GROUPE LDLC

2019

UNIVERSAL REGISTRATION DOCUMENT

2020

the ultimate_**high-tech experience**

“We measure our success above all in terms of customer confidence and team commitment.”

The LDLC Group is pursuing its development as the outright leader in the online high-tech market. Buoyed by the passion, agility and entrepreneurial spirit that define the Group's identity, our retail brands are in prime position to take full advantage of the growth and expansion opportunities offered by their respective markets.

In keeping with its pioneering mindset, the Group will continue to design and develop innovative high-value-added solutions in response to customer expectations. Our constant determination to satisfy the needs of our customers is the foundation of their trust in our Group, besides acting as an inexorable driver of the unflagging commitment shown by our employees.

Laurent DE LA CLERGERIE
Chairman of the Management Board and founder of the LDLC Group

THE LDLC GROUP IN **FIGURES**

FY 2019/2020

2019/2020 revenues **€493.4m**

1,500 brands

15 retail chains including **7** e-commerce

Approx. **1,000** employees

77 stores in France

>40,000 listed products

Up to **16,000** parcels handled per day

35 million unique visitors/year

3.5 million fans on social media

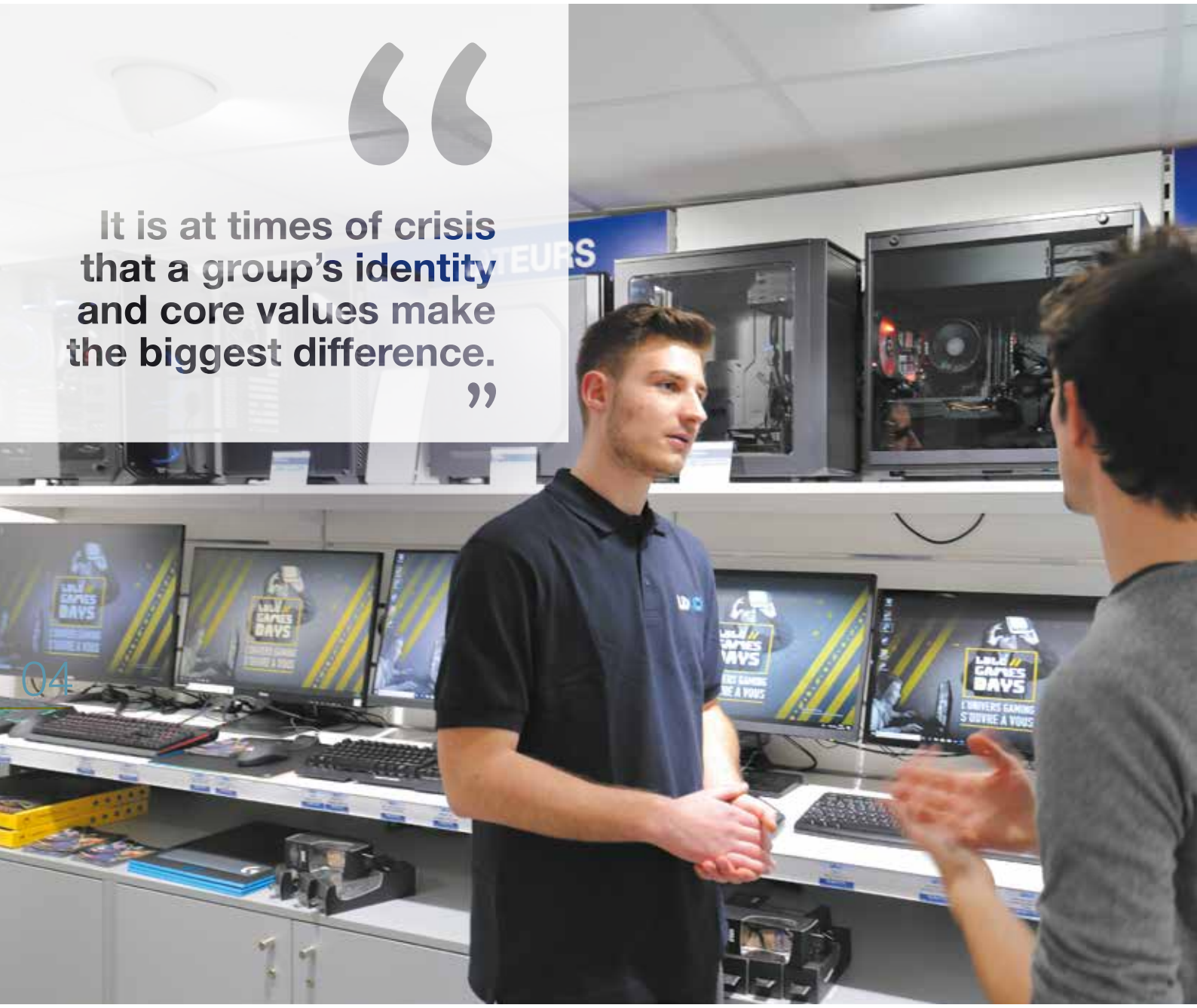
5 countries covered: France / Belgium / Luxembourg / Switzerland / Spain

FY 2019/2020 saw sharp growth in Group financial results including a return to profit levels exceeding historical performance, particularly in the second half. These results prove the merits of the structural strategic guidelines we have followed over the past 18 months in order to strengthen our offering and positioning on high-tech markets. Moreover, the Group considerably strengthened its financial position over the year, bringing net debt down from €60.3 million to €8.6 million under the combined effects of real estate disposals and strong operating cash flow of €12.4 million.

Despite the disruptive environment of the last few months, the Group is confident in its ability to pursue and step up its profitable growth trajectory in 2020/2021 and is targeting revenues of over €635 million, entailing growth of over 28%, and EBITDA of €38 million after consolidation of the recent Top Achat business acquisition. "

Olivier DE LA CLERGERIE, LDLC Group CEO

SOLIDARITY IS A **HALLMARK** OF THE GROUP'S



> It is at times of crisis that a group's identity and core values make the biggest difference.

The COVID-19 health crisis, which has affected over half of the world's population, has demonstrated the Group's resilience, particularly in view of the solidarity and community spirit shown by its employees.

Ensuring continuity of business

Under challenging circumstances, all Group employees have rallied together to ensure continuity of business and carry on delivering the quality of service that has earned the Group its high reputation. In only a few days, the Group reorganised its operations in order to allow its 1,000-strong workforce to continue operating from home. Fully committed and already accustomed to working from home, our teams had no difficulty rising to this enormous challenge!

Mutual assistance initiatives were rolled out to ensure that each person had a role to play in this turbulent environment, in which logistics and customer service operations were particularly hard pressed.

Staying close to our customers

The Group's BtoB business was particularly disrupted by the general meltdown of economic activity in France. Attentive as ever to their customers' needs, our BtoB teams maintained a hands-on service by staying abreast of customer news, lending a listening ear and providing any support required.

Supporting partners and the ecosystem

To help tackle the pandemic, the Group harnessed its contacts and supply chain circuits in order to facilitate shipments of health accessories from Asia.

To minimise the impact of the crisis on partners and suppliers, the Group committed to setting an example by strictly adhering to payment terms during this period. The LDLC Group offered considerable support to its franchises at this challenging time by suspending invoice payments and providing solutions to preserve cash resources.

SPECIALIST MULTI-BRAND RETAILER, **NO. 1 FRENCH** ONLINE HIGH-TECH BRAND

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.

- BtoB
- BtoC
- related businesses

SPECIFIC POSITIONING FOR EACH BRAND

The Group currently markets high-tech products through four online retail chains, each one strategically positioned to cater for the needs of a specific customer segment.

Each Group website offers its own catalogue range, services and price positioning, which are determined in accordance with the customer profile targeted by each brand.

Accordingly, more demanding customers will find what they're looking for among the premium range of products and services offered on Materiel.net, while consumers seeking high-quality but affordable products are more likely to check out the Top Achat or shop.hardware.fr websites. The LDLC website is the cornerstone of this brand strategy and is distinguished by its broader offering, recognised quality of service and strong reputation among the general public.

Besides brand repositioning, operations have been reorganised such that each brand has its own dedicated marketing team more sharply focused on specific customer requirements.

LDLC GROUP **HIGH-TECH** BRANDS

MATERIEL.NET	LDLC.com	HARDWARE.FR / topachat.com
Ultra-specialist high-end offering	Broad **range**	**Competitive** pricing

With shared & optimised back-office functions

IT SYSTEM	SOURCING AND LISTING	LOGISTICS

Top Achat acquisition

In April 2020, the LDLC Group acquired the Top Achat business. Created in 1999, the Top Achat website was one of the pioneering online retailer of mass market IT hardware and electronics in France and now enjoys a strong reputation among buffs and geeks eager to control their budget. This business combination, already up and running, is fully in keeping with LDLC's specialist multi-brand retail strategy and is a source of further opportunities and synergies for the newly expanded Group.

EXCELLENCE IN

CUSTOMER RELATIONS

Interview **with**

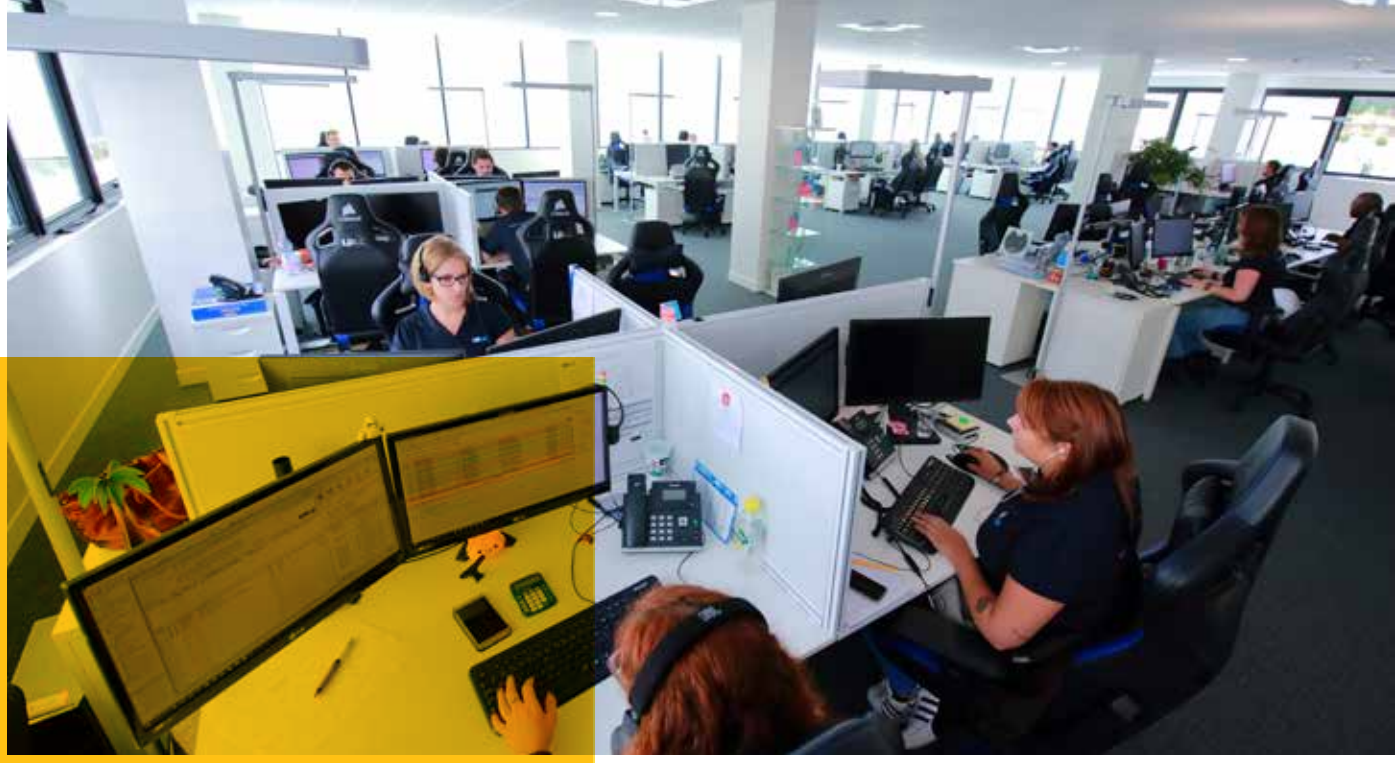
Christophe BÉGUÉ,
Customer Relations Director,
LDLC Group

In 2020 the LDLC Group won the Customer Service of the Year award* for the sixth year running. How do you explain such a performance?

Our management team is committed to investing in customer relations. Years ago, we made the decision to set up a fully in-house team of 55 expert advisers based at Group headquarters.

It is their passion and commitment that guarantee the satisfaction of our customers on a day-to-day basis. And of course, this explains our excellent performance in the "Customer Service of the Year " survey.

* Technical Product Retail category - BVA Group survey - Viséo CI - May to July 2019



How do you manage to rally such a taskforce together?
The sector in which we operate has a strong affinity component and our advisers share our customers' enthusiasm for all things high-tech, meaning that they communicate with each other as equals.

> We share our customers' enthusiasm for all things high-tech...

We provide guidance to our advisers in order to inspire them with our vision of customer relations. After a strict selection process, advisers sharpen their teeth on the email channels, where their replies are systematically checked at first, before they are allowed to handle customer requests by chat or phone with support from the team.

In addition to sharing team expertise, we also train advisers via e-learning modules. For example, we offer them the chance of training in order to obtain Le Robert certification [global certificate of proficiency in the French language].

Is it not difficult to keep advisers motivated?
Independence and accountability are the watchpoints of our customer relations initiatives. We encourage support and a motivating work environment, which we enhance by varying the type of assignments given: each adviser works through different communication channels (phone, email, social media, chat), which avoids monotony and helps us cope with peak demands for phone contact (99% of incoming calls are answered).

These efforts have certainly paid off, as staff turnover is particularly low in these positions. Team cohesion was a major plus during lockdown, when work-from-home measures already partly introduced a year ago were rolled out across the workforce.

The LDLC store chain continues to grow apace with the addition of 9 new franchises in 2019/2020. To sustain growth and ensure the success of its sales outlets, the Group has established a customised support strategy for the franchises.

LDLC STORES: TRAINING, THE KEY TO SUCCESS

140
store-based employees

44 years
average franchisee age

30,000
products available on order

1,250
franchise applications per year

113 m²
average sales space

51
LDLC stores*

* 31 March 2020

Interview **with**

Yann BENOIT,
Franchise Training Manager

What kind of support do you provide for the LDLC franchises?

Above all, we seek to share our expertise and the service values that have underpinned the success of the LDLC brand for nearly 25 years. As a former LDLC store manager based in Lyon, I value and try to share the brand's high standards with regard to the quality and technical features of the products it offers. We seek to ensure that our store managers are fully in sync with customer expectations and are able to give them the best possible advice. "Sincere and informed advice" is our slogan!

The support programme kicks off during the franchise planning stage. Franchisees also follow a 25-day initial training course (divided into 5 or 6 sessions) geared to three main areas: management, sales and technology. During this period, franchisees and their staff alternate between theoretical training and in-store immersion. After the store opens, we keep up regular contact with franchisees, particularly through the store chain management team and via additional training.

How do you keep your training up to date?

Franchisees have access to an extranet site which provides a series of practical, regularly updated guides on subjects such as new regulations or new developments in IT systems. We also use the extranet to share best practices escalated by operational coordinators or regional meetings across the whole of the network.

What specific steps did you take during the health crisis?

Given the circumstances, supporting the franchise network was our top priority focused on two areas: protection of persons (employees and customers) in the stores that stayed open and supportive measures obtained through administrative procedures (PGE state-guaranteed loan, short-time working, etc.). Our training division adapted to the health crisis by organising over 450 hours of training via 13 differentiated modules in the form of virtual classrooms.
We also launched a widespread skills assessment programme in the form of an online multiple choice questionnaire in order to identify areas of improvement for each store employee.
We plan to offer these employees a training course leading to qualification.

VOCATIONAL TRAINING for LDLC School students

The LDLC School's mission is to help students build their careers.
In order to provide students with professional experience, the LDLC School curriculum includes around 10 months of internships and 6 seminars, for which the Group leverages its close ties with Lyon-based businesses and the LDLC School alumni network.
In order to guide students towards the most suitable professional outlets, the School provides professional guidance on two levels, first, through individual monitoring in building their careers, and second, through personal development workshops.
The School's strength lies in the diversity of backgrounds among its teaching staff. Drawing on their wide-ranging professional experience, they provide students with invaluable feedback and a comprehensive and consistent package of support and guidance.

LDLC...

FOR WOMEN

Gender balance:

65% men

35% women

30% women among the 10 highest paid positions

Overall score of **84/100**

in the gender balance index
(LDLC Group social and economic unit)

Approx.
1,000
employees

35.4 years
average age

Strong commitment:

23% staff turnover
(< sector average)

0.69 days unjustified absence per employee

Since its inception, the Group has been strongly committed to gender equality throughout employees' careers with the Company and to gender non-discrimination in the professional environment.

Whether in terms of pay, training or promotion, the LDLC Group strives to establish the fairest possible conditions for female and male employees.

This longstanding commitment earned the Group an overall score of 84/100 in the French Employment Ministry's gender balance index, in line with the average performance of large cap companies. The index's formal calculation requirements have identified areas of further improvement in the field of professional equality.

PARTNERSHIP WITH

LDLC ASVEL FÉMININ

> All we want is to avoid discrimination.

LYON ASVEL Féminin renamed LDLC ASVEL Féminin

A committed player in the history of French basketball, LDLC has reaffirmed its support by linking its name to the name of Lyon's female basketball team, now renamed LDLC ASVEL Féminin.

The new four-year partnership with the women's team mirrors the Group's existing partnership with the men's team under the LDLC ASVEL brand and shows the importance assigned by the LDLC Group to gender equality issues.

The Group is proud of supporting the members of the LDLC ASVEL women's team, all players of unrivalled sporting prowess and tenacity, on their road to success. Winners of the 2019 French championship, this season LDLC ASVEL Féminin will vie with the top European clubs for leadership in the EuroLeague Women.

LDLC OL ESTABLISHES ITS CREDENTIALS IN **ESPORT**

On 1 March 2020, LDLC OL won the Lyon Esport trophy in League of Legends.

LDLC was one of the first market players to invest in the gaming and esport sectors. Since its creation 10 years ago, Team LDLC has won a number of national and international competitions and is currently French champion in League of Legends and world champion in WRC.
The recently established partnership with the OL esport team has consolidated the new LDLC OL team's leadership on the French and international esport scene.

Lyon's new professional esport team
The merger of Olympique Lyonnais football club and the LDLC Group's esport operations announced in January 2020 demonstrated the new partners' unprecedented strategic commitment to French esport, besides considerably boosting the new team's muscle power. Since July, the LDLC OL professional esport team, which competes in the FIFA games, League of Legends, Counter Strike, Fortnite, WRC and other forthcoming disciplines, has been based in a brand new e-sport centre in Lyon designed to host tournaments, training sessions, video and photo shooting sessions, events, and more.
The team plans to develop an esport offering targeted at the general public (youth, non-profit organisations, businesses, local councils, etc.) in the Lyon area in order to attract French and international talent.

A promising start
On 10 May 2020, Team LDLC OL became European champions by winning the League of Legends European Masters, beating Poland's K1CK team in the final by 3-0.

Esport training
In September 2019, the Tony Parker Adéquat Academy launched an esport training course. The course offers a combination of e-sport training administered by LDLC OL team members and lessons in the Acadomia private high school forming part of the Academy.
Through these training courses, LDLC OL hopes to develop local talent within a responsible, protected framework by allowing budding young players to combine esport training with a standard school curriculum.
Grants will be offered to give the very best players the chance to complete this training and build a professional career. 10 top high-school players will benefit from this "esport & study" programme and their tuition fees will be fully covered.

INNOVATION

IN ACTION

Innovation is a core feature of the LDLC Group's identity. A product innovation unit staffed by six employees works on developing new products and services in response to Group customer expectations. This year will see the market launch of five new products besides continued development on the NEMEIO customisable keyboard.

NEMEIO,
back at the Las Vegas CES in 2020 for a desert-scale test!

Having gained recognition at the January 2019 CES, **NEMEIO** is the first ever universal keyboard based on E-Paper screen technology. The keyboard can be adapted to all alphabets, characters and symbols of your choice and allows the user to customise each one of its 81 keys. CES 2020 offered the opportunity to raise interest among business leaders with a view to upcoming market launch.

Virtual reality experiences experiences with

LDLC VR STUDIO

LDLC VR Studio is a virtual reality video game design studio set up in 2020. The studio is targeted at Virtual Reality facility owners and plans to offer immersive experiences on the borderline between dream and reality. The studio's first release, "Catch the Dragon", is already available in the city of Bourgoin-Jallieu's MultiWorld VR arcade.

A marketplace
to enhance the offering

The Group is currently developing a marketplace with the aim of supplementing the website catalogue of IT and high-tech products by offering a significantly 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. A number of retailers have already joined the marketplace.

LDLC, the first brand to offer a keyboard that is totally user-friendly, reliable, affordable and secure

Since November 2019, LDLC has marketed the first ever AZERTY keyboard that complies with French standard NF Z71-300. Named AZERTY+, the keyboard features an improved AZERTY layout that makes it easier to type French letters with accents.

Market launch of the connected lightsaber
SOLAARI

The first offspring of the LDLC Group R&D unit, developed completely in-house, the SOLAARI connected lightsaber has been on sale since December 2019. Inspired by the world of fantasy and science fiction, the SOLAARI targets a wide-ranging public of pop-culture fans, cosplayers, performing artists, sportsmen and women and martial art practitioners.

LDLC launches its first
solar-powered keyboard

In December 2019, LDLC bolstered its range of innovative products with the addition of a photovoltaic keyboard. The LDLC SWL10 is a wireless keyboard designed for office and multimedia use. Requiring no action of the part of the user, the keyboard recharges itself automatically from sunlight or artificial light.

MAIN FINANCIAL INDICATORS

Summary income statement (1 April - 31 March) (€m)

Audited figures	2019/2020	H1 2019/2020	H2 2019/2020	2018/2019* Restated
	12 months	6 months	6 months	12 months
Revenues	**493.4**	**222.0**	**271.4**	**507.5**
Gross margin	**95.1**	**42.3**	**52.8**	**86.1**
Gross margin rate	19.3%	19.1%	19.5%	17.0%
EBITDA	**15.7**	**4.7**	**11.0**	**1.8**
EBITDA margin	3.2%	2.1%	4.1%	0.4%
EBIT	**6.6**	**0.8**	**5.8**	**-5.5**
Net income/(loss) of consolidated companies	**8.3**			**-4.8**

Key takeaways

- H2 2019/2020 upswing in BtoC business
- Structural improvement in gross margin to 19.3% (2018/2019: 17.0%)
- EBITDA up sharply to €15.7m (2018/2019: €1.8m)
- Steepening of profitable growth curve in 2020/2021

Main balance sheet items (at 31 March) (€m)

	2019/2020	2018/2019*
Shareholders' equity	62.4	54.3
Net debt	8.6	60.3
Gearing**	0.14	1.11

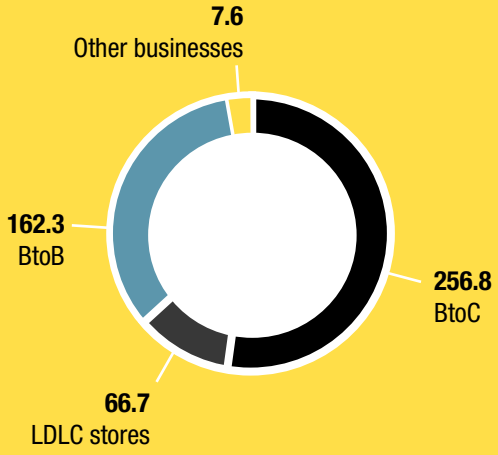
* 2018/2019 financial statements restated under French GAAP

** Net debt/equity

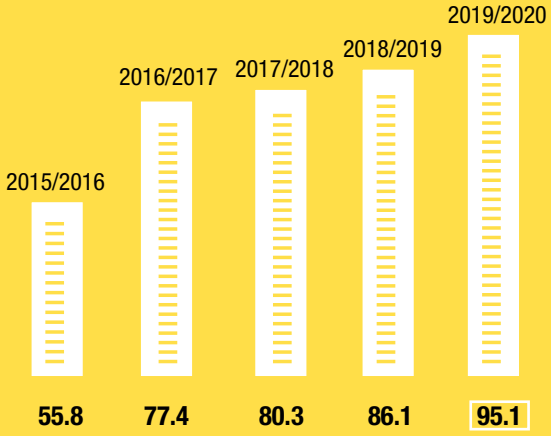
Key takeaways

- Net debt divided by 7 to €8.6m at 31 March 2020
- Significant €51.7m reduction in net debt resulting from the sale of the Nantes warehouse (June 2019) and Limonest head office premises (July 2019), as well as the improvement in earnings
- Financial leeway (gearing 0.14 vs. 1.16 at 31 March 2019) to pursue business development plans

2019/2020 revenue breakdown (1 April - 31 March) (€m)



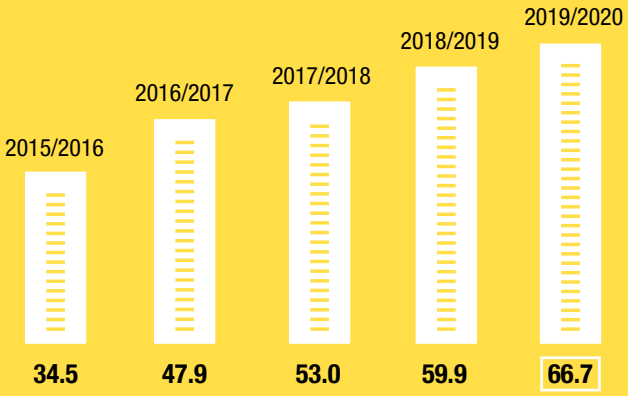
Five-year gross margin growth (1 April - 31 March) (€m)



Five-year average growth

+14.2%

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



Average basket value 2019/2020 LDLC.com

€426 excl.

