting, took note of the diversity and equity policy implemented within the Company and at each hierarchical level.

The Company ensures non-discrimination and diversity representation through various measures, which are reported on via indicators in the Group's statement of non-financial performance in Chapter 22 of this Registration Document.

To this end, the Supervisory Board took note of the results of the following indicators:

- the gender equality index, including the pay gap between women and men by social grade status and age group, the number of women who have received a pay rise compared to the number of men who have received a pay rise by social grade status, the difference in the promotion rate between women and men, the percentage of female employees who received a pay rise in the year following their return from maternity leave and the number of employees of the under-represented sex among the 10 employees with the highest salaries;
- the percentage of women among the ten highest earners;
- the average gross salaries per gender and social grade status;
- the percentage of employees with disabilities in the applicable workforce - AGEFIPH contribution by applicable workforce;
- the percentage of employees who have received training, including the percentage of employees who completed a personal development course.

14.5.2. List of all offices and duties exercised at any company during the financial year ended 31 March 2023

To ensure compliance with the provisions of Article L.225-37-4 (1) of the French Commercial Code, applicable by reference from Article L.225-68, paragraph 6 of said Code, we have summarised the list of offices and duties exercised in any company (with the exception of the Company - see paragraph I of this section) during the financial year ended 31 March 2023.

Name	Position	Company
Management Board		
Laurent Villemonte de la Clergerie	Manager	Nemeio SARL (Company subsidiary) (1)
	Manager	Idfamily SCI
	Chairman	Sttanding SAS
	Chairman	LDLC VR Studio SAS (Company subsidiary previously called Katzami SAS)
	Member of the Supervisory Board	Lyon ASVEL Féminin SASP
	Member of the Supervisory Board	ASVEL Basket SASP
	Chairman	Ptifox SAS
	Chief Executive Officer	LDLC Invest SAS (Company subsidiary previously called LDLC12)
	Manager	Dubonski SARL
Olivier Villemonte de la Clergerie	Manager	Anikop SARL (Company subsidiary) (2)
	Co-manager	DLP-Connect SARL (Company subsidiary) (3)
	Manager	Domimo 2 SCI (Company subsidiary)
	Board member	Thermador Groupe SA (company listed on Euronext Paris)
	Chief Executive Officer	LDLC VR Studio (Company subsidiary previously called Katzami SAS)
	Chairman	Wolgarath (SAS)
	Chief Executive Officer	LDLC Invest (Company subsidiary previously called LDLC12)
Marc Prieur	None	None
Caroline Villemonte de la Clergerie	Manager	TD Family SCI
Harry de Lépine	Chief Executive Officer	LDLC Distribution (Company subsidiary)
	Chief Executive Officer	LDLC Boutiques (Company subsidiary)
	Co-manager	DLP-Connect SARL (Company subsidiary) (3)
	Chief Executive Officer	DLP-Connect (Company subsidiary)
Supervisory Board		
Suzanne Villemonte de la Clergerie	None	None
Marc Villemonte de la Clergerie	None	None
Anne-Marie Bignier Valentin	None	None

(1) On 5 August 2022, Nemeio was converted into a French simplified joint stock company (société par actions simplifiée), and Laurent Villemonte de la Clergerie's term of office as manager was therefore automatically terminated on that date.
(2) On 5 August 2022, Anikop was converted into a French simplified joint stock company (société par actions simplifiée), and Olivier Villemonte de la Clergerie's term of office as manager was therefore automatically terminated on that date.
(3) On 5 August 2022, DLP-Connect was converted into a French simplified joint stock company (société par actions simplifiée), and the terms of office of Olivier Villemonte de la Clergerie and Harry de Lépine as co-managers were therefore automatically terminated on that date.

Furthermore, in accordance with point 12.1 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, applicable by reference from point 1.1 of Annex 2 of said Regulation, a list of the offices and duties exercised in any company during the last five years and terminated as at 31 March 2023 for each corporate officer is provided below.

Name	Position	Company
Management Board		
Laurent Villemonte de la Clergerie	Co-manager	Synopsis (merger)
	Co-manager	Avitech SARL (Company subsidiary)
	Manager	Nemeio SARL (Company subsidiary)
Olivier Villemonte de la Clergerie	Member of the Supervisory Board	La Vie Claire SA
	Co-manager	Synopsis (merger)
	Manager	Domimo 3 SCI (TUP)
	Co-manager	Avitech SARL (Merger)
	Chairman	LDLC Pro Lease (Company subsidiary previously called F-LOC SAS)
	Manager	Anikop SARL (Company subsidiary)
	Co-manager	DLP-Connect SARL (Company subsidiary)
Marc Prieur	Manager	Hardware.fr (TUP)
Caroline Villemonte de la Clergerie	None	None
Harry de Lépine	Co-manager	DLP-Connect SARL (Company subsidiary)
Supervisory Board		
Suzanne Villemonte de la Clergerie	None	None
Marc Villemonte de la Clergerie	None	None
Anne-Marie Bignier Valentin	None	None

14.5.3. Agreements provided for under Article L.225-37-4 (2) of the French Commercial Code

For the sake of compliance with Article L.225-37-4 (2) of the French Commercial Code applicable by reference from Article L.225-68 paragraph 6 of said Code, we hereby state that no agreement, other than those relating to normal business transactions entered into under arm's length terms, was entered into during the year ended, directly or via an intermediary, between:

- a corporate officer or a shareholder holding more than 10% of the Company's voting rights; and
- another company controlled by the Company within the meaning of Article L.233-3 of the French Commercial Code

14.5.4. Summary of valid delegations of authority granted by the General Meeting of shareholders relating to capital increases, pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code

In accordance with the provisions of Article L.225-37-4 (3) of the French Commercial Code, applicable by reference from Article L.225-68 paragraph 6 of said Code, a table summarising the valid delegations of authority granted by the General Meeting of shareholders in respect of capital increases, pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code, is attached to this report, and shows the use made of these delegations of authority during the year ended.

Type of delegation of authority granted to the Company's Management Board pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code	Date of the Extraordinary General Meeting	Term	Maximum authorised nominal amount of capital increase	Capital increase(s) completed during the year	Means of determining the price	Date and terms of exercise of authority delegated to the Management Board
Delegation of authority to the Management Board to increase the share capital via the issue of ordinary shares, with shareholder preferential subscription rights	30 September 2022 Resolution 8	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issue of ordinary shares (1)	None	-	None
Delegation of authority to the Management Board to increase the share capital via the issuance of ordinary shares or any securities granting access to the share capital, without shareholder preferential subscription rights, in the form of a public offering, excluding the offers referred to in Article L.411-2 (1) of the French Monetary and Financial Code	30 September 2022 Resolution 9	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issuance of ordinary shares and any securities granting access, by any means, immediately and/or in the future, to ordinary shares in the Company €50,000,000 for the issuance of debt securities (1)	None	At least equal to the weighted average share price over the last three trading sessions preceding the beginning of the public offering, less a discount not exceeding 10%, where applicable, and adjusted for any differences in dividend dates	None
Delegation of authority to the Management Board to increase the share capital via the issuance of ordinary shares or any securities granting access to the share capital, without shareholder preferential subscription rights, in the form of a public offering as referred to in Article L.411-2 (1) of the French Monetary and Financial Code	30 September 2022 Resolution 10	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issuance of ordinary shares and any securities granting access, by any means, immediately and/or in the future, to ordinary shares in the Company €50,000,000 for the issuance of debt securities (1)	None	Within the limits set by applicable regulations at the date of issuance	None
Delegation of authority to the Management Board to increase the number of shares to be issued in the event of a capital increase with or without shareholder	30 September 2022 Resolution 11	26 months	15% of the initial issue amount	None	At the initial issue price	None

Type of delegation of authority granted to the Company's Management Board pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code	Date of the Extraordinary General Meeting	Term	Maximum authorised nominal amount of capital increase	Capital increase(s) completed during the year	Means of determining the price	Date and terms of exercise of authority delegated to the Management Board
preferential subscription rights						
Authorisation to be granted to the Management Board pursuant to Articles L.225-197-1 to L.225-197-5 of the French Commercial Code to allocate existing or future bonus shares to some or all of the salaried employees and/or corporate officers, as defined by Article L.225-197-1 (II) of the French Commercial Code, of the Company and related companies and/or groups	30 September 2022 Resolution 12	38 months	10% of the share capital	None	-	In view of the exercise of previous authorisations by the Management Board, the remaining available amount at 31 March 2023 is 8.22% of the current share capital calculated in accordance with Article L.225-197-1, paragraph 1 of the French Commercial Code
Delegation of authority to the Management Board to increase the share capital by capitalisation of additional paid-in capital, reserves, retained earnings or other amounts	30 September 2022 Resolution 15	26 months	€1,000,000 (2)	None	-	None

(1) In accordance with Resolution 14 adopted by the General Meeting of shareholders on 30 September 2022:

- *the aggregate maximum nominal amount of capital increases that may be carried out pursuant to the authority delegated under Resolutions 8-12 adopted by the Combined General Meeting of 30 September 2022 is set at €1,000,000 (or the foreign currency equivalent thereof as at the date of issuance, or equivalent value in units calculated by reference to a basket of currencies), plus the amount of additional shares to be issued in order to maintain the rights of holders of securities and other rights granting access to shares, in accordance with the law and any applicable contractual provisions;*
- *the aggregate maximum nominal amount of debt securities that may be issued pursuant to the authority delegated under Resolutions 9-11 adopted by the Combined General Meeting of 30 September 2022 is set at €50,000,000 (or the foreign currency equivalent thereof as at the date of issuance, or equivalent value in units calculated by reference to a basket of currencies); this cap does not apply to debt securities issued or authorised by the Management Board in accordance with Article L.228-40 of the French Commercial Code.*

(2) The aggregate nominal amount of capital increases thus completed, immediately and/or in the future, shall not exceed €1,000,000 plus the amount of any additional shares that must be issued in order to maintain the rights of holders of securities or other rights granting access to shares, pursuant to statutory and regulatory provisions and any applicable contractual provisions, provided that said total nominal amount shall be separate and distinct from the cap defined in Resolution 14 adopted by the Combined General Meeting of 30 September 2022.

14.5.5. Supervisory Board's comments on the Management Board report and financial statements for the year ended 31 March 2023

On 15 June 2023, the Supervisory Board reviewed the Company and consolidated financial statements submitted by the Management Board for the year ended 31 March 2023, as well as its related report, and stated that it had no comments to make.

14.6. STATUTORY AUDITORS' REPORT, PREPARED PURSUANT TO ARTICLE L.22-10-71 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE GROUPE LDLC SUPERVISORY BOARD

Please see the "Report on corporate governance" section of the statutory auditors' report on the financial statements for the year ended 31 March 2023, in Section 18.4.

14.7. FUTURE CHANGES TO THE MEMBERSHIP OF THE COMPANY'S CORPORATE BODIES OR COMMITTEES

Several years ago, the Company initiated a comprehensive review of the changes to the membership of its Supervisory Board, with a view to adding one or more independent members within the meaning of recommendation R3 of the Middlenext corporate governance code.

The Company has always endeavoured to ensure that these changes are made in accordance with a long-term vision, with constant attention paid to the issues specific to the Company, its activities, outlook and, more generally, its corporate interest.

The Company's profile and approach to business, which stands out from many others, make the search for candidates complex. The Company is committed to creating a fully operational Supervisory Board that is capable of exercising its control functions over the Management Board, with full knowledge of the issues specific to the Company and its business sector.

In this regard, we inform you that, at the General Meeting to be held on 29 September 2023, the Management Board will invite the Company shareholders to vote on a change to the membership of the Supervisory Board by means of various resolutions.

Suzanne Villemonte de la Clergerie (Chairwoman of the Supervisory Board) and Marc Villemonte de la Clergerie (Vice-Chairman of the Supervisory Board) have informed the Company of their intention to end their respective terms of office with effect from the end of the General Meeting of 29 September 2023, in order to devote themselves to personal projects after serving on the Company's Supervisory Board for over 20 years.

The Management Board will therefore submit to the General Meeting of 29 September 2023 two draft resolutions concerning the appointment of:
- Caroline Villemonte de la Clergerie as a new member of the Supervisory Board for a term of six (6) years, commencing at the end of the General Meeting of 29 September 2023;
- Kevin Kuipers as a new member of the Supervisory Board for a term of six (6) years, commencing at the end of the General Meeting of 29 September 2023.

For all intents and purposes, we remind you that the proposed appointments comply with the requirements of Article L.225-69-1 of the French Commercial Code in that the difference between the number of members of each gender would not be greater than two for a Supervisory Board that would be comprised of three members at the end of the General Meeting of 29 September 2023, subject to a favourable vote by the shareholders on the draft resolutions submitted.

Proposed appointment of Caroline Villemonte de la Clergerie

Caroline Villemonte de la Clergerie has indicated that she wishes to step down from her current position as a member of the Management Board, with effect from the end of the General Meeting of 29 September 2023, in order to comply with the provisions of Article L.225-74 of the French Commercial Code, which prohibits the combination of offices by a member of the Management Board and a member of the Supervisory Board of the same French limited company.

After serving as a member of the Company's Management Board for over 20 years, Caroline Villemonte de la Clergerie has a thorough understanding of the Company, its operations, activities and markets. More specifically, Caroline Villemonte de la Clergerie was involved in the Group's administrative management, in particular financial control and cash management for many years, before broadening her role to include certain non-financial aspects of the Group, including in particular the Group's CSR strategy.

The proposed appointment of Caroline Villemonte de la Clergerie as a new member of the Supervisory Board would be entirely in keeping with the role assigned by law to the Supervisory Board, while taking into account the strengthening of its responsibilities in terms of CSR. In accordance with recommendation 8 of the Middlenext corporate governance code, the Supervisory Board has considered more specifically the sharing of value and, in particular, the balance between the compensation for all employees, the shareholder's reward for risk-taking and the investments necessary to ensure the Company's long-term survival.

We hereby inform you that, on the basis of the five independence criteria established by recommendation R3 of the Middlenext corporate governance code, Caroline Villemonte de la Clergerie does not qualify as an independent director within the meaning of said Code in view of the family ties linking her to the other corporate officers and main shareholders.

We will provide the information required by Article R.225-83 of the French Commercial Code in the event of a proposal for the appointment of a Supervisory Board member in the Management Board's report to the General Meeting of 29 September 2023.

Subject to the vote of the General Meeting and the deliberations of the Supervisory Board, which will meet immediately after the General Meeting, the newly constituted Supervisory Board will be asked to approve the appointment of Caroline Villemonte de la Clergerie as Chairwoman of the Supervisory Board for the duration of her term of office as a member of the Supervisory Board.

Proposed appointment of Monsieur Kevin Kuipers

Kevin Kuipers is self-taught.

He joined AlloCiné, co-founded by Jean-David Blanc, in 1998 to develop the telephone service's first web portal. In 2000, he founded his first start-up, Gamekult.com, an online medium specialising in video games that became the second-largest on the French market. It was during this period that he crossed paths with LDLC, which acquired a stake in Gamekult.com before the company was sold to CNET (CBS Interactive) in 2007.

In 2009, he set up the cultural network SensCritique with the same partners. Nowadays, SensCritique has become a leading name in the cultural sector and followed 150 films and series in 2022, including the Oscar winner for Best Picture and the Palme d'Or. In 2014, Kevin Kuipers was asked by Jean-David Blanc to join him in co-founding Molotov.tv, an over-the-top (OTT) television streaming service.

He then joined Daphni, a management company in its start-up stage, whose first Series A venture capital fund has invested in 28 companies, including Backmarket, Swile, Memo Bank, Lifen and ZOE. Alongside Willy Braun, co-founder of Daphni, Kevin Kuipers' goal was to create a new venture capital fund focusing on seed funding. Given the fundamental and value-creating importance of support at this stage in a start-up's life, they approached The Galion Project, a group of 450 entrepreneurs co-founded by Agathe Wautier and Jean-Baptiste Rudelle (Criteo), to develop a one-of-a-kind model in Europe. And so Galion.exe was created: a portfolio management company surrounded by experienced entrepreneurs who provide strategic expertise to founders right from the start, during the crucial seed funding period. Launched in 2022, Galion.exe has already invested in 7 companies.

With a wealth of operational and financial experience in the digital and technology sectors, the proposed appointment of Kevin Kuipers as a new Supervisory Board member will undoubtedly strengthen the Board's skill set.

We hereby inform you that, on the basis of the five independence criteria established by recommendation R3 of the Middlenext corporate governance code, Kevin Kuipers qualifies as an independent director within the meaning of said Code.

We will provide the information required by Article R.225-83 of the French Commercial Code in the event of a proposal for the appointment of a Supervisory Board member in the Management Board's report to the General Meeting of 29 September 2023.

Subject to the vote of the General Meeting and the deliberations of the Supervisory Board, which will meet immediately after the General Meeting, the newly constituted Supervisory Board will be asked to approve the appointment of Kevin Kuipers as Vice-Chairman of the Supervisory Board for the duration of his term of office as a member of the Supervisory Board.

Membership of the Management Board and the Supervisory Board at the end of the General Meeting of 29 September 2023

Subject to the shareholders' approval of the draft resolutions submitted, the membership of the Company's Management and Supervisory Boards at the end of the General Meeting of 29 September 2023 would be as follows:

- Management Board – 4 members
  - Laurent Villemonte de la Clergerie
  - Olivier Villemonte de la Clergerie
  - Marc Prieur
  - Harry de Lépine
- Supervisory Board - 3 members including 1 independent member
  - Caroline Villemonte de la Clergerie
  - Kevin Kuipers
  - Anne-Marie Bignier Valentin

Proposed amendment to Article 16 of the Company's articles of association to require each member of the Supervisory Board to hold at least one ordinary share in the Company

As part of the changes in corporate governance, the Management Board has decided to submit to the General Meeting of 29 September 2023 a draft resolution amending Article 16 of the Company's articles of association to make it compulsory for each member of the Supervisory Board to hold at least one (1) ordinary share in the Company, as permitted by Article L.225-72 of the French Commercial Code.

As at 15 June 2023, we inform you that:
- Caroline Villemonte de la Clergerie has full ownership of 558,579 ordinary shares in the Company;
- Kevin Kuipers holds 5 ordinary shares in the Company;
- Anne-Marie Bignier Valentin holds 3,847 ordinary shares in the Company.

Proposed allocation to the Supervisory Board of a fixed annual sum as compensation for their activities (formerly attendance fees)

As part of the changes to the Supervisory Board's governance, the Management Board has decided to submit to the General Meeting of 29 September 2023 a draft resolution concerning the allocation to the Supervisory Board of a fixed gross annual sum of €54,000 as compensation for their activities (formerly attendance fees) in accordance with Article L.225-83 of the French Commercial Code for the financial year ending 31 March 2024 and for all subsequent years until decided otherwise by the General Meeting.

CHAPTER 15 • EMPLOYEES

15.1. HEADCOUNT AND BREAKDOWN BY COMPANY OVER THE PAST THREE YEARS

At 31 March 2023, the Group employed 1,155 people (excluding Caroline, Suzanne, Laurent, Marc and Olivier Villemonte de la Clergerie, Marc Prieur and Harry de Lépine) at Groupe LDLC and its subsidiaries LDLC Distribution, Anikop, DLP-Connect, Ecole LDLC (LDLC School) (excluding Christophe Menanteau), LDLC Event, LDLC Boutiques, ADB Boutiques, Bluescreen, LDLC VR Studio, LDLC9 and OLYS, including 1,075 permanent employees, 18 people on fixed-term contracts and 62 apprentices.

Breakdown of headcount by company (excluding corporate officers):

	Number of employees	**Number of employees**	**Number of employees**
Company	**31 March 2023**	**31 March 2022**	**31 March 2021**
Groupe LDLC	**669**	**695**	**696**
Anikop	34	32	32
Hardware.fr [(1)]	0	0	1
DLP-Connect	13	13	14
LDLC9	1	0	0
LDLC Distribution	32	28	21
Ecole LDLC	5	3	4
LDLC Boutiques	130	60	33
LDLC Event	11	8	9
LDLC VR Studio	19	3	2
ADB Boutiques (formerly ADB Limonest)	40	31	6
ADB Orgeval [(2)]	0	0	5
Bluescreen	4	5	4
Olys	197	186	189
MyMultimedia [(3)]	0	0	3
Total	**1,155**	**1,064**	**1,019**

(1) Effective 28 May 2021, Hardware.fr was wound up without liquidation, resulting in the transfer of all of its assets and liabilities to the Company.
(2) Effective 30 June 2021, ADB Orgeval was merged by absorption into ADB Boutiques.
(3) Effective 31 January 2022, MyMultimedia was merged by absorption into Olys.

15.2. CORPORATE OFFICER PROFIT-SHARING AND STOCK OPTIONS

See Section 14.5 “Supervisory Board report on corporate governance” and Chapter 16 of this Universal Registration Document.

15.3. AGREEMENTS PROVIDING FOR EMPLOYEE SHARE OWNERSHIP

There are no agreements providing for employee share ownership.

Furthermore, to ensure compliance with Article L.225-102, paragraph 1 of the French Commercial Code, we hereby state that the proportion of shares held by Company employees and employees of related companies, as defined under Article L.225-180 of the French Commercial Code, in the Company’s share capital at 31 March 2022, reviewed according to the specific terms and conditions of Article L.225-102, paragraph 1 of said code, represents around 0.12% of the Company’s share capital.

15.4. COMPANY INCENTIVE AND PROFIT-SHARING AGREEMENTS

The Company signed a profit-sharing agreement on 18 March 2004.

Two supplemental agreements were subsequently signed, on 15 December 2009 to provide for an option for employees to request immediate payment of all or part of their entitlements, and on 29 November 2012 to amend the conditions for managing employee savings plans, in order to provide for the appropriation of amounts to a Company Savings Plan (PEE).

A profit-sharing agreement was signed on 7 June 2022 for Olys.

These profit-sharing agreements do not cover the other subsidiaries.

No Group company has an incentive scheme agreement.

CHAPTER 16 • MAIN SHAREHOLDERS

16.1. CHANGES IN SHAREHOLDING STRUCTURE OVER THE PAST THREE YEARS

The table below shows the change in the breakdown of the Company's share capital and voting rights between 31 March 2021 and 31 March 2023, including shareholders that hold, directly or indirectly, alone or in concert, more than 5% of the share capital or voting rights:

	31 March 2021				31 March 2022				31 March 2023			
Share ownership	**Shares**	**% share capital**	**Theoretical voting rights**	**% theoret. voting rights**	**Shares**	**% share capital**	**Theoretical voting rights**	**% theoret. voting rights**	**Shares**	**% share capital**	**Theoretical voting rights**	**% theoret. voting rights**
Laurent Villemonte de la Clergerie (1)	1,216,746	19.25	2,285,492	25.20	1,221,746 (6)	19.32	2,298,492 (6)	25.37	1,221,746 (6)	19.80	2,298,492 (6)	25.63
Olivier Villemonte de la Clergerie (2)	615,500	9.74	1,091,000	12.03	621,744 (7)	9.83	1,097,244 (7)	12.11	627,244 (8)	10.16	1,102,744 (8)	12.29
Caroline Villemonte de la Clergerie (3)	628,579	9.94	1,117,158	12.32	628,579	9.94	1,117,158	12.33	628,579	10.18	1,117,158	12.46
Suzanne Villemonte de la Clergerie (4)	75,423	1.19	566,846	6.25	77,423	1.22	568,846	6.28	77,423	1.25	568,846	6.34
Sub-total De la Clergerie family (5)	**2,536,248**	**40.12**	**5,060,496**	**55.80**	**2,549,492**	**40.33**	**5,081,740**	**56.10**	**2,554,992**	**41.40**	**5,087,240**	**56.72**
Other shareholders	3,662,418	57.93	3,884,926	42.84	3,465,119	54.81	3,977,186	43.90	3,466,099	56.16	3,881,995	43.28
Treasury shares	123,440	1.95	123,440	1.36	307,495	4.86	0	0	150,685	2.44	0	0
Total	**6,322,106**	**100**	**9,068,862**	**100**	**6,322,106**	**100**	**9,058,926**	**100**	**6,171,776**	**100**	**8,969,235**	**100**

(1) Including the legal ownership of 70,000 Groupe LDLC shares, each with a double voting right attached, it being specified that the voting rights attached to said shares are held by the beneficial owner, namely Suzanne Villemonte de la Clergerie, for all General Meetings and, consequently, are not taken into account in the calculation of Laurent Villemonte de la Clergerie's theoretical voting rights.
(2) Including the legal ownership of 70,000 Groupe LDLC shares, each with a double voting right attached, it being specified that the voting rights attached to said shares are held by the beneficial owner, namely Suzanne Villemonte de la Clergerie, for all General Meetings and, consequently, are not taken into account in the calculation of Olivier Villemonte de la Clergerie's theoretical voting rights.
(3) Including the legal ownership of 70,000 Groupe LDLC shares, each with a double voting right attached, it being specified that the voting rights attached to said shares are held by the beneficial owner, namely Suzanne Villemonte de la Clergerie, for all General Meetings and, consequently, are not taken into account in the calculation of Caroline Villemonte de la Clergerie's theoretical voting rights.
(4) Including, for the calculation of voting rights, beneficial ownership of 210,000 double-voting Groupe LDLC shares whose voting rights are held by the beneficial owner, namely Suzanne Villemonte de la Clergerie, for all General Meetings and, consequently, are not taken into account in the calculation of her equity interest.
(5) There is no action in concert between the members of the De la Clergerie family.
(6) Including the 5,000 Groupe LDLC shares representing an equal number of voting rights held by Ptitfox, a company controlled by Laurent Villemonte de la Clergerie within the meaning of Article L.233-3 of the French Commercial Code, which are assigned to him pursuant to Article L.233-9, I (2) of the French Commercial Code.
(7) Including the 6,000 Groupe LDLC shares representing an equal number of voting rights held by Wolgarath, a company controlled by Olivier Villemonte de la Clergerie within the meaning of Article L.233-3 of the French Commercial Code, which are assigned to him pursuant to Article L.233-9, I (2) of the French Commercial Code.
(8) Including the 11,500 Groupe LDLC shares representing an equal number of voting rights held by Wolgarath, a company controlled by Olivier Villemonte de la Clergerie within the meaning of Article L.233-3 of the French Commercial Code, which are assigned to him pursuant to Article L.233-9, I (2) of the French Commercial Code.

To the Company's knowledge, there are no other shareholders that hold, directly or indirectly, alone or in concert, more than 5% of the share capital or voting rights.

16.2. EXISTENCE OF DIFFERENT VOTING RIGHTS

Pursuant to Article 12 of the Company's articles of association, a double voting right, as compared to the voting rights attached to other shares in respect of the fraction of share capital that they represent, is attributed to all fully paid-up shares that are proven to have been registered for at least two years in a single shareholder's name; the period of time during which the shares were held in registered form prior to the date of the Extraordinary General Meeting establishing this right is taken into account.

In the event of a capital increase by capitalisation of retained earnings, reserves, additional paid-in capital or available provisions, a double voting right is conferred as of the issue of registered bonus shares to a shareholder in respect of former shares conferring this right.

All shares converted to bearer shares or for which ownership is transferred shall lose the double voting right. However, transfer by way of inheritance, division of communal property between spouses or inter vivos gift to a spouse or relative close enough to inherit an estate shall not incur the forfeiture of the rights acquired and shall not interrupt the two-year period.

The merger or demerger of the Company shall have no impact on the double voting right, which may be exercised within the successor company(ies), if the articles of association of said company(ies) provide for double voting rights.

16.3. CONTROL OF THE COMPANY

At the date this Universal Registration Document was prepared, no shareholder directly or indirectly controlled the Company within the meaning of Section 16.3 of Annex I of EC Regulation No. 2019/980 of the Commission of 14 March 2019.

Furthermore, you are reminded that:

- the members of the De la Clergerie family are not acting in concert, are not bound by a shareholder agreement or other binding agreement (including a pre-emptive right agreement) and freely exercise their voting rights, thereby (i) avoiding over-representation of the interests of these shareholders and (ii) maintaining a heterogeneous capital structure;
- each member of the Management Board and Supervisory Board fully exercises his or her freedom of judgement and is ready to object or abstain if necessary;
- the internal regulations of the Supervisory Board include (i) an article on preventing conflicts of interest that seeks to prevent any situation that gives rise or could give rise to a conflict between the Company's interests and the direct or indirect personal interests of the Supervisory Board member in question, and (ii) an article on the Supervisory Board members' duty of loyalty requiring each member, among other things, to exercise their judgement in the interests of the Company;
- the Company abides by recommendations 1, 2 and 14 of the September 2021 version of the Middlenext corporate governance code;
- the Company is subject to the regulated agreement control procedure referred to in Articles L.225-86 et seq. of the French Commercial Code;
- the company's Management Board has proposed the appointment of an independent member of the Supervisory Board to the General Meeting of 29 September 2023.

16.4. AGREEMENT KNOWN TO THE ISSUER WHICH, IF IMPLEMENTED, COULD SUBSEQUENTLY LEAD TO A CHANGE OF CONTROL

To the Company's knowledge, there is no agreement that could result in a change of control if implemented.

16.5. SHARE MOVEMENTS AND POSITION

At 31 March 2023, the Company's share capital comprised 6,171,776 shares. Market capitalisation at 31 March 2023 amounted to €137,939,193.60.

Trading volumes during the financial year were as follows:

Month	Volume	Average price	High	Low	Amounts (€m)
April 2022	321,088	31.37	33.80	29.05	10.09
May 2022	258,377	30.65	32.75	28.65	7.91
June 2022	250,619	28.41	30.65	25.80	7.10
July 2022	262,026	28.11	30.80	26.40	7.33
August 2022	120,559	28.47	31.35	26.80	3.45
September 2022	204,041	26.35	29.60	22.75	5.35
October 2022	195,493	22.64	26.20	19.90	4.34
November 2022	237,295	21.50	23.90	19.30	5.01
December 2022	225,490	21.29	22.40	19.22	4.78
January 2023	304,085	22.13	24.55	20.00	6.80
February 2023	156,672	20.63	21.95	19.92	3.24
March 2023	137,632	21.45	22.90	20.50	2.98

During the financial year ended, the Groupe LDLC share reached a high of €33.80 and a low of €19.22.

CHAPTER 17 • RELATED PARTY TRANSACTIONS

17.1. RELATED PARTY TRANSACTIONS ENTERED INTO BY THE COMPANY OVER THE PAST THREE YEARS

Regulated agreements entered into during the financial year ended 31 March 2023 are mentioned in the statutory auditors' special report presented below (Section 17.2 of this Universal Registration Document).

In application of Article 19 of Regulation (EU) 2017/1129 dated 14 June 2017, the following information is incorporated by reference into this Universal Registration Document:

- the statutory auditors' special report on regulated agreements and commitments for the year ended 31 March 2021 presented on page 124 of the 2020/2021 Universal Registration Document filed on 12 July 2021 under number D.21-0698;
- the statutory auditors' special report on regulated agreements and commitments for the year ended 31 March 2022 presented on page 126 of the 2021/2022 Universal Registration Document filed on 12 July 2022 under number D.22-0636.

In accordance with proposal no. 4.8 of AMF recommendation 2012-05, we hereby inform you of the findings of the Supervisory Board meeting of 15 June 2023 following its annual review of agreements described under Article L.225-86 of the French Commercial Code, carried out in accordance with Article L.225-88-1 of the French Commercial Code.

On 15 June 2023, the Supervisory Board noted that no previous agreement falling under the scope of Articles L.225-86 et seq. of the French Commercial Code was underway during the financial year ended 31 March 2023.

17.2. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Annual general Meeting held to approve the financial statements for the year ended March 31, 2023

To the Shareholders of GROUPE LDLC,

In our capacity as Statutory Auditors of Groupe LDLC, we hereby report to you on regulated agreements.
It is our responsibility to report to you, based on the information provided to us, on the main terms and conditions of the agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-58 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.
When applicable, it is also our responsibility to provide you with the information required by Article R.225-58 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.
We have carried out the procedures we considered necessary for this task in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes). These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements submitted for the approval of the annual general meeting

Agreements authorized and entered into during the year
In accordance with Article L.225-86 of the French Commercial Code, we have been advised of the following agreement entered into during the year and authorized by your Supervisory Board.

With Mr. Laurent Villemonte de la Clergerie

Person concerned: Mr Laurent Villemonte de la Clergerie, Chairman of the Executive Board and shareholder with more than 10% of the Company's voting rights.

Nature and purpose: contract for the transfer of the French word trademark "LABYRINTHE" duly protected and registered with the INPI under number 4 578 066, for classes 03, 14, 18 and 25 between Mr. Laurent Villemonte de la Clergerie (assignor) and GROUPE LDLC (assignee).

Terms and conditions: In the absence of any commercial exploitation at the date of authorization by the Supervisory Board and at the date of sale, the sale price was set at 312 euros corresponding to the re-invoicing to the euro - the euro of the costs of registering the "LABYRINTHE" trademark with the INPI.

Reasons: As part of its prior authorization, the Supervisory Board considered the interest of the agreement for the Company. The Company owns its entire brand portfolio. The Company will decide later how to use this brand, which could be part of a project by one of its subsidiaries or a third-party entity specializing in the fashion sector, either by selling or licensing the brand.

Agreements already approved by the annual general meeting

We hereby inform you that we have not been advised of any agreements previously approved by Shareholders' Meetings of prior years which remained in force during the year.

The Statutory Auditors

Mazars	Cap Office
Lyon, June 15, 2023	Lyon, June 15, 2023
Séverine Hervet	Rémi Charnay

CHAPTER 18 • FINANCIAL INFORMATION ON THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND EARNINGS

18.1. GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

All data presented below is stated in euro thousands, unless otherwise stated.

1.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	31/03/2023	31/03/2022
Net intangible assets	(3.2) (3.3)	51,339	51,437
- Goodwill	*(3.2)*	*31,460*	*29,245*
Net property, plant and equipment	(3.4)	19,993	15,179
Net financial assets	(3.5)	9,191	5,665
Investments in equity affiliates	(3.6)	452	0
Non-current assets		**80,975**	**72,281**
Inventories	(3.7)	84,689	101,813
Trade receivables	(3.8)	22,498	23,318
Other receivables and accruals	(3.9)	40,521	25,698
Short-term investments	(3.10)	1,876	3,411
Cash and cash equivalents	(3.11)	41,444	40,685
Current assets		**191,028**	**194,925**
Total assets		**272,003**	**267,206**

Equity and liabilities	Note	31/03/2023	31/03/2022
Share capital	(1.3)	1,111	1,138
Additional paid-in capital	(1.3)	21,053	21,053
Consolidated reserves	(1.3)	87,497	70,115
Treasury shares	(1.3)	(177)	(6,891)
Interim dividend	(1.3)	(2,408)	(4,848)
Net income for the year	(1.3)	1,234	36,104
Investment grants	(1.3)	51	0
Total shareholders' equity, Group share		**108,360**	**116,671**
Minority interests	(1.3)	0	0
Non-controlling interests		0	0
Total shareholders' equity		**108,360**	**116,671**
Provisions for risks and contingencies	(3.13)	7,373	6,135
Total provisions		**7,373**	**6,135**
Loans and borrowings	(3.14)	43,199	21,328
Trade payables	(3.17)	77,644	81,254
Other payables and accruals	(3.18)	35,427	41,819
Total liabilities		**156,270**	**144,400**
Total equity and liabilities		**272,003**	**267,206**

1.2. CONSOLIDATED INCOME STATEMENT

		FY ended 31 March	
	Note	**2023**	**2022**
Revenues	(4.1)	567,389	684,896
Other operating income		482	410
Cost of goods sold		(449,697)	(531,048)
Gross margin		**118,174**	**154,259**
Other purchases and external costs		(40,572)	(33,205)
Miscellaneous taxes		(3,666)	(3,548)
Staff costs	(4.2)	(57,880)	(58,094)
Net depreciation, amortisation and provisions	(4.3)	(8,784)	(7,465)
Other income and expenses		(1,790)	(986)
Operating earnings (EBIT) before goodwill amortisation and impairment		**5,481**	**50,961**
Goodwill amortisation and impairment		(142)	0
Operating earnings (EBIT) after goodwill amortisation and impairment		**5,339**	**50,961**
Financial income	(4.4)	257	146
Financial expense	(4.4)	(1,707)	(251)
Non-recurring income	(4.5)	179	307
Non-recurring expenses	(4.5)	(745)	(355)
Income tax	(4.6)	(1,803)	(14,705)
Net income of consolidated companies		**1,521**	**36,104**
Share of profit/(loss) in equity-accounted companies	(4.6)	(287)	0
Consolidated net income		**1,234**	**36,104**
Minority interests		0	0
Net income, Group share		**1,234**	**36,104**
Total net income attributable to:			
- owners of the Company		1,234	36,104
- minority interests			
- non-controlling interests			
Earnings per share:			
- Earnings per share (€)		0.20	5.86
- Diluted earnings per share (€)		0.20	5.86

1.3. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Additional paid-in capital	Consolidated reserves	Treasury shares	Shareholders' equity, Group share	Minority interests	Investment grants	Shareholders' equity
Shareholders' equity at 31 March 2021	**1,138**	**21,053**	**79,457**	**(53)**	**101,594**	**0**	**0**	**101,594**
Net income for the year ended 31 March 2022			36,104		36,104			36,104
Changes in treasury shares			(112)	(6,838)	(6,950)			(6,950)
Capital increase and additional paid-in capital					0			0
Dividends paid/ FY 2020/2021 (a)			(9,229)		(9,229)			(9,229)
Interim dividend/ FY 2021/2022 (b)			(4,848)		(4,848)			(4,848)
Other					0			0
Change in consolidation scope					0			0
Non-controlling interests					0			0
Shareholders' equity at 31 March 2022	**1,138**	**21,053**	**101,371**	**(6,891)**	**116,671**	**0**	**0**	**116,671**
Net income for the year ended 31 March 2023			1,234		1,234			1,234
Changes in treasury shares			(81)	6,714	6,633			6,633
Capital increase and additional paid-in capital					0			0
Dividends paid/ FY 2021/2022 (c)			(7,224)		(7,224)			(7,224)
Interim dividend/ FY 2022/23 (d)			(2,408)		(2,408)			(2,408)
Capital reduction (e)	(27)		(6,569)		(6,596)			(6,596)
Change in consolidation scope					0			0
Grants					0		51	51
Non-controlling interests					0			0
Shareholders' equity at 31 March 2023	**1,111**	**21,053**	**86,323**	**(177)**	**108,310**	**0**	**51**	**108,360**

(a) At the Annual General Meeting held on 24 September 2021, Groupe LDLC shareholders approved the proposed dividend payment of €2 per share in respect of the 2020/2021 financial year. Given the payment of an interim dividend of €0.50 per share on 25 February 2021, the dividend balance of €1.50 per share was paid on 7 October 2021.
(b) On 25 February 2022, Groupe LDLC paid out an ordinary interim dividend of €0.80 per share in respect of the 2021/2022 financial year.
(c) At the Annual General Meeting held on 30 September 2022, Groupe LDLC shareholders approved the proposed dividend payment of €2 per share in respect of the 2021/2022 financial year. Given the payment of an interim dividend of €0.80 per share on 25 February 2022, the dividend balance of €1.20 per share was paid on 7 October 2022.
(d) On 24 February 2023, Groupe LDLC paid out an ordinary interim dividend of €0.40 per share in respect of the 2022/2023 financial year.
(e) On 16 June 2022, Groupe LDLC decided to reduce its share capital by a nominal amount of €27,059.40 from €1,137,979.08 to €1,110,919.68 by cancelling 150,330 treasury shares purchased under a share buyback plan as referred to in Article L.22-10-62 of the French Commercial Code. The difference between the net book value and par value of the 150,330 treasury shares was recognised as a €6,569,371.59 reduction in other reserves.

1.4. CONSOLIDATED CASH FLOW STATEMENT

	FY ended 31 March	
	2023	**2022**
Net income from continuing operations	1,234	36,104
Elimination of non-cash income and expenses (a)	9,777	8,040
Tax expense (current and deferred) (b)	1,803	14,705
Gains/losses on disposal of assets	2	33
Sub-total (gross operating cash flow before tax)	**12,815**	**58,882**
Tax paid	(915)	(15,535)
Change in working capital (c)	(7,767)	(21,092)
Net cash flow from operating activities	**4,133**	**22,255**
Income from disposal of non-current assets, after tax	7	10
Acquisition of non-current assets (d)	(15,097)	(8,755)
Reduction in financial assets (d)	112	218
Change in consolidation scope	(2,206)	(726)
Net cash flow from investing activities	**(17,184)**	**(9,252)**
Treasury share transactions	6,633	(6,950)
Capital reduction (e)	(6,596)	0
Other effects	0	0
Increase in minority interests	0	0
New borrowings (f)	27,750	12,000
Repayment of borrowings (f)	(5,979)	(10,914)
Change in other borrowings (f)	(18)	(80)
Dividends paid to minority shareholders	0	0
Dividends paid	(7,224)	(9,229)
Interim dividend	(2,408)	(4,848)
Net cash flow from financing activities	**12,158**	**(20,021)**
(Decrease)/increase in cash, cash equivalents and bank overdrafts	**(893)**	**(7,019)**
Opening cash, cash equivalents and bank overdrafts	44,015	51,033
Closing cash, cash equivalents and bank overdrafts	43,122	44,015

(a) Corresponds to net operating and financial depreciation, amortisation and provisions totalling €8,972,000.
(b) See Note 4.6.
(c) See Note 1.5.
(d) See Notes 3.2, 3.3, 3.4 and 3.5.
(e) See Note 1.3.
(f) See table below and Note 3.14.

	At 31 March 2022	Cash flow change	Other changes	At 31 March 2023
Loans	21,009	21,771	0	42,780
Finance lease liabilities	0	0	0	0
Total financial liabilities	**21,009**	**21,771**	**0**	**42,780**

	At 31 March 2023	At 31 March 2022
Loans	(5,979)	(10,905)
Finance leases	0	(9)
Total repayment of borrowings	**(5,979)**	**(10,914)**

1.5. CHANGE IN WORKING CAPITAL

	At 31 March 2023	At 31 March 2022
Inventories	17,124	3,684
Trade receivables	820	8,623
Other receivables	(15,751)	(4,379)
Trade payables	(3,610)	(19,674)
Other payables	(6,350)	(9,345)
Total	**(7,767)**	**(21,092)**

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amounts in €000 unless otherwise stated)

Groupe LDLC is a French limited company (*société anonyme*) with a Management Board and Supervisory Board, having its registered office at 2 rue des Erables CS21035, Limonest CEDEX 69578, France. The Company is registered in the Trade and Companies Register under number 403 554 181 and has been listed on Euronext Growth since 2 September 2019, the date of transfer from the Euronext Paris (compartment C) market.

The consolidated financial statements for the year ended 31 March 2023 have been prepared in accordance with French statutory and regulatory provisions pursuant to ANC regulation 2020-01 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables*, ANC), regarding the consolidated financial statements of commercial enterprises.

The financial statements for the year ended 31 March 2023 present the financial position of Groupe LDLC and its subsidiaries, as well as investments in associates.

The Management Board approved Groupe LDLC's consolidated financial statements for the year ended 31 March 2023 on 15 June 2023.

2.1. HIGHLIGHTS

On 26 April 2022, the LDLC Group reaffirmed its commitment to the Team for the Planet civic initiative by injecting a further €800,000 into this climate project, thereby increasing its subscription to a total of €1 million.

On 5 May 2022, Groupe LDLC purchased 150 shares in Anikop at a price of €200,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

Towards the end of May 2022, the LDLC Group launched its first ever nationwide TV advertising campaign via a series of three humorous ads designed to showcase the LDLC.com website and LDLC stores throughout France. The second advertisement was released in early August 2022 and the third in late November 2022. This first advertising campaign was a key milestone in the Group's plan to develop brand awareness among the general public.

On 16 June 2022, Groupe LDLC decided to reduce its share capital by a nominal amount of €27,059.40 to €1,110,919.68 by cancelling 150,330 treasury shares purchased under a share buyback plan as referred to in Article L.22-10-62 of the French Commercial Code. As a result, Groupe LDLC's share capital was reduced to 6,171,776 shares with a par value of €0.18 each.

On 21 July 2022, LDLC Boutiques acquired the Giga Hertz computer hardware retail business at a price of €400,000.

The new logistics centre in Saint-Quentin-Fallavier has been operational since late August 2022 and the Group's three former warehouses in the Lyon region were finally handed over during the year.

Backed by its new storage capacity, the LDLC Group plans to close the Gennevilliers warehouse next year, as the facility has no role to play in the new Group logistics plan (see Notes 3.4, 3.13, 4.3 and 4.5).

On 24 November 2022, Groupe LDLC purchased 6,000 shares in Bluescreen at a price of one euro, thereby becoming the company's sole shareholder holding a 100% equity stake.

On 1 February 2023, management decided to set up a bonus share plan for employees of Groupe LDLC and its subsidiaries meeting certain criteria, for which the vesting period will run from 1 February 2023 to 31 January 2024. Each plan beneficiary is entitled to receive 100 LDLC shares with a par value of €0.18 each.

At 31 March 2023, LDLC Boutiques had 26 stores following the acquisition of the Giga Hertz business and the opening of 15 new stores.

L'Armoire de Bébé, which sells childcare products, continues to grow and opened two new stores during the year, bringing the total number of stores to nine at 31 March 2023.

The Group has no stores in the area of conflict between Russia and Ukraine.

2.2. ACCOUNTING POLICIES

2.2.1. Basis of preparation

Pursuant to French ANC regulation 2020-01 of 9 October 2020 applicable to annual reporting periods beginning on or after 1 January 2021, the Group's consolidated financial statements for the year ended 31 March 2023 were prepared in accordance with the accounting principles and statutory and regulatory provisions established by law and the French Commercial Code as at the closing date of these financial statements and which were mandatory on said date.

The consolidated financial statements were prepared in accordance with the principle of prudence and the basic assumptions of going concern and the accrual basis of accounting, in accordance with the general rules regarding the preparation and presentation of financial statements.

The consolidated financial statements were prepared on the basis of uniform accounting policies within the Group and on a historical cost basis, subject to the exceptions relating to revaluation rules (see Note 2.2.5).

2.2.2. Estimates and judgements

In the preparation and presentation of the financial statements, Group management is frequently required to exercise its judgement in order to value or estimate certain items in the financial statements (such as provisions, deferred tax and the valuations used for impairment testing). The probability of future events occurring is also assessed. These valuations or estimates are reviewed at each year-end, and in accordance with the actual occurrence of events, in order to adjust the assumptions initially applied where necessary.

During the financial year, the LDLC Group did not observe any changes in the level of uncertainty relating to these estimates and assumptions, with the exception of the volatility of the discount rate used to calculate social security liabilities.

These estimates are made on the basis of the going concern assumption and are considered by management to be the most appropriate and achievable within the Group's context and based on available feedback.

The main estimates and assumptions used by the Group are described in detail in each specific section of the notes to the financial statements, in particular:

Estimate		Nature of the estimate
Notes 2.2.5 and 3.2	Goodwill impairment tests	Allocation of goodwill to a single LDLC Group CGU. Key assumptions used in determining value in use (expected cash flows, perpetual growth rate, discount rate at the weighted average cost of capital).
Notes 2.2.6 and 3.3	Research and development costs	Development project capitalisation conditions. Project lifetime assumptions (calculation of amortisation).
Notes 2.2.12 and 3.7	Inventories	Expected inventory run-off for the calculation of impairment.
Notes 2.2.18, 3.9 and 3.18	Recognition of deferred tax	Assumptions used for recognising deferred tax assets relating to tax loss carryforwards and temporary differences.
Note 3.13	Retirement benefits	Discount rate corresponding to the iBoxx Corporate AA rate and salary growth rate.

2.2.3. Consolidation scope and criteria

Companies under the exclusive control of Groupe LDLC are fully consolidated. ANC regulation 2020-01 defines exclusive control as the power to govern a company's financial and operating policies in order to obtain benefits from its activities.

At the close of the financial year, there was one company in which the Group exercised significant influence: the Group's investment in this company is presented using the equity method (see Note 3.6).

Subsidiaries are fully consolidated from the date on which the Group assumes control. Subsidiaries are deconsolidated as of the date on which control ceases to be exercised.

The financial year-end is 31 March for all Group companies except NLCL, whose closing date is 31 December, and Lyon ASVEL Féminin, whose closing date is 30 June.

The list of companies included in the consolidation scope is presented in Note 2.3.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Where applicable, subsidiaries' financial statements are restated in order to align the accounting principles applied with those of other companies within the consolidation scope.

2.2.4. Conversion of financial statements and operations denominated in foreign currencies

2.2.4.1. Functional and presentation currency of the financial statements

The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency.

The balance sheets of companies whose functional currency is not the euro are converted into euros at the closing exchange rate, while their cash flow and income statements are converted at the average exchange rate for the period, pursuant to the method set out in Article 272-18 of ANC regulation 2020-01.

2.2.4.2. Transactions and balances in foreign currencies

Transactions denominated in foreign currencies are converted into euros using the applicable exchange rates as at the transaction dates. Exchange gains and losses arising from the conversion, at the rates applicable at the closing date, of monetary assets and liabilities denominated in foreign currencies are recorded in financial income/expense at the end of the period.

2.2.5. Business combinations and related goodwill

Upon initial consolidation of an exclusively controlled company, the identifiable assets and liabilities of the acquired company are valued at their initial value pursuant to Article 231-2 of ANC regulation 2020-01.

At the acquisition date, any positive difference between the acquisition price and the Group share of the identifiable net assets of the acquired company is recognised as goodwill.

The share purchase price corresponds to the consideration paid to the seller by the buyer plus all other costs directly attributable to the acquisition, net of tax.

Goodwill is considered to have either a finite or an indefinite useful life.

As such, in accordance with ANC regulation 2020-01, when there is a foreseeable limit on its useful life at the time of the acquisition, goodwill is amortised on a straight-line basis over that period or, if it cannot be reliably measured, over a period of 10 years. Any material change in the useful life of goodwill is treated prospectively.

Goodwill amortisation charges are recorded under "Goodwill amortisation and impairment" just below the line item "Operating earnings (EBIT) before goodwill amortisation and impairment".

Where there is no foreseeable limit to the period during which goodwill will provide economic benefits to the Group, goodwill is not amortised but is tested for impairment at least once a year or whenever an indication of impairment is identified.

Impairment tests are carried out on the cash generating unit (CGU) to which the assets are allocated. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of cash inflows generated by other assets or groups of assets.

CGU impairment testing terms are described in Note 3.2.

When a loss of value is identified, the difference between the carrying amount of the asset and its recoverable value is recorded under "Goodwill amortisation and impairment" just below the line item "Operating earnings (EBIT) before goodwill amortisation and impairment". Impairment of goodwill is not reversible.

2.2.6. Research and development costs

In accordance with ANC regulation 2015-06, research and development expenses are recorded as expenses for the year in which they are incurred.

In application of the above-mentioned regulation, the Group recognises development expenses as assets where the projects meet the following cumulative capitalisation conditions:

- technical and commercial feasibility of completing the asset for sale or use;
- intention to complete and use or sell the asset;
- ability to use or sell the asset;
- capacity of the asset to generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete and use or sell the asset;
- ability to measure the attributable expenditure reliably over its development.

These development expenses are amortised over the estimated lifetime of the projects concerned.

Development expenses that do not meet the capitalisation conditions are recognised as expenses.

2.2.7. Intangible assets

Costs relating to the purchase of software licences are recorded under assets on the basis of costs incurred to acquire and deploy the software concerned. These costs are amortised over the estimated useful life of the software applications (three years).

Costs associated with the development and maintenance of the software are expensed as incurred.

Costs directly associated with the production of identifiable software and websites that are unique in nature and controlled by the Group are recognised as expenses for the year or under non-current assets, depending on whether the related project qualifies for recognition as an asset. Costs directly associated with production include payroll costs for software and website developers and subcontractor costs for the development of software and websites.

The Group has opted to amortise leasehold rights over the remaining term of the lease.

The principal amortisation periods applied are as follows:

Type of asset	Amortisation period
Software	3 years
Trademarks	10 years
Contracts	20 years
Other intangible assets	3-8 years

2.2.8. Property, plant and equipment

Property, plant and equipment are recognised at cost less any accumulated depreciation and impairment. Cost includes all costs directly attributable to the acquisition of the assets concerned and their transfer to their place of operation.

Interest on borrowings is not included in the cost of assets, but is recorded as an expense for the year in which the loans were contracted.

Maintenance and repair costs are recorded as expenses for the period.

Property, plant and equipment are not subject to revaluation.

These assets are depreciated as of their date of commissioning using the straight-line method, in accordance with the estimated useful life.

The principal depreciation periods applied are as follows:

Type of asset	Depreciation period
Buildings	15-25 years
Fixtures and fittings	8-10 years
Equipment	5-8 years
Technical facilities	8-10 years
Office equipment	3 years
Vehicles and delivery equipment	4 years
Furniture	5 years

In accordance with ANC regulation 2015-06, an impairment test is performed whenever there is an indication of impairment. An impairment provision is then recorded if the recoverable value of the asset is lower than its net book value.

The recoverable value of an asset is the higher of fair value less costs of disposal and value in use. Impairment thus determined is first offset against goodwill and the remainder is allocated to other assets in proportion to their carrying amounts.

Asset useful lives are reviewed and, if necessary, adjusted at each year-end.

Gains or losses on disposals of PP&E are determined by comparing the income from the sale with the net book value of the asset sold. They are recognised on the income statement.

2.2.9. Lease agreements

2.2.9.1. Finance leases

A lease agreement is considered a finance lease if it transfers to the Group substantially all of the risks and rewards attached to the ownership of the leased asset.

At the beginning of the lease term, finance leases are recognised as assets and liabilities on the balance sheet in equal amounts, at the fair value of the leased asset or, if lower, the discounted value of the minimum payments for the lease in question as at the beginning of the lease term.

Payments made under the lease are broken down between interest expense and repayment of outstanding debt.

The depreciation policy for assets acquired under finance lease is similar to the policy applied for property, plant and equipment acquired directly by the Company (see Note 2.2.8 on property, plant & equipment).

2.2.9.2. **Operating leases**

Operating leases constitute lease agreements under which a significant portion of the risks and rewards attached to the ownership of the leased asset is effectively retained by the lessor. Payments made under agreements of this kind are recognised according to the straight-line method over the term of the agreement.

2.2.10. Borrowings

Borrowings are recognised at historical cost (see Note 3.14).

Transaction costs correspond to the costs directly attributable to the acquisition or issuance of a loan.

2.2.11. Financial instruments

In accordance with ANC regulation 2015-05, derivatives qualifying as hedging instruments follow the matching principle regarding (i) the recognition of the hedged transaction and (ii) the impact of the hedge.

As the swaps are used in the context of a future cash flow hedging strategy, the impact of the derivative is recognised in the income statement to offset the risk already recognised for the hedging transaction (financial interest expense).

For the same reason, optimisation does not give rise to any additional risk. Accordingly, changes in the fair value of the option are not recognised on the balance sheet and, therefore, unrealised gains and losses are not recognised.

2.2.12. Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The method for determining the cost is identical for inventories of similar nature and use within the same entity. Inventories are valued according to the FIFO method.

Inventories include all costs of purchase and other costs incurred in bringing the inventories to their present location and condition, such as variable logistics and transport costs. Advantages obtained from suppliers that are recognised as a deduction from the purchase cost of the goods sold are deducted from inventory value.

The Group may be required to record inventory impairment:
- on the basis of expected run-off;
- if the selling price is lower than the realisable value;
- if items are damaged or become partly or completely obsolete.

The net realisable value is the estimated selling price in the ordinary course of business, less costs to sell.

2.2.13. Trade and other receivables

Trade and other receivables are recorded at their nominal value.

Impairment is recognised where an indication of impairment enables the Group to demonstrate that is unable to recover the full amount initially provided for in the terms of the receivable.

Trade receivables are analysed on an individual basis in accordance with their age and expectation of recovery.

2.2.14. Factoring

For several years, the Group has assigned receivables under recourse factoring agreements and, since the financial year ended 31 March 2017, under non-recourse agreements.

Assigned receivables are deconsolidated.

2.2.15. Cash and cash equivalents

"Cash and cash equivalents" includes cash, current accounts and other highly liquid short-term investments with initial maturities of no more than three months. Bank overdrafts appear under current liabilities on the balance sheet, under loans and other borrowings.

Foreign currency bank transactions are valued at the transaction date. At the end of each month, the accounts are revalued at the closing rate. The counter-entry for this revaluation is a currency gain or loss account in the income statement.

The cash flow statement is prepared using the indirect method and presents cash flow from operating, investing and financing activities under separate sections. Cash flows generated by the acquisition or loss of controlling interests in subsidiaries are allocated to net cash flow from investing activities under "Change in consolidation scope".

2.2.16. Treasury shares

Groupe LDLC treasury shares are categorised according to the purpose assigned to them in the individual accounts.

Treasury shares categorised as long-term investments in the individual accounts are recognised as a deduction from equity at their acquisition cost in the consolidated financial statements (ANC regulation 2020-01, Article 252-3). Accordingly, the impact of all related transactions recorded in the individual accounts is charged directly to consolidated reserves without affecting the result (disposal gains, impairment, etc.).

Treasury shares categorised as investment securities in the individual accounts are maintained under that item in the consolidated financial statements, pursuant to CNC opinion 2008-17. Any transactions involving these shares continue to be recognised as non-recurring income/expense as in the individual accounts, as well as provisions under financial income/expense.

In effect, the Group purchases its own shares in order to cover its obligations under the bonus share plans referred to in Note 4.2.

In application of Article 624 of the French chart of accounts:
- a provision for staff costs is recorded at the time of plan allocations;
- the provision is calculated by assessing, at the close of the financial year, the probability that the continued employment and performance conditions established in the plans will be met;
- the provision is valued on the basis of the initial share purchase price (expected capital loss on the allocation of the shares);
- the provision is spread on a straight-line basis over the rights vesting period (period during which the beneficiaries will provide services to the company in order to receive the remuneration constituting the share allocation).

Changes to treasury shares during the year are described under Note 3.12.

2.2.17. Earnings per share

Earnings per share corresponds to net income, Group share divided by the average number of shares outstanding during the financial year.

The Group had no potentially dilutive ordinary shares outstanding during the period. Diluted earnings per share is therefore identical to basic earnings per share.

When earnings per share is negative, diluted earnings per share is identical to this figure.

2.2.18. Income tax

The "Income tax" item in the consolidated income statement corresponds to tax payable in respect of the financial year ended and to changes in deferred tax.

2.2.18.1. Current tax

Current tax assets and liabilities correspond to the tax receivables and liabilities due in less than 12 months.

2.2.18.2. Deferred tax

The Group recognises deferred tax using the liability method for all temporary differences between the tax base of the assets and liabilities and their carrying amount recorded on the consolidated balance sheet, excluding goodwill.

Net deferred tax balances are determined based on the tax position of each company or the total earnings of all companies in the tax group. A deferred tax asset or liability is valued at the tax rate expected to apply during the year in which the asset is realised or the liability settled, on the basis of tax rates adopted at the balance sheet date. Net deferred tax assets are only recognised if the company or tax group is reasonably certain that it will recover them over subsequent years; assets corresponding to tax loss carryforwards are recorded on the balance sheet.

The recognition of deferred tax relating to tax losses or loss carryforwards is limited to those that are likely to be recovered.

2.2.19. Investment grants

ANC regulation 2020-01 contains no specific provisions regarding the recognition of investment grants. Therefore and in accordance with Article 271-2 of ANC regulation 2020-01, the provisions of the French chart of accounts (PCG) (Art. 312-1) shall apply.

The Group has opted to recognise investment grants under shareholders' equity.

2.2.20. Provisions

2.2.20.1. Long-term employee benefits

The Group assesses the long-term employee benefits awarded to staff in accordance with ANC recommendation 2013-02. These benefits exclusively relate to retirement bonuses for active employees.

Pursuant to the option offered by the preferential method, since 1 April 2019 the Group has applied the "corridor" method for recognising actuarial gains and losses, given the impossibility of reconstructing a historical corridor:

- the expense representing changes in pension commitments is recognised in 'Operating earnings (EBIT) before goodwill amortisation and impairment';
- the impacts of changes to actuarial assumptions are recorded in net financial income once their cumulative amount not recognised at the end of the previous financial year exceeds 10% of the present value of the long-term benefit obligation at the closing date. The recognition of this portion of the actuarial gains and losses is spread over the expected remaining working life of the members of staff receiving these benefits.

The Company has no plan assets in place to finance this commitment.

The actuarial assumptions used to calculate retirement bonuses and the amount of unrecognised actuarial gains and losses are described in Note 3.13.

2.2.20.2. Other provisions

A provision is recognised when the Group has a present legal or constructive obligation resulting from a previous event, the amount of which may be reliably estimated, and settlement of which is expected to result in an outflow of resources for the Group.

2.2.21. Revenues

Revenue comprises sales of goods excluding taxes and duties and sales of services.

Sales of goods mainly correspond to sales generated in stores, on e-commerce websites (sales to end customers) and in the warehouses (sales to franchises).

Sales of products are recognised under "Sales of goods" when the following criteria have been satisfied:

- substantially all the risks and rewards of ownership have been transferred to the buyer;
- the amount of revenue and the costs related to the transaction can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Company.

The sales of goods to professionals and consumers presented in the income statement, excluding sales to stores and subsidiaries, are restated taking into account the effect of the last two days of sales on average (see Note 3.18), given that the Company considers that control has not yet passed to the buyer during this time in view of the average delivery periods recorded by carriers.

Revenues from the sale of services are recognised once the services have been rendered.

2.2.22. Operating earnings (EBIT) before goodwill amortisation and impairment

Operating earnings (EBIT) before goodwill amortisation and impairment equals total income from ordinary operations less total expenses related to ordinary operations. This is an important indicator enabling the Group's performance to be measured.

2.2.23. Net non-recurring income/(expense)

Items linked to a major event occurring during the financial year which is exceptional and infrequent in nature are recognised under non-recurring income and expenses (for further detail see Note 4.5).

2.3. GROUP CONSOLIDATION SCOPE

The consolidation scope and consolidation methods applied are as follows:

Subsidiaries	Business	% interest	Date acquired	Consolidation method
Nemeio	Wholesale trader of all computer hardware and software, plus all related services	100%	04/2001	Full consolidation
DLP-Connect	Installation of cable networks and access control, CCTV and telecommunications systems	80%	01/2004	Full consolidation
LDLC Distribution	Creation and development of a distribution network for the sale of all equipment and services, as well as the granting of all franchising or licensing rights	100%	01/2013	Full consolidation
Anikop	Design, development and sale of software and provision of IT services, maintenance; secondary activity in customer service for goods sold, training	100%	12/2006	Full consolidation
Ecole LDLC	Higher education	100%	11/2014	Full consolidation

Subsidiaries	Business	% interest	Date acquired	Consolidation method
Domimo 2	Acquisition, use and development of land	100%	03/2016	Full consolidation
LDLC Event	Organisation and management of events, particularly in the e-sports sector	72.30%	05/2016	Full consolidation
ADB Boutiques	Retail store sale of personal equipment and childcare products	100%	03/2017	Full consolidation
LDLC7	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
LDLC9	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
Bluescreen	Professional client IT management based on three pillars: remote monitoring, on-site service delivery, IT equipment repair centre, retail sale of all IT hardware and software	100%	03/2018	Full consolidation
LDLC11	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
LDLC Invest	Acquisition of any interests in any business, company or group whose purpose comprises any research and development activities or any industrial, commercial, agricultural, investment, real estate or financial activities	100%	03/2018	Full consolidation
LDLC13	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
Olys	Trade, representation in any form whatsoever of computer hardware and all derived products, telephone and network equipment and multimedia	100%	01/2018	Full consolidation
LDLC Boutiques	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2016	Full consolidation
LDLC VR Studio	Operation, including management, of all business assets intended for the practice of indoor leisure and sporting activities, the development and marketing of video games, eat-in or take-out catering	100%	12/2019	Full consolidation
LDLC Pro Lease	Lease of computer and telecommunications hardware and software, lease of all industrial equipment, sale of second hand computer and telecommunications hardware, trading	100%	07/2021	Full consolidation
Lyon ASVEL Féminin	Sports clubs	29.20%	06/2022	Equity method

During the year ended:

- Groupe LDLC increased its equity stake in Anikop from 95% at 31 March 2022 to 100% at 5 May 2022 (the impact on the financial statements is presented in Note 3.2.5);
- Groupe LDLC increased its equity stake in Bluescreen from 80% at 31 March 2022 to 100% at 24 November 2022 (the impact on the financial statements is presented in Note 3.2.11).

Groupe LDLC holds minority interests in Immo Fi 1, Presse Non-Stop, Phox, NLCL, Team for the Planet and CG Développement; as the financial statements of these companies are not material, they were not consolidated at 31 March 2023. These equity investments are presented under financial assets on the balance sheet.

2.4. RISK MANAGEMENT

Via its operations, the Group is exposed to different types of financial risks: market risks (specifically currency risk, risk of change in value due to rapid technological developments, and all other price risks), credit risk, interest rate risk and liquidity risk.

2.4.1. Market risks

2.4.1.1. Currency risk

The Group operates internationally and specifically sources supplies abroad: it is therefore exposed to foreign currency risk primarily regarding the US dollar. Currency risk relates to future sales transactions and assets and liabilities recorded in foreign currencies on the balance sheet.

In order to manage currency risk related to future commercial transactions and to assets and liabilities recorded in foreign currencies on the balance sheet, Group entities use either foreign exchange futures contracts entered into with several financial institutions, or adjust their sales prices.

At 31 March 2023, there were no foreign exchange futures contracts outstanding.

The proportion of goods paid for in USD is around 28% and no foreign exchange hedges were used during the year to settle these purchases.

2.4.1.2. Price risk

The Group is exposed to price risks impacting products in the IT and high-tech sector. Tools for analysing inventory turnover enable the Group to anticipate the price deflation inherent to this business by adapting the volumes it purchases in line with product life cycle and sales levels.

2.4.2. Credit risk

Given its large number of customers, the Group does not consider itself to be highly exposed to credit risk. Moreover, the Group has implemented internal procedures that enable it to ensure that customers who buy its products have an appropriate credit history.

However, the development of its BtoB and franchise businesses may have a negative impact on the Group's cash, earnings and financial position. The Group has implemented internal procedures enabling it to mitigate these risks, specifically through a credit insurance policy taken out for its BtoB business. As for its franchise business, risk is low given the payment periods granted by the Group to its customers and the internal monitoring implemented in order to mitigate this risk. Franchise trade receivables are regularly monitored.

2.4.3. Interest rate risk

The Group has several overdraft facilities at its disposal (see Note 3.14).

At 31 March 2023, the Group had no floating-rate loans or swaps outstanding (see Note 3.15).

2.4.4. Liquidity risk

In order to manage liquidity risk resulting from the contractual or accelerated payment of financial liabilities, the Group has implemented a financing policy based on:

- maintaining a certain level of cash and cash equivalents, which amounted to €41,444,000 at 31 March 2023;
- plus, at 31 March 2023:
  - loans and credit facilities totalling €42,780,000;
  - several overdraft facilities.

Cash and cash equivalents and borrowings are described in Notes 3.11 and 3.14 respectively.

2.5. OPERATING SEGMENTS

The segmentation applied for the sectoral analysis is derived from that established for the Group's internal structure and the assessment of its performance by management. On the basis of the sectoral breakdown of its businesses, the Group considers that it operates within a single, combined segment: the distribution of computer hardware and related services. Furthermore, almost all Group revenues are generated in France and neighbouring French-speaking countries. Accordingly, the Group considers that it operates in a single distinct geographical sector. The Group's chief operating decision maker, the Management Board, measures the Group's performance with regard to the gross margin generated by its business activities. For these reasons, Group management does not consider it necessary to identify distinct business segments in its internal reporting.

Given that EBITDA is not an aggregate defined by ANC regulation 2020-01 and its method of calculation may vary from company to company, please note that EBITDA corresponds to the sum of operating earnings (EBIT) before goodwill amortisation and impairment and net operating depreciation, amortisation and provisions.

Advanced additive method (€000)

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Net income	1,521	36,104
Net depreciation, amortisation and provisions	(8,784)	(7,465)
Goodwill amortisation and impairment	(142)	0
Other financial income and expenses	(1,449)	(105)
Other non-recurring operating income and expenses	(566)	(47)
Tax expense	(1,803)	(14,705)
EBITDA	**14,266**	**58,426**

Simplified additive method (€000)

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Operating earnings (EBIT) before goodwill amortisation and impairment	5,481	50,961
Operating depreciation and amortisation	(8,784)	(7,465)
EBITDA	**14,266**	**58,426**

Figures stated in brackets have a positive impact on the EBITDA calculation.

Groupe LDLC's business activity - the sale of computer hardware and provision of related services - targets both professionals and individual customers. No single customer accounts for more than 5% of the Group's sales in terms of revenues.

2.6. POST BALANCE SHEET EVENTS

On 1 April 2023, the LDLC Group finalised the acquisition of 100% of the share capital and voting rights of A.C.T.I. MAC and its subsidiary O.S.I. Nx (the "A.C.T.I. MAC Group"). The acquisition was financed entirely by bank loans and will strengthen the LDLC Group's BtoB division (see Note 3.14).

On 1 May 2023, the LDLC Group launched its second nationwide TV advertising campaign in the same format as the first campaign, i.e. in three instalments. The purpose of this second advertising campaign is to enhance LDLC brand awareness among the general public by reaching out nationwide through the French stores.

In keeping with its unflagging commitment to customer satisfaction, since 3 May 2023 the LDLC Group has offered a free three-year warranty extension on all LDLC catalogue products purchased online or in-store, excluding consumables (ink and toner cartridges, etc.), second-hand goods and products offered by the Group's marketplace partners.

On 16 May 2023, the LDLC Group and OL Group decided on the early termination of their partnership with effect from the end of July 2023. The end of this partnership also marks LDLC Event's withdrawal from the e-sports scene and the cessation of its operations in this sector.

To the Company's knowledge, no other event likely to have a material impact on its full-year consolidated financial statements has occurred since 31 March 2023.

2.7. RELATED PARTY TRANSACTIONS

Related party transactions are carried out under normal market conditions and do not give rise to material information.

A table showing related parties is presented in Note 3.19.

2.8. Charges relating to compensations and benefits granted to directors

Directors are those present during the financial year and set out in the corporate governance section of the Annual Report (see Note 5.1).

3. NOTES ON THE BALANCE SHEET

3.1. CONSOLIDATION

For all companies, consolidation is carried out on the basis of the financial statements for the year ended 31 March 2023.

The consolidated income statement includes the income statements of companies acquired or formed during the financial year as of the date of acquisition or formation, excluding one company in which an additional equity interest was acquired on 10 June 2022. The share of this company's earnings accounted for using the equity method was consolidated for the period from 1 July 2022 to 31 March 2023 in the consolidated financial statements for the year ended 31 March 2023.

The income statement includes the income statements of companies sold during the financial year up until the disposal date.

3.2. GOODWILL

Gross values	31/03/2022	Acquisitions	Change in scope	Disposals	31/03/2023
Total	29,245	390	1,967	0	31,602

Amortisation and impairment	31/03/2022	Charges	Change in scope	Write-backs	31/03/2023
Total	0	142	0	0	142

In accordance with ANC regulation 2020-01 (see accounting principles in Note 2.2.5 to the 2022/2023 consolidated financial statements):

- goodwill is recognised on the basis of the difference between the price paid by the Group and its share of the net assets of the acquired company;
- purchasing costs are included in the share purchase price at their amount net of tax.

3.2.1. Anikop goodwill

"Anikop" goodwill amounting to €620,000 was recognised following Groupe LDLC's purchase of an additional 450 shares in the company on 30 June 2020.

On 5 May 2022, Groupe LDLC acquired an additional 150 shares, thereby becoming the sole shareholder holding a 100% equity stake and generating additional goodwill of €206,000 over and above the book value of Anikop's assets and liabilities at 31 March 2022.

(€000)	31/03/2022 Carrying amount
Company shareholders' equity	(514.9)
Value of Anikop shares	(643.9)
Consolidation adjustments	174.8
Minority interests	-
Total consolidated shareholders' equity	**(983.9)**
Net assets	**(983.9)**
Additional equity stake acquired	5%
Group share	**(49.2)**
Anikop shares acquisition value	200.0
Anikop shares purchasing costs	4.4
Anikop shares acquisition cost	**204.4**
Goodwill	**206.0**
Consideration transferred	**253.6**

3.2.2. Giga Hertz goodwill

"Giga Hertz" goodwill amounting to €390,000 was recognised following the acquisition of that company's business assets by LDLC Boutiques on 21 July 2022.

3.2.3. Lyon ASVEL Féminin goodwill

"Lyon ASVEL Féminin" goodwill amounting to €1,761,000 was recognised following the acquisition by LDLC Invest of 5,000 shares in that company on 13 December 2021 and a further 20,000 shares on 10 June 2022, thereby increasing its equity stake to 29.20%.

Goodwill amounting to €1,761,000 was recognised over and above the book value of Lyon ASVEL Féminin's assets and liabilities at 30 June 2022.

The Group decided to amortise "Lyon ASVEL Féminin" goodwill over a period of 10 years from 10 June 2022, resulting in a €142,000 amortisation charge for the year ended 31 March 2023.

(€000)	30/06/2022 Carrying amount
Company shareholders' equity	2,532.0
Value of Lyon ASVEL Féminin shares	-
Consolidation adjustments	-
Minority interests	-
Total consolidated shareholders' equity	**2,532.0**
Net assets	**2,532.0**
Additional equity stake acquired	29.2%
Group share	**739.4**
Lyon ASVEL Féminin shares acquisition value	2,500.0
Lyon ASVEL Féminin shares purchasing costs	-
Lyon ASVEL Féminin shares acquisition cost	**2,500.0**
Goodwill	**1,760.6**
Consideration transferred	**1,760.6**

3.2.4. Impairment testing

The Group has not identified any indication of goodwill impairment.

Goodwill (excluding Lyon ASVEL Féminin) is allocated to a single cash generating unit for the purposes of impairment testing. The entire LDLC Group is considered to be the smallest group of assets that generates largely interdependent cash inflows, given the Group's organisational structure and the high degree of interdependence between the constituent entities.

Tests are carried out whenever an indication of impairment is identified and systematically at the 31 March balance sheet date.

Cash flows were valued based on budgets and four-year plans prepared using growth and profit forecasts in line with the past performance of the Group and its markets. The 2.0% growth rate used to project perpetual cash flows is consistent with long-term inflation rates in France.

The discount rate used corresponds to the weighted average cost of capital (WACC) and represents the expected return on capital employed (ROCE). It is calculated using financial data taken from a peer sample of comparable companies, comprising listed companies from the same business sector as the Group. At 31 March 2023, the discount rate determined using market data was 10.4% for the LDLC Group CGU.

Following the goodwill valuation, no impairment was recorded as at 31 March 2023.

Sensitivity tests

The Group analysed the sensitivity of impairment test results, based on different EBITDA margin assumptions used to calculate the terminal value and discount rate.

Sensitivity tests were carried out on the basis of the adopted business plan, including changes that could be reasonably expected to occur (-100 bps for the EBITDA/revenues margin, +100 bps for the discount rate). These sensitivity tests did not reveal a scenario where the recoverable value fell below the carrying amount of the assets tested.

The Group has not identified any reasonably likely change in key assumptions that could lead to impairment.