(2018/2019: €389 excl. VAT)

INVESTOR NOTEBOOK

Listing market*	**EURONEXT Growth**
ISIN	**FR0000075442 ALLDL**
Number of shares	**6,322,106**
Indexes	**CAC All Shares, Enternext PEA-PME 150**
Market capitalisation at 30 June 2020	**€138 million**
Analyst tracking the share	**Gilbert Dupont - Ning GODEMENT** **Midcap Partners - Alessandro CUGLIETTA ****

** During the 2019/2020 financial year, the Group transferred its shares to Euronext Growth, as approved by the General Meeting on 1 July 2019, with effect from 2 September 2019.*

*** Research initiated in July 2020*

Investor reporting timetable

Q1 2020/2021 revenues	23 July 2020
Annual General Meeting	25 September 2020
Q2 2020/2021 revenues	29 October 2020
H1 2020/2021 results	3 December 2020
Q3 2020/2021 revenues	28 January 2021
Q4 2020/2021 revenues	29 April 2021
2020/2021 full-year results	17 June 2021

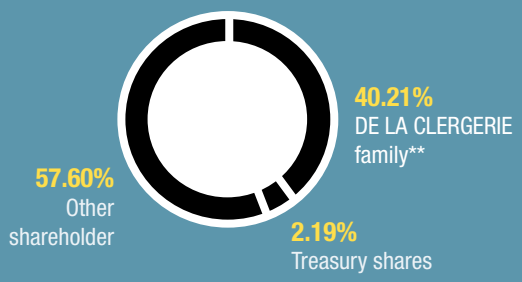
Share price movements over 12 years (€)

- 1-year high: **€23.00**
- 1-year low: **€5.74**
- 3-year high: **€29.10**

Share price at 30 June 2020

€21.90

Shareholder breakdown*



*Based on diclosures made over the past 12 months

DE LA CLERGERIE family

Laurent DE LA CLERGERIE: 19.40%
Caroline DE LA CLERGERIE: 9.94%
Olivier DE LA CLERGERIE: 9.74%
Suzanne DE LA CLERGERIE: 1.13%

** No action in concert: this segment comprises members of the DE LA CLERGERIE family

2019

UNIVERSAL REGISTRATION DOCUMENT

2020

French limited company (*société anonyme*) with a Management Board and Supervisory Board with share capital of €1,137,979.08

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

RCS Lyon 403,554,181

Universal Registration Document

including the Annual Report

2019/2020 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 (French version) was registered on 23 July 2020 with the French Financial Markets Authority (AMF) acting as the competent authority under EU Regulation 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 notes 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, the following information is incorporated by reference into this Universal Registration Document:

- * IFRS consolidated financial statements for the financial year ended 31 March 2018 and the related statutory auditors' report presented on pages 178-181 of the 2017/2018 Registration Document registered on 13 July 2018 under number R.18-056.
- * IFRS consolidated financial statements for the financial year ended 31 March 2019 and the related statutory auditors' report presented on pages 184-187 of the 2018/2019 Universal Registration Document filed on 22 July 2019 under number D.19-0719.

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).

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 Érables 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 market 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 by 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.

Historical financial information

In accordance with item 18.1.1 of Annex 1 to the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 applicable by reference under item 1.1 of Annex 2 of said Regulation, this document includes (directly or by reference) audited historical financial information for the past three financial years.

Nevertheless, we remind you that, in view of the admission of the Company's financial instruments to the Euronext Growth organised multilateral trading facility and their simultaneous delisting from the Euronext Paris regulated market, the Company has elected to prepare its consolidated financial statements in accordance with French accounting principles (French GAAP) instead of IFRS (International Financial Reporting Standards), which were applied up to and including the financial year ended 31 March 2019.

The Company applied French accounting Regulation CRC 99-02 for the first time in order to prepare the consolidated financial statements for the six months ended 30 September 2019.

Given the change of accounting framework for the preparation of its consolidated financial statements, the Company is required to restate the financial statements for the previous year ended 31 March 2019 under French GAAP in order to make allowance for the retrospective application of Regulation CRC 99-02 and to enable the inclusion of comparative information in respect of said financial year and the year ended 31 March 2020 (see Note 2.2.2 to the consolidated financial statements for the year ended 31 March 2020).

The reconciliation between the IFRS consolidated financial statements for the year ended 31 March 2019 and the financial statements for the same year restated under French GAAP is set out in Note 5.3 to the consolidated financial statements for the year ended 31 March 2020.

Accordingly, the financial data set out in Chapters 5, 7 and 8 of this document is presented in comparative terms for the two years in accordance with French GAAP.

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 Érables – CS 21035 – 69578 Limonest CEDEX

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

I hereby certify, having taken all reasonable care to ensure that such is the case, 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 within its consolidation scope, and that the management report set out on pages 30-257 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 its consolidation scope and describes the main risks and uncertainties to which they are exposed.

23 July 2020

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, 12 quai du Commerce, 69009 Lyon.

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 Pierre Beluze and Séverine Hervet, Immeuble Le Premium,
131 boulevard Stalingrad – 69100 Villeurbanne.

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

Fabrice Goenaga, 12 quai du Commerce, 69009 Lyon.

Date of reappointment: 28 September 2018

Term of office: 6 years

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

Fabrice Goenaga is a member of the Lyon Regional Institute of Statutory Auditors.

Frédéric Maurel, Immeuble Le Premium, 131 boulevard Stalingrad – 69100 Villeurbanne.

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

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.

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 operations, 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.

In relation to its assessment, the Company has also taken into account the COVID-19 pandemic and its actual and/or expected impact on the Group's situation (see below).

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 risks	Moderate
Financial risks	Liquidity risks	Moderate
	Goods warranty risks	Moderate
	Currency risks	Moderate
	Interest rate risks	Moderate
Legal, regulatory and litigation risks	Risks related to intellectual property	Moderate
	Risks related to regulations and regulatory changes	Moderate
	Litigation risks	Moderate
Claims risks	Risks related to inventories and transport	Moderate

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

Risks related to the COVID-19 pandemic

The Group has adopted the requisite measures in response to the current health crisis in order to protect its employees and ensure continuity of business.

The Group is proactively monitoring the impact of COVID-19 in order to take the necessary action depending on how the situation develops.

At the date on which this document was filed, the Group does not expect the COVID-19 epidemic to have an adverse impact on its business as a whole. On the contrary, the general lockdown imposed during the crisis has even had a positive impact on online purchasing. However, it is impossible at present to determine whether this impact will persist.

Accordingly, as a precautionary measure, the Group contracted four €4.5 million state-guaranteed loans at the end of April in order to finance potential Group cash requirements. 90% of the €18 million borrowed under these loans is covered by the state guarantee granted to banks and finance companies under Article 6 of the French Amended Finance Act no. 2020-289 of 23 March 2020.

The COVID-19 crisis calls for prudence. Accordingly, the Group continues to proactively monitor developments in the situation and their potential impact.

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 is likely to be exposed to the risk of default, notably due to the characteristics of the individual consumer market in which the Company operates, which generates a host 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 Company's customer base, given that around 65% of its revenues come from individual customers, who tend to pay at the time of order shipment.

The number of frauds fell by one third to less than 0.2% in 2019 (1,000 credit/debit card rejections per 750,000 transactions) with a certain degree of latitude.

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.

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.

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.

To a certain extent, the market served by Groupe LDLC is influenced 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 the Top Achat business, and in view of 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 2020, the LDLC Group's main supplier accounted for around 18% of Group procurement, while the top ten suppliers accounted for around 60%.

In the event of a breakdown in business relations between the Group and its main suppliers, tougher conditions imposed by said suppliers, or the non-renewal of early termination of the Group's main merchandise supply or service agreements, the Group may suffer a direct or indirect material adverse impact on its business, financial position, earnings, growth and outlook.

3.1.2. Market risks

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

The economic environment has little impact on household purchases of high-tech equipment, which remains one of the most buoyant sectors with consumers. 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).

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

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.

If the support and monitoring of these franchises reveal that their practices do not comply with Group regulations, standards or values, this may have an impact on the Group's financial and operational performances, as well as its reputation.

To this end, a dedicated unit for monitoring franchises was set up. This system ensures 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

The Company 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 Company could fail to successfully integrate the acquired or merged companies, their technology, product ranges and employees; (iii) the Company may be unable to retain specific employees, customers or key suppliers of the acquired companies; (iv) the Company may be obliged or may decide to terminate pre-existing contractual relations, under costly and/or unfavourable financial conditions; (v) the Company may have to increase its debt in order to finance such external growth transactions; (vi) the Company 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, and (vii) the Company 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.

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 recent acquisition of the Top Achat business on 10 April 2020 will enable the Group to add a longstanding 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 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.

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. Liquidity risk

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

Notes 2.4.4, 3.9, 3.10 and 3.13 to the consolidated financial statements provide further details on liquidity risk. See Section 8.1 and, more specifically, the breakdown of the Group's debt maturities at 31 March 2020.

For your information, the bank covenants with which the Group must comply are set out in Section 8.4.

Collateral pledged for loans granted is detailed in Note 5.2.1 to the consolidated financial statements.

Group financing

In order to finance its acquisitions and business operations, on 31 March 2016 the Company entered into a loan agreement with a pool of five banks (see Chapter 20 of this Universal Registration Document).

The agreement contains the usual provisions for this type of financing arrangement, including bank covenants, general restrictive undertakings and an acceleration clause.

The loan is also subject to compliance with a number of covenants (ratios, capex limits, etc.). Failure to comply with these covenants may under specific conditions trigger early repayment.

The ratios are tested every six months.

The ratios shown below apply to the 12-month period from 1 April 2019 to 31 March 2020.

Ratio R1: consolidated net borrowings/consolidated equity (at 31/03/2020 < 0.90)

€m	Score	Calculation
Consolidated net borrowings (1)	10.28	A
Consolidated equity (2)	62.46	B
Ratio: consolidated net borrowings/consolidated equity	0.16	A/B

Ratio R2: consolidated net borrowings/adjusted consolidated EBITDA (FY ended 31/03/2020 < 2.5)

€m	Score	Calculation
Consolidated net borrowings (1)	10.28	A
Adjusted consolidated EBITDA (3)	16.66	B
Ratio: consolidated net borrowings/adjusted consolidated EBITDA	0.62	A/B

(1) Consolidated net borrowings correspond to total borrowings (see Note 3.13 to the 2019/2020 consolidated financial statements) less cash and cash equivalents (see Note 3.10 to the 2019/2020 consolidated financial statements) plus guarantee commitments given and endorsed by signature totalling €89,000.
(2) Consolidated equity corresponds to total shareholders' equity including minority interests (see Note 1.3 to the 2019/2020 consolidated financial statements).
(3) Adjusted consolidated EBITDA corresponds to EBIT plus net depreciation, amortisation and provision allowances deducted from EBIT (see Note 2.5 to the 2019/2020 consolidated financial statements), CVAE business value added tax and discounts received from suppliers.

The amount of capital expenditure is lower than the €7 million limit set for the year ended 31 March 2020.

Bank covenants were in compliance at 31 March 2020 and have been submitted to the statutory auditors for certification (see Section 8.4.1).

You will find below a summary of the Group's cash and debt position at 31 March 2019 and 2020:

€000	31/03/2020	31/03/2019 Restated *
Gross borrowings	28,435	78,797
Cash and cash equivalents	19,859	18,531
Net cash/(debt)	(8,576)	(60,266)

** Following the change in accounting framework (see Note 2.2.2 to the 2019/2020 consolidated financial statements), comparative data for the previous financial year has been restated in light of the retrospective application of Regulation CRC 99-02. The reconciliation between published and restated financial statements is set out in Note 5.3 to the 2019/2020 consolidated financial statements.*

The Group has made commitments under the loan agreement that curtail its flexibility in the management of its operations, including, without limitation, with regard to completing certain capital expenditure transactions and making changes to the Group's financial structure, including debt.

The Group may be unable to meet some of its obligations under the loan agreement, in particular restrictive clauses, and notably in the event of circumstances affecting Group markets or operations. Non-compliance with any of these clauses, particularly covenant clauses, may constitute a breach under the loan agreement, for which the loan agreement agent may and, if requested by the lenders, must (i) cancel each lender's commitments with immediate effect, (ii) trigger the loan agreement acceleration clause for the amounts due (including interest accrued on said amounts and all other amounts owed under the loan agreement).

In the event the acceleration clause is triggered for the amounts owed under the loan agreement, the Group may be faced with insufficient cash. This situation may give rise to an adverse material impact on the Group's reputation, business, earnings, outlook, financial position and assets and liabilities.

As a precautionary measure in response to the COVID-19 health crisis, the Group contracted four €4.5 million state-guaranteed loans at the end of April in order to finance potential Group cash requirements. 90% of the €18 million borrowed under these loans is covered by the state guarantee granted to banks and finance companies under Article 6 of the French Amended Finance Act no. 2020-289 of 23 March 2020.

Summary of borrowings by due date at 31 March 2020:

€000	Principal outstanding	Due in < 1 year	Due in 1-5 years	Due in > 5 years
Loans	27,527	7,728	19,343	455
Finance leases	71	30	40	0
Total	**27,597**	**7,758**	**19,384**	**455**

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, including compliance with bank covenants requiring half-yearly testing over this same period. This review takes into account the state-guaranteed loans obtained by the Company, on the understanding that the Company considers that it is able to meet its liabilities as they fall due over the 12 months following the filing of this document without drawing on these loans.

Note 3.13 to the consolidated financial statements sets out the terms and conditions of all Group financing lines.

Cash pooling

Since March 2017, Groupe LDLC has been signatory to a cash pooling agreement with all of its subsidiaries for a one-year term, which may be tacitly renewed for further one-year periods. New subsidiaries of Groupe LDLC 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.

3.2.2. Goods warranty risk

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.

3.2.3. 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 sale 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.

3.2.4. Interest rate risk

The Group uses different types of financing (bank loans, revolving credit facilities, etc.) to finance its growth and capital expenditure policy.

Floating-rate borrowings comprise 43% of total debt, 100% of which is hedged by financial instruments (swaps).

The Group has conducted sensitivity testing in order to measure the impact of changes in borrowing rates on its earnings. An interest rate fluctuation of 0.50 percentage points would have a €152,000 impact on the Group's consolidated earnings before tax for the year ended 31 March 2020.

See Notes 2.4.3, 3.13 and 3.15 to the consolidated financial statements for details on interest rate risks.

3.3. LEGAL, REGULATORY AND LITIGATION RISKS

3.3.1. Risk related to intellectual property

Groupe LDLC 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 software owned by the Company 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.

However, the Group 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 have its intellectual and industrial property rights cancelled.

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.

3.3.2. 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 sale 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).

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.

3.3.3. Litigation risks

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

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.

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

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.

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.

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.

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 LDLC 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 Company 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. During the year ended 31 March 2020, all Group policies were applied across the Olys companies except for environmental policy, which the Group expects to roll out during the year ending 31 March 2021.

All insurance policies are contracted with insurers that have the capacity to assume their cover obligations. In general, insurance policies are revised every 3 years on average.

Liability insurance

Groupe LDLC has insured a number of its business activities by covering operating liability up to €10,000,000 per claim and professional liability up to €3,000,000 per insurance year.

Comprehensive corporate property damage and environmental insurance

Groupe LDLC 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 €130,000,000 per claim.

Groupe LDLC 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 €5,000,000 per claim and per annum.

Directors and officers' liability

Groupe LDLC has taken out a D&O liability policy with a cover limit of €5,000,000 per insurance year. This policy covers civil liability, defence costs and other extensions of cover.

Key personnel

Groupe LDLC has taken out a policy covering death and permanent and total disability for Laurent de la Clergerie and Olivier de la Clergerie.

Goods transport

The LDLC Group transport insurance policy covers damage to goods during transportation, 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 Expéditions – SOLAARI – Hardware.fr – Top Achat – 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 Érables – CS 21035 – 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 relationships 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. In 2013, the Group launched a plan to develop a network of franchises and brand stores in its main market; by 31 March 2020, the LDLC Group had opened 51 stores in France under the LDLC.com brand.

In 2019/2020 the Group average headcount was around 1,000 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. Since September 2018, the Group has also been operating in Spain through an e-commerce website and two stores in Madrid and Barcelona. The Group announced the closure of these stores in February 2020.

1. BtoC online business

LDLC.com is the leader in the online high-tech market (management estimate). LDLC.com offers a catalogue of over 30,000 products spanning over 900 active IT brands, including LDLC's own brand. The wide product offering includes computer, audio, telephone, photo and video equipment. The LDLC.com website posts an annual average of 11 million unique visitors and 193 million page views.

Materiel.net was founded in 1999 and joined the LDLC Group in 2016. The website specialises 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 product references. The website posts an annual average of 7 million unique visitors.

Top Achat was founded in 1999. Purchased by Rue du Commerce (Carrefour group) in 2009, the Top Achat business was acquired by Groupe LDLC in April 2020. The Top Achat 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. The website posts an annual average of 9.8 million unique visitors.

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. L'Armoire de Bébé now has its first physical store, which opened in April 2018 in the Lyon region.

Shop.Hardware.fr 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. Shop.Hardware.fr, the forum and Hardware.fr attract around 150 million page views per year.

The BtoC division employs 60 consultants committed to serving customers and receives around 600 million page views per year.

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 available to companies able to guide them through their technical choices, LDLC 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. LDLC.pro has built up around 80,000 active accounts over the last three years, including 17,000 new accounts in 2019/2020.

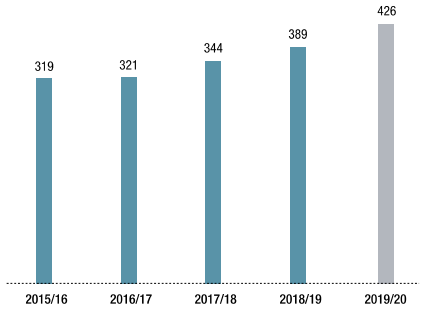
DLP Connect provides an additional service to professionals by offering solutions in the field of electrical equipment and installations, including electrical systems, computer networks, CCTV and home automation.

BIMP, an Apple Premium Reseller, offers IT solutions to individual consumers and professionals, on macOS, Windows and mobile platforms.

329,000 new accounts (BtoB and BtoC) were created in 2019/2020.

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

(€ excl. VAT)



3. Related businesses

Anikop is 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: a communication agency specialising in esport, LDLC Event provides its customers with all the expertise, responsiveness and versatility in brand management, Pro Gamer team management and community-targeted programmes which it has gained from 7 years of professional experience in esport.

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*".

4. Network of brand stores and franchises

By effectively deploying different forms of sales outlets via a network of franchises and brand stores, LDLC.com gives customers the chance to discover nearly 2,000 of the products featured in its web catalogue, including computers, smartphones, tablets and other game accessories.

The 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.com stores are reputed for their level of service: good advice, diagnostics, a comprehensive hardware repair service, quick assembly, computer customisation, etc.

Sales space

Workforce/Reserve storage area

Services
Advice, assembly, after-sales, Click and Collect, collection point

Implantation
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, LDLC has set up a 25-day training course for franchisees at LDLC 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.com 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'll 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, LDLC.com helps franchisees to 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.com 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 2020, the Group had 51 LDLC.com stores including 40 franchises located all over France, plus 9 Materiel.net concept stores and 16 Olys group stores including 11 Apple Premium Reseller outlets.

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

	2019/2020	2018/2019	2017/2018
BtoC	323.5	336.0	340.1
- LDLC stores	*66.7*	*59.9*	*53.0*
BtoB	162.3	162.2	120.7
Other	7.5	9.3	11.3
Total revenues	**493.3**	**507.5**	**472.1**

5.1.2. Competitive advantages

Since its inception, LDLC.com 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 service department is reputed both for its technical expertise and for its ability to provide rapid solutions to customer problems. The customer service 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 service 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 Group has received a number of awards for

the quality of this service. For example, in 2020 LDLC.com won the Customer Service of the Year award for the sixth year running in the *Technical Product Retail* category, obtaining a competition record score of 19.07/20 this year (Inference Operations mystery shopping survey – Viséo CI – May-July 2019 – 225 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.com is renowned, not only for the depth of its catalogue, but also for the quality of its own brand products. In order to offer products of unbeatable value for money, in 2012 LDLC.com created its own brand of high-tech products: Laptops, tablets, IT components and accessories, etc.

Another strength is the LDLC.com 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 3,500,000 social media fans and followers at 30 April 2020 (Facebook, Twitter, Instagram, etc.).

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 network of franchises in order to expand its field of action without incurring massive capital expenditure costs. Furthermore, franchising is perfectly in sync with the entrepreneurial spirit that pervades the Group.

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.com stores differ from standard stores by having a surface area of between 100 and 300 m^2. The store layout is structured around a consultation and demonstration area. Customers can view over 2,000 of the 25,500 products found in the LDLC.com 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.com 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. A special team is responsible for recruiting franchisees.

The LDLC Group also excels in the quality of its logistics. The Group currently has three logistics centres located in Saint-Quentin-Fallavier, Nantes and Gennevilliers. These three centres, which cover 42,000 m^2 of warehouse space, are fully managed by Group employees and can handle up to 16,000 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.

The Saint-Quentin-Fallavier complex in the Isère department (30 miles east of Lyon) includes logistics warehouses with a total surface area of 21,000 m^2. Facilities include a goods-in and storage unit with capacity for 5,000 pallets or 1.2 million products, an automated order picking chain capable of handling up to 16,000 parcels per day, a shipment area served by 7 carrier firms selected according to customer profile, an assembly taskforce comprising 20 technicians able to configure equipment to the most stringent customer specifications, and a customer service department staffed by 15 technicians ready to resolve any issues arising from defective equipment. 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. This platform also supplies the Group's branches and franchises.

The Nantes facility has a surface area of 18,000 m^2. The Gennevilliers site covers 3,000 m^2 of fully automated warehouse space providing greater responsiveness in managing orders for the Paris region, in particular for BtoB clients.

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.

Accordingly, LDLC.com was also one of the first market players to invest in the gaming and esport sectors. Since 2011 the Group has run its own esport team (former Team LDLC), which merged with the Olympique Lyonnais team in January 2020 to become LDLC OL.

In order to capitalise on its experience and expertise, the Group created LDLC Event, a communications agency specialising in esport.

In keeping with this innovative mindset, LDLC 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's unique experience has encouraged it to launch additional e-commerce websites such as L'Armoire de Bébé, which has already scored a resounding success with parents in search of fashionable childcare products, while Shop.Hardware.fr targets young consumers looking for attractively-priced components.

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 has already 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. These products' contribution to business volumes cannot yet be accurately assessed, but a first round of positive feedback positions them as strong candidates for driving Group growth.

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 has until recently 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. However, in 2019 the Group launched a marketplace and plans to develop this business over the coming years in order to supplement the website catalogue of IT and high-tech products by offering a significantly 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 more than 100,000 additional catalogue items, the new marketplace should enable the LDLC Group to enrich its offering, attract new clients 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 2019 annual survey and 2019 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 2019. In these cases we have left the previous data.

1.a. BtoC e-commerce, continued double-digit growth

In 2019, the e-commerce sector crossed the symbolic €100 billion mark, generating total online sales of €103.4 billion in France, up 11.6% from 2018 despite the Q4 slowdown in growth.

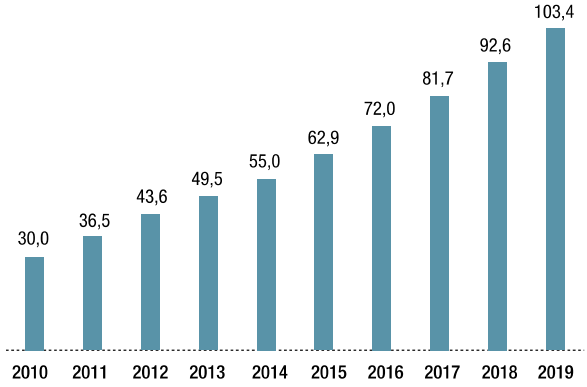
Over 1.7 billion transactions were recorded by e-commerce websites in 2019, up 15.7% from the previous year. This increase went hand in hand with a decrease in the average basket value, which fell below the €60 mark.