3.3. INTANGIBLE ASSETS

Intangible assets break down as follows:

Gross values	31/03/2022	Acquisitions	Change in scope	Reclassification (1)	Disposals/ retirement	31/03/2023
Materiel.net trademark	8,300					8,300
Apple contract	11,584					11,584
TopAchat trademark	4,069					4,069
R&D projects	996					996
IT projects	6,885					6,885
Software and other intangible assets	1,710	55		5		1,769
Leasehold rights	1,596	420				2,016
Intangible assets in progress	2,668	1,077		(7)		3,737
Total	**37,807**	**1,551**	**0**	**(2)**	**0**	**39,356**

(1) The balance in the "Reclassification" column corresponds to the reclassification of a non-current asset to an expense account.

Amortisation and impairment	31/03/2022	Charges	Change in scope	Reclassification	Write-backs	Impairment	31/03/2023
Materiel.net trademark	4,980	830					5,810
Apple contract	2,317	579					2,896
TopAchat trademark	1,013	507					1,520
R&D projects	774	221					996
IT projects	4,042	1,377					5,420
Software and other intangible assets	1,228	245					1,472
Leasehold rights	1,260	103					1,364
Total	**15,615**	**3,862**	**0**	**0**	**0**	**0**	**19,478**

The Materiel.net trademark valued at €8.3 million is amortised over 10 years. There are three years remaining on the trademark's amortisation schedule, until 31 March 2026, and its net book value amounted to €2,490,000 at 31 March 2023.

The intangible asset comprising the advantageous contract valued at €11,584,000 between Groupe LDLC and the Apple supplier is amortised over 20 years (ending 31 March 2038). Net book value at 31 March 2023 amounted to €8,688,000.

On 10 April 2020, Groupe LDLC acquired the TopAchat business. The Group estimated the acquisition date fair value of the assets acquired and liabilities assumed, leading to the recognition of a trademark valued at €4,069,000.

The trademark was valued by an independent appraiser and a lifetime of eight years was assigned to the asset. The Group decided to amortise the trademark over this period, of which there are five years remaining until 9 April 2028. At 31 March 2023, the net book value stood at €2,548,000.

Acquisitions of leasehold rights totalling €420,000 during the 2022/2023 financial year were exclusively linked to the opening of new LDLC and L'Armoire de Bébé stores, representing respective amounts of €150,000 and €270,000.

The increase in intangible assets in progress mainly comprises R&D project expenses totalling €1,061,000. Capitalised R&D project development costs are deducted from "Other purchases and external costs" on the income statement. Development costs capitalised at 31 March 2023 mainly comprised external costs (€943,000) and staff costs (€118,000).

Amortisation charges on in-house projects completed during prior years totalled €1,598,000 for the year ended 31 March 2023.

3.4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment break down as follows:

Gross values	31/03/2022	Acquisitions	Change in scope	Reclassification (1)	Disposals/ retirement	31/03/2023
Buildings	1,198				388	809
Fixtures and fittings	22,367	4,606		2,692	2,581	27,084
Equipment	7,473	2,350		1,109	1,448	9,483
Vehicles and delivery equipment	135	15			3	147
Office equipment and furniture	8,745	1,199		394	186	10,151
PP&E in progress	4,072	848		(4,208)		712
Total	**43,989**	**9,018**	**0**	**(14)**	**4,607**	**48,386**

(1) The balance in the "Reclassification" column corresponds to the reclassification of non-current assets to expense accounts.

Depreciation and impairment	31/03/2022	Charges	Change in scope	Write-backs	Impairment	31/03/2023
Buildings	1,133	47		388		792
Fixtures and fittings	14,148	2,134		2,369		13,913
Equipment	6,278	736		1,448		5,566
Vehicles and delivery equipment	126	6		1		130
Office equipment and furniture	7,126	1,047		180		7,993
Total	**28,810**	**3,970**	**0**	**4,386**	**0**	**28,394**

Fit-out works, equipment and furniture for the new logistics warehouse in Saint-Quentin-Fallavier were commissioned during the year following the start of operations in late August 2022. These investments totalled €7,388,000, of which €3,834,000 was incurred during the financial year ended and €3,554,000 the previous year.

Acquisitions during the year for the new logistics warehouse totalling €3,834,000 comprised €3,528,000 in equipment, fixtures and fittings and €306,000 in furniture and computer hardware.

At 31 March 2023, property, plant and equipment commissioned for the 16 new LDLC stores opened during the year amounted to €3,463,000 in total, including €3,157,000 for the financial year ended and €306,000 for the previous year. These investments totalling €3,463,000 consisted of fixtures and fittings amounting to €2,923,000 and furniture and computer hardware amounting to €540,000.

A total of €338,000 was invested in property, plant and equipment for the two new L'Armoire de Bébé stores opened during the year ended 31 March 2023, including fixtures and fittings totalling €332,000 and furniture and computer hardware totalling €6,000.

The main acquisitions of property, plant and equipment in progress concern fixtures and fittings for the new LDLC Boutiques and ADB Boutiques stores due to open in the current financial year, amounting to €523,000 and €80,000 respectively.

The retirement of defunct fixtures and fittings under the plan to close the Gennevilliers logistics facility resulted in a €209,000 reduction in the gross value of these assets.

The main items under disposal and retirement of gross property, plant and equipment relate to the former Saint-Quentin-Fallavier logistics warehouses (€3,985,000) corresponding to €3,958,000 in write-backs of depreciation.

Capital expenditure on the new logistics warehouse resulted in a €617,000 depreciation charge for the year ended 31 March 2023.

3.5. EQUITY INTERESTS AND OTHER FINANCIAL ASSETS

Net value	31/03/2022	Reclassification	Acquisitions	Change in scope	Disposals	Impairment	31/03/2023
Presse Non-Stop shares	13						13
Immo Fi 1 shares	258				44		214
NLCL shares	1,500						1,500
CG Développement shares	400						400
Team for the Planet A shares	200						200
Team for the Planet B shares	0		800				800
Other shares	535		2,500	(500)	18		2,517
Deposits and guarantees	2,395		291		50		2,636
Loan retainers	365		500				865
Accrued interest on loan retainers	0		2				2
Accrued interest on long-term investments	0		44				44
Total	**5,665**	**0**	**4,137**	**(500)**	**112**	**0**	**9,191**

On 30 September 2022, Immo Fi 1 management decided to reduce the share capital - this accounts for the €44,000 item under “Disposals”.

On 26 April 2022, the Group purchased an additional 800,000 shares in Team for the Planet at a price of €800,000.

The new LDLC and L’Armoire de Bébé stores accounted for the €165,000 increase in “Deposits and guarantees”, including €110,000 for stores opened during the year ended and €55,000 relating to stores due to open this year. These new deposits and guarantees totalling €165,000 relate to LDLC Boutiques (€124,000) and ADB Boutiques (€41,000).

The subscription of two new €5 million loans on 1 June 2022 and 27 March 2023 resulted in the payment of a loan retainer totalling €500,000.

3.6. INVESTMENTS IN EQUITY AFFILIATES

	31/03/2022 Net value	Reclassification	Acquisitions	Change in scope	Disposals	Impairment	31/03/2023 Net value
Lyon ASVEL Féminin	0		452				452
Total	**0**	**0**	**452**	**0**	**0**	**0**	**452**

On 10 June 2022, LDLC Invest acquired further shares in Lyon ASVEL Féminin, bringing its equity stake to 29.20% - this accounts for the €452,000 investment in equity affiliates at 31 March 2023.

3.7. INVENTORIES

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Goods for resale	86,746	2,160	84,585	103,331	1,654	101,677
Total goods inventories	**86,746**	**2,160**	**84,585**	**103,331**	**1,654**	**101,677**
Other supplies	48	0	48	53	0	53
Work in progress	55	0	55	83	0	83
Total inventories and WIP	**86,849**	**2,160**	**84,689**	**103,467**	**1,654**	**101,813**

Inventories are written down in accordance with the age of the products and the expected difficulty of selling them, and/or in the case of products whose realisable value is lower than cost.

The decrease in inventory gross value is mainly due to the decline in business during the year.

3.8. TRADE RECEIVABLES

This item breaks down as follows:

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
	Gross	Imp.	Net	Gross	Imp.	Net
Trade receivables overdue	3,725	779	2,946	4,268	1,335	2,932
Trade receivables not yet due	19,553		19,553	20,386		20,386
Trade receivables	**23,277**	**779**	**22,498**	**24,654**	**1,335**	**23,318**

At 31 March 2023, trade receivables assigned to Eurofactor amounted to €3.5 million. At 31 March 2022, assigned receivables amounted to €2.7 million.

The decrease in provisions for impairment of trade receivables is mainly due to a €705,000 impairment write-back on one trade receivable.

3.9. OTHER RECEIVABLES AND ACCRUALS

This item breaks down as follows:

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
	Gross	**Imp.**	**Net**	**Gross**	**Imp.**	**Net**
Advances and down payments	855		855	1,353		1,353
Supplier credit received and receivable	7,290	62	7,227	6,785	58	6,727
Government (income tax, VAT, etc.)	5,069		5,069	4,983		4,983
Government - income receivable	15		15	29		29
Deferred tax assets	318		318	1,246		1,246
Accrued income receivable	126		126	247		247
Eurofactor current account	488		488	915		915
Eurofactor retainer	235		235	223		223
Current accounts	469		469	475		475
Other	16,940		16,940	58		58
Prepaid expenses - goods	4,236		4,236	5,528		5,528
Other	15		15	58		58
Prepaid expenses	4,528		4,528	3,856		3,856
Total	**40,583**	**62**	**40,521**	**25,756**	**58**	**25,698**

All other receivables and accruals are due or will be settled in less than one year.

Other receivables include €723,000 relating to the Eurofactor current account and retainer.

In March 2022, Groupe LDLC signed an amendment to the March 2017 factoring agreement with Eurofactor.

At 31 March 2023, the “Government” item mainly comprises a €1,743,000 tax receivable in respect of income tax advance payments plus a €587,000 VAT receivable pending reimbursement, compared to €2,444,000 and €13,000 respectively at 31 March 2022.

The derecognition of the deferred tax asset corresponding to LDLC Event tax loss carryforwards at 31 March 2023 due to the cessation of its operations announced in May 2023 accounts for the €765,000 decrease in this item.

An amount of €16,500,000 was deposited in an escrow account in connection with post balance sheet acquisitions, which accounts for the significant increase in the “Other” item at 31 March 2023. This escrow account was released in April 2023.

“Prepaid expenses - goods” relates to invoices for goods delivered after the financial year-end.

“Supplier credit received and receivable” mainly comprises credit notes related to purchased goods and deferred discounts.

Following the application of new ANC regulation 2020-01, unrealised foreign currency losses are now recognised as such under assets in the consolidated financial statements in accordance with the accounting rules defined in the French chart of accounts.

At 31 March 2023, these items were recorded under the “Other” item and amounted to €11,000 versus €46,000 at 31 March 2022.

3.10. SHORT-TERM INVESTMENTS

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
Values	**Gross**	**Prov.**	**Net**	**Gross**	**Prov.**	**Net**
Short-term investments	**3,299**	(1,422)	**1,876**	**3,411**	**0**	**3,411**
Total	**3,299**	**(1,422)**	**1,876**	**3,411**	**0**	**3,411**

Short-term investments solely comprise 142,481 Groupe LDLC treasury shares at 31 March 2023, compared to 148,481 shares at the previous year-end.

At 31 March 2023, the 142,481 treasury shares included 39,781 shares purchased with a view to allocating bonus share plans but not allocated to a specific plan. These shares were valued at the average price over the last month of the financial year, which accounts for the €1,422,000 impairment provision.

3.11. CASH AND CASH EQUIVALENTS

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Cash and cash equivalents	**41,444**	**40,685**
Total	**41,444**	**40,685**

3.12. SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

√ **Shareholder breakdown at 31 March 2023**

At 31 March 2023, the share capital of Groupe LDLC consisted of 6,171,776 shares with a par value of €0.18 each.

The following shareholders held over 5% of the voting rights or share capital as at 31 March 2023:

Shareholders	**Number of shares**	**% share capital**	**% voting rights**
Laurent de la Clergerie	1,221,746	19.80%	25.63%
Caroline de la Clergerie	628,579	10.18%	12.46%
Olivier de la Clergerie	627,244	10.16%	12.29%
Suzanne de la Clergerie	77,423	1.25%	6.34%

As a reminder, the articles of association confer double voting rights on shares held in registered form for over two years, in accordance with Article L.225-123 of the French Commercial Code.

	Number of shares	o/w Treasury shares	Number of bonus shares
Total at 31 March 2021	**6,322,106**	**123,440**	**122,406**
New shares			
Treasury shares purchased (for cancellation)		150,330	
Treasury shares purchased/(sold)		47,225	39,575
Bonus share plans		(13,500)	(13,500)
Total at 31 March 2022	**6,322,106**	**307,495**	**148,481**
New shares			
Treasury shares purchased (for cancellation)	(150,330)	(150,330)	
Treasury shares purchased/(sold)		(480)	
Bonus share plans		(6,000)	(6,000)
Total at 31 March 2023	**6,171,776**	**150,685**	**142,481**

√ **Earnings per share**

Earnings per share corresponds to net income, Group share divided by the average number of shares outstanding during the financial year.

The Group had no potentially dilutive ordinary shares outstanding during the period. Diluted earnings per share is therefore identical to basic earnings per share.

When earnings per share is negative, diluted earnings per share is identical to this figure.

Earnings per share (€000 unless otherwise stated)	**01/04/2022 - 31/03/2023**	**01/04/2021 - 31/03/2022**
Numerator		
Net income attributable to owners of the company	1,234	36,104
Net income used to calculate diluted earnings per share	1,234	36,104
Denominator		
Weighted average number of ordinary shares used to calculate basic earnings per share	6,163,572	6,163,092
Impact of dilutive ordinary shares		
Weighted average number of ordinary shares used to calculate diluted earnings per share	6,163,572	6,163,092
Earnings per share (€)	**0.20**	**5.86**
Diluted earnings per share (€)	**0.20**	**5.86**

3.13. PROVISIONS FOR RISKS AND CONTINGENCIES

This item breaks down as follows:

	01/04/2022 - 31/03/2023					01/04/2021 - 31/03/2022				
	Prov. b/fwd	Prov. rec. during FY	Prov. used	Prov. not used	Total	Prov. b/fwd	Prov. rec. during FY	Prov. used during FY	Prov. not used/ wrbk during FY	Total
Customer warranties	101	107	(101)		107	111	101	(111)		101
Retirement benefits	4,611	971	(14)	(720)	4,847	4,388	664	(19)	(422)	4,611
Employment disputes	137		(136)		1	70	136	(69)		137
Rent & rental charges	930	1,821	(930)		1,821	0	930	0		930
Bonus share plans	288	282	(145)		425	528	110	(349)		288
Unrealised foreign currency losses	46	11	(46)		11	0	46	0		46
Other provisions	22	159	(22)		159	130	22	(56)	(74)	22
Total	**6,135**	**3,353**	**(1,395)**	**(720)**	**7,373**	**5,226**	**2,010**	**(605)**	**(496)**	**6,135**

At 31 March 2023, the Company is not aware of any circumstances that could require the recording of provisions for risks and contingencies other than the following:

Retirement benefits

The Group applies recommendation 2013-02 of 7 November 2013 issued by the Autorité des Normes Comptables (French Accounting Standards Authority).

The main assumptions used to calculate the provision for retirement benefits at 31 March 2023 are as follows:

Assumptions used	At 31 March 2023	At 31 March 2022
Economic assumptions		
Executive salary growth rate	2.5%	2.5%
Non-executive salary growth rate	2.5%	2.5%
Discount rate based on iBoxx Corporate AA	3.60%	1.77%
Average remaining service	11-31 years	12-25 years
Demographic assumptions		
Retirement age	60-67 years	60-67 years
Mortality tables	Insee 2022	Insee 2021
Staff turnover	Rate decreasing with age and depending on the actual number of departures from the Company.	Rate decreasing with age and depending on the actual number of departures from the Company.

Actuarial gains and losses offset at 31 March 2023 through application of the “corridor” method amounted to €827,000.

√ **Applicable collective bargaining agreements:**

- Distance selling undertakings - IDCC 2198;
- Retail, stationery, office supply, office/IT equipment and book sellers – IDCC 1539;
- Non-contractual private tuition – IDCC 2691;
- Construction sector managers – IDCC 2420;
- Consulting firms – IDCC 1486;
- Non-food retail – IDCC 1517;
- Hotels, cafés, restaurants – IDCC 1979.

Bonus share plans

There are a number of outstanding bonus share plans: These awards are spread over the vesting period (see Note 4.2).

The €425,000 provision for contingencies recorded at 31 March 2023 is intended to cover the probable outflow of resources for each of the 2020, 2022 and 2023 plans, in accordance with the likelihood that the presence condition will be met and in proportion to services rendered.

The counter-entry to this provision is recorded under staff costs.

During the year ended 31 March 2023, 6,000 shares were vested.

Purchase vouchers

The significant increase in “Other provisions” from €22,000 at 31 March 2022 to €159,000 at 31 March 2023 is due to a special operation launched for the Groupe LDLC anniversary, which resulted in the distribution of a significant number of purchase vouchers in January 2023.

Changes in logistics structure

Following the expansion of the Group’s logistics structure in the Lyon region to around 28,000 m^2, a €909,000 provision was recorded at 31 March 2022. At 31 March 2023, this provision was fully written back.

In view of the planned closure of the logistics warehouse in Gennevilliers, a €1,798,000 provision was recorded at 31 March 2023.

This provision covers expenses relating to the cessation of use of the Gennevilliers warehouse. It was calculated from 1 April 2023 until the expiry of the lease.

3.14. LOANS AND BORROWINGS

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Loans	6,107	0
Finance lease liabilities	0	0
Due in > 5 years	**6,107**	**0**
Loans	10,979	5,574
Finance lease liabilities	0	0
Due in 3-5 years	**10,979**	**5,574**
Loans	17,070	9,425
Finance lease liabilities	0	0
Due in 1-3 years	**17,070**	**9,425**
Total long-term borrowings	**34,157**	**14,999**
Loans	**8,592**	**5,998**
Accrued interest on loans	31	12
Finance lease liabilities	0	0
Due in < 1 year	**8,624**	**6,010**
Total short-term borrowings	**8,624**	**6,010**
Long and short-term borrowings	**42,780**	**21,009**
Guarantee deposits received	0	0
Bank overdrafts	198	80
Current accounts	220	238
Total borrowings	**43,199**	**21,328**

Long-term loans

A €5 million loan was taken out in June 2022 to finance Group working capital requirements. This loan is repayable over a 7-year term and subject to a fixed interest rate of 0.55% per annum with repayment deferred for 8 quarters. The first instalment combining principal repayment and interest is scheduled for 30 September 2024, with the last instalment due on 30 June 2029.

Between July 2022 and September 2022, three new loans amounting to €5 million, €2.5 million and €3.5 million (total €11 million) were taken out to finance Group capital expenditure.

At 31 March 2023, the €5 million and €2.5 million loans were partly released in the amount of €4.25 million. The interest on these two loans is paid on the amounts made available. The first instalment comprising principal repayment and interest is due on 30 October 2023 for the €5 million loan and, for the €2.5 million loan, within three months following its full release or no later than 11 December 2023.

On 1 April 2023, LDLC7, a wholly-owned subsidiary of Groupe LDLC assigned to the development and management of the Apple store chain (excluding BIMP stores), acquired all shares in A.C.T.I. MAC and its wholly-owned subsidiary O.S.I. Nx.

For this purpose, LDLC7 requested an intercompany loan from Groupe LDLC, its sole shareholder and chairman, to finance part of the acquisition price.

Groupe LDLC considered it more appropriate and advantageous to fund the loan with bank debt rather than available cash. On 27 March 2023, Groupe LDLC took out two loans amounting to €10 million and €5 million, repayable over a 7-year term at respective rates of 3.90% and 4.08% per annum.

Repayments under the €5 million loan are deferred for 8 quarters. The first instalment combining principal repayment and interest is scheduled for 30 June 2025, with the last instalment due on 31 March 2030. On 27 March 2023, Groupe LDLC also decided to draw down €1.5 million under the €3.5 million loan taken out in September 2022.

Short-term loans

New loans bear interest for an indefinite term based on the following rates, depending on the bank issuing the loan:

√ from Euribor 3m (floored) + 0.7% to Euribor 3m (floored) + 1.5%

Overdraft authorisations granted to the Group amounted to €25 million at 31 March 2023.

3.15. FINANCIAL INSTRUMENTS

At 31 March 2023, there were no swaps outstanding.

3.16. EXPOSURE TO INTEREST RATE RISK

Exposure to interest rate risk comprises floating-rate financial liabilities exposed to cash flow risk.

The Group had no outstanding floating-rate borrowings at 31 March 2023.

Interest rate risk sensitivity tests

At 31 March 2023, no sensitivity tests were carried out given that the Group had no outstanding floating-rate borrowings.

3.17. TRADE PAYABLES

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Trade payables	53,430	51,365
Supplier L/C & prom. notes payable	19,756	25,583
Supplier invoices not received	4,458	4,305
Total	**77,644**	**81,254**

All trade and related payables are due in less than one year.

3.18. OTHER LIABILITIES AND ACCRUALS

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Advances and down payments received on orders	4,422	4,782
Payable to employees	8,012	12,167
Payable to social security organisations	4,227	5,048
Payable to the government (income tax, VAT, etc.)	10,182	10,079
Deferred tax liabilities	1,260	1,302
Other customer credit and credit to be granted	1,562	1,760
Other payables	300	217
Deferred income	5,463	6,466
Total	**35,427**	**41,819**

All other payables are due in less than one year.

The decrease in employee payables is mainly due to employee profit-sharing schemes totalling €351,000 at 31 March 2023 versus €4,188,000 at 31 March 2022.

The decrease in payables to social security organisations is mainly due to the flat-rate charge on employee profit-sharing schemes, which totalled €70,000 at 31 March 2023 versus €838,000 at 31 March 2022.

At 31 March 2023, a deferred tax liability was recognised in an amount of €643,000 in relation to the Materiel.net brand and €2,244,000 in relation to the Apple contract, compared to €857,000 and €2,393,000 respectively at 31 March 2022.

Following the acquisition of the TopAchat business on 10 April 2020, a €660,000 deferred tax liability was recognised at 31 March 2023 on the intangible asset corresponding to the TopAchat trademark, compared to €792,000 at 31 March 2022.

Following the application of new ANC regulation 2020-01, unrealised foreign currency gains are now recognised as such under liabilities in the consolidated financial statements in accordance with the accounting rules defined in the French chart of accounts.

At 31 March 2023, these items were recorded under “Other payables” and amounted to €198,000 versus €43,000 at 31 March 2022.

“Deferred income” mainly corresponds to income from customer warranty contracts spread over the term of the contract (€2,444,000) and the restatement of the last two days of revenues in March (€2,540,000).

3.19. RELATED PARTIES

This item breaks down as follows:

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
	Equity interests			Equity interests		
	Gross	Imp.	Net	Gross	Imp.	Net
Financial assets	3,625	(39)	3,586	2,917	(39)	2,877
Trade receivables	31	0	31	38	0	38
Other receivables	469	0	469	475	0	475
Accrued income and prepaid expenses	0	0	0	0	0	0
Total assets	**4,125**	**(39)**	**4,086**	**3,429**	**(39)**	**3,390**
Borrowings	0	0	0	0	0	0
Trade payables	(628)	0	(628)	(284)	0	(284)
Other payables	(220)	0	(220)	(238)	0	(238)
Accrued expenses and deferred income	0	0	0	0	0	0
Total equity and liabilities	**(848)**	**0**	**(848)**	**(522)**	**0**	**(522)**

Financial assets mainly comprise shares in NLCL (€1.5 million), CG Développement (€400,000) and Team for the Planet (€1 million). The impairment charges were recognised on Phox and Presse Non-Stop shares.

Other receivables mainly comprise the NLCL (€150,000) and CG Développement (€300,000) current accounts.

Trade payables are mainly owed by Phox (€112,000) and Lyon ASVEL Féminin (€480,000).

Other payables relate to the shareholder loan current account between Groupe LDLC and Immo Fi 1 (€220,000).

4. NOTES TO THE INCOME STATEMENT

4.1. REVENUE BREAKDOWN

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
	France	Export	Total	France	Export	Total
Sales of goods	480,680	58,525	539,204	578,467	77,194	655,660
Sales of services*	24,506	3,679	28,185	24,420	4,816	29,236
Total	**505,185**	**62,204**	**567,389**	**602,887**	**82,010**	**684,896**

** Sales of services mainly comprise shipping costs.*

During the year ended 31 March 2023, 89% of revenues were generated in France, compared to 88% the previous year.

4.2. STAFF COSTS AND HEADCOUNT

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Wages and salaries	40,516	37,396
Social security contributions and staff costs	17,013	16,509
Employee profit-sharing	351	4,188
Total	**57,880**	**58,094**
Average headcount	1,147	1,058
Non-managerial staff	759	694
Managerial staff	328	315
Temporary workers	60	49

The increase in staff costs is mainly due to the increase in headcount and pay rises awarded for the year.

The opening of 16 new LDLC Boutiques stores and two new ADB Boutiques stores accounted for 64 new employees at 31 March 2023.

Information on bonus share plans

Outstanding	**01/02/2023**	**01/09/2022**	**22/07/2020**
Date granted			
Total number of bonus shares granted	**87,700**	**1,000**	**14,000**
Vesting date	87,700 shares on 01/02/2024	400 shares on 01/09/2024	6,000 shares on 22/07/2023
		600 shares on 01/09/2025	8,000 shares on 22/07/2024
Lock-in period	1 year	1 year	1 year

Bonus shares granted

The benefits awarded in the form of bonus share allocations are measured at the initial share value on the date of allocation to the plans and recognised as a counter-entry to a provision for expenses. These staff costs are amortised on a straight-line basis over the vesting period (see Note 2.2.16 on accounting policies).

- 20,000 existing Groupe LDLC shares were allotted on 22 July 2020, to be vested after a vesting period of 2 to 4 years and thereafter subject to a one-year lock-in period.
- 1,000 existing Groupe LDLC shares were allotted on 1 September 2022, to be vested after a vesting period of 2 to 3 years and thereafter subject to a one-year lock-in period.
- 88,900 existing Groupe LDLC shares were allotted on 1 February 2023, to be vested after a one-year vesting period and thereafter subject to a one-year lock-in period. At 31 March 2023, 1,200 shares had lapsed due to loss of eligibility by certain employees, bringing the number of shares to 87,700.

This bonus share plan is subject to a condition of presence in the Company but is not subject to any performance criteria.

A provision for staff costs is recorded and is intended to cover the probable outflow of resources for each tranche of the 2020, 2022 and 2023 plans, in accordance with the likelihood that the presence condition will be met and in proportion to services rendered. The counter-entry to this provision is recorded under staff costs (see Note 3.13).

The February 2023 plan is subject to a chargeback agreement with the subsidiaries.

During the year ended 31 March 2023, 6,000 shares were vested.

4.3. NET DEPRECIATION, AMORTISATION AND PROVISIONS

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Net depr./amort. of non-current assets	(7,730)	(7,142)
Net provisions for retirement benefits	(236)	(234)
Net provisions for inventory impairment	(506)	322
Net provisions for impairment of receivables	552	507
Net provisions for rent and rental charges	(890)	(930)
Net provisions for customer warranties	(6)	9
Net provisions for currency translation adjustments	35	(46)
Other charges/write-backs	(3)	49
Total net depreciation, amortisation and provisions	**(8,784)**	**(7,465)**

Figures presented as (-) denote expenses.

The increase in depreciation of non-current assets is mainly due to the commissioning of property, plant and equipment at the new logistics warehouse in late August 2022 (€617,000) and the opening of new stores by the LDLC Boutiques (€214,000) and ADB Boutiques (€12,000) subsidiaries.

A €909,000 provision was recorded at 31 March 2022 in view of the planned changes in the Group's logistics structure in the Lyon region. This provision, calculated from the estimated date of departure from the relinquished premises until the expiry of the leases, was fully written back at 31 March 2023.

At 31 March 2023, a further €1,798,000 provision for rent and rental charges was recorded in view of the forthcoming closure of the logistics warehouse in Gennevilliers (see Note 3.13).

In accordance with the application of the new ANC regulation on consolidated financial statements applicable to financial years beginning on or after 1 January 2021, the treatment of translation adjustments is aligned with the French chart of accounts. The net charge to currency translation adjustments for the year ended 31 March 2023 amounted to income of €35,000 versus a €46,000 expense the previous year.

4.4. NET FINANCIAL INCOME/(EXPENSE)

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Write-back of provisions for impairment of financial assets	0	11
Other financial income	257	135
Financial income	**257**	**146**
Interest on borrowings	(210)	(206)
Interest paid to banks	(4)	(19)
Current account interest	0	0
Financing commissions	(64)	(31)
Provisions for impairment of financial assets	(1,422)	0
Provisions for retirement benefits	0	0
Other financial expenses	(5)	5
Financial expense	**(1,707)**	**(251)**
Net financial income/(expense)	**(1,449)**	**(105)**

This item breaks down as follows:

The corridor method (see accounting policies, Note 2.2.20.1):
- allows the reporting entity not to recognise actuarial gains and losses that do not exceed 10% of the commitment amount or, if higher, of the fair value of plan assets at the start of the period;
- requires the entity to recognise under income the excess amount spread over the average expected remaining duration of activity of company plan beneficiaries.

Actuarial gains and losses at 31 March 2023 amounted to €(827,000). The total portion exceeding 10% of the commitment amount or, if higher, of the fair value of plan assets at the start of the period was zero. Therefore, no excess amount was recognised.

Other financial income mainly comprises revenues from other equity interests totalling €49,000 and revenues from long-term investments totalling €162,000.

The €1,422,000 provision for impairment of financial assets was recognised in light of the valuation of 39,781 treasury shares acquired with a view to allocating bonus share plans, but not allocated to a specific plan at 31 March 2023, at the average share price over the last month of the financial year.

4.5. NON-RECURRING INCOME/(EXPENSE)

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Income from disposal of non-current assets	7	10
Non-rec. write-backs on provisions	112	250
Other non-recurring income	60	47
Total non-recurring income	**179**	**307**
Net book value of fixed assets sold	(3)	(44)
Non-recurring expenses (purchase of treasury shares)	(112)	(250)
Non-recurring write-downs and provisions	(314)	(26)
Other non-recurring expenses	(317)	(35)
Total non-recurring expenses	**(745)**	**(355)**
Total	**(566)**	**(47)**

The vesting of bonus shares accounts for non-recurring provision write-backs and non-recurring share buyback expenses totalling €112,000 in 2022/2023 versus €250,000 the previous year.

The non-recurring depreciation charge corresponds to additional depreciation of retired non-current assets, in particular the former logistics warehouses (€91,000), and the provision for fixtures and fittings at the Gennevilliers logistics facility earmarked for closure (€209,000).

4.6. INCOME TAX

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Net income, Group share	1,234	36,104
Current tax income/(expense)	(887)	(15,496)
Deferred tax income/(expense)	(916)	791
Net income from equity associates	(287)	0
Earnings before tax	3,324	50,809
Theoretical tax rate	25.83%	28.41%
Theoretical tax expense	(859)	(14,434)
Permanent differences	(274)	(191)
Tax credits	423	244
Income tax outside tax group	20	(197)
Impact of change in tax rate (b)	(0)	0
Tax losses recognised in prior periods	(14)	(127)
Unrecognised tax losses	(1,100)	0
Effective tax expense	(1,803)	(14,705)

The Group tax expense for the year ended 31 March 2023 was calculated for the main items on the basis of the 25% base rate applicable in France plus 3.3% social security contributions, giving a total rate of 25.83%.

4.7. TAX CONSOLIDATION AGREEMENT

The tax group headed by Groupe LDLC consists of subsidiaries Nemeio, LDLC Distribution, LDLC Boutiques, L'Ecole LDLC, ADB Boutiques, Domimo 2, LDLC7, LDLC9, LDLC11, LDLC Invest, LDLC13, Olys, LDLC VR Studio, Anikop and LDLC Pro Lease.

Anikop and LDLC Pro Lease have been tax consolidated since 1 April 2022.

The tax consolidation agreement provides that each subsidiary shall pay an income tax charge equal to the charge they would have paid in the absence of such agreement.

Tax consolidation arrangements led to a tax saving of €1,384,000 for the year ended 31 March 2023.

5. OTHER NOTES

5.1. COMPENSATION AND BENEFITS AWARDED TO MEMBERS OF THE EXECUTIVE BODIES

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Short-term benefits		
Fixed compensation	1,311	608
Variable compensation	1,035	967
Other benefits		
Shared-based compensation (allotment of bonus shares)	47	0
Total compensation granted to executive directors	**2,394**	**1,574**

5.2. OFF-BALANCE SHEET COMMITMENTS

5.2.1. Commitments given

√ Groupe LDLC is acting as surety for LDLC Boutiques for the amount of €39,000 to cover the commercial lease signed on 31/08/2017 between the lessor, SCI Immocrous, and LDLC Boutiques (formerly LDLC Lille V2).

√ Signing of a 10-year partnership agreement with ASVEL in September 2018. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.

√ Signing of a 4-year partnership agreement with Lyon ASVEL Féminin in August 2019. An amendment was signed on 13 June 2022 to extend the term of the initial contract by 4 years, i.e. until the 2026-2027 season. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.

√ Signing of an 8-year naming contract with Olympique Lyonnais in December 2021 following the commissioning of the multi-purpose show venue. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.

√ Pledge of the business assets of the Olys establishment located at 150 allée des Fresnes, 69760 Limonest, to Crédit Coopératif as security for a €500,000 loan.

√ Pledge of the business assets of the Olys establishment located in the Grand V shopping centre, 117 traverse de la Montre, 13011 Marseille, to Société Générale as security for a €92,000 loan.

√ Pledge of the business assets of the Olys establishment located in the Carré Jaude shopping centre, 2 rue Giscard de la Tour Fondue, 63000 Clermont-Ferrand, to Société Générale as security for a €317,000 loan.

5.2.2. Commitments received

√ BNP Paribas is acting as surety for Groupe LDLC to cover payment of CHF 55,000 in Swiss VAT owed by Groupe LDLC to the Swiss Federal Tax Administration, Value Added Tax Division. Guarantee applicable for an indefinite term.

- √ BNP Paribas is acting as surety for Groupe LDLC to cover payment of CHF 13,020 in customs duties and customs VAT owed by Groupe LDLC to the Swiss Federal Customs Administration. Guarantee applicable for an indefinite term.
- √ In January 2015, Groupe LDLC entered into a master agreement with Caisse d'Epargne regarding transactions in financial futures. There were no agreements in force at 31 March 2023.
- √ In January 2015, Groupe LDLC signed a master futures agreement with Crédit Agricole for purchasing USD. There were no agreements in force at 31 March 2023.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("Croissance Industrie 2" loan), in respect of the €900,000 loan taken out with BPI on 30 January 2019, covering 80% of the principal, i.e. €504,000 at 31 March 2023. A €45,000 holdback was retained by lender BPI as a cash pledge.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("Croissance Industrie 2" loan), in respect of the €1.1 million loan taken out with BPI on 4 February 2019, covering 80% of the principal, i.e. €660,000 at 31 March 2023. A €55,000 holdback was retained by lender BPI as a cash pledge.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("equity reinforcement"), in respect of the €5.3 million loan taken out with BPI on 4 January 2017, covering 50% of the principal, i.e. €1,325,000 at 31 March 2023. A €265,000 holdback was retained by lender BPI as a cash pledge.
- √ Groupe LDLC benefits from an EU guarantee via the European fund for strategic investments (EFSI), in respect of the €5 million loan taken out with BPI on 12 April 2021, covering 60% of the principal, i.e. €2,444,000 at 31 March 2023.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("equity reinforcement"), in respect of the €5 million loan taken out with BPI on 1 June 2022, covering 50% of the principal, i.e. €2.5 million at 31 March 2023. A €250,000 holdback was retained by lender BPI as a cash pledge.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("equity reinforcement"), in respect of the €5 million loan taken out with BPI on 27 March 2023, covering 50% of the principal, i.e. €2.5 million at 31 March 2023. A €250,000 holdback was retained by lender BPI as a cash pledge.
- √ Crédit Agricole has issued a €16,000 guarantee to LDLC Boutiques to cover rental payments owed to SAFAR for a store located in Paris.

5.2.3. Commitments relating to the Company's operations

At 31 March 2023, the Group had no finance lease commitments.

Operating lease

The table below presents all commitments made under operating lease agreements and corresponding to non-cancellable rental payments for stores, logistics platforms and other premises (administrative and head office).

The payment schedule breaks down as follows:

	01/04/2022 - 31/03/2023	**01/04/2021 - 31/03/2022**
Due in < 1 year	8,350	7,542
Due in 1-5 years	25,861	17,021
Due in > 5 years	17,716	8,655
Discounted value of future rent	**51,926**	**33,218**

6. STATUTORY AUDITORS' FEES

	Cap Office				Mazars			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
	FY ended 31/03/22	FY ended 31/03/23	FY ended 31/03/22	FY ended 31/03/23	FY ended 31/03/22	FY ended 31/03/23	FY ended 31/03/22	FY ended 31/03/23
AUDIT								
Statutory audits, certification, review of Company and consolidated financial statements								
Issuer	72	76	41%	45%	72	76	100%	100%
Fully consolidated subsidiaries	103	94	59%	55%	0	0	0%	0%
Audit sub-total	**176**	**170**	**100%**	**100%**	**72**	**76**	**100%**	**100%**
Other services								
Non-audit services - Issuer	17	20	100%	100%	34	35	100%	100%
Non-audit services - Fully consolidated subsidiaries								
Other services sub-total	**17**	**20**	**100%**	**100%**	**34**	**35**	**100%**	**100%**
Total	**192**	**190**			**106**	**111**		

Non-audit services comprised the following:
- report by the independent third-party body on the social and environmental information;
- limited review of the interim accounts;
- translation of reports;
- report on capital transactions;
- report on the payment of interim dividends.

Other				Total			
Amount (excl. tax)		**%**		**Amount (excl. tax)**		**%**	
FY ended 31/03/22	**FY ended 31/03/23**	**FY ended 31/03/22**	**FY ended 31/03/23**	**FY ended 31/03/22**	**FY ended 31/03/23**	**FY ended 31/03/22**	**FY ended 31/03/23**
0	0	0%	0%	145	152	58%	61%
3	4	100%	100%	107	98	42%	39%
3	**4**	**100%**	**100%**	**251**	**250**	**100%**	**100%**
				50	55	100%	100%
				50	**55**	**100%**	**100%**
3	**4**			**302**	**305**		

18.2. STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

To the Shareholders of GROUPE LDLC

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of GROUPE LDLC for the year ended March 31, 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 March 31, 2023, and of the results of its operations for the year then ended in accordance with French accounting principles.

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 rules required by the French Commercial Code (code de commerce) and the French Code of ethics (code de déontologie) for statutory auditors for the period from 1st of April, 2022 to the date of our report.

Justification of assessments

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 following matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

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

Goodwill included in the balance sheet as of March 31, 2023, for a net amount of €31 460 K, was subject to impairment tests according to the methods described in Notes 2.2.5 "Business combinations and related goodwill" and 3.2.13 "Impairment testing" to the consolidated financial statements. Our work consisted in assessing the elements taken into consideration to estimate the recoverable value of this goodwill and the consistency of the assumptions used when applying the discounted cash flow method. As part of our assessments, we ensured the reasonableness of these estimates

Inventories are depreciated according to the methods described in Notes 2.2.12 and 3.7 "Inventories" to the consolidated financial statements. As part of our evaluation of the accounting principles followed by your group, we assessed the appropriateness of the accounting methods used and their correct application.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of Management Board (Directoire).

We have no matters to report as to their fair presentation and their 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 the Group's management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with French accounting principles and for such internal control as management determines is

necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Management Board (Directoire).

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

Lyon, June 15, 2023

The Statutory Auditors

Cap Office	Mazars
Rémi Charnay	Séverine Hervet

18.3. COMPANY FINANCIAL STATEMENTS (FRENCH GAAP) FOR THE YEAR ENDED 31 MARCH 2023

1. Groupe LDLC financial statements for the year ended 31 March 2023

All data presented below is stated in euro thousands, unless otherwise stated.

1.1. BALANCE SHEET

		31 March	
Balance sheet - Assets	**Note**	**2023**	**2022**
Net intangible assets	(2.3.1)	21,971	23,952
Net property, plant and equipment	(2.3.2)	10,916	8,960
Net financial assets	(2.3.3)	39,076	31,192
Non-current assets		**71,963**	**64,104**
Inventories and work-in-progress	(2.3.4)	77,483	95,897
Trade receivables	(2.3.5)	24,062	23,806
Other receivables	(2.3.6)	51,805	37,736
Cash and cash equivalents	(2.3.7)	33,992	37,724
Current assets		**187,342**	**195,162**
Accrued income and prepaid expenses	(2.3.8)	7,341	8,349
Total assets		**266,646**	**267,616**

		31 March	
Balance sheet - Equity & liabilities	**Note**	**2023**	**2022**
Share capital	(1.3)	1,111	1,138
Additional paid-in capital	(1.3)	21,053	21,053
Legal reserve	(1.3)	114	114
Other reserves	(1.3)	88,220	68,719
Retained earnings	(1.3)	182	254
Interim dividend	(1.3)	(2,408)	(4,848)
Net income for the year	(1.3)	2,127	38,071
Regulated provisions		492	430
Total shareholders' equity		**110,890**	**124,929**
Provisions for risks and contingencies	(2.3.9)	6,035	5,256
Borrowings	(2.3.10)	49,227	27,179
Trade payables	(2.3.11)	72,161	75,026
Tax and social security liabilities	(2.3.12)	17,879	23,333
Other payables	(2.3.13)	5,356	5,833
Accrued expenses and deferred income	(2.3.14)	5,098	6,059
Total equity and liabilities		**266,646**	**267,616**

1.2. INCOME STATEMENT

		FY ended 31 March	
	Note	**2023**	**2022**
Sales of goods	(2.3.18)	502,382	620,725
Sales of services	(2.3.18)	16,694	19,395
Purchase of goods		(425,794)	(506,765)
Gross margin		**93,282**	**133,355**
Other income		1,877	1,394
Other purchases and external costs		(30,685)	(25,907)
Miscellaneous taxes		(2,921)	(2,948)
Staff costs	(2.3.20)	(38,850)	(38,846)
Net depreciation, amortisation and provisions	(2.3.21)	(5,133)	(4,725)
Other expenses		(4,248)	(4,350)
EBIT		**13,321**	**57,974**
Financial income	(2.3.22)	1,187	287
Financial expense	(2.3.22)	(10,396)	(322)
Net financial income/(expense)		**(9,209)**	**(35)**
Earnings before tax and non-recurring items		**4,112**	**57,939**
Net non-recurring income/(expense)	(2.3.23)	**(777)**	**(268)**
Employee profit-sharing		(351)	(4,188)
Income tax	(2.3.24)	(857)	(15,412)
Net income		**2,127**	**38,071**

1.3. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Add. paid-in capital	Legal reserve	Undistrib. res.	Other reserves	Retained earnings	Reg. prov.	Dividends paid	Net income for the year	Total share-holders equity
Shareholders' equity at 31 March 2021	**1,138**	**21,053**	**114**	**0**	**29,082**	**0**	**356**	**(3,093)**	**52,213**	**100,862**
Appropriation of prior year earnings					39,636			12,576	(52,213)	0
Dividends allotted/FY 2020/2021 (a)						254		(9,483)		(9,229)
Accelerated depreciation/ amortisation							73			73
Interim dividend/FY 2021/2022 (b)								(4,848)		(4,848)
Net income for the year ended 31 March 2022									38,071	38,071
Shareholders' equity at 31 March 2022	**1,138**	**21,053**	**114**	**0**	**68,719**	**254**	**430**	**(4,848)**	**38,071**	**124,929**
Appropriation of prior year earnings					26,071	(254)		12,254	(38,071)	0
Dividends allotted/FY 2021/2022 (c)						182		(7,406)		(7,224)
Accelerated depreciation/amortisation							62			62
Interim dividend/FY 2022/2023 (d)								(2,408)		(2,408)
Capital reduction (e)	(27)				(6,569)					(6,596)
Net income for the year ended 31 March 2023									2,127	2,127
Shareholders' equity at 31 March 2023	**1,111**	**21,053**	**114**	**0**	**88,220**	**182**	**492**	**(2,408)**	**2,127**	**110,890**

(a) At the Annual General Meeting held on 24 September 2021, Groupe LDLC shareholders approved the proposed dividend payment of €2 per share in respect of the 2020/2021 financial year. Given the payment of an interim dividend of €0.50 per share on 25 February 2021, the dividend balance of €1.50 per share was paid on 7 October 2021.

(b) On 25 February 2022, Groupe LDLC paid out an ordinary interim dividend of €0.80 per share in respect of the 2021/2022 financial year.

(c) At the Annual General Meeting held on 30 September 2022, Groupe LDLC shareholders approved the proposed dividend payment of €2 per share in respect of the 2021/2022 financial year. Given the payment of an interim dividend of €0.80 per share on 25 February 2022, the dividend balance of €1.20 per share was paid on 7 October 2022.

(d) On 24 February 2023, Groupe LDLC paid out an ordinary interim dividend of €0.40 per share in respect of the 2022/2023 financial year.

(e) On 16 June 2022, Groupe LDLC decided to reduce its share capital by a nominal amount of €27,059.40 from €1,137,979.08 to €1,110,919.68 by cancelling 150,330 treasury shares purchased under a share buyback plan as referred to in Article L.22-10-62 of the French Commercial Code. The difference between the net book value and par value of the 150,330 treasury shares was recognised as a €6,569,371.59 reduction in other reserves.

√ Shareholder breakdown at 31 March 2023

At 31 March 2023, the share capital of Groupe LDLC consisted of 6,171,776 shares with a par value of €0.18 each.

As a reminder, the articles of association confer double voting rights on shares held in registered form for over two years, in accordance with Article L.225-123 of the French Commercial Code.

	Number of shares	o/w Treasury shares	Number of bonus shares
Total at 31 March 2021	**6,322,106**	**123,440**	**122,406**
New shares			
Treasury shares purchased (for cancellation)		150,330	
Treasury shares purchased/(sold)		47,225	39,575
Bonus share plans		(13,500)	(13,500)
Total at 31 March 2022	**6,322,106**	**307,495**	**148,481**
New shares			
Treasury shares purchased (for cancellation)	(150,330)	(150,330)	
Treasury shares purchased/(sold)		(480)	
Bonus share plans		(6,000)	(6,000)
Total at 31 March 2023	**6,171,776**	**150,685**	**142,481**

2. NOTES TO THE 2022/2023 COMPANY FINANCIAL STATEMENTS

(Amounts in €000 unless otherwise stated)

The following notes form an integral part of the Company financial statements for the period from 1 April 2022 to 31 March 2023, which have been approved by the Company's Management Board.

2.1. HIGHLIGHTS OF THE YEAR

On 26 April 2022, Groupe LDLC reaffirmed its commitment to the Team for the Planet civic initiative by injecting a further €800,000 into this climate project, thereby increasing its subscription to a total of €1 million.

On 5 May 2022, Groupe LDLC purchased 150 shares in Anikop at a price of €200,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

Towards the end of May 2022, Groupe LDLC launched its first ever nationwide TV advertising campaign via a series of three humorous ads designed to showcase the LDLC.com website and LDLC stores throughout France. The second advertisement was released in early August 2022 and the third in late November 2022. This first advertising campaign was a key milestone in the Group's plan to develop brand awareness among the general public.

On 16 June 2022, Groupe LDLC decided to reduce its share capital by a nominal amount of €27,059.40 to €1,110,919.68 by cancelling 150,330 treasury shares purchased under a share buyback plan as referred to in Article L.22-10-62 of the French Commercial Code. As a result, Groupe LDLC's share capital was reduced to 6,171,776 shares with a par value of €0.18 each.

The new logistics centre in Saint-Quentin-Fallavier has been operational since late August 2022 and the Group's three former warehouses in the Lyon region were finally handed over during the year.

Backed by its new storage capacity, Groupe LDLC plans to close the Gennevilliers warehouse next year, as the facility has no role to play in the new Group logistics plan (see Notes 2.3.2, 2.3.9, 2.3.21 and 2.3.23).

On 24 November 2022, Groupe LDLC purchased 6,000 shares in Bluescreen at a price of one euro, thereby becoming the company's sole shareholder holding a 100% equity stake.

On 1 February 2023, management decided to set up a bonus share plan for employees of Groupe LDLC and its subsidiaries meeting certain criteria, for which the vesting period will run from 1 February 2023 to 31 January 2024. Each plan beneficiary is entitled to receive 100 LDLC shares with a par value of €0.18 each.

The Group has no stores in the area of conflict between Russia and Ukraine.

2.2. ACCOUNTING POLICIES

The Company financial statements have been prepared in accordance with the French chart of accounts (Plan Comptable Général or PCG) and ANC regulation 2020-09 of 4 December 2020.

Generally accepted accounting principles are applied in accordance with the principle of prudence and the basic assumptions of:
- going concern;
- consistency of presentation from one period to the next;
- accrual basis of accounting;

and generally accepted rules for preparing and presenting the annual financial statements.

The basic method used to measure the items recorded in the accounts is the historical cost method.

The principal methods applied are as follows:

2.2.1. Intangible assets

Intangible assets are stated at cost on the balance sheet. They mainly consist of software licences, leasehold rights, merger deficits, trademarks, IT project development costs and R&D costs.

They are amortised on a straight-line basis as of commissioning, except for software for which amortisation begins on the acquisition date.

Groupe LDLC has opted to amortise leasehold rights over the remaining term of the lease.

The following amortisation periods are applied:	
Software	3 years
Materiel.net trademark	10 years
TopAchat trademark	8 years
Other intangible assets	3-8 years

2.2.2. Research and development costs

Research and development costs are recognised under non-current assets or expenses for the period in which they are incurred, depending on whether the related project qualifies for recognition as an asset.

The cumulative capitalisation conditions to be met are as follows:
- technical and commercial feasibility of completing the asset for sale or use;
- intention to complete and use or sell the asset;
- ability to use or sell the asset;
- capacity of the asset to generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete and use or sell the asset;
- ability to measure the attributable expenditure reliably over its development.

2.2.3. Property, plant and equipment

Property, plant and equipment are measured at purchase cost including purchasing fees and, where applicable, assembly costs if the hardware is purchased by the Company for its own use. They mainly consist of fixtures and fittings, equipment, computer hardware and furniture.

Depreciation is calculated on a straight-line basis according to the estimated useful life once the asset is ready for commissioning.

The following depreciation periods are applied:	
Fixtures and fittings	8-10 years
Equipment	5-8 years
Technical facilities	8-10 years
Vehicles and delivery equipment	4 years
Office equipment and hardware	3 years
Furniture	5 years

2.2.4. Financial assets

Financial assets are recorded at cost.

The Company has opted to include acquisition expenses such as transfer taxes, fees, commissions, registration fees and other costs, as specified in French National Accountancy Council (CNC) emergency committee (CU) opinion 2006 of 7 June 2006, in the acquisition cost of financial assets. These costs are amortised over 5 years and are subject to accelerated depreciation.

Equity investments are subject to an impairment charge when their value in use falls below their acquisition cost.

Value in use is calculated using various methods based on reported net assets, profit forecasts and compliance with long-term forecasts, as well as on discounted future cash flows as adjusted for net cash.

Financial assets mainly comprise loans to subsidiaries, treasury shares purchased to promote liquidity or under a share buyback contract entered into with an investment services provider. The shares are written down in accordance with the average market price over the last month of the financial year, except for shares destined to be cancelled in accordance with French National Accountancy Council emergency committee (CU CNC) opinion 98 D.

2.2.5. Inventories

Goods for resale are valued using the first in, first out (FIFO) method.

Inventories include all costs of purchase and variable logistics, procurement service and transport costs. Advantages obtained from suppliers that are recognised as a deduction from the purchase cost of the goods sold are deducted from inventory value.

An impairment charge is recorded when:
- the estimated realisable value of the inventories is lower than cost;
- it may not be possible to run down inventory stocks under normal conditions.

The net realisable value is the estimated selling price in the ordinary course of business, less costs to sell.

2.2.6. Trade receivables

Trade and related receivables are recorded at their nominal value.

They are written down on an individual basis in accordance with their age and expectation of recovery.

2.2.7. Cash and cash equivalents

Cash and cash equivalents include immediately available cash and treasury shares purchased to cover bonus share plans.

Foreign currency bank transactions are valued at the transaction date. At the end of each month, the accounts are revalued at the closing rate. The matching entry for this revaluation is a currency gain or loss account.

In accordance with the CNC opinion of 6 November 2008, treasury shares assigned to current plans are not written down in accordance with changes in the share price.

2.2.8. Provisions for risks and contingencies

Provisions for risks and contingencies are recognised in accordance with CRC regulation 2000-06 on liabilities.

Provisions are recorded in order to provide for a probable outflow of resources in favour of a third party without any corresponding consideration accruing to the Company. Depending on the type of provision concerned, they are estimated on the basis of the most likely assumptions or by using statistical methods.

2.2.9. Transactions in foreign currencies

First-time application of ANC regulation 2015-05 on financial futures and hedging transactions applicable to financial years beginning on or after 1 January 2017 led to the transfer of foreign currency gains and losses on commercial transactions to financial income and expense.

Income and expenses in foreign currencies are recognised at their equivalent value in euros as at the date of the transaction.

Foreign currency receivables and payables are carried on the balance sheet at their equivalent value in euros as calculated using the closing rate.

The differences arising from the remeasurement of foreign currency receivables and payables at the closing rate are recorded as translation differences on the balance sheet. A provision for risks is recorded to cover unrealised foreign currency losses.

2.2.10. Revenues

In the income statement, revenues from the sale of products are presented under “Sales of goods” and from the related services under “Sales of services”.

Sales of products are recognised under “Sales of goods” when the following criteria have been satisfied:
- substantially all the risks and rewards of ownership have been transferred to the buyer;
- the amount of revenue and the costs related to the transaction can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Company.

Sales of goods to professionals and consumers presented in the income statement, excluding sales to stores and subsidiaries, are restated taking into account the average effect of the last two days of sales, given that the Company considers that the risks and rewards of ownership have not yet been transferred to the buyer during this time in view of the average delivery periods recorded by carriers.

Revenues from the sale of services are recognised once the services have been rendered.

2.2.11. Related party transactions

Transactions with related parties are entered into under arm’s length terms and are therefore not concerned by ANC regulations 2010-02 and 2010-03.

2.2.12. Post balance sheet events

On 1 April 2023, the LDLC Group finalised the acquisition of 100% of the share capital and voting rights of A.C.T.I. MAC and its subsidiary O.S.I. Nx (the “A.C.T.I. MAC Group”). The acquisition was financed entirely by bank loans and will strengthen the LDLC Group’s BtoB division (see Note 2.3.10).

On 1 May 2023, Groupe LDLC launched its second nationwide TV advertising campaign in the same format as the first campaign, i.e. in three instalments. The purpose of this second advertising campaign is to enhance LDLC brand awareness among the general public by reaching out nationwide through the French stores.

In keeping with its unflagging commitment to customer satisfaction, since 3 May 2023 the LDLC Group has offered a free three-year warranty extension on all LDLC catalogue products purchased online or in-store, excluding consumables (ink and toner cartridges, etc.), second-hand goods and products offered by the Group's marketplace partners.

On 16 May 2023, the LDLC Group and OL Group decided on the early termination of their partnership with effect from the end of July 2023. The end of this partnership also marks LDLC Event's withdrawal from the e-sports scene and the cessation of its operations in this sector.

To the Company's knowledge, no event likely to have a material impact on the Company financial statements has occurred since 31 March 2023.

2.3. ADDITIONAL BALANCE SHEET AND INCOME STATEMENT INFORMATION

2.3.1. Intangible assets

Intangible assets break down as follows:

Gross values	31/03/2022	Acquisitions	Reclassification*	Disposals/ retirement	31/03/2023
Software and other intangible assets	9,282	35	5		9,323
Leasehold rights	540				540
Intangible assets in progress	2,668	1,064	(7)		3,724
Domisys merger deficit	11,945				11,945
Materiel.net trademark	6,640				6,640
TopAchat trademark	2,898				2,898
Total	**33,972**	**1,099**	**(2)**	**0**	**35,069**

** The balance in the "Reclassification" column corresponds to the reclassification of a non-current asset to an expense account.*

Amortisation and impairment	31/03/2022	Charges	Write-backs	31/03/2023
Software and other intangible assets	5,668	1,819		7,486
Leasehold rights	317	67		385
Materiel.net trademark	3,320	830		4,150
TopAchat trademark	715	362		1,078
Total	**10,020**	**3,078**	**0**	**13,099**

Intangible assets mainly consist of software, leasehold rights, trademarks, merger deficits, IT project development costs and R&D project costs.

The increase in intangible assets mainly comprises R&D project expenses totalling €1,061,000. Capitalised R&D project development costs are deducted from "Other purchases and external costs" on the income statement. Development costs capitalised at 31 March 2023 mainly comprised external costs (€943,000) and staff costs (€118,000).

The main additions under "Software and other intangible assets" are derived from in-house projects completed in previous years (€1,598,000).

2.3.2. Property, plant and equipment

Property, plant and equipment break down as follows:

Gross values	31/03/2022	Acquisitions	Reclassification*	Disposals/ retirement	31/03/2023
Fixtures and fittings	13,574	1,492	2,399	2,948	14,517
Equipment	7,230	2,339	1,110	1,380	9,300
Vehicles and delivery equipment	34	11			46
Office equipment and furniture	4,923	471	356	142	5,608
PP&E in progress	3,879	6	(3,879)		6
Total	**29,641**	**4,318**	**(14)**	**4,470**	**29,476**

** The balance in the "Reclassification" column corresponds to the reclassification of non-current assets to expense accounts.*

Depreciation and impairment	31/03/2022	Charges	Write-backs	31/03/2023
Fixtures and fittings	10,222	1,112	2,737	8,598
Equipment	6,333	449	1,379	5,402
Vehicles and delivery equipment	32	3		35
Office equipment and furniture	4,093	568	136	4,525
Total	**20,681**	**2,132**	**4,252**	**18,560**

Fit-out works, equipment and furniture for the new logistics warehouse in Saint-Quentin-Fallavier were commissioned during the year following the start of operations in late August 2022. These investments totalled €7,522,000, of which €3,871,000 was incurred during the financial year ended and €3,651,000 the previous year.

Acquisitions during the year for the new logistics warehouse totalling €3,871,000 comprised €3,566,000 in equipment, fixtures and fittings and €305,000 in furniture and computer hardware.

Capital expenditure on the new logistics warehouse resulted in a €627,000 depreciation charge for the year ended 31 March 2023 (see Note 2.3.21).

The retirement of defunct fixtures and fittings under the plan to close the Gennevilliers logistics facility resulted in a €211,000 reduction in the gross value of these assets.

The main items under disposal and retirement of gross property, plant and equipment relate to the former Saint-Quentin-Fallavier logistics warehouses (€4,136,000) corresponding to €4,043,000 in write-backs of depreciation.

2.3.3. Financial assets

Financial assets break down as follows:

	31/03/2022 gross value	Acquis.	Reclassification	Disposals/ retirement	31/03/2023 gross value	Impairment	31/03/2023 net value
Nemeio shares	8				8		8
DLP-Connect shares	24				24		24
Anikop shares	644	206			850		850
LDLC Distribution shares	100				100		100
Ecole LDLC shares	500				500		500
LDLC Boutiques shares	515				515		515
LDLC Event shares	243				243	(243)	0
ADB Boutiques shares	60				60		60
Domimo 2 shares	1,908				1,908		1,908
NLCL shares	1,500				1,500		1,500
Other shares	1				1		1
Olys shares	15,347				15,347	(3,200)	12,147
LDLC7 shares	30				30		30
Bluescreen shares	24	0			24		24
LDLC9 shares	30				30		30
LDLC11 shares	30				30		30
LDLC Invest shares	30				30		30
LDLC13 shares	30				30		30
LDLC VR Studio shares	20				20		20
LDLC Pro Lease shares	100				100		100
CG Développement shares	400				400		400
Phox shares	2				2	(2)	0
Immo Fi 1 shares	258			(44)	214		214
Presse Non-Stop shares	51				51	(38)	13
Team for the Planet A shares	200				200		200
Team for the Planet B shares	0	800			800		800
LDLC7 loan	0	16,500			16,500		16,500
Accrued interest on LDLC7 loan	0	11			11		11
Treasury shares - liquidity account	294	3,230		(3,348)	177		177
Treasury shares for cancellation	6,596			(6,596)	0		0
Deposits and guarantees	1,945	91		(48)	1,988		1,988
Loan retainers	365	500			865		865
Accrued interest on loan retainers	0	2			2		2
Total	**31,254**	**21,341**	**0**	**(10,037)**	**42,559**	**(3,482)**	**39,076**

On 5 May 2022, Groupe LDLC purchased the remaining shares in Anikop at a price of €206,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

On 24 November 2022, Groupe LDLC purchased 6,000 shares in Bluescreen at a price of one euro, thereby becoming the company's sole shareholder holding a 100% equity stake.

On 30 September 2022, Immo Fi 1 management decided to reduce the share capital - this accounts for the €44,000 item under "Disposals".

On 26 April 2022, Groupe LDLC purchased an additional 800,000 shares in Team for the Planet at a price of €800,000.

On 27 March 2023, Groupe LDLC and its subsidiary LDLC7 entered into an intercompany loan agreement in order to define the repayment terms for Groupe LDLC's loan to LDLC7 (see Note 2.3.10).

On 16 June 2022, Groupe LDLC decided to reduce its share capital by cancelling 150,330 treasury shares purchased under a buyback plan as referred to in Article L.22-10-62 of the French Commercial Code. The cancelled treasury shares were valued at €6,596,000.

Groupe LDLC holds 8,204 treasury shares purchased under a liquidity contract.

The treasury shares purchased under the liquidity contract were valued at €178,000 at 31 March 2023 in accordance with the average share price over the last month of the financial year, as a result of which no provision was recognised.

The subscription of two new €5 million loans on 1 June 2022 and 27 March 2023 resulted in the payment of a loan retainer totalling €500,000.

A €243,000 impairment provision was recorded for LDLC Event shares due to the cessation of its operations announced on 16 May 2023 (see Note 2.2.12).

Olys impairment testing

Cash flows were valued based on budgets and four-year plans prepared using growth and profit forecasts in line with the past performance of Olys and its markets. The 2.0% growth rate used to project perpetual cash flows is consistent with long-term inflation rates in France.

The discount rate used corresponds to the weighted average cost of capital (WACC) and represents the expected return on capital employed (ROCE). It is calculated using financial data taken from a peer sample of comparable companies, comprising listed companies from the same business sector as Groupe LDLC. At 31 March 2023, the discount rate determined using market data was 10.4% for OLYS.

Following the equity interest valuation, a €3.2 million impairment provision was recorded on the shares at 31 March 2023.

Sensitivity tests

Groupe LDLC analysed the sensitivity of impairment test results, based on different EBITDA margin assumptions used to calculate the terminal value and discount rate.

Sensitivity tests were carried out on the basis of the adopted business plan, including changes that could be reasonably expected to occur (-25 bps for the EBITDA/revenues margin, +50 bps for the discount rate). The results of sensitivity testing are as follows:

Impairment (€m)

- EBITDA/revenues margin -25 bps/+25 bps
  -4.5/-1.8
- discount rate +50 bps/-50 bps
  -4.3/-1.9

2.3.4. Inventories and work-in-progress

Inventories and work-in-progress break down as follows:

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
	Gross value	**Impairment**	**Net value**	**Gross value**	**Impairment**	**Net value**
Goods inventories	79,094	1,611	77,483	97,308	1,411	95,897
Total goods inventories	**79,094**	**1,611**	**77,483**	**97,308**	**1,411**	**95,897**

Inventories are written down in accordance with the age of the products and the expected difficulty of selling them, and/or in the case of products whose realisable value is lower than cost.

The decrease in inventory gross value is mainly due to the decline in business during the year.

2.3.5. Trade receivables

This item breaks down as follows:

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
	Gross	Imp.	Net	Gross	Imp.	Net
Trade receivables	24,651	589	24,062	24,924	1,118	23,806
Total	**24,651**	**589**	**24,062**	**24,924**	**1,118**	**23,806**

All trade receivables are due in less than one year.

The decrease in provisions for impairment of trade receivables is mainly due to a €705,000 impairment write-back on one trade receivable.

2.3.6. Other receivables

This item breaks down as follows:

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022
	Gross	Imp.	Net	Net
Advances and down payments	758	62	696	1,164
Supplier credit received and receivable	6,424		6,424	6,363
Government (income tax, VAT, etc.)	3,381		3,381	3,773
Accrued income receivable	376		376	227
Eurofactor current account and retainer	723		723	988
Current accounts - subsidiaries	45,269	5,067	40,202	25,209
Other	4		4	12
Total	**56,935**	**5,130**	**51,805**	**37,736**

All other receivables are due in less than one year.

Other receivables include €723,000 relating to the Eurofactor current account and retainer.

In March 2022, Groupe LDLC signed an amendment to the March 2017 factoring agreement with Eurofactor.

At 31 March 2023, the "Government" item mainly comprises a €1,742,000 tax receivable in respect of income tax advance payments, compared to €2,382,000 at 31 March 2022.

"Supplier credit received and receivable" mainly comprises credit notes related to purchased goods and deferred discounts.

"Accrued income receivable" mainly comprises chargebacks under bonus share plans for employees of Groupe LDLC subsidiaries (€347,000).

The "Current account - subsidiaries" item mainly represents current account loans and advances to the following subsidiaries:

- OLYS (€13,175,000),
- LDLC Boutiques (€8,415,000);
- ADB Boutiques (€7,606,000);
- LDLC Invest (€5,141,000);
- LDLC Event (€5,067,000, fully provisioned at 31 March 2023) (see Note 2.12.12);
- LDLC VR Studio (€2,875,000);
- DLP-Connect (€1,020,000);
- Bluescreen (€546,000);
- Anikop (€316,000);
- CG Développement (€300,000);
- LDLC Pro Lease (€283,000).

2.3.7. Cash and cash equivalents

This item breaks down as follows:

Values	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
	Gross	Prov.	Net	Gross	Prov.	Net
Cash	**32,116**	**0**	**32,116**	**34,314**	**0**	**34,314**
Short-term investments	**3,299**	**1,422**	**1,876**	**3,411**	**0**	**3,411**
Total	**35,415**	**1,422**	**33,992**	**37,724**	**0**	**37,724**

Short-term investments consist solely of 142,481 Groupe LDLC treasury shares at 31 March 2023, compared to 148,481 shares at the previous year-end.

At 31 March 2023, the 142,481 treasury shares included 39,781 shares purchased with a view to allocating bonus share plans but not allocated to a specific plan. These shares were valued at the average price over the last month of the financial year, which accounts for the €1,422,000 impairment provision.

2.3.8. Accrued income and prepaid expenses

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Invoices for goods delivered after the closing date	3,972	5,196
Prepaid expenses/property rent and rental charges	1,118	1,151
Sundry prepaid operating expenses	2,240	1,957
Sundry prepaid financial expenses	0	0
Total accrued income and prepaid expenses	**7,330**	**8,303**
Unrealised foreign currency losses	11	46
Total	**7,341**	**8,349**

2.3.9. Provisions for risks and contingencies

This item breaks down as follows:

	01/04/2022 - 31/03/2023					01/04/2021 - 31/03/2022				
	Provisions b/fwd	**Prov. rec. during FY**	**Prov. used during FY**	**Prov. not used/wrbk during FY**	**Total**	**Provisions b/fwd**	**Prov. rec. during FY**	**Prov. used during FY**	**Prov. not used/wrbk during FY**	**Total**
Retirement benefits	3,764		(9)	(510)	3,245	4,067		(19)	(284)	3,764
Bonus share plans	288	573	(145)		716	528	110	(349)		288
Purchase vouchers	12	159	(12)		159	11	12	(11)		12
Customer warranties	100	105	(100)		105	111	100	(111)		100
Employee provisions	137		(136)		1	70	136	(69)		137
Rent & rental charges	909	1,798	(909)		1,798	0	909			909
Other provisions	46	11	(46)		11	413	46	(413)		46
Total	**5,256**	**2,646**	**(1,358)**	**(510)**	**6,035**	**5,199**	**1,314**	**(972)**	**(284)**	**5,256**

At 31 March 2023, the Company is not aware of any circumstances that could require the recording of provisions for risks and contingencies other than the following:

Retirement benefits

Groupe LDLC applies recommendation 2013-02 of 7 November 2013 issued by the Autorité des Normes Comptables (French Accounting Standards Authority).

The main assumptions used to calculate the provision for retirement benefits at 31 March 2023 are as follows:

Assumptions used	**At 31 March 2023**	**At 31 March 2022**
Economic assumptions		
Executive salary growth rate	2.5%	2.5%
Non-executive salary growth rate	2.5%	2.5%
Discount rate based on iBoxx Corporate AA	3.60%	1.77%
Average remaining service	23-24 years	20-21 years
Demographic assumptions		
Retirement age	60-67 years	60-67 years
Mortality tables	Insee 2022	Insee 2021
Staff turnover	Rate decreasing with age and depending on the actual number of departures from the Company.	Rate decreasing with age and depending on the actual number of departures from the Company.

√ Applicable collective bargaining agreement: “Distance selling undertakings” - IDCC 2198.

Bonus share plans

There are a number of outstanding bonus share plans:
- 20,000 existing Groupe LDLC shares were allotted on 22 July 2020, to be vested after a vesting period of 2 to 4 years and thereafter subject to a one-year lock-in period.
- 1,000 existing Groupe LDLC shares were allotted on 1 September 2022, to be vested after a vesting period of 2 to 3 years and thereafter subject to a one-year lock-in period.
- 88,900 existing shares in Groupe LDLC were allotted on 1 February 2023, to be vested after a one-year vesting period and thereafter subject to a one-year lock-in period. At 31 March 2023, 1,200 shares had lapsed due to loss of eligibility by certain employees, bringing the number of shares to 87,700.

The €716,000 provision for contingencies recorded at 31 March 2023 is intended to cover the probable outflow of resources for each of the 2020, 2022 and 2023 plans, in accordance with the likelihood that the presence condition will be met and in proportion to services rendered.

The 1 February 2023 plan is subject to chargeback agreements with the subsidiaries (see Note 2.3.17).

The counter-entry to this provision is recorded under staff costs.

During the year ended 31 March 2023, 6,000 shares were vested.

Information on bonus share plans

Outstanding	**01/02/2023**	**01/09/2022**	**22/07/2020**
Date granted			
Total number of bonus shares granted	**87,700**	**1,000**	**14,000**
Vesting date	87,700 shares on 01/02/2024	400 shares on 01/09/2024	6,000 shares on 22/07/2023
		600 shares on 01/09/2025	8,000 shares on 22/07/2024
Lock-in period	1 year	1 year	1 year

Purchase vouchers

The significant increase in “Purchase vouchers” from €12,000 at 31 March 2022 to €159,000 at 31 March 2023 is due to a special operation launched for the Groupe LDLC anniversary, which resulted in the distribution of a significant number of purchase vouchers in January 2023.

Changes in logistics structure

Following the expansion of the Group’s logistics structure in the Lyon region to around 28,000 m^2, a €909,000 provision was recorded at 31 March 2022. At 31 March 2023, this provision was fully written back.

In view of the planned closure of the logistics warehouse in Gennevilliers, a €1,798,000 provision was recorded at 31 March 2023.

This provision covers expenses relating to the cessation of use of the Gennevilliers warehouse. It was calculated from 1 April 2023 until the expiry of the lease.

2.3.10. Borrowings

This item breaks down as follows:

	01/04/2022 - 31/03/2023				01/04/2021 - 31/03/2022			
	Gross amount	Due in < 1 yr	Due in 1-5 yrs	Due in > 5 yrs	Gross amount	Due in < 1 yr	Due in 1-5 yrs	Due in > 5 yrs
Loans	42,655	8,498	28,049	6,107	20,575	5,670	14,905	
Bank overdrafts and accrued interest	215	215			85	85		
Immo Fi current a/c	220	220			238	238		
Ecole LDLC current a/c	564	564			902	902		
LDLC Distribution current a/c	203	203			183	183		
Domimo 2 current a/c	5,368	5,368			5,196	5,196		
Total	**49,227**	**15,070**	**28,049**	**6,107**	**27,179**	**12,274**	**14,905**	**0**

Bank overdrafts

New loans bear interest for an indefinite term based on the following rates, depending on the bank issuing the loan:

√ from Euribor 3m (floored) + 0.7% to Euribor 3m (floored) + 1.5%

Overdraft authorisations granted to Groupe LDLC amounted to €25 million at 31 March 2023.

Loans

A €5 million loan was taken out in June 2022 to finance Group working capital requirements. This loan is repayable over a 7-year term and subject to a fixed interest rate of 0.55% per annum with repayment deferred for 8 quarters. The first instalment combining principal repayment and interest is scheduled for 30 September 2024, with the last instalment due on 30 June 2029.

Between July and September 2022, three new loans amounting to €5 million, €2.5 million and €3.5 million (total €11 million) were taken out to finance Group capital expenditure.

At 31 March 2023, the €5 million and €2.5 million loans were partly released in the amount of €4.25 million. The interest on these two loans is paid on the amounts made available. The first instalment comprising principal repayment and interest is due on 30 October 2023 for the €5 million loan and, for the €2.5 million loan, within three months following its full release or no later than 11 December 2023.

On 1 April 2023, LDLC7, a wholly-owned subsidiary of Groupe LDLC assigned to the development and management of the Apple store chain (excluding BIMP stores), acquired all shares in A.C.T.I. MAC and its wholly-owned subsidiary O.S.I. Nx.

For this purpose, LDLC7 requested an intercompany loan from Groupe LDLC, its sole shareholder and chairman, to finance part of the acquisition price (see Note 2.3.3).

Groupe LDLC considered it more appropriate and advantageous to fund the loan with bank debt rather than available cash. On 27 March 2023, Groupe LDLC took out two loans amounting to €10 million and €5 million, repayable over a 7-year term at respective rates of 3.90% and 4.08% per annum.

Repayments under the €5 million loan are deferred for 8 quarters. The first instalment combining principal repayment and interest is scheduled for 30 June 2025, with the last instalment due on 31 March 2030. On 27 March 2023, Groupe LDLC also decided to draw down €1.5 million under the €3.5 million loan taken out in September 2022.

2.3.11. Trade payables

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Trade payables	48,615	46,845
Supplier L/C & prom. notes payable	19,756	25,583
Supplier invoices not received	3,791	2,598
Total	**72,161**	**75,026**

All trade and related payables are due in less than one year.

2.3.12. Tax and social security liabilities

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Payable to employees	5,905	10,382
Payable to social security organisations	2,963	3,990
Payable to the government (income tax, VAT, etc.)	9,012	8,962
Total	**17,879**	**23,333**

The decrease in employee payables is mainly due to employee profit-sharing schemes totalling €351,000 at 31 March 2023 versus €4,188,000 at 31 March 2022.

The decrease in payables to social security organisations is mainly due to the flat-rate charge on employee profit-sharing schemes, which totalled €70,000 at 31 March 2023 versus €838,000 at 31 March 2022.

All tax and social security liabilities are due in less than one year.