2019 was also the 3rd consecutive year of robust growth in online BtoB sales (up 14.2%), despite a slowdown in Q4 (up 9.9%) (source: iCE/FEVAD).

The online offering continues to expand, with over 190,000 e-commerce websites identified, up 15% year-on-year. Most of these websites generate less than 100 transactions per month.

E-commerce revenues in France

(€bn)



From 2010 to 2019, online sales grew by an average of just under 15% per year (source: FEVAD iCE).

The COVID-19 health crisis had a slightly beneficial impact on Q1 2020 sales, up 1.8% versus Q1 2019. Total expenditure for the first 3 months of the year amounted to €25.3 billion, while the average basket value (products and services) fell 2.3% versus Q1 2019.

In February 2020, before the outbreak of the health crisis, FEVAD forecast growth comparable to 2019, revenues of €115 billion and just under 2 billion transactions for 2020.

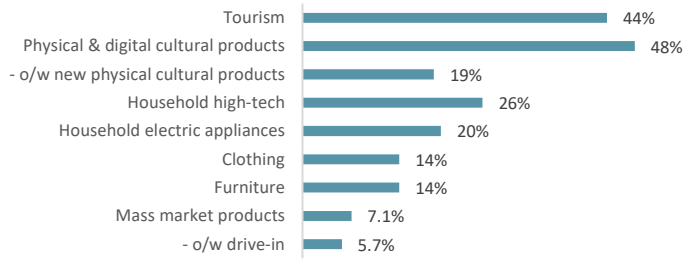
In 2019, around 38.8 million French consumers (nearly 90% of Internet users) made at least one online purchase (all screens included), while 13.8 million of these (33% of smartphone owners, versus 12.1 million in 2018) had already made a purchase via their smartphone (source: Médiamétrie – Internet Usage Observatory – Q1 2019).

Sales made from smartphones and tablets continue to grow fast. The proportion of sales generated via smartphones continues to grow fast and accounted for 39% of iCM panel website revenues, up 4 percentage points year-on-year. From 2022 onwards, most orders via these websites could be placed using smartphones (source: FEVAD 2019 e-commerce report).

Online sales of products and services have multiplied four-fold in the space of ten years. Notwithstanding, online sales of products currently account for only 10% of total retail trading on average, while 90% of sales are still generated by physical stores. Furthermore, it is estimated that over 50% of online product sales are generated through physical store chain websites (source: FEVAD 2019 e-commerce report).

More specifically, in the “household high-tech” segment in which the LDLC Group is positioned, e-commerce sales had a 26% market share in 2018 generating revenues estimated at €3.2 billion (source: FEVAD estimate - 2019 key figures).

2018 market share by sector (estimates)



(source: PhoCusWright/Enjeux e-Tourisme FEVAD, GfK, IFM, Ipea, Nielsen).

Although 190,200 active e-commerce websites were registered in France in Q1 2020 (versus 82,000 in 2010), the sector remains concentrated according to FEVAD estimates, with 90% of e-commerce revenues generated via 5.5% of the websites (10,000 websites). Accordingly, in 2018, 0.9% of French e-commerce websites generated revenues of over €10 million (69.5% of total revenues), 4.6% generated revenues of €1-10 million (20% of total revenues) and 94.5% generated revenues below €1 million (10.5% of total revenues) (source: FEVAD - 2019 key figures).

The reduction in average basket value confirms the trend in online purchases, with an average transaction amount of €59 in 2019, down 3.4% from 2018. The average consumer carried out 43 online transactions totalling more than €2,577 (2018 data: 38 transactions totalling €2,577) (source: FEVAD 2019 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).

Europe currently accounts for 30% of global e-commerce revenues, with BtoC e-commerce revenues estimated at €547 billion in 2018, up 11.8% versus 2017. The five largest consumers are, in descending order, the UK (€174 billion), Germany (not disclosed), France (€93 billion), Spain (€28 billion) and Italy (€27 billion) (source: Ecommerce foundation).

The European e-commerce market, which comprises over 750,000 websites according to Ecommerce Europe estimates, counts 296 million online purchasers per year, representing 57% of Internet users and over 4.2 billion parcels. Although the percentage of households equipped with Internet coincides with the European average (83%), the proportion of online buyers in France is 10 percentage points higher (67% versus 57% in Europe) (source: Eurostat 2017).

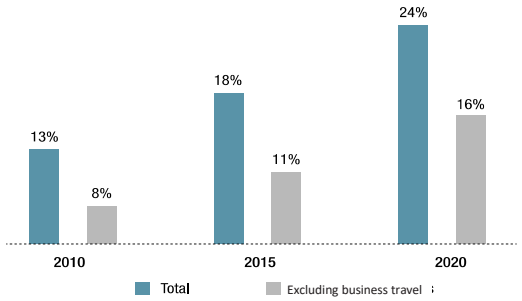
Another strong trend in the BtoC e-commerce sector is the growing importance of marketplaces. Business volumes sold via marketplaces account for 33% of the volumes of the hosting websites, up 14% compared to 2018 (source: iCE/FEVAD).

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

The French BtoB e-commerce market was estimated by INSEE, the French national statistics office, at €460 billion in 2016, i.e. around 18% of total BtoB sales (11% excluding business travel), with considerable growth potential over the coming years. According to a recent INSEE survey, in 2015 revenues of €86 billion were generated via a single e-commerce website and €340 billion via a single EDI solution.

On the basis of estimates calculated by Next Content – Crédoc on behalf of FEVAD and the French economy and finance ministry's corporate department (DGE - Direction Générale des Entreprises), BtoB online purchases (in 8 business sectors excluding telecommunications and pharmacies) made from a commercial website or digital solution could account for 24% of BtoB sales by 2020, representing growth of 32% over five years.

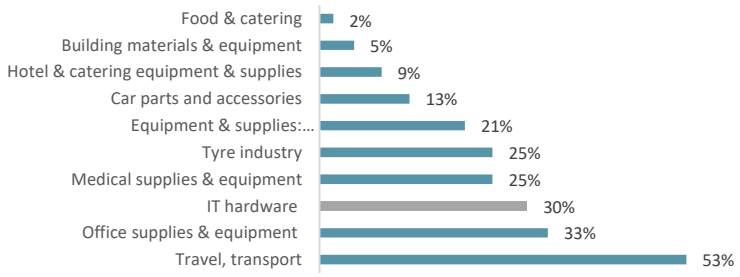
Growth of e-commerce share of BtoB sales



(source: Next Content 2016)

The “computer hardware” sector which concerns the LDLC Group and, more specifically, LDLC.pro, is the 3rd busiest sector with a 30% share of the market.

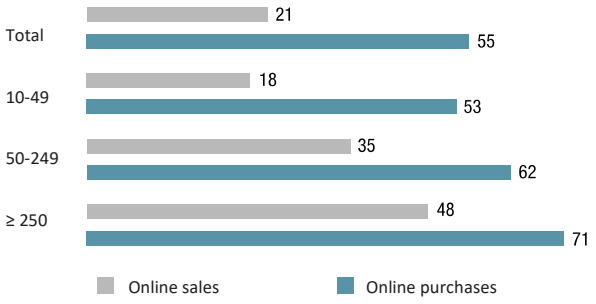
BtoB e-commerce sales by sector



(source: FEVAD/DGE survey October 2015)

According to INSEE, the French national statistics office, slightly over 20% of all French businesses make online purchases (via a website or EDI electronic data interchange system). The practice is more widespread among large companies, notably due to their use of EDI.

% of companies making online purchases or sales in 2015 by size (headcount)



(source: INSEE survey TIC 2016, 2015 data)

Conversely, only 53% of companies with less than 50 employees carry out online purchases.

2. IT product market strongly impacted by COVID-19 crisis in 2020

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.

According to Gartner research firm, in 2020 global sales of PCs, tablets and smartphones will fall sharply to 1.87 billion units from 2.16 billion in 2019 due to the impact of coronavirus.

The number of PCs bought (any kind) is forecast to drop from 406 million units in 2019 to 368 million in 2020. Sales of traditional PCs (notebooks and desktops) are expected to fall from 193 million units in 2020 to 170 million, Sales of laptops and tablets are expected to fall more slowly than PCs, benefiting from the trend towards working from home.

The firm expects deliveries of smartphones to fall 14% in 2020 to 1.5 billion units sold due to the decline in available income. The average lifespan of high-end phones is expected to increase from 2.5 years in 2018 to 2.7 in 2020. 5G phones could account for 11% of total smartphone shipments in 2020. However, this will not provide sufficient grounds to encourage people to replace their phones sooner.

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 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) and, most recently, the Top Achat business on 10 April 2020.

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 Top Achat 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/ the BtoB market buoyed by favourable underlying trends (upgrading of company computer equipment, new products, development of e-commerce purchasing),

3/ development of additional related businesses: L'Armoire de Bébé, 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),

4/ 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 Section 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, Top Achat). 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 consistent 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 Top Achat, 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. This acquisition strengthened the Group's leadership in the online high-tech sector and raised Group 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 Top Achat.

(Sources: company press releases)

5.4. CAPITAL EXPENDITURE

5.4.1. Main capital expenditure over the last two years

€000	2019/2020	Incl. LDLC VR Studio & Avitech acquisitions (ch. in conso. scope)	2018/2019
Intangible assets	2,494	411	4,383
Net goodwill	*324*	*324*	*0*
Concessions, patents and licences	*1,407*	*50*	*2,461*
Leasehold rights	*70*	*0*	*50*
Other intangible assets	*37*	*37*	*0*
Intangible assets in progress	*656*	*0*	*1,871*
Property, plant and equipment	3,401	1,469	6,781
Fixtures and fittings	*1,983*	*1,144*	*3,195*
Equipment	*198*	*143*	*163*
Vehicles and delivery equipment	*7*	*0*	*97*
Office equipment and furniture	*929*	*180*	*1,692*
PP&E in progress	*283*	*0*	*1,634*
Total acquisitions of intangible assets and PP&E	**5,895**	**1,880**	**11,163**
Expenditure amounts covered by detailed notes below	4,747	1,880	9,391
% of total acquisition amount covered by notes	81%	100%	84%

For the year ended 31 March 2020, the acquisitions of LDLC VR Studio and Avitech generated goodwill of €89,000 and €236,000 respectively. This was supplemented by investments in intangible assets totalling €87,000, including €40,000 in respect of LDLC VR Studio and €47,000 in respect of Avitech.

Investments in property, plant and equipment relating to changes in consolidation scope totalled €1,469,000, including €1,134,000 in respect of LDLC VR Studio and €335,000 in respect of Avitech.

Acquisitions of intangible assets recognised at 31 March 2020 mainly consist of capitalised in-house IT project development (€943,000) and R&D project costs (€986,000), which account for 78% of new investments in intangible assets during the year ended. 60% of acquisitions relating to R&D projects recognised for the year correspond to intangible assets in progress.

Acquisitions of property, plant and equipment during the year ended 31 March 2020 mainly correspond to fit-out works carried out at:

- the premises located at Grandchamps-des-Fontaines (€296,000),
- MyMultimedia and Mac & Co Digital stores (€378,000),
- the new premises occupied by the entire workforce of LDLC Event (€265,000).

The main investments in intangible assets made during the financial year ended 31 March 2019 came from in-house IT development and R&D projects, amounting to €2,934,000 and €1,059,000 respectively, which together accounted for 91% of new intangible asset expenditure over the period.

The financial year ended 31 March 2019 was marked by the first physical operation set up outside France, with the opening of two stores in Barcelona and Madrid (Spain). Investments were made for a total of €1,437,000, including €165,000 in intangible assets (primarily the translation of the website into Spanish) and €1,272,000 in physical assets for the fit-out of the two new stores. As previously announced, following the Group's decision to discontinue the store business in Spain, the assets belonging to the Barcelona store were scrapped on 31 March 2020. As Groupe LDLC España was still the lessee of the Madrid store at 31 March 2020, the investments in this store were written down.

During the year ended 31 March 2019, fit-out works were carried out at:
- the first physical store specialising in childcare products (€410,000),
- three new high-tech brand stores, two of which are attached to Olys, for a total of €791,000.

5.4.2. Main capital expenditure planned

On 10 April 2020, Groupe LDLC purchased the business assets of Top Achat for a price of €3 million.

In 2020/2021, the Group also plans to open new brand stores covering all Group brands and maintain the existing chain at a total cost of around €2.5 million.

Over the next two or three years, the Group also plans to invest around €4 million to continue upgrading its logistics resources.

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.

5.5. ENVIRONMENTAL ISSUES POTENTIALLY AFFECTING THE ISSUER'S USE OF ITS PROPERTY, PLANT AND EQUIPMENT

The LDLC Group is aware of the environmental impact of its business and accepts its duty to pursue a proactive environmental policy.

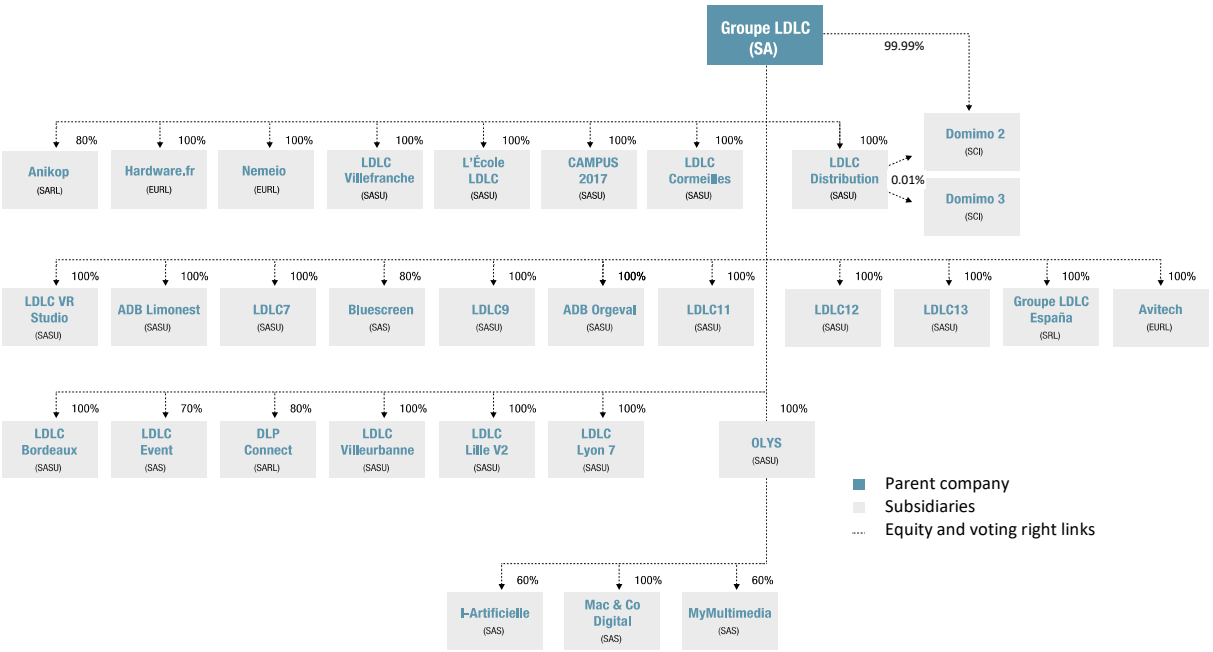
Our priorities are to reduce our impact on the climate and optimise our waste management.

Section 22 of this document on the statement of non-financial performance also covers environmental aspects in a more general manner.

CHAPTER 6. ORGANISATIONAL STRUCTURE

6.1. ORGANISATIONAL CHART AT 31 MARCH 2020

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 2020.



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 office in France, except for Groupe LDLC España S.L, which is registered in Madrid.

As mentioned earlier, on 6 February 2020 the Company announced the discontinuation of physical operations for Groupe LDLC España S.L. in Spain and the closure of the two LDLC.com stores located in Madrid and Barcelona.

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 the Company has directly acquired equity interests amounting to more than:

- two-thirds of the share capital and voting rights of Avitech, now a wholly-owned subsidiary of Groupe LDLC; and
- two-thirds of the share capital and voting rights of Katzami (renamed LDLC VR Studio), also now a wholly-owned subsidiary of Groupe LDLC.

Other than the information presented above, no material changes were made with regard to equity interests held by the Company during the year ended 31 March 2020. Furthermore, the Company acquired no controlling interests as defined by Article L.233-3 of the French Commercial Code and sold no equity investments to a third party outside the Group, except for the sale of 20% of the share capital and voting rights of Bluescreen.

As previously announced, with effect from 31 March 2020, in order to streamline the Group's legal structure, Olys and Mac & Co Digital agreed on the merger of the latter by absorption into the former under the procedure provided for by Articles L.236-1 et seq. and R.236-1 et seq. of the French Commercial Code, in particular the provisions of Article L.236-11 of the code on the "simplified" merger procedure, given that Olys holds all of the share capital and voting rights of Mac & Co Digital.

Furthermore, with the same aim of streamlining the Group's legal structure, during the current financial year the Group plans to merge I-Artificielle by absorption into Olys and to merge LDLC Bordeaux, LDLC Villefranche, LDLC Cormeilles, LDLC Lille V2, LDLC Lyon 7 and Avitech by absorption into LDLC Villeurbanne under the procedure provided for by Articles L.236-1 et seq. and R.236-1 et seq. of the French Commercial Code, in particular the provisions of Article L.236-11 of the code on the "simplified" merger procedure, given that all of these companies' share capital and voting rights would be held by a single parent company.

The relevant statutory and regulatory filings and public notices have been or will be completed in respect of these transactions.

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 the registration date of this Universal Registration Document is presented below:

Address	Town/city	Address	Town/city
22 rue de la Gare	Lyon 9 (69)	rue Olivier de Serres	Grandchamps-des-Fontaines (44)
24 rue de la Gare	Lyon 9 (69)	724 avenue du Club Hippique	Aix-en-Provence (13)
20 rue du Ruisseau	Saint-Quentin-Fallavier (38)	18 rue du Ruisseau	Montgermont (35)
Boulevard de Satolas	Saint-Quentin-Fallavier (38)	100 rue Lucien Faure	Bordeaux (33)
12-14 rue de l'Eglise	Paris 15 (75)	11 C route de Brumath	Vendenheim (67)
42 avenue Général de Croutte	Toulouse (31)	281 route d'Espagne	Toulouse (31)
47 route principale du Port	Gennevilliers (92)	4 avenue Général de Croutte	Chelles (77)
31 rue du Pont aux Pins	Montlhéry (91)	150 allée des Frênes	Limonest (69)
9 rue du Ruisseau	Marquette-Lez-Lille (59)	3/14/17 rue de Bruxelles and 3 rue de la Haye	Saint-Quentin-Fallavier (38)
188 B route de Rennes	Nantes (44)		

CHAPTER 7. ANALYSIS OF FINANCIAL POSITION AND EARNINGS

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 7.1.1.1 of this Universal Registration Document.

Definition of EBIT margin as a % of revenues

This definition is provided in Section 7.1.1.1 of this Universal Registration Document.

Group non-financial performance indicators are explained in Chapter 22 below.
(see especially pages 229, 231, 233, 235, 237 and 239-245).

7.1. ANALYSIS OF GROUP FINANCIAL POSITION

The published financial information presented below is taken from the consolidated financial statements for the years ended 31 March 2019 and 31 March 2020, which were prepared in accordance with French statutory and regulatory provisions as set out in CRC (French Accounting Regulatory Committee) Regulation 99-02 on the consolidated financial statements of commercial companies, 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 year ended 31 March 2020, as featured in Section 18.1 of this Universal Registration Document.

7.1.1. Presentation of the Group consolidated financial statements for the last two financial years

7.1.1.1. Key figures - Group income statement

€000	2019/2020	2018/2019 Restated *
Revenues	493,396	507,494
Gross margin	95,112	86,074
Gross margin - % of revenues (1)	19.3%	17%
EBIT (2)	6,643	(5,543)
EBIT margin - % of revenues (3)	1.3%	(1.1%)
Earnings of consolidated companies before non-recurring items	5,681	(7,603)
Net income/(loss) of consolidated companies	8,308	(4,820)
Consolidated net income/(loss)	8,308	(4,820)
Earnings per share (€)	1.31	(0.76)
Diluted earnings per share (€)	1.31	(0.76)
EBITDA (4)	*15,747*	*1,848*

** Following the change in accounting framework (see Note 2.2.2 to the 2019/2020 consolidated financial statements), comparative data for the previous financial year has been restated in light of the retrospective application of Regulation CRC 99-02. The reconciliation between published and restated financial statements is set out in Note 5.3 to the 2019/2020 consolidated financial statements.*
(1) Gross margin divided by revenues.
(2) Net operating income/(expense) or EBIT equals total operating income less total operating expenses.
(3) EBIT divided by revenues.
(4) EBITDA equals EBIT plus net depreciation, amortisation and provision allowances deducted from EBIT (see Note 2.5 to the consolidated financial statements for the year ended 31 March 2020).

7.1.1.2. Key figures - Group balance sheet

€000	31/03/2020	31/03/2019 Restated*
Non-current assets	69,026	101,820
Current assets	126,299	128,315
Shareholders' equity	62,457	54,287
Provisions	5,097	4,160
Total liabilities	127,771	171,687
Loans and borrowings	*28,435*	*78,797*
Cash and cash equivalents	*19,859*	*18,531*
Net cash/(debt)	(8,576)	(60,266)

** Following the change in accounting framework (see Note 2.2.2 to the 2019/2020 consolidated financial statements), comparative data for the previous financial year has been restated in light of the retrospective application of Regulation CRC 99-02. The reconciliation between published and restated financial statements is set out in Note 5.3 to the 2019/2020 consolidated financial statements.*

The significant change in non-current assets and borrowings at 31 March 2020 is mainly due to the termination of the finance lease on the head office premises and the completion of the sale of the building complexes located at Grandchamps-des-Fontaines and Nantes and held by the Domimo 2 and Domimo 3 real estate holding companies.

7.1.1.3. Key figures - Group cash flow statement

€000	2018/2020	2018/2019 Restated *
Gross operating cash flow before tax	11,365	462
Change in working capital	7,476	2,564
Net cash flow from operating activities	12,421	3,286
Net cash flow from investing activities	20,172	(11,491)
Net cash flow from financing activities	(31,172)	(5,009)
Net cash/(debt)	(8,576)	(60,266)

** Following the change of accounting standards (see note 2.2 of the 2019/2020 consolidated financial statements), comparative data for the last financial year has been restated to account for the retrospective application of CRC Regulation 99-02. A bridge table between the published accounts and the restated accounts is given in note 5.3 of the 2019/2020 consolidated financial statements.*

The significant change in cash at 31 March 2020 is mainly due to the sale of the Group head office acquired in 2017 under a finance lease contracted by Campus 2017 and the completion of the sale of the building complexes located in Grandchamps-des-Fontaines and Nantes formerly held by the Domimo 2 and Domimo 3 real estate holding companies.

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

7.1.1.4. Group revenues

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

€000	2019/2020	2018/2019	Change FY 19/20 vs FY 18/19 €000	%
Sales of goods - France	414,963	426,745	(11,782)	(2.8%)
Sales of goods - Export	53,921	57,762	(3,841)	(6.6%)
Total sales of goods	**468,884**	**484,507**	**(15,622)**	**(3.2%)**
Provision of services - France	19,726	18,283	1,443	7.9%
Provision of services - Export	4,786	4,704	82	1.7%
Total provision of services	**24,512**	**22,987**	**1,525**	**6.6%**
Total net revenues	**493,396**	**507,494**	**(14,097)**	**(2.8%)**

The Group posted 2019/2020 revenues of €493 million, down 2.8% from €507 million the previous year.

2019/2020 was a particularly intense year for the Group involving the roll-out of a number of key strategic projects for the future of the Group (see Section 10.1 below).

As previously announced, the Group discontinued the Maginéa business in Q4 2018/2019. This business accounted for revenues of €2.2 million in FY 2018/2019.

For the year ended 31 March 2020, BtoC business generated revenues of €323.5 million versus €335.9 million the previous year. Q1 2019/2020 revenues were curbed by the impact of the strategic repositioning of the Materiel.net offering, whereby the Materiel.net product mix was significantly reshuffled in order to reduce the emphasis on products contributing little to gross margin. The impact of this strategic decision is expected to be temporary, mainly affecting revenues for this period.

Excluding Materiel.net, BtoC revenues rose 2.7% in 2019/2020 versus the previous year. LDLC store chain revenues rose sharply by 11.2% to €66.7 million.

Other businesses (excluding Maginéa) posted total revenues of €7.5 million for the year ended 31 March 2020, up from €7.1 million the previous year driven by brisk sales of L'Armoire de Bébé childcare products.

The BtoB business posted revenues of €162.3 million, similar to the previous year. This segment, which generated 3.5% growth over the first nine months, was strongly impacted by the general slowdown in business recorded after the introduction of lockdown measures in France on 17 March 2020.

As a reminder, BtoB revenues crossed the symbolic €500 million mark in FY 2018/2019. The Olys group acquired in 2017/2018 contributed €65.1 million to revenues for the year.

Revenues are mostly generated by sales of goods, which accounted for around 95% of total Group revenues for the years ended 31 March 2020 and 31 March 2019.