2.3.13. Other payables

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Customer down payments received on orders	3,804	4,079
Other customer credit, discounts & rebates to be granted	1,496	1,712
Other	56	41
Total	**5,356**	**5,833**

All other payables are due in less than one year.

2.3.14. Accrued expenses and deferred income

This item mainly corresponds to deferred income in the amount of €4,900,000, including €2,338,000 relating to the spread of customer warranty contracts over the term of the contract and the restatement of the last two days of revenues in March (€2,540,000).

2.3.15. Accrued expenses payable

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Bank loans and borrowings	31	12
Cash - accrued interest payable	158	73
Trade payables	3,791	2,598
Tax and social security liabilities	7,754	13,281
Other payables	411	472
Total	**12,145**	**16,435**

Employee profit-sharing and the related social security charge amounted to €421,000 under "Tax and social security liabilities" at 31 March 2023, compared to €5,026,000 at 31 March 2022.

The increase in "Trade payables" is mainly due to the spreading of the one-year rent grace period for the new logistics warehouse in Saint-Quentin-Fallavier, representing an unreceived invoice of €1,542,000 at 31 March 2023 compared to €558,000 at 31 March 2022.

2.3.16. Research and development costs

External R&D expenses for the year ended 31 March 2023 totalled €950,000, of which €943,000 met the criteria for capitalisation and was accordingly capitalised for the period (see Note 2.2.2).

2.3.17. Accrued income receivable

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Customer invoices to be issued	739	479
Other income receivable	376	227
Supplier receivables	5,084	5,779
Accrued interest receivable	13	0
Government - income receivable	0	0
Total	**6,213**	**6,485**

The increase in "Customer invoices to be issued" is mainly due to costs incurred during the fourth quarter and not charged back to the subsidiaries at 31 March 2023, representing a total of €739,000 at 31 March 2023 versus €479,000 at 31 March 2022.

"Other income receivable" mainly comprises chargebacks under bonus share plans for employees of Groupe LDLC subsidiaries (€347,000) (see Note 2.3.6).

The decrease in "Supplier receivables" is due to the decrease in the provision for credit notes receivable, which stood at €5,084,000 at 31 March 2023 compared to €5,779,000 at 31 March 2022.

Accrued interest receivable mainly comprises interest calculated on the €16.5 million loan granted by Groupe LDLC to its subsidiary LDLC7 (€11,000) (see Note 2.3.3).

2.3.18. Breakdown of net revenues

	01/04/2022 - 31/03/2023			01/04/2021 - 31/03/2022		
	France	Export	Total	France	Export	Total
Sales of goods	450,855	51,527	502,382	547,497	73,229	620,725
Sales of services *	13,198	3,496	16,694	15,064	4,331	19,395
Total	**464,053**	**55,023**	**519,077**	**562,561**	**77,559**	**640,120**

** Sales of services mainly comprise shipping costs invoiced for goods sold.*

2.3.19. Expense transfers

This item breaks down as follows:

	Mainly impacted income statement item	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Transfer of goods expenses	Purchase of goods	481	410
Intercompany chargebacks	Other purchases and external costs	4,982	2,224
Transfer of employee charges	Other income	438	177
Transfer of insurance charges	Other income	71	242
Total		**5,972**	**3,053**

“Intercompany chargebacks” amounting to €4,982,000 mainly comprise cost chargebacks to subsidiaries.

At 31 March 2023, the €438,000 “Transfer of employee charges” item includes €347,000 in chargebacks under bonus share plans for employees of Groupe LDLC subsidiaries (see Note 2.3.6).

2.3.20. Staff costs and average headcount

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Wages and salaries	26,754	26,410
Social security contributions and staff costs	12,096	12,436
Total	**38,850**	**38,846**
Average headcount	722	729
Non-managerial staff	461	472
Managerial staff	202	209
Temporary workers	59	48

2.3.21. Net depreciation, amortisation and provisions

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Net depr./amort. of non-current assets	(5,108)	(4,675)
Net inventory impairment (charges)/write-backs	(200)	73
Net charges for trade rec. impairment	529	173
Net charges for impairment of supplier rec.	(4)	1
Net provisions for warranties	(4)	10
Net provisions for retirement benefits	519	303
Net provisions for employee risks and contingencies	136	(66)
Net provisions for rent and rental charges	(889)	(909)
Other charges/write-backs	(112)	365
Total net depreciation, amortisation and provisions	**(5,133)**	**(4,725)**

The increase in depreciation of non-current assets is mainly due to the late August 2022 commissioning of the new logistics warehouse in Saint-Quentin-Fallavier, which accounts for €627,000 of depreciation charges for the year ended 31 March 2023 (see Note 2.3.2).

The decrease in provisions for impairment of trade receivables is mainly due to a €705,000 impairment write-back on one trade receivable (see Note 2.3.5).

The write-back of provisions for retirement benefits is primarily related to the increase in the discount rate at 31 March 2023 (see Note 2.3.9).

A €909,000 provision was recorded at 31 March 2022 in view of the planned changes in the Group's logistics structure in the Lyon region. This provision, calculated from the estimated date of departure from the relinquished premises until the expiry of the leases, was fully written back at 31 March 2023.

At 31 March 2023, a further €1,798,000 provision for rent and rental charges was recorded in view of the forthcoming closure of the logistics warehouse in Gennevilliers (see Note 2.3.9).

"Other charges/write-backs" mainly comprise provisions for currency translation adjustments, accounting for a €35,000 provision write-back at 31 March 2023 compared to €336,000 at 31 March 2022.

2.3.22. Net financial income/(expense)

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Current account income	1,120	208
Currency gains	7	51
Financial provision write-backs	23	0
Other financial income	37	28
Total financial income	**1,187**	**287**
Financial depr./amort. and provision charges	9,933	15
Interest on borrowings	208	195
Current account expenses	184	69
Interest paid to banks	2	17
Financing commissions	64	31
Currency losses	5	(5)
Other financial expenses	0	0
Total financial expenses	**10,396**	**322**
Net financial income/(expense)	**(9,209)**	**(35)**

The increase in financial income and expenses related to current accounts is mainly due to the significant increase in advances to subsidiaries and the interest rate applied, which amounted to 3.05% for the year ended 31 March 2023 compared to 1% the previous year.

The increase in financial depreciation, amortisation and provision charges is due to:

- a €3,200,000 impairment charge on Olys shares;
- impairment charges on LDLC Event shares (€243,000) and current account (€5,067,000) due to the cessation of its operations announced on 16 May 2023 (see Note 2.2.12);
- the valuation of 39,781 treasury shares acquired with a view to allocating bonus share plans, but not allocated to a specific plan at 31 March 2023, at the average share price over the last month of the financial year, for which a €1,422,000 provision was recognised (see Note 2.3.7).

2.3.23. Net non-recurring income/(expense)

This item breaks down as follows:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Non-rec. income from fixed asset disposals	11	0
Share of investment grants.	10	0
Gains on purchase of treasury shares	47	167
Non-rec. write-backs on provisions	112	250
Other non-recurring income	1	1
Total non-recurring income	**181**	**418**
Non-rec. expenses on fixed asset disposals	7	0
Losses on purchase of treasury shares	268	569
Non-rec. depr./amort.	313	20
Accelerated depreciation/amortisation	62	73
Other non-recurring expenses	308	23
Total non-recurring expenses	**958**	**686**
Net non-recurring income/(expense)	**(777)**	**(268)**

The vesting of bonus shares accounts for non-recurring provision write-backs and losses on purchase of treasury shares totalling €112,000 in 2022/2023 versus €250,000 the previous year.

The non-recurring depreciation charge corresponds to additional depreciation of retired non-current assets, in particular the former logistics warehouses (€93,000), and the provision for fixtures and fittings at the Gennevilliers logistics facility earmarked for closure (€211,000) (see Note 2.3.2).

2.3.24. Income tax

Income tax is calculated as follows:

	01/04/2022 - 31/03/2023				
	Earnings before tax	**Corporate income tax at 25%**	**Soc. sec. contrib. at 3.3%**	**Impact of tax consolidation and tax credits (charity donations, research, apprenticeships)**	**Earnings after tax**
EBIT	13,321	(1,663)	(17)	453	12,093
Net financial income/(expense)	(9,209)	177			(9,032)
Net non-recurring income/(expense)	(777)	194			(583)
Employee profit-sharing	(351)				(351)
Total	**2,984**	**(1,293)**	**(17)**	**453**	**2,127**

Negative tax figures shown in brackets indicate tax expenses.

2.3.25. Future tax (increases) and reductions

The following figures indicate future reductions or increases in the tax base:

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Customer warranty provision	105	100
Organic	197	222
Retail surface area tax	37	0
Retirement benefit provision	(519)	(303)
Equity investment provision	3,443	0
Current account provision	5,067	0
Provision for currency translation adjustments	11	46
Provisions for warehouse rent/rental charges	1,798	909
Employee profit-sharing	351	4,188
Total	**10,491**	**5,162**

2.3.26. Table - List of subsidiaries and equity interests

	Share capital	Equity other than share capital (including FY 2022/2023 net income)	Interest (%)	Gross value of shareholding	Net value of shareholding	Loans and advances granted/(received) by the Company and not yet repaid	Guarantees & endorsements given by the Company	FY 2022/2023 revenues excl. VAT	FY 2022/2023 net income/(loss)	Dividends received by Company during the year
Subsidiaries held > 50%										
ADB Boutiques	30	(3,332)	100%	60	60	7,606	0	4,372	(1,425)	0
Anikop	30	(529)	100%	850	850	316	0	2,849	16	0
Bluescreen	30	(567)	100%	24	24	546	0	355	(107)	0
DLP-Connect	30	(636)	80%	24	24	1,020	0	2,349	(86)	0
Domimo 2	50	5,016	100%	1,908	1,908	(5,368)	0	0	114	0
LDLC Boutiques	30	(642)	100%	515	515	8,415	0	21,602	(1,643)	0
LDLC Distribution	100	(455)	100%	100	100	(203)	0	4,909	236	0
LDLC Event	30	(4,078)	72%	243	0	5,067	0	1,416	(1,113)	0
LDLC Invest	30	4	100%	30	30	5,141	0	0	19	0
LDLC VR Studio	692	(3,040)	100%	20	20	2,875	0	134	(1,039)	0
LDLC Pro Lease	100	91	100%	100	100	283	0	1,787	61	0
Ecole LDLC	500	225	100%	500	500	(564)	0	272	(90)	0
LDLC7	30	(84)	100%	30	30	16,602	0	0	(70)	0
LDLC9	30	(182)	100%	30	30	83	0	0	(169)	0
LDLC11	30	(14)	100%	30	30	0	0	0	(1)	0
LDLC13	30	(14)	100%	30	30	0	0	0	(1)	0
Nemeio	8	(125)	100%	8	8	182	0	0	(17)	0
Olys	954	(6,909)	100%	15,347	12,147	13,175	0	70,752	(1,061)	30
Subsidiaries held < 50%										
NLCL	167	192	10%	1,500	1,500	150	0	3,927	(174)	0
CG Développement	5	569	20%	400	400	300	0	2,279	74	0

Financial information reported for:

- NLCL covers the company's last financial year ended 31 December 2022;
- CG Développement covers the financial year ended 31 March 2022.

2.3.27. Tax consolidation agreement

The tax group headed by Groupe LDLC consists of subsidiaries Nemeio, LDLC Distribution, LDLC Boutiques, L'Ecole LDLC, ADB Boutiques, Domimo 2, LDLC7, LDLC9, LDLC11, LDLC Invest, LDLC13, Olys, LDLC VR Studio, Anikop and LDLC Pro Lease.

Anikop and LDLC Pro Lease have been tax consolidated since 1 April 2022.

The tax consolidation agreement provides that each subsidiary shall pay an income tax charge equal to the charge they would have paid in the absence of such agreement.

Tax consolidation arrangements led to a tax saving of €1,384,000 for the year ended 31 March 2023.

2.3.28. Compensation of corporate officers

	01/04/2022 - 31/03/2023	01/04/2021 - 31/03/2022
Management Board members	2,178	1,493
Supervisory Board members	38	38

2.3.29. Off balance sheet commitments

Commitments given

- √ Groupe LDLC is acting as surety for LDLC Boutiques for the amount of €39,000 to cover the commercial lease signed on 31/08/2017 between the lessor, SCI Immocrous, and LDLC Boutiques (formerly LDLC Lille V2).
- √ Signing of a 10-year partnership agreement with ASVEL in September 2018. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.
- √ Signing of a 4-year partnership agreement with Lyon ASVEL Féminin in August 2019. An amendment was signed on 13 June 2022 to extend the term of the initial contract by 4 years, i.e. until the 2026/2027 season. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.
- √ Signing of an 8-year naming contract with Olympique Lyonnais in December 2021 following the commissioning of the multi-purpose show venue. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.

Commitments received

- √ BNP Paribas is acting as surety for Groupe LDLC to cover payment of CHF 55,000 in Swiss VAT owed by Groupe LDLC to the Swiss Federal Tax Administration, Value Added Tax Division. Guarantee applicable for an indefinite term.
- √ BNP Paribas is acting as surety for Groupe LDLC to cover payment of CHF 13,020 in customs duties and customs VAT owed by Groupe LDLC to the Swiss Federal Customs Administration. Guarantee applicable for an indefinite term.
- √ In January 2015, Groupe LDLC entered into a master agreement with Caisse d'Epargne regarding transactions in financial futures. There were no agreements in force at 31 March 2023.
- √ In January 2015, Groupe LDLC signed a master futures agreement with Crédit Agricole for purchasing USD. There were no agreements in force at 31 March 2023.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("Croissance Industrie 2" loan), in respect of the €900,000 loan taken out with BPI on 30 January 2019, covering 80% of the principal, i.e. €504,000 at 31 March 2023. A €45,000 holdback was retained by lender BPI as a cash pledge.

- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("Croissance Industrie 2" loan), in respect of the €1.1 million loan taken out with BPI on 4 February 2019, covering 80% of the principal, i.e. €660,000 at 31 March 2023. A €55,000 holdback was retained by lender BPI as a cash pledge.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("equity reinforcement"), in respect of the €5.3 million loan taken out with BPI on 4 January 2017, covering 50% of the principal, i.e. €1,325,000 at 31 March 2023. A €265,000 holdback was retained by lender BPI as a cash pledge.
- √ Groupe LDLC benefits from an EU guarantee via the European fund for strategic investments (EFSI), in respect of the €5 million loan taken out with BPI on 12 April 2021, covering 60% of the principal, i.e. €2,444,000 at 31 March 2023.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("equity reinforcement"), in respect of the €5 million loan taken out with BPI on 1 June 2022, covering 50% of the principal, i.e. €2.5 million at 31 March 2023. A €250,000 holdback was retained by lender BPI as a cash pledge.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("equity reinforcement"), in respect of the €5 million loan taken out with BPI on 27 March 2023, covering 50% of the principal, i.e. €2.5 million at 31 March 2023. A €250,000 holdback was retained by lender BPI as a cash pledge.

2.4. Other information

Consolidation

Groupe LDLC, SIRET business registration number 403 554 181 00178, presents the consolidated financial statements for the Group of which it is the parent company. Groupe LDLC's registered office is located at 2 rue des Erables, 69760 Limonest, France.

18.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

To the Shareholders of GROUPE LDLC

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of GROUPE LDLC for the year ended March 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of March 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (code de commerce) and the French Code of ethics (code de déontologie) for statutory auditors for the period from 1st of April, 2022 to the date of our report.

Justification of assessments

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 following matters that, in our professional judgment, were of most significance in our audit of the 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 financial statements as a whole, approved in the aforementioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.
Inventories of your company are depreciated as described in Notes 2.2.5 and 2.3.4 to the financial statements. As part of our evaluation of the accounting principles followed by your company, we assessed the appropriateness of the accounting methods used and their correct application.
The equity securities included in the balance sheet as of March 31, 2023, for a net amount of €39 076 K, are valued at their acquisition price and depreciated on the basis of their value in use according to the methods described in Notes 2.2.4 and 2.3.3 to the financial statements. Our work consisted of assessing the data and assumptions on which these estimates are based, of reviewing the calculations made by your company and examining the procedures for approval of these estimates by management. As part of our assessments, we ensured the reasonableness of these estimates.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Management Board (Directoire) and in the other documents with respect to the financial position and the financial statements provided to shareholders.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D. 441-6 of the French Commercial Code (Code de commerce) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Article L.225-37-4 of the French Commercial Code.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements were approved by the Management Board (Directoire).

Statutory Auditors' responsibilities for the Audit of the Financial Statements

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

As specified in Article L.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 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 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 financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Lyon, June 15, 2023

The Statutory Auditors

Cap Office	Mazars
Rémi Charnay	Séverine Hervet

18.5. PRO FORMA FINANCIAL INFORMATION

None.

18.6. DATE OF LATEST FINANCIAL REPORTING

The date of the last financial reporting is 31 March 2023.

18.7. DIVIDEND POLICY

18.7.1. Dividends and reserves distributed by the Company over the past three financial years

In accordance with Article 243 *bis* of the French Tax Code, below we have provided information on the dividends paid over the last three financial years and the amounts of income eligible and ineligible for the 40% tax allowance:

	Dividends distributed (including interim dividends and excluding treasury shares)	Distributed amount eligible for the allowance provided for by Article 158 3 2 of the French Tax Code	Distributed amount not eligible for the allowance provided for by Article 158 3 2 of the French Tax Code
Financial year ended 31 March 2022	€12,072,161.20	€12,072,161.20	None
Financial year ended 31 March 2021	€12,322,445.50	€12,322,445.50	None
Financial year ended 31 March 2020	None	None	None

18.7.2. Dividend policy

The Company has no specific dividend policy in place.

However, we remind you that, in order to encourage long-term shareholder equity investment and reward loyalty, the General Meeting of shareholders held on 30 September 2022 approved the introduction of a loyalty dividend granted to any shareholder who can prove that their shares have been held in registered form for at least two years at the balance sheet date and that they are still held in this form at the dividend payment date for the financial year ended.

The loyalty bonus was set at 10%.

To allow all Groupe LDLC shareholders to meet the conditions for receiving the first loyalty dividend and to ensure that no special privilege is conferred on long-standing shareholders, in accordance with the provisions of Article L.232-14 of the French Commercial Code, the first loyalty dividend will be allocated in 2025 when the dividend is paid in respect of the financial year ending 31 March 2025.

18.8. PROPOSED APPROPRIATION OF EARNINGS FOR THE YEAR ENDED 31 MARCH 2023

At its meeting on 15 June 2023, having noted the €2,126,970.69 net profit for the financial year ended 31 March 2023, the Company's Management Board unanimously resolved to propose to the Annual General Meeting to be held on 29 September 2023 to appropriate these earnings as follows:

	Allocation	Source
Net profit for the year ended 31 March 2023		€2,126,970.69
Plus "Retained earnings"		€182,276.40
Total distributable earnings for the year ended 31 March 2023		€2,309,247.09
Plus a deduction from "Other reserves"		€5,036,111.31
Total distributable amounts allocated to the payment of the dividend for the financial year ended 31 March 2023		**€7,345,358.40**
Total gross dividend per share:	**€1.20**	
including the gross interim dividend (excluding treasury shares) paid on 24 February 2023 pursuant to the Management Board's decision dated 1 December 2022:	€0.40 €2,407,937.60	
including the balance of the gross dividend in an amount of: *representing a theoretical maximum global amount (excluding interim dividend) based on 6,171,776 shares comprising the Company's share capital at 31 March 2023 of:*	€0.80 *€4,937,420.80*	

Following this appropriation of earnings:
- the "Retained earnings" account would be reduced to zero;
- the "Other reserves" account would be reduced from €88,219,940.10 to €83,183,828.79.

Subject to approval by the Annual General Meeting of shareholders to be held on 29 September 2023, the Management Board will set the date and terms of the distribution of the remaining dividend for the year ended 31 March 2023, subject to statutory and regulatory conditions.

Accordingly, subject to the General Meeting's approval of this proposal and the Management Board's decision, the balance of the gross dividend per share in the amount of €0.80 would be paid in accordance with the following schedule:
- ex-dividend date: 4 October 2023;
- payment date: 6 October 2023.

As required by law, the Company shall receive no dividends on the treasury shares it holds; the amounts corresponding to the unpaid remaining dividend will be allocated to "Other reserves" (given that the dividend payment was taken by precedence from distributable earnings) and the total remaining dividend amount will be adjusted accordingly.

18.9. COMPANY NON-TAX DEDUCTIBLE EXPENSES

In accordance with Article 223 *quater* of the French Tax Code, we hereby inform you that the financial statements for the year ended include €82,889.62 in non-tax deductible expenses as provided for by Article 39-4 of the French Tax Code and that the corresponding tax charge amounted to €21,410.39 (rate of 25.83% including social security contributions).

In accordance with Article 223 *quinquies* of the French Tax Code, we hereby inform you that there is no charge or expense not deductible from earnings subject to corporate income tax, under the meaning provided in Article 39-5 of said code.

18.10. BREAKDOWN OF THE COMPANY'S TRADE RECEIVABLES AND PAYABLES BY DUE DATE

In accordance with Article L.441-14, paragraph 1 of the French Commercial Code, below you will find a breakdown, for the year ended 31 March 2023, of outstanding trade receivables and payables by due date.

	Article D.441-6,I-1: Invoices <u>received</u>, overdue but not yet paid at the balance sheet date for the financial year						Article D.441-6,I-2: Invoices <u>issued</u>, overdue but not yet paid at the balance sheet date for the financial year					
	0 days	**1-30 days**	**31-60 days**	**61-90 days**	**91+ days**	**Total (1+ days)**	**0 days**	**1-30 days**	**31-60 days**	**61-90 days**	**91+ days**	**Total (1+ days)**
(A) Late payment breakdown												
Number of invoices concerned	353					3,614	730					7,948
Total amount of invoices concerned *(note: incl. VAT)*	2,453,276.88	7,490,615.83	428,671.82	65,456.88	305,479.48	8,290,224.01	3,431,850.52	2,025,689.85	631,806.39	120,819.41	258,160.86	3,036,476.51
Percentage of total purchases for the year (note: incl. VAT)	0.5%	1.5%	0.1%	0.0%	0.1%	1.6%						
Percentage of full-year revenues *(note: incl. VAT)*							0.5%	0.3%	0.1%	0.0%	0.0%	0.5%
(B) Invoices excluded from (A) relating to payables and receivables under dispute or not recognised												
Number of invoices excluded	35						1,157					
Total amount of excluded invoices *(note: incl. VAT)*	175,671.45						866,284.09					
(C) Reference payment terms used (contractual or statutory - Article L.441-6 or L.443-1 of the French Commercial Code)												
Payment due dates used to determine late payments	☐ Contractual payment terms: xx days ■ Statutory due date: 60 days						☐ Contractual payment terms: xx days ■ Statutory due date: 60 days					

The trade receivables presented above include all receivables assigned to Eurofactor.

18.11. TABLE OF COMPANY RESULTS FOR THE PAST 5 YEARS

Closing date Length of reporting period (months)	31/03/2023 12	31/03/2022 12	31/03/2021 12	31/03/2020 12	31/03/2019 12
Share capital at year-end					
Share capital	1,110,920	1,137,979	1,137,979	1,137,979	1,137,979
Number of ordinary shares	6,171,776	6,322,106	6,322,106	6,322,106	6,322,106
Maximum number of shares to be issued through exercise of subscription rights	0	0	0	0	0
Revenues and earnings					
Revenues excl. VAT	519,076,550	640,120,047	657,527,597	420,654,389	436,471,148
Earnings before tax, profit-sharing, depr./amort. and provisions	18,640,726	62,254,186	74,589,449	17,329,401	1,431,728
Income tax	857,412	15,411,670	21,668,066	1,603,756	(783,255)
Employee profit-sharing	350,780	4,188,128	4,034,460	778,082	29
Depreciation, amortisation and provisions	15,305,563	4,583,211	(3,325,691)	14,703,384	3,505,700
Net income/(loss)	2,126,971	38,071,177	52,212,613	244,179	(1,290,746)
Distributed earnings (1) (2) (3)	7,406,131	12,644,212	12,644,212	0	0
Earnings per share					
EPS after tax and profit-sharing, before depr./amort. and provisions	2.82	6.75	7.73	2.36	0.35
EPS after tax, profit-sharing, depr./amort. and provisions	0.34	6.02	8.26	0.04	(0.20)
Dividend allotted (2) (4)	1.2	2	2	0	0
Human resources					
Average headcount	722	729	716	671	763
Payroll expenses	26,753,629	26,409,744	24,746,869	21,971,560	24,145,395
Employment benefits paid (social security, welfare actions, etc.)	12,096,466	12,435,858	11,461,063	9,646,553	9,741,502

(1) including dividends attached to treasury shares held as at the payment date
(2) subject to the approval of the Annual General Meeting on 29 September 2023
(3) including a €2,407,937.60 interim dividend paid on 24 February 2023 in respect of the year ended 31 March 2023
(4) including a €0.40 per share interim dividend paid on 24 February 2023 (excluding treasury shares) in respect of the year ended 31 March 2023

18.12. JUDICIAL AND ARBITRATION PROCEEDINGS

At the date of this report, the Group is not aware of any administrative, judicial or arbitration proceedings, including proceedings pending or imminent, that could have or have recently had a material impact on the Group and/or Company's financial position or earnings over the previous 12-month period.

18.13. MATERIAL CHANGE IN GROUP FINANCIAL POSITION

The Company financial statements for the year ended 31 March 2023 were approved by the Management Board on 15 June 2023 and reviewed by the Supervisory Board on the same day.

No material change in the Group's financial position has occurred since this date.
For further information, see Chapter 10 of this Universal Registration Document.

CHAPTER 19 • ADDITIONAL INFORMATION

19.1. SHARE CAPITAL

19.1.1. Amount of issued share capital

The Company's share capital amounted to €1,110,919.68 at 31 March 2023, comprising 6,171,776 fully paid-up shares of the same class with a par value of €0.18 each.

It is recalled that, on 16 June 2022, the Management Board exercised the authorisation granted by the Ordinary and Extraordinary General Meeting on 25 September 2020 in its ninth resolution and decided to reduce the Company's share capital via the cancellation of treasury shares purchased under a share buyback plan under the procedure provided for by the last paragraph of Article L.22-10-62 of the French Commercial Code. The Company's share capital was thereby reduced from €1,137,979.08 to €1,110,919.68 following the cancellation of 150,330 treasury shares with a par value of €0.18 each. The Company's articles of association were updated accordingly. This decision was publicised in accordance with legal requirements.

ISIN: FR0000075442

Symbol: ALLDL

19.1.2. Non-equity securities

None.

19.1.3. Company share buyback plan

The Company's combined Ordinary and Extraordinary General Meeting held on 30 September 2022 authorised the Management Board, with the option of further delegation in accordance with the law and regulations, to acquire or procure the acquisition of Company shares, in accordance with Articles L.22-10-62 et seq. of the French Commercial Code, for a period of 18 months from the date of the meeting.

The main terms of this authorisation are as follows:

Maximum number of shares that may be purchased: 10% of the total number of shares comprising the share capital and existing at the date of these purchases, provided, however, that (i) if the shares are acquired for the purpose of promoting the liquidity of the Company share, the number of shares used to calculate the aforementioned cap shall be equal to the number of shares purchased less the number of shares resold during the term of the authorisation, and (ii) if the shares are acquired for holding and subsequent tender in exchange or as consideration in relation to a merger, demerger or asset transfer, the number of shares acquired shall not exceed 5% of the share capital existing at the date of these purchases.

Purposes of the share buyback plan:

- to guarantee the liquidity of the Company share pursuant to a liquidity contract entered into with an investment services provider in compliance with a code of ethics approved by the AMF and with market practices authorised by the AMF; or
- to meet obligations arising from share option programmes, or other allocations of shares, to employees or to members of the administrative or management bodies of the Company or of an associate company; or
- to meet obligations arising from debt financial instruments that are exchangeable into equity instruments; or
- to hold shares and subsequently tender them as consideration or in exchange in relation to an acquisition, merger, demerger or asset transfer, or cancel all or some of the repurchased shares with a view to reducing the share capital via the cancellation of shares; or
- more generally, to perform any transaction not expressly prohibited by law, including transactions permitted under a market practice subsequently approved by the AMF.

Maximum purchase price per share (excluding fees and commission): €200

Maximum amount of funds that may be committed to the share buyback plan: €20 million

Pursuant to Article L.225-211, paragraph 2 of the French Commercial Code, we inform you that the Company performed the following treasury share transactions during the year ended 31 March 2023:

Number of shares purchased during the year ended	126,354
Average share purchase price during the year ended	€25.56
Trading fees (excl. VAT)	None
Number of shares sold during the year	126,834
Average share sale price during the year ended	€25.53
Number of shares cancelled during the year ended	150,330
Number of shares used during the year ended (treasury shares awarded under bonus share plans) (1)	6,000
Number of treasury shares registered in the Company's name at 31 March 2023 (2)	150,685
Treasury shares held at 31 March 2023 (% of share capital)	2.44%
Net book value of treasury shares at 31 March 2023 (purchase price value)	€3,475,196.95
Par value of treasury shares at 31 March 2023	€27,123.30
Market value of treasury shares at 31 March 2023 (share price of €22.35 at this date)	€3,367,809.75

(1) In accordance with Article L.225-197-4 of the French Commercial Code, every year the Ordinary General Meeting is informed of transactions carried out pursuant to Articles L.225-197-1 to L.225-197-3 of said code via a special report, which is presented in Chapter 24 of this Universal Registration Document.

(2) In accordance with AMF recommendation 2015-10, we hereby inform you that the administrative costs incurred for holding these shares amounted to €2,031.40 excluding VAT for the financial year ended 31 March 2023.

The breakdown of treasury shares by purpose at 31 March 2023 is as follows:

Purpose of buyback	**Number of shares**
To guarantee the liquidity of the Company share pursuant to a liquidity contract entered into with an investment services provider in compliance with a code of ethics approved by the AMF and with market practices authorised by the AMF	8,204
To cover employee share options or other share allocations in accordance with the terms and conditions set out under Articles L.3332-1 et seq. and R.3332-4 of the French Labour Code, or the allocation of Company shares to employees and/or corporate officers of the Company or companies referred to in Article L.225-197-2 of the French Commercial Code, or the allocation of shares as part of the employee profit-sharing scheme	142,481
Cancellation of all or some of the shares acquired via a share capital reduction	0
Holding of shares acquired and subsequent tender in exchange or as consideration in relation to financial transactions or acquisitions, in accordance with applicable regulations	0
Total	**150,685**

19.1.4. Securities conferring entitlement to a portion of the share capital

The Company has not issued any convertible or exchangeable securities or warrants.

During the year ended 31 March 2023, the Company granted bonus shares to Company employees under the terms and conditions set out in Articles L.225-197-1 et seq. of the French Commercial Code pursuant to the Management Board's decisions dated 1 September 2022 and 1 February 2023.

You are reminded that, every year, a special report is presented to the Ordinary General Meeting informing it of transactions carried out in accordance with Articles L.225-197-1 to L.225-197-3 of said Code. This report is included in Chapter 24 of this Universal Registration Document.

19.1.5. Authorised capital

Resolutions on issues approved by the General Meeting on 30 September 2022 are summarised in Section 14.5 "Supervisory Board report on corporate governance".

19.1.6. Share capital of any Group member under option, or agreed conditionally or unconditionally to be put under option

To the Company's knowledge, there is no option or conditional or unconditional agreement providing for the establishment of such an option on the Company's share capital.

19.1.7. Change in share capital

19.1.7.1. Change in share capital over the past three financial years

On 16 June 2022, the Management Board exercised the authorisation granted by the Ordinary and Extraordinary General Meeting on 25 September 2020 in its ninth resolution and decided to reduce the Company's share capital via the cancellation of treasury shares purchased under a share buyback plan as defined by Article L.22-10-62 of the French Commercial Code. The Company's share capital was thereby reduced from €1,137,979.08 to €1,110,919.68 following the cancellation of 150,330 treasury shares and now comprises 6,171,776 shares with a par value of €0.18 each.

The following table summarises the change in share capital:

Transaction date	Type of transaction	Initial number of shares comprising share capital	Number of shares cancelled	Nominal amount (€)	Difference between share acquisition value and par value (€)	Total number of shares outstanding	Total nominal amount of share capital (€)	Par value (€)
16 June 2022	Reduction of share capital via cancellation of treasury shares	6,322,106	150,300	€27,059.40	€6,569,371.59	6,171,776	€1,110,919.68	€0.18

19.1.7.2. Portion of the share capital pledged as collateral

To the Company's knowledge, its share capital was subject to the following pledges on the date this Universal Registration Document was filed:

Name of directly registered shareholder	Beneficiary	Start date of pledge	Expiry date of pledge	Condition for release of pledge	Number of issuer shares pledged	% of issuer share capital pledged at 31 March 2022
Laurent Villemonte de la Clergerie	Banque Rothschild Martin Maurel	28/03/2014	Indefinite	Repayment of short-term bank loans	28,030	0.44
Laurent Villemonte de la Clergerie	Banque Rothschild Martin Maurel	24/11/2017	Indefinite	Repayment of short-term bank loans	309,470	4.89
Laurent Villemonte de la Clergerie	Banque Palatine	09/06/2017	09/06/2037	Loan repayment	95,000	1.50
Laurent Villemonte de la Clergerie	Banque Palatine	06/03/2018	12/06/2037	Loan repayment	75,000	1.19
Olivier Villemonte de la Clergerie	Banque Palatine	12/12/2016	12/12/2031	Loan repayment	38,000	0.60
Olivier Villemonte de la Clergerie	Banque Rothschild Martin Maurel	04/02/2022	Indefinite	Repayment of short-term bank loans	98,000	1.55
Caroline Villemonte de la Clergerie	Banque Crédit Agricole Centre Est	27/12/2016	05/01/2029	Loan repayment	15,124	0.24
Marc Prieur	Banque Rothschild Martin Maurel	18/06/2015	20/07/2023	Loan repayment	53,864	0.85
Marc Prieur	Banque Rothschild Martin Maurel	24/05/2018	20/07/2023	Loan repayment	30,000	0.47

19.2. MEMORANDUM AND ARTICLES OF ASSOCIATION

The updated memorandum and articles of association of the company registered in the Lyon Trade and Companies Register under number 403 554 181 may be freely consulted at the Lyon Commercial Court Registry.

19.2.1. Company objects (Article 2 of the articles of association)

The Company's objects are:
- direct, online and mail order sale and sale via franchise networks of all computer hardware and software and all services that may be related thereto,
- as a secondary activity, direct, online and mail order sale of all products related to the home, garden, pets, childcare, leisure activities, education, culture, games and, more broadly, the environment and personal well-being,
- and, more broadly, all industrial, commercial, financial, investment or real-estate transactions that may be directly or indirectly related to the Company's objects or that may facilitate the expansion or development thereof.

19.2.2. Provisions, including those of the articles of association, designed to defer or prevent a change of control

19.2.2.1. Crossing of thresholds (Article 12 of the articles of association)

Any natural person or legal entity, acting alone or in concert, who holds, in any manner whatsoever, whether directly or indirectly, a number of shares representing a fraction equal to five per cent (5%) of the share capital or voting rights, or any multiple of this percentage, must report to the Company the information referred to in Article L.233-7 (I) of the French Commercial Code (in particular the total number of shares or voting rights held by the party concerned or equivalent pursuant to Article L.233-9 of the French Commercial Code), at the latest before the end of trading on the fourth trading day following the day on which the participation threshold is crossed, by registered letter with acknowledgement of receipt, or by any other equivalent means for persons residing outside France, sent to the registered office.

This obligation shall apply under the same terms and conditions as those provided for above, whenever the fraction of the share capital or voting rights held falls below one of the determined thresholds.

In the event that the above stipulations are not adhered to and upon the request, recorded in the minutes of the corresponding General Meeting, of one or more shareholders holding at least 5% of the Company's share capital or voting rights, the shares in excess of the amount that are not duly reported are stripped of their voting rights for any General Meetings held before the expiry of a period of two years following the date on which they are duly reported. Under the same conditions, the voting rights attached to said shares that were not duly disclosed may not be exercised or assigned by the non-compliant shareholder.

Adherence to the statutory obligation to report the crossing of a threshold does not, under any circumstances, exempt any natural person or legal entity from fulfilling statutory and regulatory reporting obligations (including those of the AMF General Regulation and the market rules in force).

19.2.2.2. Double voting rights (Article 12 of the articles of association)

A double voting right, as compared to the voting rights attached to other shares in respect of the fraction of share capital that they represent, is attributed to all fully paid-up shares that are proven to have been registered for at least two years in a single shareholder's name; the period of time during which the shares were held in registered form prior to the date of the Extraordinary General Meeting establishing this right is taken into account.

In the event of a capital increase by capitalisation of retained earnings, reserves, additional paid-in capital or available provisions, a double voting right is conferred as of the issue of registered bonus shares to a shareholder in respect of former shares conferring this right.

All shares converted to bearer shares or for which ownership is transferred shall lose the double voting right. However, transfer by way of inheritance, division of communal property between spouses or inter vivos gift to a spouse or relative close enough to inherit an estate shall not incur the forfeiture of the rights acquired and shall not interrupt the two-year period.

The merger or demerger of the Company shall have no impact on the double voting right, which may be exercised within the successor company(ies), if the articles of association of said company(ies) provide for double voting rights.

19.2.3. Other provisions of the articles of association

19.2.3.1. Identifiable bearer shares (Article 10.3 of the articles of association)

In order to identify holders of bearer shares, the Company or its representative shall be entitled, in accordance with applicable statutory and regulatory conditions, to request information regarding the holders of such shares and of securities immediately or subsequently conferring the right to vote at the Company's General Meetings, at any time and at the Company's own expense, either from the central depository that manages the share issuance account or directly from one or more intermediaries as referred to in Article L.211-3 of the French Monetary and Financial Code.