COVID-19 health crisis

The lockdown measures implemented in response to the COVID-19 health crisis impacted the Group's businesses in different ways.

The store chains and BtoB business saw a temporary decline in sales.

On the other hand, the e-commerce websites remained fully operational, despite slight disruptions to logistics operations, and enjoyed steady demand.

The LDLC Group implemented all the necessary measures to ensure business continuity and provided guidance to the franchises so that the store chain could be reopened as quickly as possible.

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.

The Group generated 31% of its full-year consolidated revenues during the third quarter, up 3.3% from Q3 2018/2019.

Q3 2018/2019 revenues totalled €145.8 million and accounted for 29% of full-year 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 sales 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 2020).

At 31 March 2020, 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	2020			2019		
	Brand stores	Franchises	Total	Brand stores	Franchises	Total
France						
LDLC	9	40	**49**	8	32	**40**
Materiel.net	9	0	**9**	9	0	**9**
BIMP	16	0	**16**	18	0	**18**
LDLC-BIMP	2	0	**2**	0	0	**0**
L'Armoire de Bébé	1	0	**1**	1	0	**1**
Sub-total	37	40	77	36	32	**68**
Spain						
LDLC	0	0	**0**	2	0	**2**
Total	**37**	**40**	**77**	38	32	**70**

During the year ended 31 March 2020, the Group took over one LDLC franchise and opened a further eight franchise stores.

During the previous year, the Group established its first physical operation outside France by opening two LDLC brand stores in Spain. On 6 February 2020, the Group closed these stores located in Madrid and Barcelona (see Notes 3.4, 3.12 and 4.5 to the consolidated financial statements).

In the Olys business unit, two former BIMP stores operated in 2019/2020 under the dual brand of LDLC-BIMP.

The LDLC Group opened one LDLC brand store and 10 franchises in France during the year ended 31 March 2019.

The same year was marked by the closure of three BIMP brand stores and the opening of two Olys stores.

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. ANALYSIS OF EBIT AND NET INCOME

7.2.1. Analysis of EBIT

€000	2019/2020	(% of revenues)	2018/2019 Restated *	(% of revenues)
Total net revenues	493,396	**100%**	**507,494**	**100%**
Other operating income	341	0.1%	382	0.1%
Cost of goods sold	(398,626)	(80.8%)	(421,801)	(83.1%)
Gross margin	**95,112**	**19.3%**	**86,074**	**17%**
Other purchases and external costs	(27,409)	(5.6%)	(29,845)	(5.9%)
Miscellaneous taxes	(2,841)	(0.6%)	(3,395)	(0.7%)
Staff costs	(48,091)	(9.7%)	(50,334)	(9.9%)
Net depreciation, amortisation and provisions	(9,104)	(1.8%)	(7,390)	(1.5%)
Other income and expenses	(1,024)	(0.2%)	(653)	(0.1%)
EBIT	**6,643**	**1.3%**	**(5,543)**	**(1.1%)**

** Following the change of accounting standards (see note 2.2 of the 2019/2020 consolidated financial statements), comparative data for the last financial year has been restated to account for the retrospective application of CRC Regulation 99-02. A bridge table between the published accounts and the restated accounts is given in note 5.3 of the 2019/2020 consolidated financial statements.*

The Group posted 2019/2020 EBIT of €6,643,000, amounting to 1.3% of consolidated full-year revenues, compared to an EBIT loss of €5,543,000 in 2018/2019 amounting to (1.1)% of consolidated full-year revenues.

EBIT growth was robust despite the €14.1 million decline in 2019/2020 consolidated revenues versus the previous year. Boosted by the strategic repositioning of Group brands, the gross margin rate rose 2.3 percentage points to 19.3% in 2019/2020. The significant improvement in EBIT was due to gross margin growth combined with cost optimisation measures linked to synergies.

The €2,243,000 decrease in 2019/2020 staff costs was due to workforce reductions during the year.

The increase in depreciation and amortisation charges was mainly due to the capitalisation of in-house project costs, which accounted for an increase of around €1 million in 2019/2020.

The EBIT loss recorded in 2018/2019 was mainly due to a significant increase in staff costs. In 2018/2019, the Group conducted a number of projects designed to generate growth and value in the future, including the implementation of logistics synergies with Materiel.net, the integration of the Olys group acquired in January 2018, the upgrading of IT systems and development of new platforms for the Materiel.net and LDLC.com websites. Major additional internal and external resources were injected into these projects.

7.2.2. Net financial income/(expense)

€000	2019/2020	2018/2019 Restated *
Interest on borrowings	(968)	(1,653)
Bank interest, current account charges and financing commissions	(258)	(181)
Net cost of debt	**(1,226)**	**(1,834)**
Net (charges)/write-backs of provisions for impairment of financial assets	248	(286)
Other financial income	36	87
Other financial expenses	(21)	(26)
Net financial income/(expense)	**(962)**	**(2,060)**

** Following the change of accounting standards (see note 2.2 of the 2019/2020 consolidated financial statements), comparative data for the last financial year has been restated to account for the retrospective application of CRC Regulation 99-02. A bridge table between the published accounts and the restated accounts is given in note 5.3 of the 2019/2020 consolidated financial statements.*

The Company posted a €962,000 net financial expense for the year ended 31 March 2020 compared to a €2,060,000 expense the previous year.

Interest on borrowings paid in 2019/2020 totalled €968,000 and consisted of:
- €263,000 cost of the €23 million loan used to partly finance the Materiel.net acquisition, versus €474,000 in 2018/2019;
- €221,000 COST OF THE €15.3 MILLION LOANS USED TO FINANCE THE OLYS ACQUISITION, VERSUS €323,000 IN 2018/2019;
- €251,000 cost of the revolving credit facility, versus €310,000 in 2018/2019;
- €84,000 cost of the loan related to the capitalisation of the head office, versus €349,000 in 2018/2019.

The €248,000 provision for impairment of financial assets recognised at 31 March 2019 in relation to treasury shares purchased for the purposes of a bonus share plan was fully written back at 31 March 2020.

7.2.3. Non-recurring income/(expense)

€000	2019/2020	2018/2019 Restated *
Non-recurring income	45,551	381
Non-recurring expenses	(35,062)	(437)
Non-recurring income/(expense)	10,489	(56)

** Following the change of accounting standards (see note 2.2 of the 2019/2020 consolidated financial statements), comparative data for the last financial year has been restated to account for the retrospective application of CRC Regulation 99-02. A bridge table between the published accounts and the restated accounts is given in note 5.3 of the 2019/2020 consolidated financial statements.*

For the year ended 31 March 2020, the Group posted net non-recurring income of €10,489,000, compared to a net expense of €56,000 in 2018/2019.

The sharp increase in non-recurring income in 2019/2020 was mainly due to:
- the sale of the Group head office (€32.3 million);
- completion of the sale of the warehouse and office premises located in Grandchamps-des-Fontaines formerly held by Domimo 2 (€11.3 million);
- the sale of the Nantes concept store held by Domimo 3 (€1.4 million).

Non-recurring expenses in 2019/2020 mainly consisted of:
- the net book value of non-current assets sold in 2019/2020 (€32 million);
- provisions and charges arising from the closure of subsidiary Groupe LDLC España operations (€2.3 million).

Non-recurring expenses in 2018/2019 solely comprised the net book value of non-current assets sold in 2018/2019.

7.2.4. Earnings per share

€000	2019/2020	2018/2019 Restated *
Earnings before tax	**16,170**	**(7,658)**
Income tax	(7,862)	2,839
Net income from equity associates	0	0
Net income for the year:	**8,308**	**(4,820)**
Company shareholders	8,308	(4,820)
Minority interests	0	0
Weighted average number of shares outstanding	6,319,394	6,317,858
Earnings per share (€)	**1.31**	**(0.76)**
Diluted earnings per share (€)	**1.31**	**(0.76)**

** Following the change of accounting standards (see note 2.2 of the 2019/2020 consolidated financial statements), comparative data for the last financial year has been restated to account for the retrospective application of CRC Regulation 99-02. A bridge table between the published accounts and the restated accounts is given in note 5.3 of the 2019/2020 consolidated financial statements.*

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 2020 are presented in Section 18.3 of this Universal Registration Document.

For the year ended 31 March 2020, Groupe LDLC posted net revenues of €420,654,389 compared to €436,471,148 the previous year.

Operating expenses for the period amounted to €413,628,688, compared to €446,205,224 the previous year.

Operating income totalled €426,765,380, with net operating income (EBIT) amounting to €13,136,692 compared to a €938,083 loss for the year ended 31 March 2019.

Financial expenses for the year ended 31 March 2020 amounted to €10,820,314 compared to €1,655,106 the previous year, while financial income totalled €440,953 compared to €506,334 the previous year, resulting in a net financial expense of €10,379,361 compared to a €1,148,773 expense the previous year.

Earnings before tax and non-recurring items amounted to €2,757,331, compared to a €2,086,855 loss the previous year.

Total non-recurring income amounted to €491,586, while non-recurring expenses amounted to €622,901, giving net non-recurring expenses of €131,315 compared to net non-recurring income of €12,883 the previous year.

Given these results, after a corporate income tax charge of €1,603,756 and an employee profit sharing expense of €778,082, the Company posted net income of €244,179 for the year ended 31 March 2020, compared to a €1,290,746 loss the previous year.

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

The amendment to the combined 2016 and 2018 acquisition loan agreement contains the usual provisions for this type of financing arrangement, including bank covenants, general restrictive undertakings and an acceleration clause.

The Group has made commitments under the loan agreement that curtail its flexibility in the management of its operations, including, without limitation, with regard to completing certain types of investment transactions and making changes to the Group's financial structure, including its debt (see Note 3.2.1 - Liquidity risks, in this Universal Registration Document).

7.5. REVENUES AND EARNINGS OF SUBSIDIARIES AND CONTROLLED COMPANIES

In accordance with Article L.233-6 para. 2 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
Design, development and operation of websites, site content						
Hardware	449,429	235,298	167,556	0	1	01/04/2019 to 31/03/2020
Business line total	**449,429**	**235,298**	**167,556**	**0**	**1**	
Wholesale trader of all computer hardware and software, plus all related services						
Nemeio	2,201	(2,528)	(2,528)	0	0	01/04/2019 to 31/03/2020
Business line total	**2,201**	**(2,528)**	**(2,528)**	**0**	**0**	
Installation of cable networks and access control, CCTV and telecommunications systems						
DLP Connect	1,690,319	(95,364)	(129,008)	3,205	14	01/04/2019 to 31/03/2020
Business line total	**1,690,319**	**(95,364)**	**(129,008)**	**3,205**	**14**	
Design, development and sale of software and provision of IT services, maintenance; secondary activity in customer service for goods sold, training						
Anikop	2,803,991	100,414	101,796	27,064	28	01/04/2019 to 31/03/2020
Business line total	**2,803,991**	**100,414**	**101,796**	**27,064**	**28**	

Business	Revenues	Earnings before tax and non-recurring items	Net earnings after tax	New investments in PP&E	Average headcount	Period
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	3,237,116	(213,177)	(213,177)	2,460	21	01/04/2019 to 31/03/2020
Business line total	**3,237,116**	**(213,177)**	**(213,177)**	**2,460**	**21**	
Higher education						
École LDLC	339,022	65,049	46,852	15,972	5	01/04/2019 to 31/03/2020
Business line total	**339,022**	**65,049**	**46,852**	**15,972**	**5**	
Outsourced IT system management for business customers, remote monitoring, on-site services, IT product repair centre						
Bluescreen	77,287	(89,163)	(89,163)	7,911	3	01/04/2019 to 31/03/2020
Business line total	**77,287**	**(89,163)**	**(89,163)**	**7,911**	**3**	
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	(187)	(115,280)	(115,696)	7,375	1	01/01/2020 to 31/03/2020
Business line total	**(187)**	**(115,280)**	**(115,696)**	**7,375**	**1**	
Retail sale of all IT hardware and software and all multimedia and digital products						
LDLC Villefranche	1,849,402	21,634	22,594	0	5	01/04/2019 to 31/03/2020
LDLC Bordeaux	1,698,168	(72,006)	(72,006)	0	5	01/04/2019 to 31/03/2020
LDLC Villeurbanne	1,722,168	53,874	39,662	0	5	01/04/2019 to 31/03/2020
LDLC Lille V2	1,143,587	40,652	40,652	2,885	3	01/04/2019 to 31/03/2020
LDLC Lyon 7	1,660,491	86,387	81,349	1,047	4	01/04/2019 to 31/03/2020
LDLC Cormeilles	1,362,323	89,720	89,720	0	3	01/04/2019 to 31/03/2020

Business	Revenues	Earnings before tax and non-recurring items	Net earnings after tax	New investments in PP&E	Average headcount	Period
Avitech	2,063,570	61,643	61,643	22,181	4	01/04/2019 to 31/03/2020
LDLC7	0	(2,964)	(2,964)	None	0	01/04/2019 to 31/03/2020
LDLC9	0	(2,923)	(2,923)	None	0	01/04/2019 to 31/03/2020
LDLC11	0	(2,881)	(2,881)	None	0	01/04/2019 to 31/03/2020
LDLC12	0	(2,928)	(2,928)	None	0	01/04/2019 to 31/03/2020
LDLC13	0	(2,880)	(2,880)	None	0	01/04/2019 to 31/03/2020
Groupe LDLC España	2,380,263	(2,130,742)	(5,011,018)	28,763	17	01/04/2019 to 31/03/2020
Business line total	**13,879,972**	**(1,863,414)**	**(4,761,980)**	**54,876**	**46**	
Retail store sale of personal equipment and childcare products						
ADB Limonest	931,955	(174,271)	(174,271)	527	6	01/04/2019 to 31/03/2020
ADB Orgeval	0	(53,870)	(53,870)	124,594	0	01/04/2019 to 31/03/2020
Business line total	**931,955**	**(228,141)**	**(228,141)**	**125,121**	**6**	
Organisation and management of events, particularly in the esport sector						
LDLC Event	1,052,763	(751,302)	(764,829)	296,517	6	01/04/2019 to 31/03/2020
Business line total	**1,052,763**	**(751,302)**	**(764,829)**	**296,517**	**6**	
Acquisition, use and develop-ment of land for the construction and leasing of a building						
Domimo 2	322,901	6,138	3,556,974	0	0	01/04/2019 to 31/03/2020
Domimo 3	83,116	32,412	687,889	0	0	01/04/2019 to 31/03/2020
Business line total	**406,017**	**38,550**	**4,244,863**	**0**	**0**	
Acquisition of land and construction of buildings for use as office space via a finance lease, leasing of said buildings, acquisition and management of all movable property						
Campus 2017	**525,298**	**(87,716)**	**7,497,622**	**21,589,297**	**0**	**01/04/2019 to 31/03/2020**
Business line total	**525,298**	**(87,716)**	**7,497,622**	**21,589,297**	**0**	

Business	Revenues	Earnings before tax and non-recurring items	Net earnings after tax	New investments in PP&E	Average headcount	Period
Trade, representation in any form whatsoever of computer hardware and all derived products, telephone and network equipment and multimedia						
Olys	62,491,953	(3,232,449)	(3,261,471)	248,730	183	01/04/2019 to 31/03/2020
I-Artificielle	385,766	(34,912)	(34,912)	0	2	01/04/2019 to 31/03/2020
Mac & Co Digital	3,978,578	(27,761)	(28,465)	163,067	15	01/04/2019 to 31/03/2020
MyMultimedia	1,199,235	(7,246)	(12,099)	218,415	4	01/04/2019 to 31/03/2020
Business line total	**68,055,532**	**(3,302,368)**	**(3,336,947)**	**630,212**	**204**	
Total	**93,450,715**	**(6,309,142)**	**2,417,220**	**22,760,010**	**335**	

Hardware:

Hardware posted revenues of €449,000 for the 2019/2020 financial year, down 15.9% from €534,000 the previous year. In May 2018, Hardware discontinued its copyrighting activity and retained only its business comprising the online sale of computer hardware. The discontinuation of the copyrighting activity resulted in the departure of a number of employee contributors, leading to a 32.18% reduction in payroll from €209,000 in 2018/2019 to €142,000 for the financial year ended.

The company posted EBIT of €212,000 for the year ended 31 March 2020 compared to €234,000 the previous year.

2019/2020 net income came to €168,000 compared to €185,000 the previous year.

Nemeio:

The Nemeio business was discontinued on 1 October 2017, the company's revenues of €2,000 for the year mainly consisting of cancelled customer credit notes outstanding from previous years.

The company posted an EBIT loss of €3,000 for the year ended 31 March 2020 compared to a €7,000 loss the previous year.

Net loss equalled EBIT loss for these two years.

DLP Connect:

DLP Connect posted revenues of €1,690,000 for the year ended 31 March 2020, down 12% from €1,921,000 the previous year.

Revenues from sale of goods fell sharply by €131,000 compared to the previous year.

Service revenues also dipped by around 7.9% or €109,000 in 2019/2020 compared to the previous year, while the maintenance business is beginning to expand, posting revenues of €11,000.

The company posted an EBIT loss of €89,000 for the year ended 31 March 2020 compared to positive EBIT of €8,000 the previous year.

Finally, the company posted a net loss of €129,000 for the year ended, compared to net income of €1,000 the previous year.

DLP plans to publish a website for online sales of electronics in order to enhance its offering and visibility.

Anikop:

Anikop posted 2019/2020 revenues of €2,804,000, up 4.03% from €2,695,000 the previous year.

The company posted EBIT of €108,000 for the year ended 31 March 2020, compared to EBIT of €197,000 the previous year.

2019/2020 staff costs increased by 21% due to the hiring of five new employees during the year.

2019/2020 net income came to €102,000, up from €186,000 the previous year.

LDLC Distribution:

LDLC Distribution revenues edged up from €3,151,000 in 2018/2019 to €3,237,000. This limited increase in revenues despite the launch of new stores was mainly due to the halving of the chargeback rate for marketing fees over the year.

At 31 March 2020, there were 51 LDLC stores up and running including 11 brand stores, two of which operate under the LDLC-BIMP dual brand. The Group kept up the annual pace of store openings, with nine new franchises launched in 2019/2020 compared to ten the previous year.

The company posted an EBIT loss of €216,000 for the financial year ended 31 March 2020, compared to positive EBIT of €102,000 the previous year.

The company posted a net loss of €213,000 for the 2019/2020 financial year compared to net income of €106,000 for the previous year.

École LDLC:

The LDLC School recorded fewer admissions for the 2019/2020 academic year with 62 new students, down by 17 from the previous year.

The School generated revenues of €339,000, down €37,000 from €376,000 the previous year.

The company posted EBIT of €58,000 for the financial year ended 31 March 2020, compared to €203,000 for the year ended 31 March 2019.

The fall in 2019/2020 earnings was partly due to the curtailment of the subsidy granted to the School by Groupe LDLC.

2019/2020 net income came to €47,000, down from €151,000 the previous year.

Bluescreen:

LDLC8 was renamed Bluescreen during the year ended.

On 29 November 2019, Groupe LDLC sold a 20% equity stake in Bluescreen.

Bluescreen was brought into the Group tax consolidation group on 1 April 2018. The aforementioned share disposal during the year ended led to the company's withdrawal from the tax group in respect of this year.

Bluescreen began operating on 1 December 2019 and posted revenues of €77,000 for its first financial year, including €57,000 from sale of goods and €20,000 for provision of services.

The company posted an EBIT loss of €89,000 for the financial year ended 31 March 2020, compared to €4,000 loss for the year ended 31 March 2019.

The company posted a net loss of €89,000 for the 2019/2020 financial year compared to a net loss of €4,000 for the previous year.

LDLC VR Studio:

LDLC VR Studio joined the Group after Groupe LDLC purchased all the shares of Katzami on 18 December 2019.

Following this acquisition, the company was renamed LDLC VR Studio, adding the development and sale of video games and a complementary indoor leisure business involving the provision of virtual reality solutions to its panoply of business activities.

Following the takeover, the LDLC VR Studio head office was transferred from 62 chemin du Moulin Carron, Dardilly to 2 rue des Érables, Limonest. The Dardilly offices have been retained as a secondary place of business and are used by LDLC VR Studio to carry on its activity. Fit-out works will be carried out on these premises to prepare them for the new activity.

The company's balance sheet date was changed from 31 December to 31 March to coincide with the Group balance sheet date, resulting in a three-month first financial year for LDLC VR Studio.

Due to the change of business activity, LDLC VR Studio recorded no revenues for this quarter, having generated revenues of €260,000 from its catering business for the 12-month financial year ended 31 December 2019.

For the three months ended 31 March 2020, the company posted an EBIT loss of €113,000 compared to a €406,000 loss for the 12 months ended 31 March 2019.

Net loss for the three months ended 31 March 2020 was €116,000 compared to a net loss of €383,000 for the 12 months ended 31 December 2019.

In response to the COVID-19 health crisis, in late March 2020 LDLC VR Studio requested and obtained a six-month moratorium on repayments of its bank loan.

LDLC Villefranche:

The LDLC Villefranche store posted revenues of €1,849,000 for 2019/2020, comparable to the previous year's revenues of €1,853,000.

The company's gross margin also changed little from the previous year.

The store posted EBIT of €21,000 for the year ended 31 March 2020 compared to €2,000 for the previous year.

2019/2020 net income came to €23,000, up from €2,000 the previous year.

In response to the COVID-19 health crisis, the LDLC Villefranche store considerably curtailed its operations from 17 March 2020, limiting sales to urgent and essential customer orders.

Following the government's announcements of post-lockdown measures, LDLC stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

LDLC Bordeaux:

The LDLC Bordeaux store posted 2019/2020 revenues of €1,698,000 compared to €1,712,000 the previous year.

Service revenues for the year amounted to €62,000, up from €48,000 in 2018/2019 and contributing to the improvement in gross margin.

The store posted an EBIT loss of €64,000 for the year ended 31 March 2020, compared to a €134,000 loss for the previous year.

The store posted a net loss of €72,000 for the 2019/2020 financial year, an improvement on the €141,000 net loss recorded the previous year.

Following the outbreak of the COVID-19 health crisis, the LDLC Bordeaux store closed its doors on 17 March 2020 and generated no further revenues until 10 May 2020.

Following the government's announcements of post-lockdown measures, LDLC stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

LDLC Villeurbanne:

The LDLC Villeurbanne store posted 2019/2020 revenues of €1,722,000, down €178,000 (9.3%) from €1,900,000 the previous year.

The store posted EBIT of €54,000 for the year ended 31 March 2020, compared to €25,000 the previous year.

2019/2020 net income came to €40,000, up from €19,000 the previous year.

In response to the COVID-19 health crisis, the LDLC Villeurbanne store considerably curtailed its operations from 17 March 2020, limiting sales to urgent and essential customer orders.

Following the government's announcements of post-lockdown measures, LDLC stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

LDLC Lille V2:

The LDLC Lille V2 store posted 2019/2020 revenues of €1,144,000, down around 5% from €1,205,000 the previous year.

Service revenues for the year amounted to €73,000, up from €64,000 in 2018/2019 and contributing to the improvement in gross margin.

The store posted EBIT of €45,000 for the year ended 31 March 2020 compared to a €54,000 EBIT loss the previous year.

2019/2020 net income came to €41,000 compared to a €59,000 net loss the previous year.

In response to the COVID-19 health crisis, the LDLC Lille V2 store considerably curtailed its operations from 17 March 2020, limiting sales to urgent and essential customer orders.

Following the government's announcements of post-lockdown measures, LDLC stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

LDLC Lyon 7:

The LDLC Lyon 7 store posted 2019/2020 revenues of €1,660,000, up around 10.7% from €1,501,000 the previous year.

The store posted EBIT of €87,000 for the year ended 31 March 2020, compared to €45,000 the previous year.

2019/2020 net income came to €81,000, up from €42,000 the previous year.

In response to the COVID-19 health crisis, the LDLC Lyon 7 store considerably curtailed its operations from 17 March 2020, limiting sales to urgent and essential customer orders.

Following the government's announcements of post-lockdown measures, LDLC stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

LDLC Cormeilles:

As the LDLC Cormeilles store opened on 5 October 2018, the year just ended was its first complete financial year.

The store posted 2019/2020 revenues of €1,362,000, up around 171.7% from €501,000 for six months of business during the previous year.

Service revenues for the year amounted to €61,000, up from €20,000 for six months of business in 2018/2019 and contributing to the improvement in gross margin.

The store posted EBIT of €93,000 for the year ended 31 March 2020, compared to an EBIT loss of €120,000 the previous year.

2019/2020 net income came to €90,000, compared to a €122,000 loss the previous year.

The improvement in earnings is mainly due to the fact that in 2019/2020 LDLC Cormeilles was not impacted by the start-up costs (works, opening communication messages, commercial lease fees) incurred the previous year.

In response to the COVID-19 health crisis, the LDLC Cormeilles store considerably curtailed its operations from 17 March 2020, limiting sales to urgent and essential customer orders.

Following the government's announcements of post-lockdown measures, LDLC stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

Avitech:

Avitech, a member of the Group's franchise network, was taken over by Groupe LDLC on 5 February 2020 via the purchase of all shares in the company.