Subject to the shareholders' approval at the 29 September 2023 Annual General Meeting, the wording of Article 10.3 of the articles of association will be aligned with that of Article L.288-2 of the French Commercial Code, as follows:

"The Company, or any third party designated by the Company, may invoke, at any time, the applicable statutory and regulatory provisions allowing for the identification of the holders of its shares or of any securities immediately or subsequently conferring the right to vote at the Company's General Meetings."

19.2.3.2. Rights to dividends and profits (Articles 12.1, 22.2 and 23 of the articles of association)

Each share confers entitlement to a proportional share, in accordance with the fraction of share capital that it represents, in the Company's profits, assets and liquidation surplus.

Following approval of the annual financial statements and confirmation of the existence of distributable amounts, the General Meeting shall determine, where applicable, the proportionate share attributable to the shareholders in the form of dividends.

The conditions for payment of dividends approved by the General Meeting shall be set by the General Meeting or, otherwise, by the Management Board. The payment of dividends in cash must take place within a maximum of nine months following the balance sheet date. This period can be prolonged by a decision of the Court.

Any shareholder who, at the end of a financial year, proves that their shares have been held in registered form for at least two years, and that they are still in registered form on the date the dividend is paid in respect of said financial year, shall be entitled to a dividend bonus attributable to the registered shares, equal to 10% of the dividend paid on other shares, including where the dividend is paid in the form of new shares. The dividend thus increased (loyalty dividend) shall, where applicable, be rounded down to the nearest euro cent.

Likewise, any shareholder who can prove, at the end of a financial year, that their shares have been held in registered form for at least two years, and that they are still in registered form at the completion date of a capital increase by capitalisation of reserves, retained earnings or additional paid-in capital resulting in the distribution of bonus shares, shall benefit from a 10% increase in the number of bonus shares allotted to said shareholder. If said increase gives rise to fractional shares, the number of shares allotted shall be rounded down to the nearest whole number.

The new shares thus issued shall be fungible with the existing shares from which they are derived for the purposes of calculating the entitlement to the loyalty dividend and additional share allotments.

When the balance sheet prepared during or at the end of the financial year and certified by a statutory auditor shows that, since the end of the previous financial year, the Company has generated a profit, after recognition of requisite depreciation, amortisation and provisions and less, if applicable, any previous losses and amounts transferred to reserves, in accordance with the law and the articles of association, taking retained earnings into account, interim dividends may be distributed before the financial statements for the year have been approved. The amount of interim dividends may not exceed the amount of the profit as defined in the previous paragraph. They shall be distributed in accordance with statutory and regulatory terms and conditions.

The General Meeting called to approve the financial statements for the year has the option to grant each shareholder, in respect of all or part of a dividend or interim dividend payment, a choice between payment of the dividend or interim dividend in cash or in shares.

The offer of payment in shares, the price and the conditions for issuing the shares, as well as the request for payment in shares and conditions for completing the share issue, shall be governed by statutory and regulatory provisions.

19.2.3.3. Rules establishing reserves or sinking funds (Articles 22.1 and 22.3 of the articles of association)

If the financial statements for the year as approved by the General Meeting show earnings available for distribution, as defined by law, the General Meeting shall decide whether to allocate them to one or more reserve accounts for which it manages the appropriation or use, to allocate them to retained earnings or to distribute them in the form of dividends.

As required by law, a deduction of at least one twentieth is made from the net profits for each financial year (less any prior losses) to form a reserve fund called the "legal reserve". This deduction is no longer required when the legal reserve reaches one tenth of the share capital.

19.2.3.4. Right to liquidation surplus (Article 25 of the articles of association)

The Company shall be wound up and liquidated in accordance with statutory and regulatory scenarios and conditions.

Any amounts of shareholders' equity remaining after redemption of the par value of the shares shall be apportioned between the shareholders in proportion to their interest in the share capital.

CHAPTER 20 • MATERIAL AGREEMENTS

We have listed below (i) material agreements to which the Company or any other Group member is party, other than those entered into during the normal course of business, covering the two years immediately preceding the publication of this Universal Registration Document and (ii) all other agreements to which the Company or any other Group member is party, other than those entered into during the normal course of business, whereunder any Group member assumes a material obligation or commitment with regard to the whole Group.

20.1. NAMING CONTRACT WITH ASVEL DATED 11 SEPTEMBER 2018

The naming contract whereby the ASVEL professional basketball team was renamed LDLC ASVEL reflects the shared European and global ambitions of the Company and the club. This unprecedented move on the French basketball scene involving a 10-year commitment is a paradigm of modern thinking in both human and economic terms (see press release dated 11 September 2018).

20.2. NAMING CONTRACT WITH ASVEL FÉMININ DATED 27 AUGUST 2019

Already partner of LDLC ASVEL since 2012, the e-commerce leader in the French IT and high-tech markets reaffirmed its support for basketball in the city of Lyon on 2 October 2019. For a period of 4 years, LDLC.com has combined its name with that of the ASVEL Féminin women's basketball team in Lyon, renamed LDLC ASVEL Féminin.

The Group also works alongside the ASVEL men's basketball team. A partnership bolstered by the naming contract in place until 2028 (see press kit and press release dated 2 October 2019).

On 8 December 2022, the Group announced a step-up in its partnership with LDLC ASVEL Féminin, namely enabling the creation of a bridging scheme in order for LDLC ASVEL Féminin to help the LDLC Group achieve certain objectives. Under the scheme, LDLC ASVEL Féminin will support the Group's drive to hire female sales assistants and students to strengthen gender equality in LDLC stores and the LDLC School. The club will also provide LDLC Group teams with training courses on management and gender balance in the workplace. As previously announced, LDLC ASVEL Féminin aims to become a benchmark in terms of civic engagement geared specifically towards women's fulfilment.

The Group also took the opportunity to extend the duration of the partnership. Originally set to end after the 2022/2023 season, the partnership has been prolonged for four additional sports seasons until June 2027, with the aim of dedicating more time and means to LDLC ASVEL Féminin's bold projects.

(See press release dated 8 December 2022.)

20.3. PARTNERSHIP AGREEMENT WITH OLYMPIQUE LYONNAIS DATED 8 JANUARY 2020

The partnership between Olympique Lyonnais and Groupe LDLC, two stand-out brands already associated through the LDLC ASVEL team, is testament to an unprecedented strategic engagement in French e-sports and will give the new team a major boost.

OL Groupe will lend its commercial expertise to fostering partnerships and developing team performance, as well as delivering e-sports news to a wider audience through its media channels.

This partnership begins with the immediate change of the team name to LDLC OL (see press release dated 8 January 2020).

On 16 May 2023, the Company announced that both parties had decided by mutual agreement on the early termination of the LDLC OL partnership. The end of this partnership will also mark LDLC Event's withdrawal from the e-sports scene and the cessation of its operations in this sector.

(See press release dated 16 May 2023.)

20.4. NAMING CONTRACT WITH OLYMPIQUE LYONNAIS DATED 6 DECEMBER 2022

OL Groupe and Groupe LDLC have entered into an agreement on the naming of OL Groupe's future events hall in Décines, as part of the development plan for the future Arena at OL Vallée. This agreement is effective from the start of construction in early 2022 and for a period of eight years following the commissioning of the multi-purpose show venue.

A European benchmark in terms of technology and the environment, this infrastructure will become France's largest events arena outside of Paris. Bolstered by the latest innovations in terms of user access and experience, LDLC Arena is set to host 100 to 120 events each year.

LDLC Arena's calendar is already largely filled in, mainly thanks to the official commercial agreement dated 15 October 2021 with Live Nation, a leading worldwide concert and event promoter, allowing it to showcase a wide range of international performers in this new infrastructure driven by OL Groupe.

Basketball matches for the Euroleague (of which LDLC ASVEL became a permanent member in June 2021), large-scale seminars and job fairs, along with sports competitions, will be organised within the new facility and will provide strong and varied business.

This partnership further strengthens the ties between the LDLC Group and Olympique Lyonnais in the world of professional basketball (LDLC ASVEL).

(See press release dated 6 December 2021.)

CHAPTER 21 • AVAILABLE DOCUMENTS

During the period of validity of this Universal Registration Document, the following documents may be viewed on the Company website (www. groupe-ldlc.com):

- the latest version of the Company's articles of association;
- the latest version of the Supervisory Board's internal regulations; and
- all reports, letters and other documents, appraisals and statements prepared by experts at the Company's request, parts of which are included in this Universal Registration Document.

CHAPTER 22 • STATEMENT OF NON-FINANCIAL PERFORMANCE

The Groupe LDLC share is listed on Euronext Growth, a controlled market that is not regulated as defined by EU directives. However, the LDLC Group is first and foremost a family business determined to contribute towards global issues and tackle the challenges of sustainable development through pragmatic thinking.

22.1. BUSINESS MODEL

Since its foundation in 1996, the LDLC Group has established itself as one of the pioneers of e-commerce in France.

While its business was initially focused on high-tech retail, the Group has diversified into complementary areas (IT, gaming and media) and related markets including childcare and, more recently, education. The Group business model is based on retail.

Through a chain of 82 LDLC stores[2] at 31 March 2023, the Group provides advice directly to consumers, in addition to a whole range of hands-on services such as repair, back-up and maintenance.

The LDLC Group offering can be divided into three segments: individual consumers (BtoC), professionals (BtoB) and related businesses. The Group operates mainly in France and also in nearby countries such as Belgium, Luxembourg, Switzerland, Spain, Italy and England.

The LDLC Group assigns the utmost importance to the measures it takes in terms of non-financial performance and will continue, as it has done for many years now, to improve these measures and extend their scope as far as possible.

In this regard, in June 2022 Group subsidiary Anikop received “Positive CSR” certification under the Toumaï methodology applied to the LUCIE 26000 label.

22.1.1. LDLC Group business activities

For further information regarding the Group’s business activities, see Section 5.1.1 of this report (page 39).

22.1.2. Stakeholders

In order to better identify their expectations, the Group pays special attention to fostering dialogue with all of its stakeholders.

As a trading company, the Group maintains close ties with its customers and suppliers through its employees. Accordingly, it has developed a number of spaces and tools to encourage dialogue with each stakeholder.

The customer relations department, the stores and the www.ldlc.com website (via customer reviews) are among the main channels of dialogue with customers. Responsiveness and compliance with order shipment deadlines are essential for our business and constitute two of our main selling points.

In 2022, Viséo Customer Insights, organiser of the Customer Service of the Year awards in France, tested the quality and responsiveness of the LDLC Group’s customer relations department. On the basis of 205 points of contact via email, phone, Internet and social media, for which LDLC obtained an average rating of 19.27/20, the brand came first in the Technical Product Retail category for the ninth year running. Accordingly, the Group’s drive towards improving customer relations was once again rewarded, in the form of the 2023 Customer Service of the Year award.[3] Its BtoC division employs around 60 advisers committed to serving customers both before and after purchase.

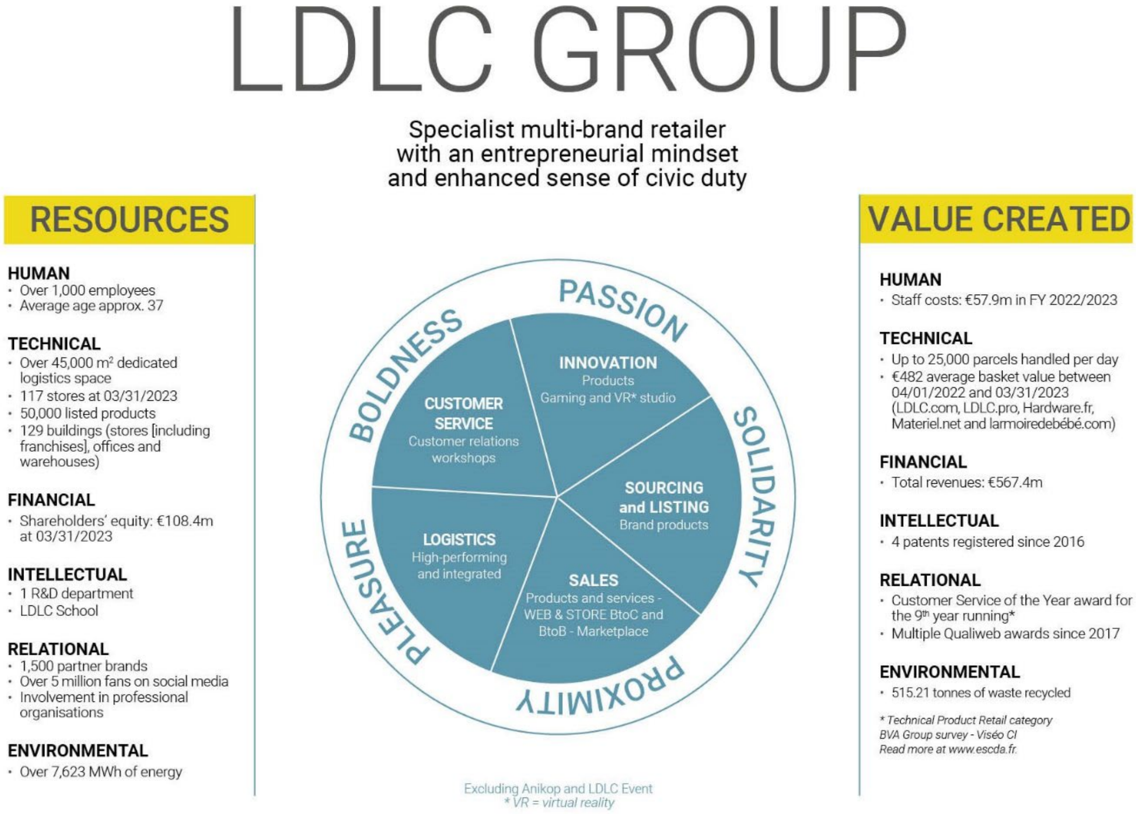
After winning its first accolade in 2018, the LDLC Group’s customer relations department received the Qualiweb Award for the Specialised Retail category as well as for Best Online Customer Relations across all 230 brands tested by Cocedal Conseil.

Annual negotiations with suppliers are an opportunity to pass on customer expectations and brainstorm new solutions. The after-work sessions enabling colleagues to get together and hold informal discussions were also reinstated at the end of 2022. The HR policy is geared towards promoting initiative and cooperation. In 2018, the Yammer professional network was rolled out Group-wide in order to foster professional and personal dialogue.

[2] *Including the Levallois-Perret franchise store under insolvency proceedings at 31 March 2023.*
[3] *Technical Product Retail category - BVA Group survey - Viséo CI. Read more at www.escda.fr.*

Furthermore, LDLC's involvement in various events such as professional trade fairs and business forums enables its teams to meet a wide range of stakeholders. In June 2022, VR Studio took its equipment and *Mission NAR-6* game to the Le Banquet event organised by La Cuisine du Web to celebrate their tenth anniversary.

Lastly, in accordance with his desire to listen to his employees, over the last six years Chairman Laurent de la Clergerie has held meetings with staff at the main Group locations. Employees are free to discuss any issues they wish to and no subject is taboo. These meetings could not be held in 2020.



22.1.3. Value chain

Group strategy is based on eight key drivers aimed at creating value over the long term:
- depth of range and brand in order to attract the widest possible customer base;
- meticulously selected own brand products;
- an efficient integrated logistics platform;
- an omnichannel retail model: a pioneer in the development of e-commerce, the Group has expanded its sales outlets via an extensive store chain made up of brand stores and franchises;
- customer service: customer relations have been one of the Group's most distinguishing features since its inception. The Group has obtained the "Customer Service of the Year" award for nine years running and, in 2021, LDLC.pro came second in the FEVAD 2021 "Prix des Internautes" awards, BtoB category;
- in-house R&D department;
- LDLC brand awareness and trust capital coupled with strong fan engagement on social media. As such, the LDLC Group launched its first ever TV advertising campaign. The three-phase campaign (May, August and November) was a resounding success with customers and employees alike;
- pleasant working conditions in a working environment conducive to employee development (buildings with extensive glass panelling, grassy areas, fun equipment, fitted-out coworking spaces, etc.).

22.2. METHODOLOGY

In 2019, a working group representing the legal, HR, payroll and QHSE departments and senior management reviewed the appropriateness of the categories of information listed in Article 1 (III) of French presidential order 2017-1180 of 19 July 2017 and the topics listed in Article 2 (II) of implementing decree 2017-1265 of 9 August 2017, as applicable to the LDLC Group's business activities. The group's discussions also covered the business model, main stakeholders, products and services and the legislative and regulatory environment.

As a result of its work, the group was able to identify the main non-financial risks and priorities the Group faces in relation to its business activities, whether they involve an impact on image or reputation or whether the impact is human, operational, financial or environmental.

On the basis of this classification and the discussions held, the working group selected the most relevant and material risks and priorities for the purposes of preparing this statement and consulted all relevant Group personnel for this purpose.

Every year, the project manager in charge of the statement of non-financial performance approaches the various contributors, as well as Group management, in order to review non-financial risks and issues affecting the LDLC Group.

In 2021, the Group carried out a risk analysis and ranked risks in order of their probability of occurrence and impact on the LDLC Group. Following this assessment, the working group decided to confirm the list for FY 2021/2022 and 2022/2023.

Respect for personal dignity/human capital

Priority	Related risks
Employee safety	Employee health at work Legal and regulatory compliance Company image and reputation
Quality of life at work	Inappropriate working environment Unsatisfactory work-life balance Disorganisation in the company and performance degradation Loss of attractiveness Company image and reputation
Anti-discrimination: Disability and inclusion Equal opportunities	Risk to the company's image and reputation associated with financial impact on contribution Human risk of company's lack of appeal Human risk of internal social disparities
Employee upskilling	Loss of key expertise Loss of innovation opportunities Loss of opportunities to retain employees

Protection of the environment

Priority	Related risks
Responsible waste management	Increase in waste processing costs Legal and regulatory compliance Company image and reputation
Control of energy consumption	Cost increases Stringent legal and regulatory context (carbon tax)

Regional impact

Priority	Related risks
Consumer safety	Customer health and safety Regulatory non-compliance among suppliers Company image and reputation Financial impact
Promote regional economic growth	Risks to image or reputation; human risks Lack of company appeal

Ethical awareness and training

Priority	Related risks
Anti-corruption	Ethical risk Legal and regulatory compliance Company image and reputation
GDPR compliance (General Data Protection Regulation)	Legal and regulatory compliance Company image and reputation in the event of data privacy breaches
IT system incidents	Computer intrusion, phishing attempts leading to financial losses Company image and reputation

In view of Groupe LDLC's strong commitment to defending human rights and preventing tax evasion, these issues are not regarded as risks for the Company.

For the 2021/2022 and 2022/2023 financial years, "measures aimed at promoting physical and sporting activities" under French Act no. 2022-296 of 2 March 2022 aimed at encouraging the practice of sport in France were highlighted.

These measures are described in the following sections:
- 22.3.2 Quality of life at work
  - Relaxation, sport, concierge service: a wealth of services provided to employees
- 22.3.3.1 Disability and inclusion
  - Action
- 22.5.2 Promoting regional economic growth
  - Supporting cultural initiatives and the local economy
  - Supporting education

In view of the upcoming regulatory changes regarding the statement of non-financial performance, the LDLC Group is preparing to meet future sustainability reporting requirements (CSRD). According to the provisional timetable for the implementation of these regulations, the LDLC Group will draft its first report in 2025 for the 2024-2025 financial year.

Reasons for exclusion of specific information

The Group's business activity consists of the trading and retail of products. Its operations primarily include the reception, storage, packaging and shipping of manufactured goods, assembly of computer components and all services related to online selling. Therefore, the Group is not directly engaged in any industrial activity involving the processing or transformation of materials or production. Generally speaking, there are no night-time operations on Group sites and Group operations are conducted inside its buildings.

The premises occupied by the Group consist of office buildings, sales outlets and warehouses situated in urban areas or existing logistics hubs. All Group facilities are located in France.

For the foregoing reasons, out of the information areas listed in Article R.225-105 (II) of the French Commercial Code (human resources, social and environmental information), as well as those listed in Article L.225-102-1 (III) of the same Code, the Group has not identified any specific risks or priorities in relation to its business activities or operations with regard to the following subjects:
- elimination of food waste;
- prevention of food insecurity, defence of animal well-being and a responsible, fair and sustainable food system.

In each part of this statement, for the sake of clarity, data for the current financial year is presented first, followed by previous relevant information regarding the subject under consideration.

22.3. RESPECT FOR PERSONAL DIGNITY/HUMAN CAPITAL

Given the nature of the Group's business activities, human resources issues are a key focus of its CSR policy.

The main non-financial priorities in terms of human resources have been subsumed under the following four headings, to which LDLC Group is devoting all of its energy through clearly targeted action plans:
- employee safety;
- quality of life at work;
- anti-discrimination;
- employee upskilling.

22.3.1. Ensuring employee safety

The LDLC Group's occupational health and safety policy seeks to ensure proper working conditions for all employees. The aim is continuous improvement in order to reduce the amount of arduous work, raise employee awareness and provide training to prevent exposure to risks. For this purpose, a risk prevention engagement letter has been drafted in partnership with CARSAT Rhône-Alpes.

The LDLC Group's mission is to support its staff both individually and collectively in order to enhance their skills and performance in line with the Company's overall strategy; people are the focal point of all decisions.

In order to keep track of occupational risks, the Company has introduced health and safety indicators in order to obtain a quantitative assessment of the importance of issues related to working conditions and professional exposure.

The main purpose is to provide all stakeholders with summary information on improvements in our understanding of occupational risks and the measures taken to mitigate those risks.

We are committed to annually increasing the proportion of material and critical risks handled so as to reduce the frequency and severity of accidents exposing employees to major risks.

The policy draws on a document known as the "single risk assessment document" (DUER), which identifies sensitive issues affecting each facility so that action plans can be drawn up in accordance with specific features and requirements identified. This document is revised once a year in consultation with the social and economic committees.

Once again this year, risk assessment documentation drawn up by the Group's establishments was frequently updated during the year, given that employee health continues to be a priority.

Preventing physical, physiological and psychological risks

Since late 2020, systematic analysis of industrial accidents has been conducted at the Saint-Quentin-Fallavier warehouse in cooperation with the members of the establishment social and economic committee (CSEE). The purpose of the exercise is to design and implement short, medium and long-term measures to ensure that accidents do not recur.

In addition, in 2021 the Saint-Quentin-Fallavier warehouse was involved in CARSAT's national TMS-PRO programme, which helped us to structure our approach to preventing musculoskeletal disorders (MSD). As a result, the MVT "Mieux Vivre son Travail" (Live Better at Work) programme was created. After a year-long process, tangible measures have enabled the Group to improve conditions for preparing large orders. In addition, this programme was fully incorporated into discussions on the processes implemented in the new warehouse. As such, no fewer than 21 packing stations and 11 reception workstations were redesigned with a strong focus on ergonomics and customisation: electrically operated sit-stand workstations, elevated waste receptacles, adjustable PC monitors, etc.

Warehouse staff are provided with personal protective equipment (PPE) in order to prevent injuries. In addition, preventive measures are taken in anticipation of potential risks in order to limit the need to wear PPE. For example, in 2020 we went further than merely providing a ventilation solution to chemical risk in containers. We introduced systematic measurement of chemical risk and we are currently setting up a ventilation system whenever necessary prior to unloading. This process has been repeated since then. As a result, the Group has not recorded a single occupational sickness to date.

As a further preventive measure, in 2021 employees at the Nantes logistics facility were trained in "physical behaviour at work". This training is provided by a professional training organisation specialising in gestures and postures within human physiology. Employees can thus improve their understanding of the human body in addition to increasing their awareness.

Initially rolled out at the logistics facilities, these preventive measures have been extended to Limonest and Nantes, where a guide to correct workstation posture has been drawn up in consultation with the company doctor and members of the social and economic committee. The guide includes stretching exercises that can be performed at the workstation. In 2021, this guide was revised to include teleworking issues.

Since 2017, the study of psychosocial risks has led to pragmatic action plans depending on the facility or department requesting the survey. In 2023, a complete overhaul of the assessment methodology is underway.

Meanwhile, Saint-Quentin employees have permanent access to a social and psychological counsellor, who may also be contacted by phone by head office and store employees. Olys employees have also made occasional use of these services.

Improving workspace ergonomics

In 2020 during the lockdown imposed in response to the COVID-19 crisis, we allowed all employees eligible for teleworking who so wished to take home the equipment they needed to perform their duties: office chair, monitor, etc., everything was done to maintain workstation ergonomics at home. All of these measures were maintained in 2021 and were clarified in the new Group-wide agreement on teleworking.

Measures taken at the logistics facilities focus on reducing manual load handling by means of handling equipment such as high-lift electric pallet transporters. Electrically operated sit-stand workstations have been installed.

In the stores, both handling (goods stocking) and workstation ergonomics (particularly at checkouts) are taken into consideration.

At head office, workstation ergonomics and layout are a priority concern. Before the move to the Limonest Campus and Orizon building, the health, safety and working conditions committee audited all departments in order to ascertain employee expectations. All workstations have been refitted and several adjustable height workstations have been acquired in order to make work more comfortable for taller or shorter employees. Seats have been replaced with swivel chairs with car-style bucket seats and a wide range of adjustment options (seating positions, back rests, head rest, etc.).

Reducing risks of injury

For several years now, the Group has implemented measures to prevent risks of industrial accidents caused by load transportation and handling, which have been identified as the two principal risk factors within the Group. An osteopath provides free massages at all logistics facilities. In March 2020, these services were placed on standby due to the pandemic. They gradually resumed in 2021 and have been fully reinstated since 2022.

In 2022, Laurent de la Clergerie was awarded the Occupational Safety medal by the French National Research and Safety Institute (INRS) on the recommendation of CARSAT Rhône-Alpes. The jury was particularly impressed with the Group's workspace commitments, especially regarding the equipment of its new logistics warehouse and the implementation of a four-day, 32-hour working week.

Results

	2018	2019	2020	2021	2022
Number of lost-time industrial accidents	18	24	19	11	**20**

KPIs

Frequency and severity ratesa VF

	Logistics			Office			Stores			Subsidiaries*		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Frequency rate (FR)	38.37	22.8	37.72	0	0	0	9.12	5.26	6.60	0	0	19.5
Severity rate (SR)	0.74	0.63	0.80	0	0	0	0.1	0.06	0.12	0	0	0.20

** Excluding VR Studio.*

22.3.2. Quality of life at work

The Group occupational health and safety policy is implemented within a wider perspective including quality of life at work and employee well-being.

In keeping with Groupe LDLC's human values, people are at the very epicentre of its development strategy. The Company is constantly seeking to improve employee working conditions, in the knowledge that performance depends on collective, constructive and innovative relationships and real attentiveness to its employees in order to combine well-being at work with collective performance.

Work-life balance

For several years now, Group staff policy has been guided by a desire to ensure genuine well-being at work among all employees whilst maintaining the Company's economic competitiveness.

Well-being at work is a global concept encompassing an overall feeling of satisfaction and fulfilment in and through work.

Well-being is focused on the personal and collective perception of the situations and restrictions affecting the work environment. For each employee, the perception of these realities has physical, psychological, emotional and psychosocial consequences and is reflected by a certain level of efficiency for the Group.

As such, management is convinced that this staff policy based on well-being at work will develop a Group-wide conception of efficiency and performance that promotes employee health, enhances motivation and involvement in work and contributes towards professional fulfilment whilst improving the working atmosphere within teams.

Convinced of the merits of this policy, in 2020 management decided to take a further step forward by introducing a four-day week for all employees (managers and non-managers alike) to be rolled out in 2021. Negotiations with staff representatives were held in the last quarter of 2020 for this purpose. As a result, from January 2021 employees have worked four days a week rather than five, thereby enjoying an extra day off.

In connection with this change, management also decided to reduce the working week from 35 to 32 hours spread over four days for non-executive employees.

After two years of operation, this innovative scheme has proved its worth in raising permanent staff loyalty to an unprecedented level.

Groupe LDLC	2020	2021	2022
Headcount at 31 December	695	699	676
Permanent workforce during the year	567	641	634

The four-day/32-hour agreement has helped strengthen employee loyalty and satisfaction.

Building on this experience, we copied the model by signing a similar agreement at LDLC Boutiques and LDLC Distribution, to be rolled out in early January 2022.

In 2022, ADB Boutiques, LDLC Event and OLYS signed a four-day/32-hour agreement.

The LDLC Group recognises the importance of work-life balance, a factor that enhances both quality of life and company performance.

Therefore, during the annual mandatory bargaining procedure with trade union organisations in 2018, it was agreed that working groups would be set up in each department to encourage employee independence in organising their working time, provided that this did not disrupt the overall operation of the department and the Company in general.

Accordingly, in 2018 staff worked together to introduce flexitime arrangements in Lyon and Nantes. This drive towards independence and accountability was extended to Saint-Quentin in 2019 with regard to the staggering of break times.

Furthermore, the LDLC Group is committed to promoting a culture and organisational system conducive to a healthy work-life balance. Against a backdrop of growth and rapid technological developments, an agreement on quality of life at work and the right to disconnect was signed with the unions in 2017 to serve as a practical guide to best practices to be observed by everyone. Moreover, the HR department periodically reminds employees of their right to disconnect.

The development of information technologies and remote communication techniques has significantly moved the goalposts in terms of the spatio-temporal organisation of work and private life. This development has provided an opportunity to rethink work-life balances and to encourage, as far as work organisation allows, a healthy balance between work and private life for the Company's employees. Accordingly, the LDLC Group has agreed to trial work-from-home arrangements. A three-year agreement has been signed with unions and staff representatives.

On 1 December 2021, Groupe LDLC, Olys and LDLC Distribution jointly signed a Group teleworking agreement.

The agreement provides for two indeterminate days of mandatory presence at the workplace to allow those eligible for teleworking to achieve a satisfactory work-life balance.

Recognition of quality of life at work in the LDLC Group

In the same vein, Anikop took a further step forward in 2021 by introducing an unrestricted leave policy. The principle is that each employee is free to take as many days off as he or she wishes. This measure, which applies only to the subsidiary's thirty or so employees, follows on from the company's conversion to a liberated management structure in 2018. The new system is regulated by a moral charter drawn up by the employees themselves.

Anikop has already achieved recognition for its quality of life at work: having received the HappyIndexAtWork® label in 2019 and 2022, it was also awarded the Toumaï label in 2022.

Since January 2023, Anikop has continued its commitment to employee well-being by setting up a four-day working week for five days' pay. These new working hours, combined with the introduction of unlimited leave two years ago, offer a better work-life balance.

In March 2021, Groupe LDLC joined the community of companies voted a Great Place to Work. Valid for a year, this certification is the highest level of recognition for the quality of a company's working environment. In 2021, 82% of employees questioned confirmed that their company was a great place to work. More generally, 71% of the responses to the questionnaire were positive. These two statistics are above the average scores recorded by companies of similar size.

In 2022, Groupe LDLC renewed its Great Place to Work certification. 89% of employees stated that Groupe LDLC was a great company to work for (up 8 percentage points from 2021) and posted a satisfaction rate of 78% (up 7 percentage points from 2021).

The working environment

The buildings occupied by the LDLC Group in Limonest are designed to provide a working environment conducive to employee fulfilment, in line with the Group's start-up mindset. The premises maximise the use of natural light and offer views onto tree-lined grassy areas through extensive glass panelling. The leafy, dome-shaped central hub may be used as a venue for meetings or a relaxing break with colleagues. The Campus is fitted with special noise-absorbing ceiling panels, while the open plan customer relations area is equipped with U-shaped workstations to enhance sound insulation. Windows are double or triple glazed, with integrated blinds when exposed to sunlight.

One of the highlights of 2018 was the refurbishment of the Grandchamps facility. 2019 saw the consolidation of sales teams, previously based in Orvault, at the Grandchamps facility.

Despite the relocation of nearly all departments, some of them several times, they were able to continue to work without disruption. All furniture and decoration were replaced in order to increase comfort and ergonomics and streamline the use of space (new seats, desks, relocation of departments, etc.).

New equipment was also purchased for the Nantes warehouse, including remote-controlled systems for opening the skydomes in order to keep the temperature down in summer (especially concerning mezzanine operators).

As the LDLC Group reached another milestone in tailoring its working practices to the requirements of the digital era, moving into the Limonest Campus in 2017 and the Orizon building opposite in early 2019 was an opportunity to bring all the subsidiaries together and redesign the layout of the premises. This change prompted initiatives to find different ways of working, by rethinking workspaces and organisation in order to stimulate creativity, encourage personal contact, foster synergies and broaden mindsets.

For this purpose, coworking areas were set up in all three buildings in Nantes and Lyon.

In order to pursue its development and meet quality and quantity requirements for customer orders, Groupe LDLC decided to relocate its warehouse, while remaining in Saint-Quentin-Fallavier. Work began in October 2020 and the gradual relocation of the various services was completed in October 2022.

The new platform allows the Company to store and distribute computer parts and hardware sold across the various websites and to provide customer service for these products through a dedicated on-site department.

Employee needs were also considered and the premises were designed to make everyone feel at ease in their new environment: canteen furniture was completely replaced and break rooms were included at the warehouse. Committed to well-being at work, the LDLC Group sought to provide logistics employees with satisfactory working conditions and a high level of excellence.

Relaxation, sport, concierge service: a wealth of services provided to employees

A spacious canteen with pub-style decor is available for employees and LDLC School students in the Campus green dome. There is also a fitness centre, run by an external service provider, which opens at lunchtime and/or in the evening, depending on the day, available to employees for a modest monthly fee. Relaxation rooms are available during break times and are fitted with games facilities such as foosball, table tennis tables and bowls.

The Campus also has a concierge service ("*Ma Conciergerie*") located in the office building. Open every morning, the service provides fresh bread, parcel reception services, emergency accessories, dry cleaning and other services, thus helping to improve quality of life and save time on a daily basis. A similar arrangement was set up at Saint-Quentin-Fallavier in January 2018 and at Grandchamps in 2019.

An amusement arcade has been installed on the ground floor of the new Orizon building to help staff relax.

After a standby period regarding the use of these amenities during the pandemic, both at head office and the warehouses, 2022 saw a return to normal. Several events (sales, tastings, etc.) were organised by the concierge services at our three main sites.

Fostering staff cohesion

The Group encourages informal meetings and friendly exchanges among and between teams, whose average age is relatively young (37. 40 years). This helps to maintain a feeling of belonging, improve interpersonal relationships, raise awareness of each other's work and foster a spirit of collaborative intelligence where management pays close attention to ideas put forward by employees. Accordingly, after-work get-togethers are held at the Limonest head office and are regularly attended by Group Chairman Laurent de la Clergerie. This practice was introduced at Saint-Quentin-Fallavier in April 2018 and Grandchamps in 2019.

Many initiatives are organised at the instigation of LDLC Group employees, including an indoor football team, badminton and squash tournament, jogging and trail running. In 2022, an LDLC team took part in the Lyon *Sport dans la Ville* tournament.

On 3 October 2022, management invited employees and their spouses, along with suppliers and various partners, to a special celebration of the LDLC Group's 26th anniversary held at the Halle Tony Garnier concert hall in Lyon. The guests highly appreciated this friendly encounter.

KPIs

Absenteeism rate of **2.78%*** (versus 3.51% in 2021/2022)
Staff turnover rate of **16.2%** (versus 11.00% in 2021/2022)

	2020	2021	2022
Absenteeism	3.49	3.51	2.78
Staff turnover	17%	11%	16.1%

** Absenteeism rate including absence due to the COVID-19 pandemic: 3.64% (versus 4.12% last year)*

22.3.3. Ensuring employee safety

22.3.3.1. Disability and inclusion

The LDLC Group is pursuing its goal of becoming a disability-friendly company.

In this context, it is important to integrate new staff perfectly to encourage them to buy into the Group's culture and values, in which diversity and disability feature very strongly. The Group's disability policy aims to involve as many employees as possible in the process of implementing the policy, a factor that will guarantee long-term successful inclusion.

The LDLC Group is also determined to tackle the problems of disability at work head-on and to do everything it can to safeguard the careers of persons with disabilities in the long run. Every year, employees with disabilities inform the Company of their disability and receive assistance in obtaining recognised disabled worker status. In this way, workstations can be adapted as required.

In 2018 the Group appointed a Disability Officer. An existing employee at the establishment, this person promotes the disability policy advocated by management and staff representatives and acts as official liaison officer between the establishment and the OETH disabled employment organisation.

Raising awareness

In 2017, the Group introduced a disability policy aimed at raising awareness and breaking down taboos. All Group managers followed a disability awareness course.

In 2017, Saint-Quentin-Fallavier introduced seated massages administered by visually impaired practitioners, followed by Nantes and Limonest in 2018. These sessions were cancelled in March 2020 due to the COVID-19 health crisis, but were resumed in October 2021 at Saint-Quentin-Fallavier and in 2022 at Nantes.

In April 2018, posters were put up and content on disability was added to the Group's recruitment website.

In 2019, all Anikop staff received training in sign language in order to raise their awareness.

In 2021 and 2022, the LDLC Group sponsored the "Lyon Basket Fauteuil" association, allowing it to purchase three new competition wheelchairs specially designed for basketball. The Group also sponsored table tennis star Florian Merrien who took part in the Tokyo 2021 Summer Paralympic Games. In addition, as principal access facilitator for the 2021 Blend Web Mix conference event, the LDLC Group helped make the event truly accessible to persons with disabilities (reduced rates, special team tasked with assisting people at the event, adapting spaces as required, etc.).

In January 2022, our communications department published an interview with one of our employees with disabilities, who talked about the issue of workstation adaptation and the support he has received since joining the Company.

Towards the end of 2022, during the European Week for the Employment of Persons with Disabilities, the Disability Officer and the QHSE department rallied to offer daily information via the Yammer network regarding the work performed by people with disabilities and to raise awareness on the RQTH status for employees recognised as having a disability.

Action

Just before summer 2021, LDLC started sponsoring Florian Merrien, a para table tennis player who took part in the Tokyo Paralympic Games.

On the sports front, an initial milestone was crossed in March 2021 when the Group signed a partnership between LDLC OL, the French e-sports club attached to Olympique Lyonnais football club, and Handicap International, the NGO that helps disadvantaged sectors of the population and persons with disabilities. This partnership was renewed in 2022 with the aim of organising a series of events and initiatives designed to foster awareness of disability among e-sports players and stakeholders. The first event took place in March 2022 in the form of a streamed gaming tournament between influencers and players with disabilities, with the idea of placing them all on an equal footing. To achieve this, players without disabilities were given a motor or sensory handicap as the game progressed.

Since November 2022, in partnership with the Lyon-based Ouhlala charity, donation parcels have been handed out to students in need at the head office site. The purpose of this charity is to promote and increase solidarity. Employees who wished to do so could fill the parcels with warm clothing, beauty products or sweets. The parcels were handed out just before Christmas.

Safeguarding employment: in-company and external initiatives

In line with its initiatives to promote quality of life at work, the QHSE department and the LDLC Group Disability Officer are committed to making every effort to safeguard the careers of all employees with disabilities.

Whether it be through internal mobility, employee support in close partnership with the occupational health services or workstation adjustments, regardless of whether or not the employee is officially recognised as having a disability, these discussions and actions are carried out in concert, in consultation with the employee.

2022 was marked by workstation adjustments for employees working in other locations, including adjustments at two retail stores.

Since 2017, the LDLC Group has been forging close ties with disability-friendly companies, temping agencies and other organisations in order to provide work for disabled job-seekers.

KPIs

Since May 2021, the mandatory disabled employment declaration (DOETH) has been included in the simplified social security return (DSN) instead of the February declaration made in previous years, leading to a year's delay for the publication of our indicator.
Accordingly, the data presented in this document is for 2021.

	2019	2020	2021
Percentage of employees with disabilities in the applicable workforce	3.72	3.46	3.75
AGEFIPH contribution by applicable workforce	€60.42	€84.09	€49.48

22.3.3.2. **Equal opportunities**

Despite the growing proportion of women among the working population and the increasing amount of legislation and regulations aimed at guaranteeing equal rights to men and women, major inequalities persist with regard to access to management positions, training and other matters.

However, the skills of its men and women are the Company's most valuable asset. A driver of social cohesion and economic efficiency, professional equality is an essential element in attracting talent, boosting performance and ensuring balanced working relationships.

An agreement was signed with the unions in 2016 and renewed in 2019. The agreement sets out the Group's gender equality policy, which applies to employees as soon as they join the Company and throughout their career, and confirms the Group's commitment to gender non-discrimination in the professional environment.

For three years now, two Group companies have been required to publish their gender equality index.

	2021	2022
Olys	91/100	94/100
Groupe LDLC	89/100	98/100

Our corporate culture is reflected in our commitments to gender equality by improving the work-life balance and encouraging promotion to positions of higher responsibility.

Equal pay for men and women

In June 2020 during the annual mandatory bargaining procedure, Groupe LDLC management proposed introducing a "new minimum wage" 15% above the French statutory hourly minimum wage (SMIC) for all Groupe LDLC employees with at least four months of service in the Company.

During the 2021 procedure, Groupe LDLC management confirmed this scheme by setting a new minimum gross monthly salary 25% higher than the applicable SMIC rate at 1 January 2021, i.e. €1,944, after four months' service. Under the same scheme, long-service awards were also increased by 10%.

Salaries were revised in 2022, with a hiring salary of €1,750 and an increase to €2,050 after 4 months of service.

Right from the day they are hired, Groupe LDLC guarantees equal pay to men and women throughout their careers at the Company in the case of equivalent skills, experience and assessment (*ceteris paribus*). Any discrepancies in pay are solely related to length of service and professional experience.

When a new employee is hired to a given position, the basic salary is determined before the job offer is published. The Company also affirms its commitment to the principle of non-discrimination particularly in terms of career management and pay policy.

Result

Average gross salaries per gender and social grade status are as follows:

	2020	2021	2022
Manager	**43,890.88**	**44,348.59**	**46,494.72**
Women	40,748.53	41,562.26	43,355.88
Men	45,115.17	45,487.89	47,809.28
Supervisor	**28,001.96**	**29,213.96**	**29,765.33**
Women	29,415.10	30,483.88	31,125.18
Men	27,580.73	28,838.50	29,376.81
Employee	**22,115.77**	**23,656.11**	**24,450.39**
Women	22,405.24	23,562.22	24,195.79
Men	22,017.47	23,690.56	24,551.69
Total	**29,688.19**	**30,787.03**	**31,571.15**

Training (organisation and special arrangements)

Access to occupational training is a key factor for ensuring gender equality in the development of employees' skills and the furthering of their careers.

The HR department makes the utmost effort to arrange local training courses to minimise travel and overnight stays and make sure that training is carried out during working hours as much as possible.

Would-be trainees, especially those with young children, may warn their line manager or HR department of family constraints so that the necessary arrangements can be made.

Where possible, if training cannot be provided locally and if this arrangement suits the trainee, alternative training (different training organisation, timing, organisation, e-learning, etc.) is offered to employees who have reported such constraints.

The following measures have been implemented in this respect.
- Equal access to occupational training: The Company sees that training geared towards personal skills development and adaptation to corporate changes is equally accessible to and fairly divided between men and women.
- Appraisal interview on return from child-raising leave: An individual training appraisal is offered to all employees returning from at least 12 months' child-raising leave. This privileged moment between employee and line manager is also an opportunity for the manager to identify training and development needs so that the employee can resume activity under optimal conditions.

Equal opportunities in hiring and recruitment

To ensure correct gender balance at the Company, LDLC adheres to the principle of equal opportunities in all of its hiring procedures. Accordingly, candidates are assessed solely on the basis of their skills, professional experience, training and qualifications.

In-company and external hiring procedures are identical and applied in the same way, irrespective of any considerations related to gender, family status or pregnancy: the Company offers each candidate an equal opportunity regardless of their personal circumstances.

Promotion

The LDLC Group asserts the principle that diversity presupposes that men and women are capable of pursuing the same career paths, enjoying the same prospects of promotion and gaining access to positions of responsibility. Nowadays, women on maternity leave still risk having their careers curtailed for this reason.

Groupe LDLC would like to shift mentalities in order to offer women the possibility of promotion towards higher positions and levels of responsibility.

Accordingly, whenever a woman with promotion potential is identified by management, even if she takes maternity leave, Groupe LDLC undertakes to keep her file "active".

Balance between work and family duties

In 2020 during the annual mandatory bargaining procedure at Groupe LDLC, management suggested initiating talks during the last four months of the year with a view to modifying working hours and switching all managers and employees to a 4-day 32-hour week from 25 January 2021.

This arrangement would enable part-time employees, mostly women, to resume full-time work on a four-day basis while continuing to enjoy their weekly day off, besides helping reduce wage discrepancies due to personal organisation.

Each mother or father of a child under three was given priority to take Wednesday off under the four-day week scheme. We maintained this policy in 2022 when requests for days off were renewed.

For many years now, Groupe LDLC has been committed to making allowance for employees' family obligations in the organisation of their working time, while taking into consideration the organisational needs of their department:

- part-time employment: all requests by men and women to work part time are reviewed by line managers and the HR department in accordance with the Company's organisational requirements. Employees are notified of management's decision, including the reasons for that decision, no later than six weeks following their request;
- return from maternity leave: with regard to professional appraisals, maternity leave is treated as effective working time. Therefore, the fact that an employee takes maternity leave for only part of the year cannot serve as an excuse not to conduct the professional appraisal to which they are entitled in respect of that year. Accordingly, women returning from maternity, adoption or child-raising leave may request a career interview with the HR department. If necessary, they may be offered training in accordance with their career plans.

Prevention of sexism and sexual violence

As part of a collective agreement on gender equality, Groupe LDLC and Olys have adopted the following commitments:

- the employer undertakes to organise at least one awareness and training session for employees and interns at the establishments every three years;
- the employer also undertakes to take account of sexism and sexual violence in the risk assessment process.

In September 2019, the LDLC Group and each Group company social and economic committee appointed their own sexual harassment officer.

KPIs

2020	2021	2022
20%	20%	30%
17%	11%	16.1%

Women make up **30%** of the ten highest earners

The French law of 2 August 2021 redefined sexual harassment and the provisions that came into force on 31 March 2022 radically changed the definition of sexual harassment within the meaning of the French Labour Code.

The law adds three paragraphs to Article L.1153-1 of the French Labour Code derived from the French Criminal Code with specific application to the world of work. The aim is to further clarify cases of sexual harassment, which is now established when the employee experiences it rather than when it is imposed by the offending party(ies).

Employees concerned may contact the Group sexual harassment officer and a system has been set up to review complaints.

22.3.4. Employee upskilling

As a fast-growing Group, the LDLC Group is deeply committed to enhancing employees' skills and furthering their professional development. Training is provided to help employees pursue their careers at the Group through internal promotion, but also to foster their personal development by providing them with skills that will serve them throughout their careers. The aim is to provide training to as many people as possible.

Our employee upskilling policy is based on an offer of occupational training provided by a carefully screened selection of high-quality providers in whom we have complete trust with regard to educational content and methodology. Training ensures employees' ongoing professional development, helps to safeguard their careers and ensures the transfer of new knowledge.

The skills development plan is drawn up in accordance with specific professional objectives, staff skills in light of their job targets as well as Group ambitions and strategy.

To ensure the skills development plan is effective, it must be tailored to individual needs with strong commitment from the employees receiving training: training courses must be relevant to the tasks they perform.

The plan will be based on a collaborative approach geared towards providing both individual and collective guidance.

Late 2018, the LDLC Group introduced a volunteer scheme to encourage employees to take the initiative in their personal development.

As part of its transformation drive, the Group is encouraging more flexible and horizontal means of coordination that foster the service mindset and help staff to learn to work together, manage their interactions and gain independence by helping to build their own work framework. These practices are designed to encourage each individual to improve their understanding of their emotional, cognitive and intellectual modus operandi in order to build a more harmonious and efficient relationship with themselves, other people and their work. These practices form part of a managerial project, as they link individual objectives (increase well-being) with corporate objectives (be more efficient).

The LDLC Group has defined five key priorities:

- develop and strengthen job skills;
- shift managerial practices towards a collaborative model designed to leverage collective intelligence;
- develop BtoB and retail skills in a customer-centric system;
- provide in-field support to the sales force in order to harmonise operations;
- guarantee the safety of property and persons.

The LDLC Group is working on building an annual development plan tailored to employees, to changes in the Company and its jobs and to the need to preserve jobs, while taking into account the changing requirements of occupational training.

Developing and strengthening employee job skills

The Company's development requires constant adaptation and development of in-house skills in order to anticipate future changes and enhance performance.

It is therefore of the utmost importance to strengthen technical skills specific to each job so that employees can take up new challenges facing the Company.

Collaborative management: a driver of commitment, innovation and performance

The value created by collective endeavour is greater than the sum of a group's constituent talents. Teams able to work together can achieve spectacular results in terms of responsiveness, skills development and innovation.

We have trained a team of "facilitators" to support and structure discussion in a teamwork context and encourage respectful dialogue conducive to the sharing of ideas. Their mission is to reduce obstacles and constraints, summarise different points of view and foster a positive spirit of enterprise.

These facilitators are not group leaders or managers but are responsible for directing discussion via particular processes so that all participants remain focussed and oriented towards the same objective.

Furthermore, when leading meetings, the facilitators make sure that the needs of all participants are satisfied and that everyone has the chance to speak. They help build trust between parties and foster their awareness of the issues at hand. They are the guarantors of active participation and mutual respect. Through their assistance and status as an intermediary, they make things more accessible.

Furthermore, we have introduced sessions for volunteer employees aimed at developing leadership mindset, attitude and self-assurance. A good leader listens, respects and imparts responsibility to the team, offering each member the means to fulfil their skills potential.

In fact, leadership is required at all levels of organisation. Leadership does not always depend on reporting lines, as it is the group that intuitively decides to follow a leader. In a company, therefore, the leader is not always a manager, just as the manager is not always regarded as a leader.

It is by stimulating voluntary commitment to defined targets that the leader achieves his or her goals. The modern concept of leadership is inevitably associated with the democratic exercise of power over free individuals vested with human and social rights.

In the professional world, it is often essential to combine creativity, commitment and a results-driven mindset.

Lastly, three in-company coaches have received training in professional coaching techniques and have joined the "horizontal guidance" team within the structure. The aim is to provide teams with individual and collective guidance on professional issues in order to allow each person to make progress with their objectives. In 2022, several training workshops on benevolent communication were conducted by in-house coaches, with the aim of helping teams understand their emotions and communicate better in their day-to-day discussions.

Developing BtoB skills

BtoB development targets are important in view of the ever-changing nature of this market, forcing players to constantly strive to remain competitive, pushing the change further forward and grasping all the opportunities offered by new forms of trading.

The Group's BtoB strategy involves generating growth among existing customers by developing regular transactional purchases and high value-added projects. It is therefore necessary to develop BtoB skills in order to provide maximum support for transformation and ensure permanent adaptation to it.

Providing in-field support to the sales force in order to harmonise operations

In 2021, all LDLC stores were merged into a single entity called "LDLC Boutiques".

The Group seeks to strike a balance between the number of brand stores and the number of franchises. As such, providing support and training for newly opened stores is very important.

The second target was to condition all the teams for the successful implementation of a customer-centric system. For this purpose, training was provided in customer relations management and product knowledge.

In 2022, in order to support the numerous store openings as part of the expansion of the LDLC network, these training initiatives were enhanced in order to ensure employee induction and upskilling under optimal conditions.

Against this backdrop, a review was launched regarding the implementation of an e-learning training platform in 2023 to facilitate training across the entire store chain.

Guaranteeing the safety of property and persons

Improving their understanding of the working environment and associated best practices will help staff to:
- forestall risks;
- reduce the accident rate;
- adopt a preventive mindset and increase the efficiency of curative measures.[2]

Customary training courses, including first aid courses and preparation to obtain vehicle operating permits, had to be postponed during the health crisis but have been rescheduled from 2021 to make up for the delays.

In 2022, the VR Studio teams created a virtual reality system to train employees in logistics warehouse security a fun and interactive solution that trains employees and temporary workers to react safely and appropriately to potentially dangerous situations without any real risk.

KPIs

	2020	2021	2022
% of employees receiving training	62%	25%	33.45%
% of employees who completed a personal development course	3.13%	8.49%	9.16%
Average training time per year	6h22m	13h38m	22h

** The in-house training provided by LDLC Distribution to employees of new stores was included in the 2022 KPI.*

22.4. PROTECTION OF THE ENVIRONMENT

As a commercial company, the LDLC Group has little direct impact on the environment. Nonetheless, it takes into account the environmental impact of its business and the use of the goods and services it produces. Two of our three warehouses are now subject to French ICPE environmental protection regulations. Environmental impacts that have been identified are mainly related to waste (products and packaging) and energy consumption in the buildings. The management of these impacts is an area in which we can adapt to the consequences of climate change.

However, aware of the action required on the part of both companies and individuals to combat climate change, Laurent and Olivier de la Clergerie have invested both personally and on behalf of the LDLC Group in the Time for the Planet charity. In March 2021, the LDLC Group became a major shareholder in Time for the Planet by injecting €200,000 into this worthy civic initiative. In November 2022, the LDLC Group paid an additional €800,000, solidifying its position as a major shareholder.

In 2021, LDLC Group founding chairman Laurent de la Clergerie said: *"As the bridge between e-commerce and the environment is not easy to see, we need to surround ourselves with project initiators who will help us in the future to find a better balance between economic considerations and protecting the planet."* In 2022, he added: *"People are blinded to global warming. It is essential to support initiatives like Time for the Planet, which are tackling the issue head-on. Companies must be aware that they are the ones that will move the goalposts so that, in the future, a balance can be achieved between business performance and environmental awareness."*

22.4.1. Responsible waste management

For several years now the LDLC Group has pursued a scheme for sorting waste generated by operations at source in order to maximise recycling. The scheme is in keeping with the obligation to sort five waste flows at source and is not affected by the new French "7-flow" decree, which extends the obligation to mineral and plaster waste. The general services and QHSE departments have taken charge of the scheme and help the various Group centres, subsidiaries and stores to deal with their waste.

The Group's waste policy and initiatives are presented to employees via the welcome kit and during their induction. Waste sorting and recycling procedures are displayed on posters located around each site.

Waste reduction and recycling

As a product distributor and retailer, the LDLC Group has a duty to contribute financially and/or directly towards managing the relevant product life cycles. Seven categories of EPR (Extended Producer Responsibility) are relevant to the Group: electrical and electronic equipment, packaging, batteries, graphic papers, furniture, textiles and games/toys. The Group uses approved environmental organisations (Ecologic, Adelphe, Screlec, Citeo, Ecomobilier and Refashion) to achieve this goal and helps finance the end-of-life management of the products it sells. In addition, information on the proper management of used products is made available to customers prior to their purchase, on the website for online purchases and via in-store displays.

Waste electrical and electronic equipment (WEEE) is mainly derived from defective product returns and collected end-of-life products. In 2022/2023, the LDLC Group collected almost 38 tonnes of WEEE, more than in the previous year, and sent it to a recycling firm for final treatment. This figure is included in the calculation of the waste recycling rate.

In 2021, the four brand store chains (LDLC, Materiel.net, BIMP and L'Armoire de Bébé) conducted a campaign to install WEEE containers supplied by Ecologic in their stores, thereby facilitating collection and treatment of this waste. In 2023, discussions began to promote EEE reuse in line with the requirements of the French AGEC Act (promoting waste reduction and a circular economy).

Other recyclable waste (paper, cardboard and pallets) is sorted at source on site and recycled by specialised waste collection and treatment firms. In 2017, glassine (a smooth glossy paper used to protect self-adhesive labels) was added to the sorting system at the Saint-Quentin-Fallavier warehouse. In 2022, the relocation to the new warehouse allowed us to rethink processes and switch from bubble wrap to exclusively paper cushioning.

Shipping boxes have largely been redesigned to be smaller and therefore more in line with our products' profile, while also being suitable for the end customer to reuse.

Increasing voluntary waste collection

To coincide with the head office move to Limonest in 2017, individual wastepaper bins were replaced with voluntary collection points installed on each floor of the buildings: yellow bins for miscellaneous waste and red bins for paper. Each water cooler is fitted with a plastic cup collector, and plastic bottle and can collectors are placed next to coffee machines and in the cafeteria. Cigarette butts and ash are collected in ashtrays supplied by Cy-Clope. The same facilities were installed in the Orizon head office annex inaugurated in January 2019 and in the new logistics warehouse in 2022.

Batteries for both personal and professional use are collected by the concierge service at head office and the Saint-Quentin-Fallavier and Grandchamps-des-Fontaines facilities. In 2018 the Limonest head office started collecting glass waste.

Promoting the circular economy

2022 saw the closure of three of our logistics facilities in Saint-Quentin-Fallavier in order to consolidate operations at the new warehouse.

As with the relocation of the head office in 2017, the Group reviewed possible solutions for guaranteeing a second life for redundant furniture. With the support of Valdelia, an eco-company specialising in the management and treatment of used business furniture, we offered redundant furniture to companies operating in the solidarity economy. The companies invited were able to claim the furniture that interested them. Furniture was also offered to two other companies and a school. As a result, a second home was found for a wide range of items including office chairs, desks, cabinets, wardrobes, coat stands, cafeteria tables, microwave ovens, coffee tables, other tables and meeting-room chairs.

On this occasion, donations amounting to just over 47 tonnes of furniture[4] were made.

Some electrical and electronic equipment, such as wiring cupboards, were donated to the TRI-RA charity, a member of the Emmaüs network. This provided an opportunity for them to practice upcycling by repurposing objects for a different use. The wiring cupboards will be disassembled and transformed into meeting pods for open-plan offices.

[4] *Furniture tonnage was estimated using Valdelia's LEO web tool. This figure included 1.6 tonnes in inventory withdrawal.*

Type of waste	Group volume (tonnes) 2022/2023	Group volume (tonnes) 2021/2022	Group volume (tonnes) 2020/2021
Paper, cardboard and shrink wrap	348.66	375.35	383.0
Wooden pallets	56.52	86.35	130.2
Non-hazardous waste	213.75	207.83	267.7
Special waste = liquids generated from maintenance of logistics chains and other waste from refurbishment work	22.38	0	0
Waste electrical and electronic equipment (WEEE)	37.61	27.33	19.3
Miscellaneous recycled waste (including exceptional waste)	72.41	0.23	0.2
Total waste tonnage	**751.33**	**697.09**	**800.4**

Waste tonnage increased 8% due to the inclusion of exceptional waste following the closure of former warehouses (mainly furniture and scrap metal) and sundry waste from asbestos removal and gutting work.

KPI

68.57% overall LDLC Group recycling rate (% of waste recycled compared to total waste evacuated)

	2020/2021	2021/2022	2022/2023
Overall recycling rate	66.55%	70.19%	68.57%

22.4.2. Controlling energy consumption

The LDLC Group is committed to reducing its environmental footprint in terms of energy consumption. The overall Group energy policy is overseen by the general services and real estate department, which systematically factors energy considerations into all of its real estate projects and transport solutions (persons and goods). This policy was more pertinent than ever this year in view of the tensions in France's energy market.

Reducing consumption and emissions

Although the Group does not have an official energy consumption policy, it nevertheless strives to minimise and optimise consumption and CO_2 emissions. The Group regularly invests in upgrading its equipment and technology base in order to improve energy efficiency. New buildings and renovation provide opportunities to adopt more eco-friendly solutions and procedures.

Furthermore, employees are encouraged to adopt measures for cutting consumption. In 2022, the 19°C winter temperature rule was issued and implemented in all buildings where the heating system is controlled by the Group.

Electricity is the primary cost and energy item. Electricity is used on all sites for lighting, air conditioning, computer hardware, order picking, forklifts etc. The monitoring of electricity consumption allows the Group to analyse and optimise the energy efficiency of its operations.

Gas is also used at the Saint-Quentin-Fallavier and Grandchamps-des-Fontaines warehouses, as well as three Olys buildings, while the Lyon store and Besançon BtoB facility heating systems and the Grandchamps-des-Fontaines and new warehouse sprinkler systems are all oil-powered.

Following the mandatory energy audit carried out in 2019 and the abolition of regulated prices effective 31 December 2020, we decided to review all of our electricity supply contracts. All "blue rate" facilities were renegotiated and assigned to a single supplier. At the beginning of 2023, negotiations were underway with the service provider.

Total energy consumption for the year was 7,623 MWh versus 7,467 MWh the previous year.

Energy consumption	Group volume (kWh) 2022/2023	Group volume (kWh) 2021/2022	Group volume (kWh) 2020/2021
Electricity	4,670,622	4,345,011	4,239,192
Gas	2,835,039	2,990,797	2,169,529
Domestic heating oil	117,058	130,846	132,970
Total	**7,622,819**	**7,466,654**	**6,541,690**

Premises designed to reduce energy consumption

Although the new LDLC Group headquarters is not HQE certified, it was designed for acoustic efficiency and low energy consumption. For example, all windows have double or triple glazing. The south façade has been specially treated for heat insulation and windows are fitted with blinds on all façades except the north façade, on which the number of windows has been minimised in order to keep out the cold. The head office and branches are fitted with LED lighting and presence detectors to reduce electricity consumption. Apart from in the passageways, there are no ceiling lights: offices are lit by presence detector lamps, thus avoiding the whole space being lit up if only one person is working there. The heat pump system is also expected to generate energy savings.

The Orizon building in Limonest built as an annex to the head office in 2018 obtained BREEAM certification in October 2020 with a rating of “VERY GOOD”. In 2022, the new warehouse received the same certification level.

Policy regarding the “tertiary decree”

The so-called French tertiary decree in force since 1 October 2019 requires companies to achieve energy savings in office buildings with a surface area of over 1,000 m². In keeping with the intentions behind the law, we have sought to introduce energy saving schemes in cooperation with building owners.

As such, in 2020 the owner of the Saint-Quentin-Fallavier warehouse launched a relamping campaign designed to convert the entire warehouse to LED lighting.

More generally, the general services department has hired an external service provider to support the process, which is divided into four stages: identification of relevant rented buildings (around 15), consumption analysis, determination of benchmark years and establishment of a provisional schedule of initiatives to achieve the energy saving targets. In 2021, the general services department started recording data on the OPERAT portal set up by ADEME. At present, all our facilities concerned by the decree have been recorded.

Greenhouse gas emissions

Group locations are not subject to the EU emissions trading system and only Groupe LDLC is required to produce a greenhouse gas emissions report, pursuant to Article 75 of the French Grenelle II Act.

In 2020, Groupe LDLC enlisted the services of an external service provider to conduct its Bilan Carbone® carbon audit for 2019. Only Scopes 1 and 2 were covered by this initial assessment. Groupe LDLC emissions within these scopes amounted to 1,117 tCO_2eq, of which 76% was derived from energy consumption (electricity, gas and oil) and 24% from travel using company vehicles.

Groupe LDLC	tCO2eq of 2019 data	% of GHG emissions
Scope 1	849	76%
Scope 2	268	24%
Total GHG emissions	**1,117**	**100%**

Groupe LDLC is aiming at the trajectory set by France’s national low-carbon strategy (Stratégie Nationale Bas-Carbone or SNBC), which is targeting carbon neutrality by 2050 in the tertiary sector with an interim target of a 5% reduction in GHG emissions by 2024 across Scopes 1 and 2 of the regulatory Bilan Carbone® audit scope compared to 2019 levels.

In 2023, the LDLC Group is preparing to include a Scope 3 section in its next Bilan Carbone® carbon audit.

Each year, the LDLC Group measures greenhouse gas emissions generated by its energy consumption (electricity, gas and domestic heating oil). Consolidated results* for all subsidiaries were as follows:

LDLC Group	tCO_2eq 2022/2023	tCO_2eq 2021/2022	tCO_2eq 2020/2021
Electricity	266	260	242
Gas	680	730	529
Domestic heating oil	38	42	43
Total GHG emissions	**984**	**1,032**	**815**

** Methodological details on the scope taken into account are provided in the "Note on methodology" in Section 22.8 below.*

Promoting eco-friendly transport among employees

Since 2020, shared transport issues have been placed on the back burner in view of the pandemic.

Two electric cars are now available during working hours at the Limonest headquarters. The aim is to allow employees who get to work via public transport or car sharing to pop out of the Campus if need be.

As a further step in the right direction, the LDLC Group has decided to promote car sharing alongside the other companies based in the Techlid business park where the head office is located.

The aim is to allow all those working at Techlid to share rides to and from work. Car sharing is an economical, eco-friendly, convivial, community-oriented way of reducing congestion on roads and in urban areas. It also helps limit employees' environmental impact.

In 2022, Groupe LDLC set up a scheme to support sustainable transport among its employees by contributing towards 50% of the purchase of an electric bike, subject to certain conditions.

In March 2023, as part of the preparation to include Scope 3 in the Bilan Carbone® carbon audit, the LDLC Group launched a survey of transport habits among head-office employees. 80% of respondents commute by car, but 30% are interested in car-sharing solutions. The QHSE and communications departments are considering organising a Mobility Day to address the topic in detail.

Reducing CO_2 emissions from transport

Regarding transportation, the Group outsources all customer deliveries to recognised carriers, thereby benefiting from its partners' CSR initiatives. Most customer deliveries are entrusted to La Poste Group, which is committed to carbon neutrality through its policy of reducing CO_2 emissions alongside carbon offsetting for unavoidable emissions.

KPIs

	2020/2021	**2021/2022**	**2022/2023**
kWh electricity per m^2	57.9	42.27	44.26
kWh energy per m^2	89.27	72.63	72.28

44.29 kWh of electricity consumed per m^2.

72.29 kWh of energy (gas, domestic heating oil and electricity) per m^2

In order to ensure the relevance of these ratios, the calculation methodology was adjusted during the financial year: the surface area of sites for which consumption data was not available was discounted.

22.5. REGIONAL IMPACT

The LDLC Group has defined two main priorities related to social responsibility:
- consumer safety;
- promoting regional economic growth.

22.5.1. Consumer safety

The LDLC Group has always made customer satisfaction a central priority of its business. In line with this commitment, the Group has set up a strong customer relations department able to advise and inform customers both before and after purchase. Accordingly, a consumer safety issue could have a material adverse impact on the Group's image, reputation and business, in addition to the human consequences. The LDLC Group pays particular attention to the quality and safety of its products.

As the Group does not manufacture products, including own brand products, it has no influence over the manner in which consumer health and safety are taken into consideration by manufacturers. Nonetheless, in keeping with its commitment to provide quality customer service, the Group checks the conformity and regulatory compliance of the products it sells.

With regard to our L'Armoire de Bébé childcare product brand, the procurement department applies the following rules:
- childcare products must comply with French standard EN71-3 and must be sourced only from recognised suppliers;
- textile product suppliers must comply with OEKO-TEX standards (few suppliers are concerned).

Given the stringent regulations regarding childcare products, the procurement department is immediately notified if a supplier has issues or must submit to DGGCRF product testing.

LDLC also offers customers an extended warranty over and above the manufacturer's warranty, including for products sold under special offers which carry a 6-month commercial warranty. All of the foregoing arrangements ensure that the Group has complete trust in the products it sells via its websites and stores.

Lastly, the LDLC Group encourages its customers to leave reviews on the website, following a procedure for collecting, moderating and publishing reviews that is totally separate from product and service advertising and sales on the websites.

- **Zero** liability insurance claims incurred in 2022/2023, as in the previous three financial years.

22.5.2. Promoting regional economic growth

The LDLC Group has a strong social commitment at regional level. Its goal is to support:
- enterprise;
- cultural initiatives and the local economy;
- education.

Supporting enterprise

Historically rooted in the Auvergne Rhône-Alpes region, the LDLC Group now has locations in a number of employment catchment areas nationwide:
- Lyon and the surrounding area, where the Group head office (Limonest) and LDLC School are located;
- Saint-Quentin-Fallavier (Isère), where the Group's first logistics warehouse is situated;
- Grandchamps-des-Fontaines (Loire-Atlantique), the historical base of Materiel.net, where a logistics warehouse is located;
- Gennevilliers (Paris region).

In addition, the Group store chain, which markets the LDLC, Materiel.net, LDLC Apple and L'Armoire de Bébé brands, covers a large number of towns and cities across France. The Group's development strategy, particularly with regard to the LDLC store chain, is geared to strengthening its local presence over the coming years. Through its locations and operations, the LDLC Group indirectly contributes to the local employment market and economy via its service providers and suppliers. In 2022, the LDLC network opened its 80th store, returning to the pre-pandemic trend of several new store openings a year, while the L'Armoire de Bébé network launched its ninth store.

In late 2021, LDLC supported born-again yachtsman Jean Marre in his bid to win the Mini Transat, a 4,050-nautical mile solo race on the world's smallest racing vessels measuring only 6.5 m: "a sporting and entrepreneurial project" in the adventurer's own words.

Supporting cultural initiatives

In 2020, in response to the unprecedented situation, the Group took its partnership with the Nuits de Fourvière festival a further step forward by providing financial support to four leading lights of the Lyon cultural scene. The Group donated €50,000 each to the Théâtre des Célestins, Lyon Opera, Nuits de Fourvière festival and the

Auditorium concert hall that is home to the Lyon National Orchestra. This sponsorship initiative involves a donation of global support concluded for one year. It was renewed in 2022 and 2023.

"Art is essential for Lyon. In the present context, it is essential that we support the sectors of the economy that will take a long time to recover from the present crisis. At a standstill for months on end, the world of culture needs support from companies like the LDLC Group which have been lucky enough to pull through. By making these donations, we are doing our bit to serve this worthy cause. Like everyone else, we can't wait to see artists perform again on stage and give them a standing ovation", Laurent de la Clergerie, founding chairman of the LDLC Group, said in 2021.

For the 2022 and 2023 editions of the sponsorship, the LDLC Group supported the Festival Lumière, a major film festival in Lyon.

Furthermore, in December 2021, OL Groupe and the LDLC Group announced an agreement on the naming of the future OL Vallée event hall in Décines-Charpieu. Construction of LDLC Arena began in 2022. The LDLC Group's expertise in uses and new technologies combined with that of Olympique Lyonnais in the world of sports and entertainment will ensure the Arena a glowing reputation throughout Europe.

LDLC Group founding chairman Laurent de la Clergerie made the following comments on this landmark project:

"Our commitment to the Lyon region is strong. For many years, we have supported the well-being of each individual, as well as culture and entertainment in all their forms. Partnering with a facility of this stature is a great source of pride for us. We're sure of one thing: the LDLC Arena will be the setting for all the emotions and excitement you could possibly hope for... we can't wait to see it happen!"

For several years now, the Group has been setting up partnerships and charity initiatives, some of which are instigated by employees. The "DoubleTonDon" operation was launched in 2021. The principle is simple: employees donate €20 to a charity and the LDLC Group matches their donation! The result: nearly €7,000 donated to around 30 charities. In 2022, this operation was upgraded to "TripleTonDon" and the cumulative donations of employees generated a total of €17,800 for around 40 charities.

These initiatives help to boost the LDLC Group's image and affirm its identity. For the founders, it is also a means of expressing their gratitude to the region and its economic operators for the benefits they have received from them throughout their careers.

Supporting the local economy through sport

Having sponsored the Villeurbanne ASVEL basketball club since 2012, the LDLC Group took a step forward by establishing a naming partnership with the club in 2018 whereby the men's team was renamed LDLC ASVEL for a duration of ten years.

This partnership was the brainchild of two businessmen, Laurent de la Clergerie and Tony Parker, who share the same outlook on life. Besides his sporting and business goals, Tony Parker is involved in a number of community projects such as the Tony Parker Adéquat Academy.

In 2019, the LDLC Group stepped up its support for Lyon basketball by signing a similar agreement with the women's team, which was renamed LDLC ASVEL Féminin for a four-year period.

Also in 2019, the two entrepreneurs joined forces once again to include e-sports in the Academy's activities by creating a Team LDLC training centre. Young adepts receive e-sports training administered by Team LDLC as well as lessons in the Acadomia private high school forming part of the Academy.

As an extension to this initiative, in early 2020 LDLC Event, which operates Team LDLC for the LDLC Group, and Olympique Lyonnais set up a joint LDLC OL team in order to strengthen the team's leadership on the French and international e-sports scene.

In March 2020, Solaari, the French brand for connected lightsabers made and sold by the LDLC Group, signed a three-year partnership deal with the French Fencing Federation (FFE) and its Lightsaber Academy (ASL). The common goal of these two entities is to extend the national and international reach of this new sport.

In 2022, LDLC.pro supported the Foot à 2 Lyonnais charity as part of the jorkyball World Cup held in Champagne-au-Mont-d'Or in July. Jorkyball was created in Lyon in the 1980s.

Supporting education

Since 2018, the LDLC Group has sought to place equal opportunities at the heart of its initiatives and has committed to a scheme to support young people from priority urban areas in and around Lyon. Under the scheme, every employee can support a middle school pupil wishing to complete their studies despite the challenges posed by their social background.

Télémaque is a charity committed to fighting social determinism by encouraging motivated young people through a dual mentor system: a company tutor and an educational supervisor at school.

In August 2021, the partnership between Télémaque and the LDLC Group was expanded to the city of Nantes and continues on today.

Since November 2020, in keeping with its commitment to developing budding talent in the video game and e-sports industry, Materiel.net has been helping Gaming Campus, the first European campus devoted to providing training in all video game industry professions, to set up an innovative distance learning scheme. Using fast and reliable equipment supplied by Materiel.net, Gaming Campus is developing its distance learning capabilities in order to comply with new health standards and the exacting requirements of its innovative, totally project-oriented educational philosophy. Five briefing rooms have been redesigned to provide a high standard of distance learning or face-to-face training.

In 2015, Group founding chairman Laurent de la Clergerie launched the LDLC School in Lyon. The aim of this socially-minded project was to create an innovative syllabus in terms of both form and content, tailored to the current requirements of digital professions, in order to contribute to the development of the digital ecosystem and growth of the French economy.

The school's manifesto is to help students to be agile, versatile, creative, inventive, ingenious, mature and ready to enter the world of work, in order to drive the digital transformation of businesses.

The cost of tuition is €1,996, the year of the Group's foundation and symbol of the Group's commitment to society by making this learning experience available to a wide spectrum of the population.

At 31 March 2023, the school had 19 students excluding current internships.

Following last year's Product Project theme of Sustainable Development Goals, in 2022/2023, 2nd year students worked on "Inclusive Makers" projects, which they are required to present at the end of the year. The selected themes are:

- a serious game designed to raise awareness about invisible disabilities within companies;
- a video game controller for players who can only play one-handed;
- a Chrome plug-in to audit website user-friendliness for the visually impaired.

Creation of the Groupe LDLC Foundation

Although Laurent and Olivier de la Clergerie had already mulled over this idea for several years, in the end it was an employee initiative that brought it to fruition. Accordingly, in 2020 the Groupe LDLC Foundation was created under the aegis of Fondation de France.

It is a collaborative project in which employees have been consulted at every stage of the process. The foundation covers the issues of education, protection of children and families and protection of the environment.

To date, 20 projects have been supported by the Groupe LDLC Foundation. The foundation aims to provide total funding of €200,000 spread over five years between various projects.

In early 2022, the foundation's environmental expert organised a series of workshops at Group head office entitled "The Climate Fresco", a perfect opportunity for foundation members to understand all the causal chains leading to global warming.

It is yet another means for the LDLC Group to support education and local initiatives in France.