Avitech's income statement is not consolidated in the Group financial statements for the year ended 31 March 2020. As the acquisition date, 5 February 2020, was very close to the Group balance sheet date, the impact of the company's income statement would have been negligible.

The company is based in Avignon.

The Avitech store posted 2019/2020 revenues of €2,064,000 versus €2,014,000 the previous year.

The store posted EBIT of €66,000 for the year ended 31 March 2020, compared to an EBIT loss of €99,000 the previous year.

2019/2020 net income came to €62,000, compared to a net loss of €155,000 the previous year.

In response to the COVID-19 health crisis, the Avitech store considerably curtailed its operations from 17 March 2020, limiting sales to urgent and essential customer orders. In late March 2020, Avitech requested and obtained a six-month moratorium on repayments of its bank loan.

Following the government's announcements of post-lockdown measures, LDLC stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

Groupe LDLC España:

Groupe LDLC España was founded on 28 March 2018 and began operating on 17 September 2018 with the opening of the Barcelona store. The LDLC.es e-commerce website was published on 17 October 2018 and the Madrid store opened on 24 October 2018.

In March 2020, Groupe LDLC España increased its shareholders' equity by €5.2 million by capitalising the receivable held by Groupe LDLC.

Revenues for 2019/2020 amounted to €2,380,000 compared to €773,000 for the year ended 31 March 2019.

On 6 February 2020, the Group announced the discontinuation of physical operations in Spain and the closure of the two stores located in Madrid and Barcelona. This led to the recognition of non-recurring expenses amounting to €2,284,000 in 2019/2020, mainly corresponding to the derecognition and scrapping of the Barcelona store assets, impairment write-downs on the Madrid store assets, store lease expenses and severance payments for Groupe LDLC España employees.

Accordingly, the company posted a net loss of €5,011,000 for 2019/2020 compared to a €1,788,000 net loss the previous year.

ADB Limonest:

The ADB Limonest store opened its doors in early April 2018.

The store posted 2019/2020 revenues of €932,000, up around 28.5% from €725,000 the previous year.

The store posted an EBIT loss of €164,000 for the year ended 31 March 2020, compared to a €232,000 loss the previous year.

The store posted a net loss of €174,000 for 2019/2020 compared to a €240,000 net loss the previous year.

Following the outbreak of the COVID-19 health crisis, the ADB Limonest store was compelled to close its doors on 14 March 2020 and generated no further revenues until 10 May 2020.

Following the government's announcements of post-lockdown measures, L'Armoire de Bébé stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

ADB Orgeval:

LDLC10 was renamed ADB Orgeval during the year ended and

the company's business activity was modified. ADB Orgeval's main business activity now comprises the retail store sale of personal equipment and childcare products.

As the physical store is due to open in June 2020, no revenues were recognised for the year ended. This will be the Group's second childcare product store selling under the Armoire de Bébé brand.

At 31 March 2020, fit-works were in progress on the future store at a cost of €125,000.

The store posted an EBIT loss of €53,000 for the year ended 31 March 2020, compared to a €4,000 loss the previous year.

The store posted a net loss of €54,000 for 2019/2020 compared to a €4,000 net loss the previous year.

LDLC Event:

LDLC Event's main task is to manage the LDLC Group esport team, Team LDLC.

For its fourth financial year, LDLC Event posted revenues of €1,053,000, up from €964,000 the previous year.

In Q1 2020 the company moved into new premises in Gerland, which explains the considerable increase in capital expenditure.

The company posted an EBIT loss of €741,000 for the year ended 31 March 2020, compared to a loss of €277,000 the previous year.

Over the 2019/2020 financial year, LDLC Event doubled its workforce to six persons at 31 March 2020, leading to a payroll increase of around €212,000 or 96%.

Subcontracting costs mainly comprising remuneration paid to gamers and esport team service providers amounted to €940,000 in 2019/2020, up around 37% from €687,000 the previous year.

The company posted a net loss of €765,000 for 2019/2020 compared to a €283,000 net loss the previous year.

Domimo:2

In June 2019, Domimo 2 sold the warehouse and office buildings in Grandchamps-des-Fontaines for €11.3 million, generating a capital gain of €5.3 million.

As a result of this sale, which marked the end of the sublease arrangement with Groupe LDLC, the company's revenues fell around 76% from €1,361,000 in 2018/2019 to €323,000 for the year ended.

The company posted EBIT of €82,000 for the year ended 31 March 2020, compared to €719,000 the previous year.

2019/2020 net income came to €3,557,000, up from €443,000 the previous year.

Domimo 3:

In February 2020, Domimo 3 sold the Nantes office premises for €1,400,000, generating a capital gain of €943,000.

As a result of this sale, which marked the end of the sublease arrangement with Groupe LDLC, the company's revenues fell around 8% from €90,000 in 2018/2019 to €83,000 for the year ended.

The company posted EBIT of €38,000 for the year year ended 31 March 2020, compared to €56,000 the previous year.

2019/2020 net income came to €688,000, up from €33,000 the previous year.

CAMPUS 2017:

On 31 July 2019, the Group head office acquired in 2017 under finance lease by CAMPUS 2017 was sold for €32,300,000, generating a capital gain of €10,385,000.

As a result of this sale, which marked the end of the sublease arrangement with Groupe LDLC, the company's revenues fell around 63% from €1,420,000 in 2018/2019 to €525,000 for the year ended.

The company posted an EBIT loss of €144,000 for the year ended 31 March 2020, compared to a €353,000 loss the previous year.

2019/2020 net income came to €7,498,000, compared to a net loss of €361,000 the previous year.

OLYS:

At 31 March 2020, the Olys group comprised 16 BIMP stores in France.

In early April 2019, Olys transferred its staff to the new Groupe LDLC premises in Limonest and began sharing the Groupe LDLC warehouse in Vaise.

On 7 January 2020, Olys purchased 147,000 shares in Mac & Co Digital for €150,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

Olys revenues for 2019/2020 amounted to €62.5 million, very close to the previous year's revenues of €62.2 million.

The company posted an EBIT loss of €3,095,000 for the year ended 31 March 2020, compared to a €3,931,000 loss the previous year.

The company posted a net loss of €3,261,000 for 2019/2020 compared to a €3,994,000 net loss the previous year.

Olys earnings for 2019/2020 were significantly curbed by the increase in provisions recorded for the year. These included a €370,000 provision for impairment of inventory, compared to €77,000 for the previous year, and a €2,058,000 net provision for doubtful receivables compared to €886,000 the previous year.

Following the outbreak of the COVID-19 health crisis, the Olys stores closed their doors as of end of business on 17 March 2020 and generated no further revenues until 10 May 2020.

To palliate the impact of these store closures, a portion of Olys inventories was sold back to Groupe LDLC for run-off via the online network.

In late March 2020, Olys obtained a six-month moratorium on repayments of its bank loans.

Following the government's announcements of post-lockdown measures, BIMP stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

I-Artificielle:

I-Artificielle is a 60% held subsidiary of Olys.

With effect from 1 April 2019, the company transferred its head office to 2 rue des Érables, Limonest, whilst retaining a sales establishment at Compiègne.

The company posted revenues of €386,000 for 2019/2020, down around 20% from €480,000 the previous year.

The company posted an EBIT loss of €26,000 for the year ended 31 March 2020, compared to a €258,000 loss the previous year.

The company posted a 2019/2020 net loss of €35,000, compared to a loss of €266,000 the previous year.

Following the outbreak of the COVID-19 health crisis, I-Artificielle closed its doors as of end of business on 17 March 2020 and generated no further revenues until 10 May 2020.

Following the government's announcements of post-lockdown measures, BIMP stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

Mac & Co Digital:

Since 7 January 2020, Olys has held a 100% equity stake in Mac & Co Digital.

Mac & Co Digital occupies premises previously assigned exclusively to BtoB sales. The company carried out alterations in order to open the premises to the public and expand its business to retail customers. This shop now markets its offering under the LDLC and BIMP brands.

Fit-out works were carried out in the store at a cost of €161,000.

The company posted revenues of €3,979,000 for 2019/2020, up around 58% from €2,513,000 the previous year.

The company posted an EBIT loss of €27,000 for the year ended 31 March 2020, compared to a €87,000 loss the previous year.

The company posted a 2019/2020 net loss of €28,000, compared to a net loss of €91,000 the previous year.

Following the outbreak of the COVID-19 health crisis, Mac & Co Digital closed its doors as of end of business on 17 March 2020 and generated no further revenues until 10 May 2020.

Following the government's announcements of post-lockdown measures, LDLC-BIMP stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

MyMultimedia:

MyMultimedia is a 60% held subsidiary of Olys.

During the year ended 31 March 2020, MyMultimedia moved its longstanding store in Bourg-en-Bresse to a new location in the same area.

The new shop now markets its offering under the LDLC and BIMP brands.

MyMultimedia carried out fit-out works during the year at a cost of €217,000.

The company posted revenues of €1,199,000 for 2019/2020, up around 88% from €638,000 the previous year.

The company posted an EBIT loss of €6,000 for the year ended 31 March 2020 compared to positive EBIT of €1,000 the previous year.

The company posted a net loss of €12,000 for the 2019/2020 financial year compared to net income of €1,000 for the previous year.

Following the outbreak of the COVID-19 health crisis, MyMultimedia closed its doors as of end of business on 17 March 2020 and generated no further revenues until 10 May 2020.

Following the government's announcements of post-lockdown measures, LDLC-BIMP stores were able to gradually reopen from 11 May 2020 whilst ensuring compliance with applicable health guidelines.

LDLC7, LDLC9, LDLC11, LDLC12 and LDLC13 conducted no operations during the year ended 31 March 2020. These companies have been included in the Groupe LDLC tax group since 1 April 2018.

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 2019/2020 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.

€986,000 in research and development costs were capitalised in respect of the 2019/2020 financial year, compared to €1,059,000 the previous year.

Having made a strong impression at the 2019 CES in Las Vegas, on 17 December 2019 the Group launched sales of its first connected lightsaber under the Solaari brand. In January 2019, this lightsaber manufactured in-house by the Group was made available for pre-order via a Kickstarter campaign. This crowdfunding platform enabled over 400 enthusiasts to pre-order their own lightsaber. On 5 March 2020, Groupe LDLC signed a three-year partnership with the French Fencing Federation and its lightsaber academy.

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 2020.

Groupe LDLC received a €40,000 research tax credit for the 2019 calendar year, compared to €247,000 in 2018. This tax credit is awarded to companies making significant investments in research and development.

7.7. POST BALANCE SHEET EVENTS

On 10 April 2020, Groupe LDLC purchased the business assets of Top Achat for a price of €3 million. This acquisition will generate further opportunities and synergies. The Top Achat business is fully in keeping with the Group's high-tech product retail strategy.

The Group contracted four €4.5 million state-guaranteed loans at the end of April in order to finance potential Group cash requirements. 90% of the €18 million borrowed under these loans is covered by the state guarantee granted to banks and finance companies under Article 6 of the French Amended Finance Act no. 2020-289 of 23 March 2020.

During the COVID-19 health crisis, the business activity of the LDLC, Materiel.net and BIMP store chains was defined as essential for the country by ministerial order dated 15 March 2020. However, despite this status, a number of stores closed their doors. The Group kept a few stores operating at reduced capacity, mainly in order to ensure ongoing hardware sales and customer service for retail customers and provide businesses with the equipment required for teleworking.

The Armoire de Bébé store was compelled to close its doors on 14 March 2020.

Following the government's announcements of post-lockdown measures, the stores closed on 17 March 2020 were able to gradually reopen from 11 May 2020 whilst ensuring compliance with the recommended preventive measures.

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 (see Chapter 10 below).

CHAPTER 8. CASH AND CAPITAL

The LDLC Group's main capital requirements are related to funding working capital and operational capital expenditure. In January 2018, the LDLC Group took out two loans amounting to €5.3 million and €10 million to finance the Olys and Synopsis acquisitions. In March 2016, the LDLC Group took out a €23 million loan to finance the acquisition of the Materiel.net group.

The repayment period for the €10 million loan was aligned with the repayment period for the 2016 acquisition loan.

Repayment of the €5.3 million loan will end on 31 January 2025.

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 2020. A breakdown of the share capital is provided in Note 3.11 of the same financial statements, which are found in Section 18.1 of this Universal Registration Document.

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

Cash: cash and cash equivalents amounted to €19,859,000 at 31 March 2020 compared to €18,531,000 at 31 March 2019.

Debt: the Group took out two loans amounting to €5.3 million and €10 million to finance the Olys and Synopsis acquisitions on 25 January 2018. In addition, a €23 million loan was taken out in March 2016 to finance the Materiel.net acquisition. These loans were accompanied by a €15 million revolving credit facility, which was reduced to €13.5 million at 31 March 2020 and extended until 31 March 2021.

In July 2019, the Group sold its head office premises in Limonest acquired in 2017 under finance lease, thereby reducing its debt by €19.1 million.

The completion of the sale of the building complexes located in Grandchamps-des-Fontaines (June 2019) and Nantes (February 2020), formerly held by Domimo 2 and Domimo 3 real estate holding companies, led to a further debt reduction of €4.5 million.

The Group uses borrowings to pursue its strategy, mainly by opening new brand stores and supporting the development of in-house projects.

Group net debt breaks down as follows:

€000	31/03/2020	31/03/2019 Restated*
Gross borrowings	28,435	78,797
Cash and cash equivalents	19,859	18,531
Net cash/(debt)	**(8,576)**	**(60,266)**

** Following the change of accounting standards (see note 2.2.2 of the 2019/2020 consolidated financial statements), comparative data for the last financial year has been restated to account for the retrospective application of CRC Regulation 99-02. A bridge table between the published accounts and the restated accounts is given in note 5.3 of the 2019/2020 consolidated financial statements.*

The following table shows the Group's debt instalment maturities at 31 March 2020:

€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 (1)	**19,839**	**0**	**14,724**	**4,660**	**455**
Loans	19,839	0	14,724	4,660	455
Short-term loans and borrowings (2)	**8,596**	**8,596**	**0**	**0**	**0**
Guarantee deposits received	0	0	0	0	0
Loans	7,734	7,734	0	0	0
Accrued interest on loans	24	24	0	0	0
Bank overdrafts	510	510	0	0	0
Current accounts	327	327	0	0	0
Total	**28,435**	**8,596**	**14,724**	**4,660**	**455**

(1) Including €11.3 million under the 2016 and 2018 acquisition loans.
(2) Including €5.5 million under the 2016 and 2018 acquisition loans.

Following the outbreak of the COVID-19 health crisis, in late March the Group companies obtained a six-month moratorium on loan repayments from all lending banks, entailing the deferral of instalments totalling €2.9 million at 31 March 2020 and the deferral of debt repayments due in less than one year totalling €1.7 million.

Debt at 31 March 2020:

In April 2019, Groupe LDLC took out a €1.1 million loan to finance Group working capital.

The acquisition of LDLC VR Studio and Avitech during the year increased Group debt by €129,000 and €131,000 respectively.

Group financing related to the 2016 Materiel.net acquisition and 2018 acquisition of Olys and Synopsis:

The Group organised new sources of funding to help finance the March 2016 Materiel.net acquisition and the January 2018 acquisition of Olys and Synopsis.

Accordingly, on 31 March 2016 the Group signed a loan agreement with a five-bank pool. A second amendment to the 31 March 2016 loan agreement was signed on 19 January 2018 and provided for the following:

- A €23 million long-term line of credit for the 2016 acquisition maturing in 7 years, bearing interest at Euribor 3-month plus an "acquisition loan" margin revised annually in accordance with the leverage ratio.
- A €10 million long-term line of credit for the 2018 acquisition whose repayment period and loan terms and conditions were aligned with those of the €23 million 2016 acquisition loan.
- A €15 million revolving credit facility, subject to minimum drawdowns of €1 million each, intended to partly finance working capital for Groupe LDLC and its subsidiaries. This facility is subject to interest based on the Euribor rate, plus a revolving credit facility margin subject to annual revision in accordance with the leverage ratio. At 31 March 2020, the amount available under this facility was reduced to €13.5 million and the term extended until 31 March 2021. The facility was unused at 31 March 2020.

Swaps were entered into to hedge the floating rates applicable to these 2016 and 2018 acquisition loans.

Amendment 2 to the combined 2016 and 2018 acquisition loan agreement provides for compliance with two bank covenants contractually based on the consolidated financial statements and tested every six months. Following the transfer of the Groupe LDLC share to Euronext Growth Paris, the definition of underlying EBIT was revised pursuant to Amendment 4:

- Leverage ratio, defined as "consolidated net borrowings" (i.e. total borrowings less cash and cash equivalents plus guarantee commitments given and endorsed by signature totalling €89,000) divided by "adjusted consolidated EBITDA"

(i.e. consolidated EBIT plus net depreciation, amortisation and provision allowances deducted from EBIT, CVAE business value added tax and discounts received from suppliers).

- Gearing ratio, defined as "consolidated net borrowings" (i.e. total borrowings less cash and cash equivalents plus guarantee commitments given and endorsed by signature totalling €89,000) divided by "consolidated equity" (including minority interests).

In accordance with Amendment 2 to the loan agreement, in December 2019 the real estate asset disposals carried out during the year triggered a €6 million early repayment comprising a €3 million repayment under each of the €23 million and €10 million loans, thereby shortening the repayment period of both loans. As a result, the final instalments will fall due on 30 September 2022 for the €23 million loan and 30 September 2021 for the €10 million loan.

Under Amendment 4 signed on 15 July 2019, the agreement also imposes a limit on capital expenditure incurred by all Group companies.

On 19 January 2018, the Group took out a €5.3 million loan to supplement the €10 million loan. This loan is repayable over a 7-year term and subject to a fixed interest rate of 1.31% per annum with repayment deferred for 8 quarters.

Financing of Group head office:

The Group head office in Limonest acquired in 2017 under finance lease was sold in July 2019. The sale reduced Group debt by €19.1 million at 31 March 2020. Financial liabilities under this finance lease totalled €19.5 million at 31 March 2019.

As a reminder, in March 2017 Groupe LDLC signed a new factoring agreement with Eurofactor.

During the year ended 31 March 2019, Groupe LDLC took out two new €5 million loans to finance Group capital expenditure.

In March 2019, Groupe LDLC took out a €0.9 million loan to finance Group working capital.

A €500,000 loan was contracted by Olys in April 2018 to finance the buyout of minority interests in BIMP Éducation amounting to 40% of the share capital.

8.2. CASH FLOW ANALYSIS

8.2.1. Cash flows

€000	2019/2020	2018/2019 Restated *
Net cash flow from operating activities	12,421	3,286
Net cash flow from investing activities	20,172	(11,491)
Net cash flow from financing activities	(31,172)	(5,009)
Net change in cash and cash equivalents	**1,421**	**(13,213)**

** Following the change of accounting standards (see note 2.2.2 of the 2019/2020 consolidated financial statements), comparative data for the last financial year has been restated to account for the retrospective application of CRC Regulation 99-02. A bridge table between the published accounts and the restated accounts is given in note 5.3 of the 2019/2020 consolidated financial statements.*

8.2.2. Net cash flow from operating activities

€000	2019/2020	2018/2019 Restated *
Net income/(loss) from continuing operations	8,308	(4,820)
Elimination of non-cash income and expenses	7,631	8,053
Tax expense (current and deferred)	7,862	(2,839)
Gains/losses on disposal of assets	(12,436)	67
Gross operating cash flow before tax	11,365	462
Tax paid	(6,419)	260
Change in working capital	7,476	2,564
Net cash flow from operating activities	**12,421**	**3,286**

** Following the change of accounting standards (see note 2.2.2 of the 2019/2020 consolidated financial statements), comparative data for the last financial year has been restated to account for the retrospective application of CRC Regulation 99-02. The reconciliation between published and restated financial statements is set out in Note 5.3 to the 2019/2020 consolidated financial statements.*

Net operating cash flow for the year ended 31 March 2020 amounted to a €12,421,000 inflow, compared to a €3,286,000 inflow the previous year.

The significant change in gains/losses on disposal of assets mainly arises from capital gains generated on disposals of real estate assets, including €9,111,000 from the sale of the Group head office, €3,202,000 from the sale of the warehouse and office premises held by Domimo 2 and €668,000 from the sale of the Nantes concept store held by Domimo 3.

The improvement in earnings for the 2019/2020 financial year made a strong contribution to the increase in gross operating cash flow before tax,

which had been weakened accordingly by the net loss recorded the previous year.

8.2.3. Net cash flow from investing activities

€000	2019/2020	2018/2019 Restated *
Income from disposal of non-current assets, after tax	45,050	(11)
Acquisition of non-current assets	(26,338)	(11,824)
Reduction in financial assets	1,400	345
Change in consolidation scope	61	0
Net cash flow from investing activities	**20,172**	**(11,491)**

** Following the change in accounting framework (see Note 2.2.2 to the 2019/2020 consolidated financial statements), comparative data for the previous financial year has been restated in light of the retrospective application of Regulation CRC 99-02. The reconciliation between published and restated financial statements is set out in Note 5.3 to the 2019/2020 consolidated financial statements.*

Net cash flow from investing activities for the year ended 31 March 2020 amounted to a €20,172,000 inflow versus an €11,491,000 outflow the previous year.

This net inflow mainly consisted of the following items:

- disposals of real estate assets, which generated €32.3 million from the sale of the Group head office, €11.3 million from the sale of the warehouse and office premises held by Domimo 2 and €1.4 million from the sale of the concept store held by Domimo 3;
- acquisition of buildings following the exercise of the finance lease purchase option (€21,589,000);
- acquisition of intangible assets derived from in-house IT development and R&D projects (€1,929,000);
- acquisition of property, plant and equipment related to fit-out works on three Group stores (€451,000).

FY 2018/2019 net cash flow from investing activities amounted to an €11,491,000 net outflow, mainly consisting of:

- €3,993,000 of expenditure on intangible assets derived from in-house IT and R&D projects;
- fit-out works on new office premises in Limonest (€1,236,000);
- €2,473,000 expenditure on fit-out works on six new stores, including two in Spain requiring an investment of €1,272,000;
- fit-out works on premises located in Nantes (€852,000);
- installation of an autostore (storage and automated handling system) (€672,000).

8.2.4. Net cash flow from financing activities

€000	2019/2020	31/03/2019 Restated*
Treasury share transactions	7	(14)
Other effects	(1)	(312)
New borrowings	1,100	6,408
Repayment of borrowings	(31,917)	(9,425)
Finance lease payments	(378)	(1,439)
Change in financing from factoring of receivables	0	0
Change in other borrowings	17	(176)
Capital increase (nominal)	0	0
Additional paid-in capital + undistributable reserves + retained earnings	0	0
Decrease in shareholders' equity (dividends)	0	(50)
Net cash flow from financing activities	**(31,172)**	**(5,009)**

** Following the change in accounting framework (see Note 2.2.2 to the 2019/2020 consolidated financial statements), comparative data for the previous financial year has been restated in light of the retrospective application of Regulation CRC 99-02. The reconciliation between published and restated financial statements is set out in Note 5.3 to the 2019/2020 consolidated financial statements.*

In the year ended 31 March 2020, net cash flow from financing activities amounted to a €31,172,000 outflow, compared to a €5,009,000 outflow the previous year.

The sharp increase in repayment of borrowings in 2019/2020 was mainly due to:

- the sale of the warehouse and office premises located in Grandchamps-des-Fontaines by Domimo 2, which triggered early repayment of the loans associated with these real estate assets in an amount of €4.3 million;
- the sale of the concept store in Nantes by Domimo 3, which triggered early repayment of the loans associated with these real estate assets in an amount of €216,000;
- non-use of the €15 million revolving credit facility at 31 March 2020;
- sales of real estate assets during the year triggered early repayments of €3 million under each of the €23 million and €10 million loans, in accordance with Amendment 2 to the loan agreement.

A €1.1 million loan was contracted in April 2019 to finance Group working capital.

Finance lease payments were mainly related to the Group head office. The significant decrease in these repayments is due to the late July 2019 exercise of the finance lease purchase option.

During the year ended 31 March 2019, the Group took out two new loans totalling €5 million to finance Group capital expenditure, a €900,000 loan to finance Group working capital and a €500,000 loan in order to buy up the minority interests in Olys subsidiary BIMP Éducation.

Repayment of borrowings recognised in 2018/2019 includes repayments arising from the consolidation of the Olys companies (€780,000). The total amount also includes €1.8 million of repayments under the loan contracted in January 2018 to finance the Olys and Synopsis acquisitions.

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 the Company's short- and long-term financial resources" of this Universal Registration Document and in Notes 1.4 and 3.13 to the consolidated financial statements for the year ended 31 March 2020 included in Section 18.1 of this Universal Registration Document.

8.3.1. Financing policy

Non-current assets: acquisitions

The Group acquired the entire share capital of LDLC VR Studio and Avitech at respective prices of €20,000 and €90,000 in December 2019 and February 2020.

In January 2020, Group subsidiary Olys bought up the minority interests in Mac & Co Digital amounting to 49% of the share capital for €150,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

In April 2018, the Group bought up the minority interests in BIMP Éducation, representing 40% of the share capital. This acquisition was financed via a €500,000 loan.