KPIs

	2020/2021	2021/2022	2022/2023
LDLC stores	12%	9%	32%
Graduates in employment	32%	25%	33%

+32% increase in number of LDLC stores in France

(82 stores versus 62 last year)

33% of LDLC School students graduating in September 2022 found employment straightaway

22.6. ETHICAL AWARENESS AND TRAINING

The LDLC Group has defined four main priorities in terms of corporate governance:
- major IT system incidents and power cuts;
- anti-corruption;
- GDPR compliance (General Data Protection Regulation).

22.6.1. IT system incidents and power cuts

IT system continuity is essential in order for the LDLC Group to offer customers optimal quality of service.

The Group is committed to acting swiftly in the event of an IT system alert.

The IT department's infrastructure and development divisions are responsible for monitoring and handling alerts.

The operating tools used by Olys have been phased out in favour of the LDLC Group's tools, which are based on the Group IT department infrastructure. The LDLC Group has terminated the arrangement with service provider OVH in order to standardise and simplify systems in order to better control them.

In the event of a network incident, after analysing the incident the teams concerned decide on and coordinate the action to be taken. The infrastructure director is notified and tracks the problem. Where applicable, a message is sent to all departments concerned. Depending on the incident, policy is to activate or make available the means to handle and minimise the problem.

In case of electrical issues, besides the data centres where sensitive systems are stored, the other facilities have uninterruptible power supply (UPS) inverters. During construction, the Limonest head office was fitted with the required infrastructure for installing a generator in the event of a serious long-term power cut.

Cyber security incident management

Since the cyber security incident detected by the LDLC Group at the end of 2021, an in-depth analysis has allowed us to take the necessary steps to strengthen existing protection measures. Measures are constantly being adapted thanks to continuous monitoring, regular communication and awareness-raising initiatives among employees and the implementation of new processes where necessary. An operational and strategic organisational system was defined as part of a crisis unit to deal with future incidents.

KPI

2019/2020	2020/2021	2021/2022
96.72%	100%	100%

100% software availability enabling critical operations to be managed from 01/04/2022 to 31/03/2023

22.6.2. Anti-corruption

In 2021, an awareness campaign was conducted using a document which members of the procurement, sales, general services and accounts departments could download from a platform, read and confirm that they had read and understood. Further annual awareness campaigns will be conducted using the same system.

For several decades now France has been introducing reforms aimed at promoting transparency and ethical conduct. As a distributor and retailer, the Group acts as an intermediary between top hardware brands and customers, be they private individuals, professionals or government agencies. Given its relative size on the market, the Group has little influence on how its suppliers assume their social responsibility regarding issues such as protection of the environment and defence of human rights. Nonetheless the Group, which operates primarily in France, strives to share its values and ethical principles with all employees, including buyers in particular.

Group management warrants that all of the Group's business activities are conducted in compliance with applicable legislation. The Group holds the same expectations towards its suppliers and service providers as its customers hold towards the Group. With this in mind, the Group seeks to inform its employees, especially those involved in procurement, of the dangers of corruption.

The compliance department is responsible for introducing and developing the Group code of conduct regarding business relationships. In order to prevent corruption, the Group has structured its procurement operations so as to minimise the risks involving suppliers and service providers. Products are generally purchased in Europe via intermediaries and wholesalers. Direct imports only account for a small proportion of our goods purchases.

The procurement department is centralised at the Limonest head office and organised as follows:

- "Strategic" procurement (such as LDLC brand products or products whose prices may vary considerably from day to day) is kept separate from "trade" procurement and placed under the direct responsibility of Laurent Villemonte de la Clergerie, for non-EU purchasing, and the Chief Procurement Officer for EU purchases;
- Responsibility for trade procurement from intermediaries and wholesalers lies with the Chief Procurement Officer. Product managers and buyers are allocated capped lines of credit and individual buyer margins are monitored daily so that any anomalies can be quickly identified;
- "General" procurement is not organised at present given the limited amounts involved.

Breakdown of purchases per region

Region	Purchases (%) 2022/2023	Purchases (%) 2021/2022	Purchases (%) 2020/2021
European Union	84.74%	82.45%	87.12%
Non-EU	15.26%	17.55%	12.88%

Risks related to gift requests, fraud, bribery, corruption and conflicts of interest are managed via a number of internal procedures. For example, requests to open a new bank account or change a supplier's bank details are subject to a double signing procedure, systematic verification with the supplier and line manager consultation.

Moreover, the Group complies with French legislation including the Sapin II Act on transparency and anti-corruption.

The Group has drawn up a Code of Conduct and set up a whistleblowing system. No major issue has been reported to date.

In 2018, the compliance department sent a letter to most of our suppliers including an appendix setting out the Group anti-corruption policy. This appendix is henceforth incorporated into all new contracts forwarded.

Finally, awareness-raising initiatives are organised every year in the departments deemed most at risk, such as procurement, sales and general services. This year's awareness-raising initiatives were also rolled out to the LDLC, L'ARMOIRE de Bébé, Materiel.net and BIMP/LDLC Apple stores and all positions deemed necessary by the compliance team. Awareness documentation is updated yearly and new campaigns will be scheduled next year.

The employees concerned are briefed by means of a document, which they can download from a platform, read and confirm that they had read and understood. Further annual awareness campaigns will be conducted using the same system.

KPI

	2020/2021	2021/2022	2022/2023
% of buyers briefed on the Sapin II Act*	90%	75%	87%

** Since 2020/2021, the KPI has covered all exposed persons within the LDLC Group scope.*

22.6.3. GDPR compliance (General Data Protection Regulation)

The entry into force of the General Data Protection Regulation (GDPR) has compelled European companies to bring their personal data collection and processing into compliance with the regulation. As France already had its own data protection law, the LDLC Group has been aware of the issue for a good many years.

The Group pays heed to customers' and employees' concerns about the collection and processing of their personal data. While this is clearly a legal issue, above all it involves a major commitment to honesty and fair commercial practice. The LDLC Group strives to continuously improve its personal data protection practices and to ensure that all business line representatives involved in data processing are aware of the issues.

The Group has always taken personal data protection seriously and ensured that compliance with applicable regulations is monitored by dedicated personnel.

In May 2018, an external Data Protection Officer (DPO) was appointed, backed by an in-house deputy and a number of departmental officers. Their role is to "carry the good word" within their department, raise awareness among their colleagues and incorporate GDPR requirements in projects, particularly those involving the IT department. This system allows the Group to keep staff informed and to make progress on the various action plans.

Furthermore, when the GDPR came into effect, an internal memo was circulated to all Group employees to inform them of the Group's commitments. A special email address was created for all requests for access, rectification, portability and erasure of employee and customer personal data.

A GDPR section has been added to the LDLC Group intranet site, accessible to all employees. This section contains all documents useful for understanding the GDPR, CNIL guides and other documents, which are periodically updated

Meetings between the Group officer, the DPO and departmental officers were resumed in 2021 after having been suspended in 2020 due to the pandemic. Normally, these meetings are organised mainly in order to monitor processing, but also to incorporate the principle of data protection into all projects. In 2022, over three months, former officers received GDPR-related information security awareness training in the form of a weekly questionnaire. Groupe LDLC has drafted a data protection appendix for all of its contracts and a supplemental agreement for subcontractors.

During 2019, Groupe LDLC changed its DPO, keeping an external DPO. Bluescreen, however, appointed an internal DPO in 2021.

Regarding awareness-raising among officers in 2022/2023, all officers were asked to take modules 1 to 4 of the CNIL's MOOC (massive open online course) entitled "L'Atelier RGPD" ("GDPR workshop"). An awareness-raising campaign was set up by the communication department via posts on Yammer (corporate social media network).

KPI

	2020/2021	2021/2022	2022/2023
% of officers having taken an awareness-raising course on the GDPR	100%	100%	100%

Awareness campaigns take place every two years.

22.7. CROSS-REFERENCE TABLE WITH SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Commitments/Initiatives	SDG	Relevant section
Ensuring employee safety: • Preventing physical, physiological and psychological risks • Improving workspace ergonomics • Reducing risk via muscle warm-up and massage • Improving workspace ergonomics	3 Good health and well-being 8 Decent work and economic growth	**22.3.1.**
Quality of life at work: • Work-life balance • Recognition of quality of life at work in the LDLC Group • The working environment • Relaxation, sport, concierge service: a wealth of services provided to employees • Fostering staff cohesion	3 Good health and well-being 5 Gender equality 8 Decent work and economic growth	**22.3.2.**
Anti-discrimination: **Disability and inclusion** • Raising awareness • Action • Safeguarding employment **Equal opportunities** • Equal pay for men and women • Training (organisation and special arrangements) • Equal opportunities in hiring and recruitment • Promotion • Balance between work and family duties • Prevention of sexism and sexual violence	10 Reduced inequalities 17 Partnerships for the goals 5 Gender equality 8 Decent work and economic growth	**22.3.3.** 22.3.3.1 22.3.3.2
Employee upskilling • Developing and strengthening employee job skills • Collaborative management: a driver of commitment, innovation and performance • Developing BtoB skills • Providing in-field support to the sales force in order to harmonise operations • Guaranteeing the safety of property and persons	10 Reduced inequalities 4 Quality education 5 Gender equality 8 Decent work and economic growth	**22.3.4.**
Protection of the environment **Responsible waste management** • Waste reduction and recycling • Increasing voluntary waste collection • Promoting the circular economy **Controlling energy consumption** • Reducing consumption and emissions • Premises designed to reduce energy consumption • Policy regarding the "tertiary decree" **Greenhouse gas emissions** • Promoting eco-friendly transport among employees • Reducing CO2 emissions from transport	13 Climate action 7 Affordable and clean energy 12 Responsible consumption and production	**22.4.** 22.4.1. 22.4.2.
Regional impact **Consumer safety** **Promoting regional economic growth** • Supporting enterprise • Supporting cultural initiatives and the local economy • Supporting education • Creation of the Groupe LDLC Foundation	17 Partnerships for the goals 10 Reduced inequalities 4 Quality education 8 Decent work and economic growth	**22.5.** 22.5.1. 22.5.2.
Ethical awareness and training • Anti-corruption • GDPR compliance (General Data Protection Regulation)	16 Peace, justice and strong institutions	**22.6.3.**

22.8. NOTE ON METHODOLOGY

The information presented in the statement of non-financial performance in this report has been drawn up in respect of the financial year ended 31 March 2023.

Reporting scope

The consolidation scope comprises the Group subsidiaries that are fully consolidated for the purposes of the Group financial statements, i.e. the subsidiaries that are exclusively controlled by the Group, whether directly or indirectly. We would point out that certain financially consolidated Group subsidiaries were not included in the statement of non-financial performance, as these companies do not conduct any operations.

This applies in particular to Domimo 2, Nemeio, LDLC7, LDLC11, LDLC Invest, LDLC13 and LDLC Pro Lease.

Reporting period

Unless otherwise stated, reported figures relate to the financial year beginning on 1 April 2022 and ending on 31 March 2023.

Certain KPIs are based on the calendar year from 1 January to 31 December. These include:
- AGEFIPH contribution by applicable workforce;
- percentage of employees with disabilities in the applicable workforce;
- average number of training hours per employee;
- percentage of employees receiving training;
- percentage of employees who completed a personal development course;
- percentage of women among the ten highest earners;
- absenteeism rate;
- staff turnover rate;
- accident frequency rate;
- accident severity rate.

Notes on specific indicators:

Headcount

Headcount data provided under the business model is expressed in number of employees and includes all persons paid by and working for the Company at the closing date (31 March 2023), excluding trainees and temporary workers.

Frequency and severity rates

The industrial accident frequency rate equals the number of lost-time industrial accidents per million hours worked: no. of lost-time industrial accidents x 1,000,000/no. of hours worked.

The industrial accident severity rate equals the number of working days lost due to industrial accidents per 1,000 hours worked: no. of days lost due to industrial accidents x 1,000/no. of hours worked.

Only lost-time industrial accidents occurring during the year are counted; travel accidents resulting in lost time are not included. Accidents incurred by trainees and temporary employees are also excluded. Hours of absence are deducted from the number of hours worked, while overtime hours are added to this number.

Absenteeism

The only absences taken into account are, on working days: illness, industrial or travel accidents, unpaid absences, unjustified absences, absences pending justification and therapeutic part-time work.

Staff turnover

Only permanent employees are taken into account. Persons transferred during the year are included in the data for the company in which they were present on 1 January the previous year. Departures following transfer are only recognised when definitive.

Disability

Since May 2021, data has been included in the DSN simplified social security return and no longer based on a declaration in February. Accordingly, the data now used for KPIs is taken from the DSN.

Number of training hours

Calculated training hours include training provided under the company training plan, training provided to employees in respect of their statutory training entitlement (CPF) and professional qualification periods. External, in-house, e-learning and face-to-face training is included. The Group does not provide training to temporary employees or to trainees on work-study placements.

Personal development

Training courses designed to help enhance self-awareness, develop and harness talents, boost well-being and achieve professional and personal goals are classified as personal development courses.

Waste

French regulations are applied for the purposes of defining waste and determining whether it is hazardous. Reporting covers all Group facilities. Waste generation is calculated on the basis of volumes removed from Group facilities during the reporting period.

Energy

Energy consumption equals the total amount of energy (electricity, gas and domestic heating oil) invoiced to the Group by its suppliers over the reporting period.

In order to ensure the relevance of these ratios, the calculation methodology was adjusted during the financial year. Recently opened stores, for which we had not received data at the reporting date, and sites whose energy bills are included in rental expenses, were excluded from the calculation of the "kWh of electricity per m²" and "kWh of energy per m²" key performance indicators.

Greenhouse gas emissions

Groupe LDLC Bilan Carbone® carbon audit

The Bilan Carbone® is based on data for the 2019 calendar year.

Its organisational scope covers Groupe LDLC (excluding subsidiaries and franchise chains), namely: Paris store, Vaise store and customer service point, Saint-Quentin 1 and 2, Toulouse, Limonest Campus and Orizon, Gennevilliers and Grandchamps-des-Fontaines, Orvault, Nantes, Rennes, Bordeaux, Strasbourg, Lille, Montlhéry, Toulouse, Chelles and Aix.

Its operating scope includes sources of Scope 1 and 2 greenhouse gas emissions, i.e. energy (electricity, gas and domestic heating oil), refrigerant gases and business travel (employee fuel consumption for business travel using LDLC company vehicles or long-term car rentals).

GHG emissions related to LDLC Group energy consumption

Greenhouse gas emissions have been calculated on the basis of energy consumption over the reporting period multiplied by the standard emission factor for each source of energy (electricity, gas and domestic heating oil) (source: ADEME website, Base Empreinte database).

They include LDLC Group subsidiaries as defined in the above Note and are calculated over the reporting period.

IT system incidents

The software is not used by Olys. In 2019/2020, the software availability rate was given for a randomly selected week during the year, with the goal of using this KPI over a longer period, which has been done.

Sapin II

The calculation base was expanded in 2021/2022 following more detailed identification of the scope of employees requiring awareness training. Despite the apparent decrease in the KPI, the increase in the number of employees receiving awareness training should be noted.

KPI scoreboards may be obtained on request from the LDLC Group QHSE department.

CHAPITRE 23 • REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD-PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE MANAGEMENT REPORT

For the year ended March 31, 2023

To the Shareholders of GROUPE LDLC,

In our capacity as Statutory Auditor of Groupe LDLC S.A., (hereinafter the “entity”), appointed as an independent third party and certified by COFRAC under number 3-1321 (whose scope is available at www.cofrac.fr), we conducted work designed to provide a reasoned opinion expressing a moderate level of assurance on the historical information (recognized or extrapolated) in the consolidated statement of non-financial performance, prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the year ended March 31, 2023 (hereinafter respectively the “Information” and the “Statement”), included in the management report pursuant to the provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (Code de commerce).

Conclusion

Based on the procedures performed, as described in the "Nature and scope of our work" section, and on the information we have obtained, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance declaration

The absence of a generally accepted and commonly used reference framework or established practices on which to base the evaluation and measurement of data allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

As a result, data should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of information

Data may be subject to inherent uncertainty in the state of scientific or economic knowledge and in the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used for preparing it and are presented in the statement.

The entity’s responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information ;
- preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators ;
- implementing the internal control procedures which it deems necessary to ensure that the Information are not resulting from fraud or error.

The Statement has been prepared in accordance with the entity’s Guidelines as mention above.

Responsibility of the Statutory Auditor, appointed as independent third-party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on :

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code ;
- the fairness of the historical information (observed or extrapolated) provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to deliver an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.
However, it is not our responsibility to comment on :

- the entity's compliance with other applicable legal and regulatory requirements, in particular; the French duty of care law and anti-corruption and tax avoidance legislation ;

the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional doctrine
The work described below was performed in accordance with the provisions of Articles A.225-1 and seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and with ISAE 3000 (revised).
These provisions have enabled us to draw up a verification program (Appendix N°2 : DPEF verification program V3) describing in particular all the methodologies applied in accordance with the provisions of ISO 17029. The present Independent Third Party report has been drawn up in accordance with this program.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the Code of Ethics of the Statutory Auditors. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this activity.

Means and resources
Our work was carried out by a team of four people between January and May 2023 over a total period of three weeks.
We called upon our specialists in sustainable development and social responsibility to assist us in the performance of our work. We conducted eight interviews with the persons responsible for the preparation of the Declaration, representing in particular the Legal, Human Resources, Payroll and Quality Health Safety Environment Departments.

Nature and scope of our work
We planned and performed our work taking into account the risk of material misstatement of the Information.
We believe that the procedures we have performed, in the exercise of our professional judgment, allow us to provide a moderate level of assurance :

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated ;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate ;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III ;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code ;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks ;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1.

- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement ;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information ;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data ;
  - tests of details, using sampling or other techniques of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[5] and covers between 27% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests ;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes (CNCC) ; a higher level of assurance would have required more extensive audit work.

The independent third party organization

Mazars

Lyon, June 15, 2023

Séverine Hervet
Partner

Paul-Armel Junne
Partner

[5] Groupe LDLC SA

Appendix 1: List of information that we considered to be most important

Qualitative information (measures and outcomes) relating to the main risks

Measures implemented in terms of:

- Safety of employees;
- Search for a life quality at work;
- Fight against discrimination;
- Skills development of the teams;
- Responsible waste management;
- Control of energy consumption;
- Consumer safety;
- Participation in the economic development of the territories;
- Fight against corruption;
- Compliance with the general data protection regulations;
- Computer incidents.

Key performance indicators and other quantitative result

- Total headcount as at 31 December 2022;
- Frequency and severity rate of the Logistics, Shops, Subsidiaries and Offices activities;
- Number of unjustified absences per employee;
- Turnover rate;
- Proportion of employees with disabilities N-1;
- AGEFIPH contribution (disability allowance) per disabled employee N-1;
- Proportion of women among the top ten highest-earning employees;
- Training hours per employee;
- Proportion of employees who have taken a training course, including on personal development;
- Percentage of recovered waste;
- Electricity and energy consumption per square meter of surface area;
- Number of tCO2eq Groupe excluding travel with business vehicles;
- Number of "security" claims on liability insurance;
- Change in the number of stores compared to the previous year;
- Proportion of graduates from the LDLC School that found a job after the course;
- Proportion of buyers that received awareness-raising on the Sapin II law;
- Proportion of GDPR champions that attended the GDPR awareness-raising course in N or N-1;
- Availability rate of the Company’s software allowing to manage the activity of the company.

CHAPTER 24 • SPECIAL REPORT ON BONUS SHARE PLANS

To the shareholders,

In this special report we have summarised the Management Board's exercise of the authorisation granted by the General Meetings of 30 September 2016, 27 September 2019 and 30 September 2022 to allot Company bonus shares pursuant to Articles L.225-197-1 et seq. of the French Commercial Code.

1. Share allotments carried out in accordance with Articles L.225-197-1 to L.225-197-3 of the French Commercial Code

Under the terms and conditions of Resolution 19 adopted by the General Meeting of 30 September 2016, Resolution 16 adopted by the General Meeting of 27 September 2019 and Resolution 6 adopted by the General Meeting of 30 September 2022 and pursuant to Articles L.225-197-1 et seq. of the French Commercial Code, the Management Board was authorised to grant existing or future Company bonus shares in one or more instalments to all or some of the employees and/or corporate officers of the Company and the companies defined in Article L.225-197-2 of the French Commercial Code.

Under the foregoing authorisations, at its meetings held on 29 June 2017, 13 November 2017, 23 February 2018, 22 July 2020, 1 September 2022 and 1 February 2023, the Management Board unanimously decided to grant existing Company bonus shares under the following terms:

Date of General Meeting	**30/09/2016**	**30/09/2016**	**30/09/2016**	**27/09/2019**	**27/09/2019**	**30/09/2022**
Date of Management Board meeting	**29/06/2017**	**13/11/2017**	**23/02/2018**	**22/07/2020**	**01/09/2022**	**01/02/2023**
Total number of bonus shares granted (to):	10,000	2,000	70,000	20,000	1,000	88,900
Harry de Lépine (11)				10,000		
Vesting date	(1)	13/11/2019 (3)	(4)	(7)	(9)	01/02/2024 (11)
End of lock-in period	(2)	14/11/2021	(5)	(8)	(10)	01/02/2025 (12)
Number of shares vested at 31 March 2023 (to):	3,000	2,000	35,000	6,000	None	None
Harry de Lépine (11)				3,000		
Total number of shares cancelled or expired at 31 March 2023	7,000	None	35,000	None	None	1,200
Bonus shares outstanding at year-end	None	None	None	14,000	1,000	87,700
Share value (closing price on allotment date)	€28.49	€19.55	€17.94	€27.20	€26.70	€20.50
Euro valuation of shares under the method used for the 2022/2023 consolidated financial statements (6)	None	None	None	€91,432.95	€3,588.18	€122,259.32
o/w valuation of bonus shares awarded to Harry de Lépine				€47,464.89		

(1) Bonus shares shall vest only after a vesting period defined as follows by the Management Board:
- *Tranche 1 (1,000 shares): 2 years, expiring midnight 29 June 2019,*
- *Tranche 2 (1,000 shares): 3 years, expiring midnight 29 June 2020,*
- *Tranche 3 (2,000 shares): 4 years, expiring midnight 29 June 2021,*
- *Tranche 4 (3,000 shares): 5 years, expiring midnight 29 June 2022,*
- *Tranche 5 (3,000 shares): 6 years, expiring midnight 29 June 2023.*

Bonus shares shall only vest provided that the beneficiary is still employed by LDLC Distribution on the vesting date. However, the Management Board decided to waive the presence condition (i.e. that the beneficiary must still be an employee of the Company) on the tranche 3 vesting date in respect of half of the shares to be vested, i.e. 1,000 shares.
In accordance with a resolution of the 30 September 2016 General Meeting, shares will vest before the end of the vesting period if the beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

In accordance with Article L.225-197-3 of the French Commercial Code, if the beneficiary dies, his or her heirs may request vesting of the shares within six months of his or her death. There are no lock-in requirements in respect of these shares.
(2) The beneficiary has committed to a two-year lock-in period beginning on the vesting date of each bonus share tranche, as follows:
- Tranche 1: 2 years, expiring midnight 30 June 2021,
- Tranche 2: 2 years, expiring midnight 30 June 2022,
- Tranche 3: 2 years, expiring midnight 30 June 2023,
- Tranche 4: 2 years, expiring midnight 30 June 2024,
- Tranche 5: 2 years, expiring midnight 30 June 2025.

(3) Bonus shares shall only vest provided that the beneficiary is still employed by the Company or a related company, as defined by Article L.225-197-2 of the French Commercial Code, on the vesting date.

(4) Bonus shares shall vest only after a vesting period defined as follows:
- Tranche 1 (10,000 shares): 2 years, expiring at 11.59 pm on 23 February 2020,
- Tranche 2 (12,500 shares): 3 years, expiring at 11.59 pm on 23 February 2021,
- Tranche 3 (12,500 shares): 4 years, expiring at 11.59 pm on 23 February 2022.
Shares will only vest provided that the beneficiary fulfils the following conditions, as applicable:
- Tranche 1 bonus shares shall only vest provided that, at the tranche 1 vesting date, the beneficiary has been continuously employed by Olys, a related company as defined by Article L.225-197-2 of the French Commercial Code, or by the Company since 23 February 2018 and is still an employee at said vesting date,
- Tranche 2 bonus shares shall only vest provided that, at the tranche 2 vesting date, the beneficiary has been continuously employed by Olys, a related company as defined by Article L.225-197-2 of the French Commercial Code, or by the Company since 23 February 2018 and is still an employee at said vesting date, and
- Tranche 3 bonus shares shall only vest provided that, at the tranche 3 vesting date, the beneficiary has been continuously employed by Olys, a related company as defined by Article L.225-197-2 of the French Commercial Code, or by the Company since 23 February 2018 and is still an employee at said vesting date.
The Management Board decided to waive the presence condition applicable to one beneficiary (i.e. that the beneficiary must still be an employee of the Company) on the tranche 2 and 3 vesting dates in respect of the remaining 25,000 bonus shares to be vested.
In accordance with Article L.225-197-1 of the French Commercial Code and a resolution of the 30 September 2016 General Meeting, bonus shares will vest before the end of the vesting period if the beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.
In accordance with Article L.225-197-3 of the French Commercial Code, if the beneficiary dies, his or her heirs may request vesting of the bonus shares within six months of the death. There are no lock-in requirements in respect of these shares.

(5) Bonus shares are subject to the following one-year lock-in periods starting on the vesting date:
- Tranche 1: zero hour 24 February 2020 to zero hour 24 February 2021;
- Tranche 2: zero hour 24 February 2021 to zero hour 24 February 2022;
- Tranche 3: zero hour 24 February 2022 to zero hour 24 February 2023.
However, the bonus shares may be freely sold or transferred before the end of the lock-in period if the beneficiary dies or suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

(6) For further information, see Notes 3.12, 3.13 and 4.2 to the consolidated financial statements in Section 18.1.

(7) Bonus shares shall vest only after a vesting period defined as follows:
- Tranche 1 (3,000 shares): 2 years, expiring at 11.59 pm on 22 July 2022,
- Tranche 2 (3,000 shares): 3 years, expiring at 11.59 pm on 22 July 2023,
- Tranche 3 (4,000 shares): 4 years, expiring at 11.59 pm on 22 July 2024.
Bonus shares shall only vest provided that, at each tranche vesting date, the beneficiary has continuously held the status of employee or corporate officer of the Company and/or a related company as defined by Article L.225-197-2 of the French Commercial Code since 22 July 2020 and still holds such status at the applicable vesting date.
However, in accordance with Article L.225-197-1 of the French Commercial Code and a resolution of the 27 September 2019 Extraordinary General Meeting, bonus shares will vest before the end of the vesting period if the beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.
In accordance with Article L.225-197-3 of the French Commercial Code, if the beneficiary dies, his or her heirs may request vesting of the bonus shares within six months of the death. There are no lock-in requirements in respect of these shares.

(8) Bonus shares are subject to the following one-year lock-in periods starting on the vesting date:
- Tranche 1: zero hour on 23 July 2022 to 11.59 pm on 23 July 2023,
- Tranche 2: zero hour on 23 July 2023 to 11.59 pm on 23 July 2024,
- Tranche 3: zero hour on 23 July 2024 to 11.59 pm on 23 July 2025.
However, the bonus shares may be freely sold or transferred before the end of the lock-in period if the beneficiary dies or suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

(9) Bonus shares shall vest only after a vesting period defined as follows:
- Tranche 1 (400 shares): 2 years, expiring at 11.59 pm on 1 September 2024,
- Tranche 2 (600 shares): 3 years, expiring at 11.59 pm on 1 September 2025.
Bonus shares shall only vest provided that, at each tranche vesting date, the beneficiary has continuously held the status of employee at the Company and/or a related company as defined by Article L.225-197-2 of the French Commercial Code since 1 September 2022 and still holds such status at the applicable vesting date.
However, in accordance with Article L.225-197-1 of the French Commercial Code and a resolution of the 27 September 2019 Extraordinary General Meeting, bonus shares will vest before the end of the vesting period if the beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.
In accordance with Article L.225-197-3 of the French Commercial Code, if the beneficiary dies, his or her heirs may request vesting of the bonus shares within six months of the death. There are no lock-in requirements in respect of these shares.

(10) Bonus shares are subject to the following one-year lock-in periods starting on the vesting date:
- Tranche 1: zero hour on 2 September 2024 to 11.59 pm on 2 September 2025,
- Tranche 2: zero hour on 2 September 2025 to 11.59 pm on 2 September 2026.
However, the bonus shares may be freely sold or transferred before the end of the lock-in period if the beneficiary dies or suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

(11) Bonus shares shall only vest provided that, at the vesting date, the beneficiary has continuously held the status of employee under a permanent contract at the Company or at a subsidiary in which the Company holds over seventy per cent (70%) of the share capital and whose registered office is located in France.
In accordance with Article L.225-197-1 of the French Commercial Code and a resolution of the 30 September 2022 Extraordinary General Meeting, bonus shares will vest before the end of the vesting period if the beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.
In accordance with Article L.225-197-3 of the French Commercial Code, if the beneficiary dies, his or her heirs may request vesting of the bonus shares within six months of the death. There are no lock-in requirements in respect of these shares.
(12) Bonus shares are subject to a one-year lock-in period starting on the vesting date, i.e. from zero hour on 1 February 2024 to 11.59 pm on 31 January 2025.
However, the bonus shares may be freely sold or transferred before the end of the lock-in period if the beneficiary dies or suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

2. Bonus shares granted to Company corporate officers by the Company, related companies as defined by Article L.225-197-2 of the French Commercial Code or controlled companies as defined by Article L.233-16 of the French Commercial Code during the year ended 31 March 2023

None.

3. Amount and value of bonus shares granted to the ten non-director employees granted the highest number of bonus shares by the Company and by related companies or groups as defined by Article L.225-197-2 of the French Commercial Code during the year ended 31 March 2023

Company concerned	Date granted	Number of beneficiary employees	Initial number of shares granted	Value per share (closing price on allotment date)
Groupe LDLC	01/09/2022	1	1,000 (see Notes 9 and 10, Section 24.1)	€26.70

4. Amount and value of bonus shares granted to certain categories of beneficiary employees by the Company and by related companies or groups as defined by Article L.225-197-2 of the French Commercial Code during the year ended 31 March 2023

Company concerned	Date granted	Number of beneficiary employees (including those of related companies as defined by Article L.225-197-2 of the French Commercial Code)	Category of employees concerned	Initial number of shares granted	Value per share (closing price on allotment date)
Groupe LDLC	01/02/2023	889	(1)	100 per beneficiary employee, i.e. 88,900 shares in total (see Notes 11 and 12, Section 24.1)	€20.50

(1) In accordance with applicable statutory provisions and Resolution 12 of the Ordinary and Extraordinary General Meeting of 30 September 2022, persons considered eligible for the bonus share plan mainly include the salaried employees of the Company or of any French or foreign companies or groups directly or indirectly related to the Company as defined by Article L.225-197-2 of the French Commercial Code.

The beneficiaries were chosen from among the eligible persons by the Management Board in its share allotment decision of 1 February 2023 and in accordance with all of the following criteria, as verified on the allotment date and defined by the Management Board in accordance with the authorisation granted to it by the Ordinary and Extraordinary General Meeting of 30 September 2022:

- holding a permanent contract with the Company or any company in which the Company directly or indirectly holds over seventy per cent (70%) of the share capital and whose registered office is located in France; and
having at least one (1) year of service under said contract; and
- having received no previous allotment of bonus shares as defined by Articles L.225-197-1 et seq. of the French Commercial Code, even if said shares have been cancelled; and
- not holding corporate office at the Company or any company in which the Company holds over seventy per cent (70%) of the share capital and whose registered office is located in France.

CHAPTER 25 • TOTAL COMPENSATION PAID TO THE 10 HIGHEST PAID INDIVIDUALS (ARTICLE L.225-115-4, FRENCH COMMERCIAL CODE)

25.1. STATEMENT OF COMPENSATION IN ACCORDANCE WITH ARTICLE L.225-115-4 OF THE FRENCH COMMERCIAL CODE

The total amount of direct and indirect compensation paid to the ten highest paid individuals in the Company during the year ended 31 March 2023 was €3,145,010.

25.2. STATUTORY AUDITORS' ATTESTATION ON THE INFORMATION COMMUNICATED IN ACCORDANCE WITH THE REQUIREMENTS OF ARTICLE L. 255-115 4° OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE) RELATING TO THE TOTAL AMOUNT OF REMUNERATION PAID TO THE HIGHEST-PAID EMPLOYEES FOR THE YEAR ENDED MARCH 31, 2023

To the Shareholders of Groupe LDLC,

In our capacity as Statutory Auditors of your Company and pursuant to Article L.225-115-5 of the French Commercial Code, we have prepared this certificate on the information appearing in the attached document relating to the total amount of payments made pursuant to paragraphs 1 and 5 of Article 238 bis of the French General Taxation Code in the financial year ended March 31, 2023.
This information was prepared under the Chief Executive Officer's responsibility. Our role is to certify this information.
In the context of our role as statutory auditors, we have audited the annual financial statements of your company for the year ended March 31, 2023. Our audit was conducted in accordance with professional standards applicable in France, and was planned and performed for the purpose of forming an opinion on the annual financial statements taken as a whole and not on any individual component of the accounts used to determine the total amount of remuneration paid to the highest-paid employees. Accordingly, our audit tests and samples were not carried out with this objective and we do not express any opinion on any components of the accounts taken individually.
We have carried out the procedures we considered necessary for this task in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes). These procedures, which constitute neither an audit nor a review, consisted in performing the necessary reconciliations between the total amount of remuneration paid to the highest-paid employees and the accounting records and verifying that it is consistent with the data used to prepare the annual financial statements for the year ended March 31, 2023.
Based on our work, we have no observations to make on the correspondence between the total amount of remuneration paid to the highest-paid employees contained in the attached document and set forth as €3 145 010, and the books of account used as the basis for preparation of the annual financial statements for the year ended March 31, 2023.
This attestation shall constitute certification as accurate of the total amount of remuneration paid to the highest-paid employees within the meaning of article L. 225-115 4° of the French commercial code (Code de commerce).
This attestation has been prepared solely for your attention within the context specified in the first paragraph and may not be used, distributed or referred to for any other purpose.

The Statutory Auditors

Mazars Lyon, June 15, 2023	Cap Office Lyon, June 15, 2023
Séverine Hervet	Rémi Charnay

CHAPTER 26 • TOTAL PAYMENTS MADE IN APPLICATION OF ARTICLE 238 *BIS* (1) AND (5) OF THE FRENCH TAX CODE AND LIST OF SPONSORSHIP AND CHARITY INITIATIVES

26.1. STATEMENT IN ACCORDANCE WITH ARTICLE L.225-115-5 OF THE FRENCH COMMERCIAL CODE

The total amount eligible for the tax reductions provided for by Article 238 bis (1) and (5) of the French Tax Code for the financial year ended 31 March 2023 was €519,934.

26.2. CERTIFICATE OF THE STATUTORY AUDITORS ON THE INFORMATION PROVIDED IN THE CONTEXT OF ARTICLE L. 255-115-5 OF THE FRENCH COMMERCIAL CODE RELATING TO THE TOTAL AMOUNT OF PAYMENTS MADE PURSUANT TO PARAGRAPHS 1 AND 5 OF ARTICLE 238 BIS OF THE FRENCH GENERAL TAXATION CODE FOR THE YEAR ENDED MARCH 31, 2023

To the Shareholders of Groupe LDLC,

In our capacity as Statutory Auditors of your Company and pursuant to Article L.225-115-5 of the French Commercial Code, we have prepared this certificate on the information appearing in the attached document relating to the total amount of payments made pursuant to paragraphs 1 and 5 of Article 238 bis of the French General Taxation Code in the financial year ended March 31, 2023.
This information was prepared under the Chief Executive Officer's responsibility. Our role is to certify this information.
In the context of our duties as Statutory Auditors, we have audited the annual financial statements of your company for the year ended March 31, 2023. The purpose of our audit, carried out in accordance with professional standards applicable in France, was to express an opinion on the annual financial statements as a whole, and not on the specific items of those financial statements used to determine the total amount of payments made pursuant to paragraphs 1 and 5 of Article 238 bis of the French General Taxation Code. Consequently, we did not carry out our audit tests and sampling for that purpose and we express no opinion on those items in isolation.
We have carried out the procedures we considered necessary for this task in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes). Those procedures, which constitute neither an audit nor a limited review, involve making the necessary reconciliations between the total amount of payments made pursuant to paragraphs 1 and 5 of Article 238 bis of the French General Taxation Code and the accounts from which the figure was calculated, and checking that it is consistent with the information used to prepare the annual financial statements for the year ended March 31, 2023.
Based on our work, we have no observations to make on the correspondence between the total amount of payments made pursuant to paragraphs 1 and 5 of Article 238 bis of the French General Taxation Code appearing in the attached document and amounting to five hundred and nineteen thousand nine hundred and thirty-four euros (€519 934), and the books of account used as the basis for preparation of the annual financial statements for the year ended March 31, 2023.
This certificate is a substitute for certification of the total amount of payments made pursuant to paragraphs 1 and 5 of Article 238 bis of the French General Taxation Code within the meaning of Article L.225-115-5 of the French Commercial Code.
This certificate has been prepared solely for your attention in the context specified in the first paragraph above and may not be used, distributed or referred to for other purposes.

The Statutory Auditors

Mazars
Lyon, June 15, 2023

Séverine Hervet

Cap Office
Lyon, June 15, 2023

Rémi Charnay

CHAPTER 27 • CROSS-REFERENCE TABLES

The cross-reference table presented below enables the following information to be identified in this Universal Registration Document:

- √ Information comprising the Universal Registration Document (Annexes 1 and 2 to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019);
- √ Information comprising the Annual Report (Article 4.2.1, Euronext Growth market rules);
- √ Information comprising the Management Report (Articles L.225-100 et seq., French Commercial Code).

Universal Registration Document cross-reference table

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5	Statutory auditors’ report on the Company financial statements	18.4	193

Management Report cross-reference table

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