Furthermore, in December 2018 the Group paid €400,000 to acquire a 20% equity stake in CG Développement.

In January 2018, the acquisition of Olys and Synopsis was paid for by means of a cash contribution financed by two loans amounting to €10 million and €5.3 million. See Section 8.1 of this Universal Registration Document and Note 3.13 to the consolidated financial statements for the year ended 31 March 2020.

In March 2016, the Materiel.net acquisition was financed via a cash contribution, for which a €23 million loan was taken out, and a contribution in kind financed via an issuance of new shares and transfer of treasury shares. See Section 8.2.4 of this Universal Registration Document and Note 3.14 to the consolidated financial statements for the year ended 31 March 2018.

The Group made no other acquisitions during the year ended 31 March 2020.

Non-current assets: property financing

In July 2019, the Group exercised the finance lease purchase option on the head office premises and sold the entire complex on the same date. Since then, the Group has occupied its head office premises as lessee.

During the year ended 31 March 2020, the Group sold the Nantes concept store and the warehouse and office premises located in Grandchamps-des-Fontaines, formerly held by Domimo 3 and Domimo 2 respectively. Likewise, the Group now occupies these premises as lessee. All loans attached to these real estate assets were repaid during the year as a result of these disposals.

All premises currently used by the Group are therefore rented.

Non-current assets: financing of other assets

In September and October 2018, Groupe LDLC took out two €2.5 million loans to finance Group capital expenditure.

Financing of working capital

Group working capital is financed via short- and long-term loans (see Note 3.13 to the consolidated financial statements for the year ended 31 March 2020).

In April 2019, Groupe LDLC took out a new €1.1 million loan to finance Group working capital.

In March 2019, Groupe LDLC took out a €0.9 million loan to finance Group working capital.

Overdraft authorisations granted to the Group amounted to €8.02 million at 31 March 2020.

The Group has a €15 million revolving credit facility with a €1 million minimum drawdown limit. This facility has been reduced to €13.5 million and extended until 31 March 2021.

Under a new factoring agreement signed in March 2017 with Eurofactor, the Group assigns its trade receivables on a non-recourse basis.

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	27,527	7,728	19,343	455
Finance leases	71	30	40	0
Total	**27,597**	**7,758**	**19,384**	**455**

8.3.3. Changes in borrowings

€000	Loans	Finance leases	Total
31/03/2018	**61,058**	**20,968**	**82,026**
New borrowings	6,408	41	6,449
Repayment of borrowings	(9,425)	(1,439)	(10,864)
Other changes	(3)	0	(3)
31/03/2019	**58,038**	**19,570**	**77,608**
New borrowings	1,100	0	1,100
Repayment of borrowings	(31,917)	(378)	(32,295)
Other changes	306	(19,122)	(18,816)
31/03/2020	**27,527**	**71**	**27,597**

Other changes totalling €306,000 for the year ended 31 March 2020 include €277,000 in consolidated cash flows generated by LDLC VR Studio (€148,000) and Avitech (€129,000).

On 12 June 2019, Groupe LDLC signed a sale agreement for the warehouse and office complex located at Grandchamps-des-Fontaines (Loire-Atlantique) held by Domimo 2, a 99.98%-owned subsidiary of Groupe LDLC. The sale price amounted to €11.3 million. The transaction triggered a €4.3 million early repayment of the associated loan.

On 21 February 2020, Groupe LDLC signed a sale agreement for the Nantes concept store held by Domimo 3, a 99.9%-owned subsidiary of Groupe LDLC. The sale price amounted to €1.4 million. The transaction triggered a €216,000 early repayment of the associated loan.

At 31 March 2020, the Group had not used the €15 million revolving credit facility, whereas this facility was fully drawn the previous year.

In accordance with Amendment 2 to the loan agreement, on 13 December 2019 the real estate asset disposals carried out during the year triggered a €6 million early repayment comprising a €3 million repayment under each of the €23 million and €10 million loans.

These early repayments were offset by the moratorium on loan repayments obtained by the Group from all of its lending banks in view of the COVID-19 health crisis, which totalled €2.9 million at 31 March 2020.

The €19,122,000 expense shown under other changes in finance lease items for 2019/2020 results from the Group's withdrawal from the head office finance lease in July 2019.

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 Materiel.net acquisition was partly financed via a €23 million loan contracted by Groupe LDLC on 31 March 2016. As part of the financing arrangements for the Olys and Synopsis acquisitions, a second amendment to the 31 March 2016 loan agreement was signed on 19 January 2018.

Amendment 2 to the combined 2016 and 2018 acquisition loan agreement provides for compliance with a number of bank covenants (ratios, capex limits, etc.). Failure to comply with these covenants may under specific conditions trigger early repayment. Following the transfer of the Groupe LDLC share to Euronext Growth Paris, the definition of underlying EBIT was revised pursuant to Amendment 4. The capital expenditure limit was also revised pursuant to Amendment 4 signed on 15 July 2019.

The ratios are tested every six months.

The ratios shown below apply to the 12-month period from 1 April 2019 to 31 March 2020.

Ratio R1: consolidated net borrowings/consolidated equity (at 31/03/2020 < 0.90)

€m	Score	Calculation
Consolidated net borrowings (1)	10.28	A
Consolidated equity (2)	62.46	B
Ratio: consolidated net borrowings/consolidated equity	0.16	A/B

Ratio R2: consolidated net borrowings/adjusted consolidated EBITDA (FY ended 31/03/2020 < 2.5)

€m	Score	Calculation
Consolidated net borrowings (1)	10.28	A
Adjusted consolidated EBITDA (3)	16.66	B
Ratio: consolidated net borrowings/adjusted consolidated EBITDA	0.62	A/B

(1) Consolidated net borrowings correspond to total borrowings (see Note 3.13 to the 2019/2020 consolidated financial statements) less cash and cash equivalents (see Note 3.10 to the 2019/2020 consolidated financial statements) plus guarantee commitments given and endorsed by signature totalling €89,000.
(2) Consolidated equity corresponds to total shareholders' equity including minority interests (see Note 1.3 to the 2019/2020 consolidated financial statements).
(3) Adjusted consolidated EBITDA corresponds to EBIT plus net depreciation, amortisation and provision allowances deducted from EBIT (see Note 2.5 to the 2019/2020 consolidated financial statements), CVAE business value added tax and discounts received from suppliers.

The amount of capital expenditure is lower than the €7 million limit set for the year ended 31 March 2020.

Bank covenants were in compliance at 31 March 2020 and have been submitted to the statutory auditors for certification.

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

Group exposure to the various risks as at 31 March 2020 is analysed in Note 2.4 to the consolidated financial statements for the year ended 31 March 2020, as featured in Section 18.1 of this Universal Registration Document.

Sensitivity testing conducted on floating-rate borrowings is explained in Note 3.15 to the same financial statements.

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

The acquisition of the business assets of Top Achat for a price of €3 million was financed with Group equity.

The Group contracted four €4.5 million state-guaranteed loans at the end of April in order to finance potential Group cash requirements. 90% of the €18 million borrowed under these loans is covered by the state guarantee granted to banks and finance companies under Article 6 of the French Amended Finance Act no. 2020-289 of 23 March 2020.

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 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).
- **Direct marketing by electronic means**: in application of Article L.34-5 of the 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.
- **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 new **marketplace business**, Groupe LDLC is also subject to 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* 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).

  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.

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. 7817 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 justify 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.).

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 three locations in France, Saint-Quentin-Fallavier (Isère), Grandchamps-des-Fontaines (Loire-Atlantique) and Gennevilliers (Hauts-de-Seine).

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:

- 1510: storage of materials, products and combustible substances in covered warehouses;
- 1530: storage areas for paper, cardboard and similar combustible materials;
- 1532: storage areas for wood and similar combustible materials.

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.

Furthermore, French Act no. 2020-105 of 10 February 2020 on the prevention of waste and the circular economy provides that, from 2022 onwards, 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 SALE 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 main trends having affected production, sales and inventories, costs and sale prices, or (ii) significant changes in financial performance from the end of the last financial year until the date of the Universal Registration Document.

1) Press release dated 14 April 2020: LDLC CLOSES ACQUISITION OF TOP ACHAT BUSINESS

"Groupe LDLC (Euronext Growth - ISIN: FR0000075442- ALLDL) closed its acquisition of Top Achat's business assets on 10 April 2020, having obtained competition authority approval and the lifting of all conditions precedent in accordance with the schedule.

The business activity of Top Achat, which posted 2019 revenues of over €90m, is fully in line with the LDLC Group's strategic positioning as a specialist multi-brand retailer.

Olivier de La Clergerie, LDLC Group CEO, said: "We are delighted to welcome Top Achat's employees on board. This merger is already fully operational and will be a source of additional opportunities and synergies for the new structure."

2) Press release dated 28 April 2020: 2019/2020 revenues: €493.3 million – Q4 revenues of €120.7 million down 5% in the context of the Covid-19 epidemic – H2 2019/2020 upswing in BtoC business

"LDLC Group CEO Olivier de la Clergerie made the following comments: The 2019/2020 financial year was particularly intense for the Group. We have successfully completed the strategic projects essential to our future, such as repositioning and expanding our offering through the recent acquisition of Top Achat. Moreover, this financial year has confirmed the dynamism of our BtoB business, for which revenues were up during the second half despite the public health crisis, which impacted a number of our businesses at the end of the period.

We are confident in the Group's capacity to achieve the target EBITDA of over €14 million for the 2019/2020 financial year and, in addition, to maintain the profitable growth trajectory of the past few months. The Group's fundamentals are as solid than they have ever been, which should enable it to weather the current public health crisis without issue but above all to take full advantage when a more favourable economic environment returns."

Consolidated revenues (1 April to 31 March) – unaudited

€m	2019/2020	2018/2019	Change (%)
Q1 revenues	103.7	109.1	-4.9%
Q2 revenues	118.3	125.5	-5.7%
Q3 revenues	150.6	145.8	+3.3%
Q4 revenues	120.7	127.1	-5.0%
12-month revenues	**493.3**	**507.5**	**-2.8%**

Corporate data: Q4 2019/2020 revenues of €105.8 million, 2019/2020 full-year revenues €420.7 million.

Q4 revenues of €120.7 million impacted by the public health crisis

The Q4 2019/2020 revenues reflect the contrasting impact of the current public health crisis on the different Group businesses.

Over the period, BtoB business posted revenues of €36.9 million compared with €41.0 million in Q4 2018/2019.

Store revenues were down 3% over Q4 2019/2020 at €15.6 million. Following the implementation of the nationwide lockdown measures, the LDLC Group temporarily closed the majority of its stores. Currently, only 10 of the 51 stores comprising the network are open to the public, implementing strict compliance with the recommended "distancing" measures.

Online BtoC business posted quarterly revenue of €61.7 million, stable compared to the same period last year. Online sales were up sharply, but the Group recorded a delay in customer invoicing as of 31 March 2020 due to the timing and the impact of the public health crisis on the logistics chain.

Overall BtoC business revenues amounted to €82.1 million for the quarter (€84.0 million in Q4 2018/2019).

2019/2020 revenues of €493.3 million (-2.8%) in line with Group forecasts

BtoC business posted full-year revenues of €323.5 million, compared to €335.9 million in 2018/2019. As previously announced, H1 2019/2020 was impacted by an €18.6m expense arising from the strategic repositioning of the Materiel.net offer, now completed.

Excluding Materiel.net, BtoC business posted revenues of €236.0 million, up 2.7% compared to last year. LDLC.com store revenues rose sharply by 11.2% to €66.7m.

BtoB business posted revenues of €162.3m in 2019/2020, stable compared to the previous year. These businesses, which were up 3.5% over the first nine months of the year, were more significantly impacted by the slowdown in company operations following the introduction of lockdown measures in France.

Other businesses (excluding Maginea) posted total full-year revenues of €7.5 million, compared to €7.1 million in 2018/2019, driven primarily by brisk sales of L'Armoire de Bébé childcare products.

Recent news and outlook

Update on Covid-19

The impact has so far varied greatly for the different LDLC Group businesses. Although stores and BtoB entities are experiencing a significant slowdown in activity for the time being, online sales are fully operational albeit within a somewhat disrupted logistical environment, benefiting from sustained demand. With regard to supply, the LDLC Group has the required stocks and supply channels to meet demand.

Despite this unprecedented situation, the Group expects to be able to leverage the strong positioning of its offer and range of business lines (distribution network, BtoB, online BtoC) so as to limit the impact on its overall business.

The LDLC Group has implemented all the measures required for the correct performance of its operations and supports its franchises in order to enable a rapid reopening of the store network.

Successful Top Achat acquisition

On 10 April the LDLC Group closed the acquisition of the Top Achat business purchased from Rue du Commerce. The business activity of Top Achat, which posted 2019 revenues of over €90m, is fully in line with the LDLC Group's strategic positioning as a specialist multi-brand retailer.

This merger is already fully operational and will be a source of additional opportunities and synergies for the new structure.

Confidence in profitable growth momentum

Over the past 18 months the Group has implemented various strategic priorities (repositioning the Group's online brands, in particular Materiel.net, development of the store network, closure of physical retail operations in Spain, acquisition of Top Achat), which are now bearing fruit.

Buoyed by these successes, the LDLC Group has announced target EBITDA of over €14 million for the 2019/2020 financial year.

Following its successful strategic repositioning as a specialist multi-brand retailer, the Group is now entering a new phase of profitable growth driven by a structural hike in its normal gross margin rate and the impact of its operating expense optimisation policy.

2020/2021 PROVISIONAL REPORTING CALENDAR

Publication*	Date	Information meeting
Q1 2020/2021 revenues	23 July 2020	
Annual General Meeting	25 September 2020	
Q2 2020/2021 revenues	29 October 2020	
H1 2020/2021 RESULTS	3 December 2020	4 December 2020
Q3 2020/2021 revenues	28 January 2021	
Q4 2020/2021 revenues	29 April 2021	
2020/2021 FULL-YEAR RESULTS	17 June 2021	18 June 2021

**Publication after market close*

3) Press release dated 18 June 2020: sharp increase in 2019/2020 full-year results

- H2 2019/2020 upswing in BtoC business.
- Structural improvement in gross margin to 19.3% (vs. 17.0% in 2018/2019).
- EBITDA up sharply to €15.7m (vs. €1.8 million in 2018/2019).
- Net debt down 7-fold to €8.6m at 31 March 2020.
- Steepening of profitable growth curve in 2020/2021.

LDLC Group CEO Olivier de la Clergerie made the following comments: *"FY 2019/2020 saw sharp growth in Group financial results including a return to profit levels exceeding historical performance, particularly in the second half. These results prove the merits of the structural strategic guidelines we have followed over the past 18 months in order to strengthen our offering and positioning on high-tech markets. Moreover, the Group considerably strengthened its financial position over the year, bringing net debt down from €60.3m to €8.6m under the combined effects of real estate disposals and strong operating cash flow of €12.4m.*

Despite the disruptive environment of the last few months, the Group is confident in its ability to post further earnings growth for the 2020/2021 financial year and is targeting revenues of over €600 million, entailing growth of over 20%, and EBITDA of €33 million after consolidation of the recent Top Achat business acquisition."

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

€m - Audited figures	2019/2020 12 months	H1 2019/2020 6 months	H2 2019/2020 6 months	2018/2019 Restated 12 months	Change (€m)
Revenues	**493.4**	**222.0**	**271.4**	**507.5**	**-14.1**
Gross margin	**95.1**	**42.3**	**52.8**	**86.1**	**+9.0**
Gross margin rate	*19.3%*	*19.1%*	*19.5%*	*17.0%*	*+2.3 pp*
EBITDA [1]	**15.7**	**4.7**	**11.0**	**1.8**	**+13.9**
EBITDA margin	*3.2%*	*2.1%*	*4.1%*	*0.4%*	*+2.8 pp*
EBIT	**6.6**	**0.8**	**5.8**	**(5.5)**	**+12.2**
Net financial income/(expense)	(1.0)			(2.1)	+1.1
Earnings of consolidated companies before non-recurring items	**5.7**			**(7.6)**	**+13.3**
Non-recurring income/(expense)	10.5			(0.1)	+10.6
Income tax	(7.9)			2.8	-10.7
Net income/(loss) of consolidated companies	**8.3**			**(4.8)**	**+13.1**

1 EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation

On 18 June 2020, the LDLC Management and Supervisory Boards approved the consolidated financial statements for the financial year ended 31 March 2020. The account auditing procedures have been finalised and the accounts have been audited.

Change of accounting standards

As announced when the company share was transferred to Euronext Growth Paris (see press release dated 29 August 2019), the LDLC Group now prepares French GAAP financial statements as of the 2019/2020 financial year. The financial statements for the financial year ended 31 March 2019 have been restated accordingly to allow comparison between the two periods. A detailed reconciliation between the 2018/2019 financial statements published under IFRS and restated under French GAAP will be included in the 2019/2020 Universal Registration Document.

LDLC Group management considers that revenues, gross margin and EBITDA are relevant indicators for evaluating Group performance and plans to communicate henceforth on this basis.

Overview of the 2019/2020 financial year

The Group posted revenues of €493.3m for the 2019/2020 financial year, compared to €507.5m the previous year. The second half surge in business was partly curbed by the diverse initial impacts of the current health crisis on the Group's business lines in Q4 2019/2020.

2019/2020 revenues of €493.4m (-2.8%) with second-half upswing in BtoC business

BtoC business posted full-year revenues of €323.5m, compared to €335.9m in 2018/2019, including 1.2% growth in the second half (€180.6m for the period, compared with €178.4m the previous year). As previously announced, H1 2019/2020 was impacted by an expense arising from the strategic repositioning of the Materiel.net offer, now completed.

LDLC store revenues rose 11.2% to €66.7m reflecting the continuous expansion of the store chain throughout the year (51 stores in France at 31 March 2020 versus 42 the previous year).

BtoB business posted revenues of €162.3m, stable compared to the previous year.

The Group average basket value increased +9.5% from €344 last year to €389 excl. VAT. The Group attracted 329,000 new BtoC and BtoB customers over the financial year.

Other businesses posted total full-year revenues of €7.6m, up from €7.1m in 2018/2019. driven primarily by brisk sales of L'Armoire de Bébé childcare products.

Positive structural impact on gross margin rate, +2.3 points to 19.3%

Boosted by the strategic repositioning of Group brands, FY 2019/2020 gross margin rose €9.0m to €95.1m or 19.3% of revenues. The LDLC Group is confident in its ability over the long term to deliver a normalised gross margin comparable to the FY 2019/2020 margin, excluding potential impacts related to the positioning of the Top Achat business.

Sharp improvement in EBITDA margin

2019/2020 EBITDA came to €15.7m, up €13.9m. EBITDA margin increased accordingly from 0.4% in 2018/2019 to 3.2% in 2019/2020, including a 4.1% margin for the second half alone.

This sharp improvement was driven by the increase in gross margin and the impact of savings generated by Group synergies and other cost-cutting measures initiated the previous year.

Net cost of debt fell from €1.8m last year to €1.2m, reflecting the considerable deleveraging over the period. The Group generated net non-recurring income of €10.5m during the year, mainly from the sale of the Nantes warehouse and Limonest head office, but also including €2.3m of expenses arising from business closures in Spain.

Net income for the 2019/2020 financial year came to €8.3m, an improvement of €13.1m over the previous year's loss.

Group net debt reduced to €8.6m

Shareholders' equity amounted to €62.4m (versus €54.3m at 31 March 2019) taking net debt down to €8.6m (compared to €60.3m at 31 March 2019).

This significant €51.7m reduction in net debt resulting from the sale of the warehouse in Nantes (June 2019) and head office premises in Limonest (July 2019), as well as the improvement in earnings, allowed the LDLC Group to regain sufficient financial leeway to pursue its business development plans.

However, as a precautionary measure given the public health crisis, the Group applied for and obtained an €18m State-guaranteed loan (PGE) through its banking partners in April.

Recent news and outlook

Update on COVID-19

The health crisis impacted the LDLC Group's businesses in different ways, with a sharp decline in in-store and BtoB sales fully offset by strong demand on e-commerce websites.

Thanks to judicious positioning of its offering and a diverse range of sales channels (physical stores, BtoB, online BtoC), the Group has not only suffered no ill effects on its global business, but has even benefited greatly as a result of its omnichannel retail model.

The LDLC Group is currently working on the resumption of businesses adversely impacted by lockdown, focusing on providing assistance to the franchises. These operations could return to normality fairly soon, whereas growth in online sales has not been interrupted.

Successful Top Achat acquisition

On 10 April the LDLC Group closed the acquisition of the Top Achat business purchased from Rue du Commerce. This merger is already fully operational and will be a source of additional opportunities and synergies for the new structure."

2020/2021 targets: revenues of over €600m and EBITDA of €33m

The results of the last financial year reflect the major impact the various strategic guidelines followed over the past 18 months have had on the Group's business model and financial performance. These strategies include repositioning the Group's web brands, particularly Materiel.net, expanding the store chain, closing physical retail operations in Spain and the acquisition of Top Achat.

Bolstered by these structural changes, the LDLC Group is confident in pursuing its profitable growth curve in FY 2020/2021 and is targeting **revenues of over €600m, entailing growth of over 20%, and EBITDA of €33m**.

Based on these targets, the Group expects to bring **net debt down to zero by the end of the 2020/2021 financial year**.

Next meeting:

19 June 2020 at 10am – Full-year earnings presentation conference call

To take part in this conference call, please dial: +33 (0)1 72 72 74 03

Presentation materials may be downloaded from:

https://www.anywhereconference.com/?Conference=418932541&PIN=89287859&UserAudioMode=DATA

Login: 418932541 PIN: 89287859#

Next release:

On 23 July 2020 after market close, Q1 2020/2021 revenues

4) Press release dated 23 July 2020:

Strong business growth in Q1 2020/2021

- **Consolidated revenues up 43.7% to €149.1 million (+23.2% at constant consolidation scope)**
- **Major upswing in *BtoC* business: +77.3% to €115.7 million (+44.7% at constant consolidation scope)**
- **Upward revision of 2020/2021 targets: REVENUES of more than €635 million with EBITDA of 38 million**

Olivier de la Clergerie, LDLC Group CEO, said: "*Against the backdrop of the economic and public health crisis, we posted an excellent performance for the first quarter, due in particular to our omnichannel retail model. Although certain businesses (*BtoB *and stores) were impacted to varying degrees, our online sales were up sharply with growth above 60%. The commitment and unwavering support shown by Group employees during the lockdown were a key driver of this success.*

Since mid-May, positive trends have emerged or continued in all our businesses. The Group is therefore confident in its ability to deliver further earnings growth for the 2020/2021 financial year and has increased its target revenue to more than €635 million (growth of more than 28%), with an EBITDA target of €38 million, over the Group's new scope of consolidation.

First quarter consolidated revenues (1 April to 30 June) – unaudited

€m	2020/2021	2019/2020	Change (%)
Q1 revenues	149.1	103.7	+43.7%

Quarterly reporting, corporate data: Q1 revenues amounted to €139.0m.

Q1 2020/2021 revenues of €149.1 million (+43.7% as reported, +23.2% at constant consolidation scope) driven by the sharp upswing in online *BtoC* business

The past quarter, marked by the public health crisis and the lockdown in France, saw a 77.3% increase in *BtoC* business revenues to €115.7 million (+44.7% at constant consolidation scope(. This outstanding performance reflects the significant growth in online business over the entire quarter as well as the contribution of the business assets of Top Achat, recently acquired and fully operational since 10 April.

Among the *BtoC* businesses, LDLC store revenues were down slightly (-1.9%) to €13.8 million. The impact of store closures during the lockdown was almost entirely offset by the expansion of the store chain (52 stores in France at 30 June 2020, up from 45 last year) and the sharp upturn in business recorded since mid-May.

BtoB businesses posted revenues of €30.5 million in Q1 2020/2021, compared with €36.7 million during the same period a year earlier, against the backdrop of sluggish economic activity until the end of the lockdown. However, the end of the first quarter saw a sharp recovery in BtoB, up 20% in June (compared to June 2019).

Other businesses posted significant growth over the quarter (+63.8%) at €2.8 million, compared with €1.7 million in Q1 2019/2020. This performance reflects the strong growth in sales of L'Armoire de Bébé childcare products. The brand took advantage of the lockdown to develop its reputation and posted revenues of €1.8 million in Q1, an increase of more than 150%.

Recent news and outlook

2020/2021 targets: revenues of over €635m and EBITDA of €38m

The sharp improvement in the Group's 2019/2020 results reflect the major impact the various strategic guidelines followed over the past 18 months have had on the Group's business model and financial performance. These strategies include repositioning the Group's web brands, particularly Materiel.net, expanding the store chain, closing physical retail operations in Spain and the acquisition of Top Achat.

During the public health crisis, the Group has proven the resilience of its business model and the importance of its omnichannel retail model (physical stores, *BtoB*, online *BtoC*) as well as the correct positioning of its offer.

Backed by this strong positioning and within the favourable context of an upturn in all its businesses, the LDLC Group is confident in pursuing its profitable growth curve in the 2020/2021 financial year.

It is now targeting **revenues of over €635m (up from €600m initially), entailing growth of over 28%, and EBITDA of €38m (up from €33m initially)**.

Based on these revised targets, the Group expects to bring **net debt down into negative territory during the 2020/2021 financial year.**

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

The significant improvement in the Group's financial results in 2019/2020 reflects the major impact the various strategic guidelines followed over the past 18 months have had on the Group's business model and financial performance. These strategies include repositioning the Group's web brands, particularly Materiel.net, expanding the store chain, closing physical retail operations in Spain and the acquisition of Top Achat.

During the health crisis, the Group demonstrated the resilience of its business model, as well as the merits of its omnichannel retail model (physical stores, BtoB and online BtoC) and the positioning of its offering.

Backed by this positioning and thanks to the upturn in all of its businesses, the LDLC Group is confident in its ability to pursue and step up its profitable growth trajectory in 2020/2021.

CHAPTER 11. PROFIT FORECASTS AND ESTIMATES

See section 10.1.4. page 88 on the 2020/2021 EBITDA target.

CHAPTER 12. CORPORATE BODIES

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 URD.

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 URD).

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 URD.

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 URD).

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 (member of the Management Board), Laurent (Chairman and member of the Management Board) and Olivier (CEO and member of the Management Board) Villemonte de la Clergerie; and
- Anne-Marie Valentin Bignier (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… 20 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 and the LDLC School.

> **Marc Prieur**

Member of the Management Board - Director, Hardware.fr
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. Marc Prieur has been Director of Hardware.fr and a member of the LDLC Group Management Board since 2001.

> **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.

> **Anne-Marie Valentin Bignier**

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

Anne-Marie Valentin Bignier 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 Valentin Bignier 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 *École 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 of interests 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. COMPENSATION 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 appendix 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, applicable by reference to point 1.1 of Appendix 2 of the said Regulation, below you will find, based on the information in our possession, the remuneration and benefits of all kinds owed and/or paid to the corporate officers of the company during the financial years ended 31 March 2019 and 31 March 2020. 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 remuneration, compensation or benefits owed or likely to be owed due to the taking up, termination or change of a corporate officer's duties or after the performance of said duties, in particular pension and other annuities.

The tables set out in Appendix 2 of AMF recommendation 2014-14 are presented below.

Table 1: Summary of compensation, options and shares granted to each executive director

	Financial year ended 31 March 2019	**Financial year ended 31 March 2020**
Laurent Villemonte de la Clergerie, Chairman of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€246,747.83	€199,621.71
Multi-year variable compensation awarded during the year	None	
Options granted during the year *(breakdown in Table 4)*	None	
Bonus shares granted *(breakdown in Table 6)*	None	
Total	**€246,747.83**	**€199,621.71**

	Financial year ended 31 March 2019	Financial year ended 31 March 2020
Olivier Villemonte de la Clergerie, CEO		
Compensation due for the year *(breakdown in Table 2)*	€234,344.48	€202,518.58
Multi-year variable compensation awarded during the year	None	
Options granted during the year *(breakdown in Table 4)*	None	
Bonus shares granted *(breakdown in Table 6)*	None	
Total	**€234,344.48**	**€202,518.58**

	Financial year ended 31 March 2019	Financial year ended 31 March 2020
Caroline Villemonte de la Clergerie, Member of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€25,008.86	€24,998.67
Multi-year variable compensation awarded during the year	None	
Options granted during the year *(breakdown in Table 4)*	None	
Bonus shares granted *(breakdown in Table 6)*	None	
Total	**€25,008.86**	**€24,998.67**

	Financial year ended 31 March 2019	Financial year ended 31 March 2020
Marc Prieur, Member of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€117,494.94	€107,508.42
Multi-year variable compensation awarded during the year	None	
Options granted during the year *(breakdown in Table 4)*	None	
Bonus shares granted *(breakdown in Table 6)*	None	
Total	**€117,494.94**	**€107,508.42**

Table 2: **Summary of compensation paid to each executive director**

The tables presented below list compensation due to executive directors for the years ended 31 March 2019 and 2019 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.

NB: 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.

Lastly, we inform you that, 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 underlying EBIT before deduction of the employee profit-share. The reader's attention is drawn to the fact that the accounting aggregate "EBIT" has, for the determination of the variable remuneration liable to be owed in respect of the financial year ended 31 March 2020, replaced the accounting aggregate "Underlying EBIT" due to the adoption by the company of French accounting standards instead of IFRS standards as a result of its transfer to the organised multilateral trading facility Euronext Growth.

The Company considers that this financial 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.

At present, the Company does not intend to incorporate non-financial performance criteria into the calculation of corporate officer variable compensation for the financial year ending 31 March 2021.

	Laurent Villemonte de la Clergerie, Chairman of the Management Board			
	Financial year ended 31 March 2019		**Financial year ended 31 March 2020**	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed compensation for corporate office	0	€185,400.00 (5)	0	€185,400.00
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products	0	€9,810.64	0	€10,552.17
Annual variable compensation (1)(2)	0 (3)	€48,094.39	€34,531.61 (6)	0
Benefits in kind (4)	0	€3,442.80	0	€3,669.54
Total	**0**	**€246,747.83**	**€34,531.61**	**€199,621.71**

(1) With regard to annual variable compensation, (i) Group EBIT (or Group underlying EBIT for the financial year ended 31 March 2019) before deduction of the employee profit-share is the only item taken into consideration, 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.
(2) At its meetings on 29 June 2017, 20 June 2019 and 27 September 2019, 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 (or Group underlying EBIT for the financial year ended 31 March 2019) 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%.
(3) At its meeting on 20 June 2019, the Supervisory Board noted that the target amount of Group underlying EBIT before deduction of the employee profit-share set for Laurent Villemonte de la Clergerie had not been reached for the financial year ended 31 March 2019.
(4) Company vehicle in respect of his position as member of the Management Board.
(5) At its meeting on 28 September 2018, with effect from 1 April 2018, the Supervisory Board set the fixed gross annual compensation awarded to Laurent Villemonte de la Clergerie as Chairman of the Management Board at €185,400.
(6) At its meeting on 18 June 2020, 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 2020.

	Olivier Villemonte de la Clergerie, Chief Executive Officer			
	Financial year ended 31 March 2019		Financial year ended 31 March 2020	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation for corporate office	0	€185,400.00	0	€187,560.00 (6)
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products	0	€12,396.75	0	€10,671.82
Annual variable compensation (1)(2)	0 (3)	€32,062.93	€23,021.08 (5)	0
Benefits in kind (4)	0	€4,484.80	0	€4,286.76
Total	**0**	**€234,344.48**	**€23,021.08**	**€202,518.58**

(1) With regard to annual variable compensation, (i) Group EBIT (or Group underlying EBIT for the financial year ended 31 March 2019) before deduction of the employee profit-share is the only item taken into consideration, 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.
(2) At its meetings on 28 March 2014, 20 June 2019 and 27 September 2019, 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 (or Group underlying EBIT for the financial year ended 31 March 2019) 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%.
(3) At its meeting on 20 June 2019, the Supervisory Board noted that the target amount of Group underlying EBIT before deduction of the employee profit-share set for Olivier Villemonte de la Clergerie had not been reached for the financial year ended 31 March 2019.
(4) Company vehicle in respect of his position as member of the Management Board.
(5) At its meeting on 18 June 2020, 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 2020.
(6) The fixed remuneration of Olivier Villemonte de la Clergerie is now set at a gross amount of €185,400 for the financial years ending 31 March 2019 and 31 March 2020. The difference of €2,160 results from an overpayment during the financial year ended 31 March 2020, returned to the company after the closing date and which will be included in the financial statements for the financial year ending 31 March 2021.

	Caroline Villemonte de la Clergerie, Member of the Management Board			
	Financial year ended 31 March 2019		Financial year ended 31 March 2020	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation for corporate office	0	€21,600.00	0	€21,600.00
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products	0	€1,325.15	0	€1,321.94
Annual variable compensation (1)(2)	None (3)		None (5)	
Benefits in kind (4)	0	€2,083.71	0	€2,076.73
Total	**0**	**€25,008.86**	**0**	**€24,998.67**

(1) With regard to annual variable compensation, (i) Group EBIT (or Group underlying EBIT for the financial year ended 31 March 2019) before deduction of the employee profit-share is the only item taken into consideration, 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.
(2) At its meetings on 2 April 2013, 28 March 2014, 29 June 2017, 30 March 2018, 20 June 2019 and 27 September 2019, the Company's Supervisory Board decided that the annual variable compensation liable to be awarded to Caroline Villemonte de la Clergerie, provided that she (i) has an employment contract with the Group and does not receive annual variable compensation under this contract and (ii) proves that she 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 (or Group underlying EBIT for the financial year ended 31 March 2019) 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%.
(3) Given that there was no employment contract between Caroline Villemonte de la Clergerie and the Group as at 31 March 2019, she did not qualify for the allocation of annual variable compensation for the financial year ended 31 March 2019.
(4) Company vehicle in respect of his position as member of the Management Board.
(5) Given that there was no employment contract between Caroline Villemonte de la Clergerie and the Group as at 31 March 2020, she did not qualify for the allocation of annual variable compensation for the financial year ended 31 March 2020.

	Marc Prieur, Member of the Management Board			
	Financial year ended 31 March 2019		**Financial year ended 31 March 2020**	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed compensation for corporate office	0	€4,800.00	0	€4,800.00
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products	0	€1,263.58	0	€368.50
Fixed compensation as employee of Hardware.fr	0	€86,400.00	0	€92,400.00
Annual variable compensation (1)(2)	0 (3)	€16,031.46	€11,510.54 (6)	0
Bonus in relation to work as employee of Hardware.fr(4)	0	€7,200.00	0	€8,200.00
Benefits in kind (5)	0	€1,800.00	0	€1,739.92
Total	**0**	**€117,494.94**	**€11,510.54**	**€107,508.42**

(1) With regard to annual variable compensation, (i) Group EBIT (or Group underlying EBIT for the financial year ended 31 March 2019) before deduction of the employee profit-share is the only item taken into consideration, 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.
(2) At its meetings on 2 April 2013, 28 March 2014, 29 June 2017, 30 March 2018, 20 June 2019 and 27 September 2019, 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 (or Group underlying EBIT for the financial year ended 31 March 2019) 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%.
(3) At its meeting on 20 June 2019, the Supervisory Board noted that the target amount of Group underlying EBIT before deduction of the employee profit-share set for Marc Prieur had not been reached for the financial year ended 31 March 2019.
(4) 13th month bonus
(5) Company vehicle in respect of his position as member of the Management Board
(6) At its meeting on 18 June 2020, the Supervisory Board noted the achievement of the target amount of Group underlying 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 2020.

Table 3: **Table presenting the remuneration of the members of the Supervisory Board as provided for in Article L. 225-83 of the French Commercial Code and the other remuneration received by non-executive directors**

	Financial year ended 31 March 2019	Financial year ended 31 March 2020
Suzanne Villemonte de la Clergerie, Chairwoman of the Supervisory Board		
Remuneration awarded under Article L. 225-83 of the 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 2019	Financial year ended 31 March 2020
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 2019	Financial year ended 31 March 2020
Anne-Marie Valentin Bignier, **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.

Table 7: **Bonus shares available for sale by each corporate officer during the year ended**

None.

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	28/09/2012	28/09/2012	28/09/2012	30/09/2016	30/09/2016	30/09/2016	30/09/2016
Date of Management Board meeting	24/06/2013	28/03/2014	09/07/2014	30/09/2016	29/06/2017	13/11/2017	23/02/2018
Total number of bonus shares granted (to):	11,494	137	161,746	1,500	10,000	2,000	70,000
Philippe Sauze (1)	11,494	0	160,924	0	0	0	0
Vesting date	23/06/2015	28/03/2016	(2)	30/09/2018	(2)	13/11/2019	(2)
End of lock-in period	23/06/2017	28/03/2018	(2)	01/10/2020	(2)	14/11/2021	(2)
Number of shares acquired at 31 March 2020	11,494	137	161,746	1,500	1,000	2,000	10,000
Total number of shares cancelled or expired at 31 March 2020	None	None	None	None	None	None	35,000
Bonus shares outstanding at year-end	None	None	None	None	9,000	None	25,000
Share value (closing price on allotment date)	€9.68	€22.32	€17.10	€33.30	€28.49	€19.55	€17.94
Euro valuation of shares under the method used for the consolidated financial statements at 31 March 2020 (3)	None	None	11,670.92	None	46,459.84	13,242.28	248,475.71

(1) For his work as a Company employee responsible for sales, Internet and marketing. (5) Philippe Sauze is no longer a member of the Management Board as of 29 November 2017.

(2) 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.

(3) For further information, see Note 4.2 to the consolidated financial statements in Section 18.1.

Table 11:

The following table provides specific information on conditions regarding compensation and other benefits granted to executive directors in office at 31 March 2020:

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:	07/03/2000							
Expiry of appointment:	At the end of the Annual General Meeting called to approve the financial statements for the year ended 31/03/2025							
Olivier Villemonte de la Clergerie		X		X		X		X
Date of appointment:	07/03/2000							
Expiry of appointment:	At the end of the Annual General Meeting called to approve the financial statements for the year ended 31/03/2025							
Caroline Villemonte de la Clergerie		X		X		X		X
Date of appointment:	07/03/2000							
Expiry of appointment:	At the end of the Annual General Meeting called to approve the financial statements for the year ended 31/03/2025							
Marc Prieur	X (1)			X		X		X
Date of appointment:	14/04/2005							
Expiry of appointment:	At the end of the Annual General Meeting called to approve the financial statements for the year ended 31/03/2025							

(1) Marc Prieur is an employee of Hardware.fr, a subsidiary of the Company.

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 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 223-22-A et seq. of the AMF General Regulation, the Company confirms that no transactions referred to by Article L. 621-18-2 of the French Monetary and Financial Code were declared during the year ended 31 March 2020:

CHAPTER 14. OPERATION OF CORPORATE BODIES

14.1. COMPANY MANAGEMENT

Further information on the members of the Management Board may be found in Chapter 14 “Corporate bodies” of this Registration Document.

14.2. INFORMATION ON AGREEMENTS BETWEEN DIRECTORS AND THE COMPANY OR ONE OF ITS SUBSIDIARIES

On 1 August 2000, Marc Prieur (member of the Management Board) signed an employment contract with Hardware, a subsidiary of the Company, for the position of Chief Editor.

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

(i) 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 CEOs.

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.

(ii) 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, and Marc Prieur;
- the directors and operating or departmental managers of the Company and its subsidiaries responsible for the following departments:

Sales department

Based at 3 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 Systems and Webmaster Service department

The 34 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, in accordance with determined schedules, given that any delay in implementing specific strategic decisions could strongly impact the Group's operations.

Customer Contact Centre department

The customer contact centre department is split over 2 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, inductions, schedules, payroll and employment contract management as well as managing the training budget.

Procurement department

This department manages contractual relations with suppliers, all procurement for the LDLC Group and prepares technical data sheets for the website.

Logistics department

The logistics and transport department ensure the proper execution of client orders for the Group, as well as delivery. It also manages after-sales flows and computer assembly workshops.

Armoire de Bébé department

This department is responsible for managing all aspects of the childcare brand, including procurement and site/point of sale management.

Research and development department

This department designs new products and patents for the LDLC Group with a view to development and market launch.

14.5. SUPERVISORY BOARD REPORT ON CORPORATE GOVERNANCE

Dear Shareholders,

In accordance with the provisions of Article L.225-68 paragraph 6 of the French Commercial Code, we have summarised the information, adapted to companies with a Supervisory Board, where applicable, as mentioned in Articles L.225-37-3 to L.225-37-5 of the French Commercial Code, as well as the observations of the Supervisory Board on the Management Board's report and on the financial statements for the year ended 31 March 2020.

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 18 June 2020.

Firstly, it is recalled that, as the Company's shares are admitted for trading on the organised multilateral trading facility Euronext Growth instead of the regulated market Euronext Paris since 2 September 2019, this report has been revised with regard to the previous financial year insofar as the following provisions are no longer applicable to the Company:

- Articles L. 225-37-3, L. 225-82-2, L. 225-100, II and III of the French Commercial Code regarding the control of corporate officer remuneration (say on pay) ;and
- Article L. 225-37-4, 5° to 10° of the French Commercial Code in relation to certain aspects of the corporate governance report applicable solely to companies whose shares are admitted to trading on a regulated market.

I. Corporate governance

The Company notes that the provisions of Article L. 225-37-4, 8° of the French Commercial Code, applicable by reference to Article L. 225-68 of the same Code, relating to the selection of a corporate governance code, are no longer applicable to it. However, the Company has decided to continue to voluntarily use the MiddleNext code published in December 2009 and revised in September 2016 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 2020**	**Not adopted on 31 March 2020**
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: Organisation of Board and committee meetings	X	
R 6: Establishment of committees	X	
R 7: Establishment of Board internal regulations	X(6)	
R 8: Choice of Board members	X	
R 9: Board members' term of office		X(2)
R 10: Board members' compensation		X(3)
R 11: Establishment of a system for assessing the work of the Board	X(4)	
R 12: Shareholder relations	X	
II. Executive power		
R 13: Definition and transparency of executive directors' compensation	X	
R 14: Succession plans for directors	X(5)	
R 15: Combining employment contract with corporate office	X	
R 16: Severance pay	X	
R 17: Supplementary pension schemes	X	
R 18: Stock options and bonus shares	X	
R 19: Review of checkpoints	X	

(1) If the membership of the Supervisory Board changes, MiddleNext code recommendation R3 regarding the presence of two independent members will be taken into consideration.
(2) 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 composition of the Supervisory Board, the Company does not consider it appropriate to ask the shareholders to vote on an amendment to the articles providing for staggered reappointments.
(3) If changes to the Supervisory Board involve the appointment of independent members, the Company will make provisions for allocating compensation to these members, to be distributed according to their attendance and the time they devote to their duties, including membership of any committees.
(4) In order to comply with MiddleNext code recommendation 11, on 18 June 2020 the Board conducted an assessment of its operations.
(5) 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).
(6) The internal regulations of the Company's Supervisory Board can be consulted, upon request, at the registered office.

At its meeting on 18 June 2020, the Company's Supervisory Board duly noted the checkpoints specified in the MiddleNext code, in accordance with recommendation 19.

No future change to the membership of the Company's corporate bodies or committees has been decided by those corporate bodies or by the General Meeting of shareholders.

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. Members are 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 2020, the Company's Management Board had 4 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 2rd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4rd reappointment: 18 June 2020 Expiry of office: end of General Meeting called to approve the financial statements for the year ended 31 March 2025
	Chairman of the Management Board	First appointment: 7 March 2000 1st reappointment: 19 July 2005 2rd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4rd reappointment: 18 June 2020 Expiry of office: end of General Meeting called to approve the financial statements for the year ended 31 March 2025
Olivier Villemonte de la Clergerie	Member of the Management Board	First appointment: 7 March 2000 1st reappointment: 19 July 2005 2rd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4rd reappointment: 18 June 2020 Expiry of office: end of General Meeting called to approve the financial statements for the year ended 31 March 2025
	Chief Executive Officer	First appointment: 5 March 2001 1st reappointment: 19 July 2005 2rd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4rd reappointment: 18 June 2020 Expiry of office: end of General Meeting called to approve the financial statements for the year ended 31 March 2025
Marc Prieur	Member of the Management Board	First appointment: 14 April 2005 1st reappointment: 19 July 2005 2rd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4rd reappointment: 18 June 2020 Expiry of office: end of General Meeting called to approve the financial statements for the year ended 31 March 2025
Caroline Villemonte de la Clergerie	Member of the Management Board	First appointment: 7 March 2000 1st reappointment: 19 July 2005 2rd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4rd reappointment: 18 June 2020 Expiry of office: end of General Meeting called to approve the financial statements for the year ended 31 March 2025

In accordance with recommendation 1 of the MiddleNext code, 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.

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 2020, 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 ended 31 March 2024
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 ended 31 March 2024
Anne-Marie Valentin Bignier	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 ended 31 March 2024

See Section 12.1 of this Universal Registration Document for further details regarding the experience and skills of each member of the Supervisory Board.

3) Independent members of the Supervisory Board

The Company applies the definition of independent member set out in recommendation 3 of the MiddleNext code:

- 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 five 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 18 June 2020, 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.

4) Terms of office

Supervisory Board members' term of office is set at six (6) years. In view of the size and composition of the Supervisory Board, the Company does not consider it appropriate to ask the shareholders to vote on an amendment to the articles providing for staggered reappointments.

5) Rules of conduct

In accordance with recommendation 1 of the MiddleNext code, 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.

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.

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 or one of the Chief Executive Officers or any proxy, duly empowered to such end.

The Management Board met 11 times during the year ended 31 March 2020, with an attendance rate of 93.18%.

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 2020, with an attendance rate of 79.16%.

8) Establishment of committees

In accordance with recommendation 6 of the MiddleNext code, we hereby report to you on the Company's decision with regard to special committees.

As of 31 March 2020, the Supervisory Board does not have any specialised committees.

We hereby inform 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 discontinuation is justified (i) by the fact that, as the Company's shares are admitted for trading on the organised multilateral trading facility Euronext Growth instead of the regulated market Euronext Paris since 2 September 2019, the creation of an Audit Committee had become optional for the company, and (ii) in order to simplify the operation of the Supervisory Board given the size of the company and the composition of its management and supervisory bodies.

In any case, it is recalled that the Supervisory Board will continue 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.

II. List of all offices and duties exercised at any company during the financial year ended 31 March 2020

To ensure compliance with the provisions of Article L.225-37-4 (1) of the French Commercial Code, applicable by reference to 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 2020 by each incumbent corporate officer at 31 March 2020.

Name	Position	Company
Management Board		
Laurent Villemonte de la Clergerie	Non-partner manager Manager Chairman Non-partner manager Chairman Member of the Supervisory Board Board member	NEMEIO SARL (Company subsidiary) Idfamily SCI LDLC VR Studio (Company subsidiary previously called Katzami SAS) Avitech SARL (Company subsidiary) STTANDING SAS LYON ASVEL Féminin SASP ASVEL Basket SASP
Olivier Villemonte de la Clergerie	Non-partner manager Non-partner manager Non-partner manager Non-partner manager Board member Chairman Chief Executive Officer Non-partner manager	Anikop SARL (Company subsidiary) DLP Connect SARL (Company subsidiary) Domimo 2 SCI (Company subsidiary) Domimo 3 SCI (Company subsidiary) Thermador Groupe SA (company listed on Euronext Paris) F-LOC SAS LDLC VR Studio (Company subsidiary previously called Katzami SAS) Avitech SARL (Company subsidiary)
Marc Prieur	Non-partner manager	Hardware.fr SARL (Company subsidiary)
Caroline Villemonte de la Clergerie	Manager	TD Family SCI
Supervisory Board		
Suzanne Villemonte de la Clergerie	None	None
Marc Villemonte de la Clergerie	None	None
Anne-Marie Valentin Bignier	None	None

Furthermore, in accordance with point 12.1 of appendix 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, applicable by reference to point 1.1 of Appendix 2 of the said Regulation, a list of the offices and duties exercised in any company during the last five years for each corporate officer is provided below.

Name	Position	Company
Management Board		
Laurent Villemonte de la Clergerie	Non-partner manager	Synopsis (merger)
Olivier Villemonte de la Clergerie	Member of the Supervisory Board Non-partner manager	La Vie Claire SA Synopsis (merger)
Marc Prieur	None	None
Caroline Villemonte de la Clergerie	None	None
Supervisory Board		
Suzanne Villemonte de la Clergerie	None	None
Marc Villemonte de la Clergerie	None	None
Anne-Marie Valentin Bignier	None	None

III. 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.

IV. Information that could have an impact in the event of a public tender offer

We note that as the Company's shares are admitted for trading on the organised multilateral trading facility Euronext Growth instead of the regulated market Euronext Paris since 2 September 2019, the provisions of Article L. 225-37-5 of the French Commercial Code relating to elements that are likely to have an impact in the event of a public tender or exchange offer are no longer applicable.

However, in accordance with the provisions of Article L. 433-5 of the French Monetary and Financial Code and Article 231-1, 4° of the AMF General Regulation, the rules relating to public tenders applicable to companies whose financial instruments are admitted for trading on a regulated market remain applicable for a period of three years following the date on which these financial instructions cease to be admitted for trading on a regulated market.

In this regard, the Company has chosen, on a voluntary basis, to maintain a description the elements listed in Article L. 225-37-5 of the French Commercial Code that are likely to have an impact in the event of a public tender or exchange offer.

Capital structure of the Company

See Chapter 16 of this Universal Registration Document.

Restrictions on exercising voting rights and transferring shares imposed by the articles of association, or contractual provisions made known to the Company pursuant to Article L.233-11 of the French Commercial Code

We would remind you that Article 12 of the Company's articles of association on "*Rights and obligations attached to shares*" provides that:

"Any individual or legal entity, acting alone or in concert, that comes to possess, via any means whatsoever, a number of shares representing 2% of the share capital or voting rights at General Meetings, or any multiple of this amount, must inform the Company within 15 days of crossing this threshold, by registered letter with acknowledgement of receipt addressed to the registered office, of the total number of shares and attached voting rights that it holds as well as, where applicable, the number of shares granting future access to the share capital and the voting rights attached thereto.

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 of non-compliance with any of the foregoing provisions, the shares exceeding the threshold that must be disclosed shall be stripped of voting rights with regard to all shareholders' meetings that may take place, until the expiry of a two-year period from when the required disclosure is made. 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.

Unless one of the thresholds referred to under Article L.233-7 of the French Commercial Code is crossed, this sanction shall only be applied upon request, recorded in the minutes of the General Meeting, of one or more shareholders holding, together or separately, at least 5% of the share capital and/or voting rights in the Company.

Compliance with said obligation to disclose the crossing of the 2% threshold of the share capital or voting rights at General Meetings, or any multiple of this percentage, does not under any circumstances whatsoever dispense the shareholders, whether individuals or legal entities, from complying with statutory provisions requiring that the Company be informed of any interests exceeding one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, half, two thirds, eighteen twentieths or nineteen twentieths of the share capital or voting rights of the Company, in accordance with Articles L.233-7 et seq. of the French Commercial Code."

The attention of shareholders is drawn to the fact that, in view of the fact that the Company's shares are admitted for trading on the organised multilateral trading facility Euronext Growth instead of the regulated market Euronext Paris, a proposal to align Article 12 of the Article of Association will be submitted for their approval at the Annual General Meeting of 25 September 2020.

Subject to the approval of the shareholders, the new sub-section 12.6 of Article 12 "Rights and obligations attached to shares" will be worded as follows:

"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 (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 request for acknowledgement of receipt, or by any other equivalent means for persons resident outside of 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 share capital or voting rights of the company, the shares in excess of the amount that are not duly reported are stripped of their voting rights for any Shareholders' 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 adhering to the reporting obligations provided for in the legal and regulatory provisions (including those of the AMF General Regulation and the market rules in force).

Direct and indirect interests in the Company's share capital of which it is aware, pursuant to Articles L.233-7 and L.233-12 of the French Commercial Code

See Chapter 16 of this Universal Registration Document.

List of all shareholders holding shares granting special controlling rights and description thereof

The Company is not aware of the existence of any special controlling rights.

Control mechanisms applicable to a potential employee share ownership system where controlling rights are not exercised by the employees

None.

Shareholder agreements known to the Company which may give rise to restrictions on share transfers and the exercise of voting rights

None.

Rules applicable to the appointment and replacement of members of the Management Board and amendments to the articles of association

The applicable rules are those stated in the articles of association. They comply with French law.

Management Board powers, specifically regarding share issues and buybacks

The relevant powers delegated to the Management Board by the General Meeting of the Company's shareholders are set out in Sections 19.1.3 "Company share buyback plan" and paragraph XI hereunder.

Agreements entered into by the Company which are automatically modified or terminated in the event of a change of control

For further information, see Chapter 20 of this Universal Registration Document.

Agreements providing for compensation to be paid to members of the Management Board or to employees, if they resign or are dismissed without genuine and substantive grounds, or if their employment contracts are terminated due to a public tender offer

None.

X. 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

In accordance with the provisions of Article L.225-37-4 (3) of the French Commercial Code, applicable by reference to 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 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	EGM date	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 or any securities granting access to the share capital, with shareholder pre-emptive subscription rights	28/09/2018 Resolution 22	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issue 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 issue of debt securities(1)	None	_	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	EGM date	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 or any securities granting access to the share capital, without shareholder pre-emptive subscription rights via a public offering	28/09/2018 Resolution 23	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issue 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 issue of debt securities(1)	None	No less than as specified under regulations applicable on the day of issue	None
Delegation of authority to the Management Board to increase the share capital via the issue of ordinary shares or any securities granting access to the share capital, without shareholder pre-emptive subscription rights, in the form of an offering made to qualified investors or a limited group of investors as defined by Article L.411-2 (II) of the French Monetary and Financial Code	28/09/2018 Resolution 24	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issue of ordinary shares and any securities granting access, by any means, immediately and/or in the future, to ordinary shares in the Company up to a limit of 20% of the Company's share capital per 12-month period €50,000,000 for the issue of debt securities (1)	None	At least equal to the relevant regulation as at the date of issue	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 pre-emptive subscription rights	28/09/2018 Resolution 26	26 months	15% of the initial issue amount	None	Same terms for determining price as those applied for the initial issue	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	EGM date	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 issue ordinary shares or securities granting access to the Company's share capital in the event of a public tender offer initiated by the Company including an exchange component with cancellation of shareholders' preferential subscription rights	28/09/2018 Resolution 27	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issue 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 issue of debt securities (1)	None	_	None
Delegation of power to the Management Board to increase the share capital by up to 10% of the share capital in order to compensate contributions in kind of equity securities or securities granting access to the share capital of third-party companies outside the scope of a public exchange offer with cancellation of shareholders' preferential subscription rights	28/09/2018 Resolution 28	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issue of ordinary shares and any securities granting access, by any means, immediately and/or in the future, to ordinary shares in the Company up to a limit of 10% of the Company's share capital €50,000,000 for the issue of debt securities(1)	None	_	None
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	28/09/2018 Resolution 31	26 months	€1,000,000 (2)	None	_	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	EGM date	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
Authorization to be granted the Management Board pursuant to Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code to carry out the free allocation of existing shares or to issue to some or all of the salaried employees and/or corporate officers referred to in Article L. 225-197-61 (II) of the French Commercial Code of the Company and related companies and/or groups	27/09/2019 Resolution 16	38 months	10% of the share capital	None	_	In view of the exercise of previous of authorisations by the Management Board, the remaining available amount is 7.59% of the current share capital calculated in accordance with Article L. 225-197-1 paragraph 1 of the French Commercial Code

(1) In accordance with Resolution 18 adopted by the General Meeting of shareholders on 27 September 2019:

- *the aggregate maximum nominal amount of capital increases that may be carried out pursuant to the authority delegated under (i) Resolutions 22-24 and 26-28 adopted by the Combined General Meeting of 28 September 2018 and (ii) Resolution 16 adopted by the Combined General Meeting of 27 September 2019 is set at €1,000,000 (or the foreign currency equivalent thereof as at the date of issue, 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 22-24, 27 and 28 adopted by the Combined General Meeting of 28 September 2018 is set at €50,000,000 (or the foreign currency equivalent thereof as at the date of issue, 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 17 above.

VI. Observations of the Supervisory Board on the report of the Management Board and on the financial statements for the year ended 31 March 2020

During its meeting held on 18 June 2020, the Supervisory Board reviewed the company and consolidated financial statements prepared by the Management Board as at 31 March 2020, as well as its related report, and stated that it had no observations to make.

14.6. STATUTORY AUDITORS' REPORT, PREPARED PURSUANT TO ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE GROUPE LDLC SUPERVISORY BOARD

Please see the "Corporate governance report" section of the statutory auditors' report on the annual financial statements for the year ended 31 March 2020 in section 18.4.

CHAPTER 15. EMPLOYEES

15.1. HEADCOUNT AND BREAKDOWN BY COMPANY OVER THE PAST THREE YEARS

As of 31 March 2020, the Group employed 949 people (excluding Caroline, Suzanne, Laurent, Marc and Olivier Villemonte de la Clergerie, Marc Prieur and Stéphane Piquet) at Groupe LDLC and its subsidiaries LDLC Distribution, Anikop, Hardware.fr, DLP Connect, Ecole LDLC (LDLC School), LDLC Villefranche, LDLC Bordeaux, LDLC Villeurbanne, LDLC Event, LDLC Lyon 7, LDLC Lille V2, ADB Limonest, Bluescreen, LDLC España and Olys; these include 908 permanent employees, 11 on fixed-term contracts, 10 trainees and 20 apprentices.

Breakdown of headcount by company (excluding corporate officers):

Companies	Number of employees 31 March 2020	Number of employees 31 March 2019	Number of employees 31 March 2018
Groupe LDLC total	**618**	**673**	**503**
Groupe LDLC Boutiques	70	95	41
Groupe LDLC Bureau	362	430	308
Groupe LDLC Logistique	179	138	146
Groupe LDLC Toulouse	1	1	1
Groupe LDLC Gennevilliers	6	9	7
Anikop	30	26	23
Hardware.fr	1	1	2
DLP Connect	15	14	15
LDLC Distribution	20	19	15
École LDLC	4	5	5
LDLC Villefranche	5	5	5
LDLC Bordeaux	4	5	5
LDLC Villeurbanne	4	5	5
LDLC Event	9	5	2
LDLC Lyon 7	4	3	3
LDLC Lille V2	3	3	3
LDLC Cormeilles	3	3	0
Domisys	0	0	189
ADB Limonest	6	6	0
LDLC España	17	16	0
Bluescreen	4	0	0
Olys total	**202**	**225**	**204**
Olys	184	203	181
BIMP Éducation	0	0	1
I-Artificielle	3	2	2
Synopsis	0	0	2
Bizen	0	0	1
MyMultimedia	4	3	3
Mac & Co Digital	11	17	14
Total	**949**	**1,014**	**979**

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 share capital at 31 March 2020, reviewed according to the specific terms and conditions of Article L.225-102 paragraph 1 of said Code, represents around 0.23% of the Company’s share capital.

15.4. COMPANY INCENTIVE AND PROFIT-SHARING AGREEMENTS

Groupe LDLC 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).

This profit-sharing agreement does not cover the subsidiaries.

Groupe LDLC has no 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 2018 and 31 March 2020, including shareholders that hold, directly or indirectly, alone or in concert, more than 5% of the share capital or voting rights:

	31 March 2018 [7]				31 March 2019				31 March 2020			
Share ownership	**Shares**	**% share capital**	**Theoretical voting rights**	**% theoretical voting rights**	**Shares**	**% share capital**	**Theoretical voting rights**	**% theoretical voting rights**	**Shares**	**% share capital**	**Theoretical voting rights**	**% theoretical voting rights**
Laurent Villemonte de la Clergerie [1]	1,226,746 [8]	19.40	2,313,492 [8]	24.21	1,226,746	19.40	2,313,492 [13]	25.35	1,226,746	19.40	2,313,492	25.32
Olivier Villemonte de la Clergerie [2]	615,500	9.74	1,090,274	11.41	615,500	9.74	1,091,000	11.95	615,500	9.74	1,091,000	11.94
Caroline Villemonte de la Clergerie [3]	628,579	9.94	1,117,158	11.69	628,579	9.94	1,117,158	12.24	628,579	9.94	1,117,158	12.23
Suzanne Villemonte de la Clergerie [4]	71,423	1.13	562,846	5.89	71,423	1.13	562,846	6.17	71,423	1.13	562,846	6.16
Sub-total De la Clergerie family [5]	**2,542,248**	**40.21**	**5,078,126**	**53.14**	**2,542,248**	**40.21**	**5,084,496**	**55.71**	**2,542,248**	**40.21**	**5,084,496**	**55.64**
Domicorp [6]	691,811	10.94	1,141,821	11.95	- [10]	- [10]	- [10]	- [10]	- [12]	- [12]	- [12]	- [12]
Keren Finance	385,447 [9]	6.10	385,447 [9]	4.03	- [11]	- [11]	- [11]	- [11]	-	-	-	-
Other shareholders	2,581,657	40.84	2,825,583	29.56	3,652,380	57.77	3,913,940	42.89	3,641,240	57.60	3,914,156	42.84
Treasury shares	120,943	1.91	120,943	1.26	127,478	2.02	127,478	1.40	138,618	2.19	138,618	1.52
Total	**6,322,106**	**100**	**9,557,564**	**100**	**6,322,106**	**100**	**9,125,914**	**100**	**6,322,106**	**100**	**9,137,270**	**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, the beneficial ownership of 210,000 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 her equity interest.

(5) There is no action in concert between the members of the De la Clergerie family.

(6) "In letters received on 12 and 13 April 2016, Domisys (Rue Olivier de Serres, ZAC Erette, 44119 Grandchamps-des-Fontaines), a French simplified joint-stock company with a sole shareholder, stated that on 31 March 2015 it had crossed below the 5% threshold of LDLC.com voting rights following the sale of LDLC.com shares on the stock market, and that it held at that date 219,950 LDLC.com shares representing 439,900 voting rights, i.e. 3.83% of the share capital and 4.90% of voting rights in this company.

Domisys stated that it had sold all of its LDLC.com shares on 30 December 2015 and that it no longer held any shares in this company.

In a letter received on 6 April 2016, the French simplified joint-stock company Domicorp (Rue Olivier de Serres, ZAC Erette, 44119 Grandchamps-des-Fontaines) stated that, on 31 March 2016, it had exceeded the thresholds of 5% of LDLC.com's share capital and voting rights and 10% of its share capital, and that it held 885,546 LDLC.com shares, representing as many voting rights, i.e. 14.01% of this company's share capital and 9.33% of its voting rights.

This crossing of the thresholds results from Domicorp's acquisition of (i) 574,732 LDLC.com shares issued by LDLC.com as consideration for the contribution of 100,367 Domisys shares, and (ii) 117,079 LDLC.com treasury shares as consideration for the contribution of the remaining Domisys shares as well as the portion of the Domimo 2 and Domimo 3 share capital not held by Domisys.
In the same letters, the following statement of intent was made:
"Domicorp hereby represents that:
- it is acting alone;
- it acquired the 691,811 LDLC.com shares by (i) subscribing to an LDLC.com share capital increase via the issue of 574,732 new LDLC.com shares, as consideration for a contribution of 100,367 Domisys shares and (ii) the transfer of 117,079 LDLC.com treasury shares by LDLC.com as consideration for the transfer of 20,446 Domisys shares;
- it does not intend to seek appointment or seek the appointment of one or more persons representing it on the LDLC.com Management Board or Supervisory Board;
- it does not intend to increase its equity interest in or take control of the Company;
- it does not intend to modify LDLC.com's strategy and does not intend to carry out any of the transactions listed in Article 223-17 I-6 of the General Regulation of the French Financial Markets Authority (AMF);
- it holds no financial instruments or agreements referred to in Article L.233-9, Section I-4 and 4 bis, of the French Commercial Code; and
- it has not entered into any temporary transfer agreement in respect of the issuer's shares and/or voting rights." (AMF document no. 216C0875 dated 13 April 2016).

(7) See the the French simplified joint stock company Amiral Gestion's notice on having exceeded the threshold published during the year ended 31 March 2018: AMF document no. 217C1180 dated 8 June 2017 and AMF document no. 217C1723 dated 26 July 2017.
(8) See notice on the crossing of thresholds published by the AMF: AMF document no. 218C0839 dated 7 May 2018.
(9) See the notice on the crossing of thresholds published by the AMF during the year ended 31 March 2018: AMF document no. 217C2626 dated 13 November 2017.
(10) See notice on the crossing of thresholds published by the AMF: AMF document no. 218C1030 dated 9 June 2018 and following the forfeiture of its double voting rights, according to the Company's knowledge Domicorp crossed below the threshold of 5% voting rights.
(11) See notice on downward crossing of thresholds published by the AMF: AMF document no. 218C1928 dated 4 December 2018.
(12) No declaration of crossing above or below thresholds within the meaning of Article L.233-7 of the French Commercial Code, other than those mentioned above, had been published as at 31 March 2020 enabling the Company to enter information on these shareholders' investments.
(13) See notice on the crossing of thresholds published by the AMF: AMF document no. 218C1216 dated 6 July 2018.

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. DISCLOSURES REGARDING THE CROSSING OF THRESHOLDS PUBLISHED SINCE 31 MARCH 2020

None.

16.3. 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, liquidation, communal property between spouses or 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.

16.4. 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 Appendix I of EC Regulation No. 2019/980 of the Commission of 14 March 2019.

The members of the De la Clergerie family are not acting in concert, are not bound by a pact or other binding agreement and freely exercise their voting rights.

16.5. 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.

16.6. SHARE MOVEMENTS AND POSITION

At 31 March 2020, the Company's share capital comprised 6,322,106 shares. Market capitalisation at 31 March 2020 amounted to €56,898,954.

Trading volumes during the financial year were as follows:

Month	Volume	Average price	High	Low	Amounts (€m)
April 2019	327,210	6.22	7.98	5.94	2.18
May 2019	253,529	6.78	8.24	5.50	1.77
June 2019	240,177	6.29	7.12	5.82	1.49
July 2019	111,731	6.20	6.70	5.74	0.69
August 2019	225,128	6.89	8.00	5.88	1.54
September 2019	87,832	7.32	7.66	7.14	0.64
October 2019	97,523	7.14	7.30	6.70	0.70
November 2019	377,378	8.09	9.30	6.90	2.99
December 2019	589,655	11.19	13.70	8.58	6.87
January 2020	505,573	13.98	16.50	11.50	7.26
February 2020	255,728	14.22	16.05	11.20	3.49
March 2020	324,408	9.93	13.10	6.00	3.13

During the financial year ended, the Groupe LDLC share reached a high of €16.50 and a low of €5.50.

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 2020 are mentioned in the statutory auditors' special report presented hereunder (Section 17.2 of this Universal Registration Document).

In application of Article 19 of Regulation (EU) no. 2017/1129, 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 2018 presented on page 130 of the 2017/2018 Registration Document registered on 13 July 2018 under number R.18-056,*
- *the Statutory Auditors' special report on regulated agreements and commitments for the year ended 31 March 2019 presented on page 131 of the 2018/2019 Universal Registration Document filed on 22 July 2019 under number D.19-0719.*

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 18 June 2020 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.

The Supervisory Board reviewed the licence agreement of the LDLC-PRO brand, owned by the company, entered into with the company F-LOC on 3 September 2018, previously approved by the Supervisory Board at its meeting of 30 March 2018, then by the Ordinary General Meeting of 27 September 2019

The Supervisory Board unanimously determined that said agreement still meets the criteria that led to the Board's initial approval following the conclusion of the agreement and unanimously voted to maintain its authorisation.

17.2. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

(Annual General Meeting held to approve the financial statements for the year ended 31 March 2020)

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders of GROUPE LDLC,

In our capacity as Statutory Auditors of Groupe LDLC, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to you, based on the information provided to us, on the main terms and conditions of the agreements and commitments 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 or commitments. 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 and commitments 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 and commitments 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 and commitments submitted for the approval of the Annual General Meeting

Agreements and commitments authorized and entered into during the year

In accordance with Article L.225-88 of the French Commercial Code, we were informed of the following agreements and commitments entered into during the year and authorised by the Supervisory Board.

With Katzami (now called LDLC VR Studio) – Supervisory Board held on 12 December 2019

Persons concerned: Mr. Laurent Villemonte de la Clergerie, Chairman of the Management Board (directoire) of your company and Chairman of the Katzami company.

Mr. Olivier Villemonte de la Clergerie, Chief Executive Officer of your society and Chief Executive Officer of the Katzami company.

Nature and purpose: Puchase of 462,220 shares of the Katzami company (802 162 321 RCS Lyon) held by Mr. Laurent Villemonte de la Clergerie.

Puchase of 224,962 shares of the Katzami company (802 162 321 RCS Lyon) held by Mr. Olivier Villemonte de la Clergerie.

Conditions: The acquisition price for the 462,220 shares acquired from Mr. Laurent Villemonte de la Clergerie amounted to 13,404.38 euros to which is added 25 euros for registration fees.

The acquisition price for the 224,962 shares acquired from Mr. Olivier Villemonte de la Clergerie amounted to 6,523.90 euros to which is added a 25 euros registration fee.

Reasons justifying the company's interest:

Your Supervisory Board justified the conclusion of this agreement by the fact that it will allow your company to integrate into the scope of its activities, the activity of making virtual reality solutions available, while keeping the benefit of the right to the lease of the premises from the Katzami company.

Agreements and commitments already approved by the Annual General Meeting

Agreements and commitments approved in prior years with continuing effect during the year

Pursuant to Article 225-57 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

With F-LOC:

Persons concerned: Laurent Villemonte de la Clergerie, Chairman of the Management Board (directoire) with a 25% stake in F-LOC and Olivier Villemonte de la Clergerie, Chief Executive Officer with a 25% stake in F-LOC.

Nature and purpose: A non-exclusive operating licence for the French word mark LDLC-PRO, which is duly protected and registered with the INPI (French National Institute of Industrial Property) under number 18 4 456 287. This non-exclusive operating licence has been granted to enable the Company to expand its products and services for professionals through financing solutions offered by F-LOC. The main terms and conditions of this non-exclusive operating licence are as follows:

- The licence is granted on a non-exclusive basis.
- The licence is valid in mainland and French overseas.
- F-LOC is required to pay a quarterly fee equal to a percentage of the licence holder's pre-tax revenue for the period concerned.
- The licence is valid for a period of ten (10) years. It will then be renewed automatically for consecutive periods of three (3) years, unless express notice of termination is given by one of the parties at least three (3) months before the end of the contractual period.

Conditions: In the year ended 31 March 2020, this agreement gave rise to the recognition of income in the amount of €34 454,78 (excluding taxes).

Lyon and Villeurbanne, 18 June 2020

The Statutory Auditors	
CAP Office	MAZARS
Rémi Charnay	Pierre Beluze Séverine Hervet

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 2020

1. Consolidated financial statements for the year ended 31 March 2020

All of the data presented below is stated in euro thousands, unless otherwise stated.

1.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 March		
Assets	**Note**	**2020**	**2019 Restated ***
Net goodwill	(3.2)	27,467	27,142
Other net intangible assets	(3.3)	24,480	25,576
Net property, plant and equipment	(3.4)	12,400	43,800
Net financial assets	(3.5)	4,679	5,301
Investment in equity affiliates		0	0
Non-current assets		**69,026**	**101,820**
Inventories	(3.6)	67,195	63,532
Trade receivables	(3.7)	24,505	26,485
Other receivables and accruals	(3.8)	14,740	19,766
Short-term investments	(3.9)	1,614	1,216
Cash and cash equivalents	(3.10)	18,245	17,315
Current assets		**126,299**	**128,315**
Total assets		**195,326**	**230,134**

	At 31 March		
Equity and liabilities	**Note**	**2020**	**2019 Restated ***
Share capital	(1.3)	1,138	1,138
Additional paid-in capital	(1.3)	21,053	21,053
Consolidated reserves	(1.3)	31,985	36,993
Treasury shares	(1.3)	(25)	(27)
Result	(1.3)	8,308	(4,820)
Total shareholders' equity, Group share		**62,457**	**54,337**
Minority interests	(1.3)	0	(50)
Non-controlling interests		0	0
Total shareholders' equity		**62,457**	**54,287**
Provisions for risks and contingencies	(3.12)	5,097	4,160
Total provisions		**5,097**	**4,160**
Loans and borrowings	(3.13)	28,435	78,797
Trade payables	(3.16)	61,270	64,379
Other liabilities and accruals	(3.17)	38,067	28,511
Total liabilities		**127,771**	**171,687**
Total equity and liabilities		**195,326**	**230,134**

** Following the change of accounting standards (see Note 2.2.2), the comparative data relating to the previous year have been restated to account for the retrospective application of CRC regulation 99-02. The reconciliation of the published accounts and the restated accounts is provided in Note 5.3.*

1.2. CONSOLIDATED INCOME STATEMENT

	FY ended 31 March		
	Note	**2020**	**2019 Restated ***
Revenues	(4.1)	493,396	507,494
Other operating income		341	382
Cost of goods sold		(398,626)	(421,801)
Gross margin		**95,112**	**86,074**
Other purchases and external costs		(27,409)	(29,845)
Miscellaneous taxes		(2,841)	(3,395)
Staff costs	(4.2)	(48,091)	(50,334)
Net depreciation, amortisation and provisions	(4.3)	(9,104)	(7,390)
Other income and expenses		(1,024)	(653)
EBIT		**6,643**	**(5,543)**
Financial income	(4.4)	284	87
Financial expense	(4.4)	(1,246)	(2,147)
Earnings of consolidated companies before non-recurring items		**5,681**	**(7,603)**
Non-recurring income	(4.5)	45,551	381
Non-recurring expenses	(4.5)	(35,062)	(437)
Income tax	(4.6)	(7,862)	2,839
Net income/(loss) of consolidated companies		**8,308**	**(4,820)**
Share of profit/(loss) in equity-accounted companies	(4.6)	0	0
Amortisation and depreciation of goodwill		0	0
Total consolidated net income		**8,308**	**(4,820)**
Minority interests		0	0
Net income/(loss), Group share	**(A)**	**8,308**	**(4,820)**
Total net income/(loss) attributable to:			
- owners of the Company		8,308	(4,820)
- minority interests			
- non-controlling interests			
Earnings per share: income attributable to owners of the Company			
Earnings per share (€)		1.31	(0.76)
Diluted earnings per share (€)		1.31	(0.76)

** Following the change in accounting framework (see Note 2.2.2), comparative data for the previous financial year has been restated in light of the retrospective application of Regulation CRC 99-02. The reconciliation between published and restated financial statements is set out in Note 5.3 to the 2019/2020 statements.*

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	Shareholders' equity
Shareholders' equity at 31 March 2018	**1,138**	**21,053**	**39,383**	**(38)**	**61,536**	**0**	**61,536**
Net income for the year ended 31 March 2019			(4,820)		(4,820)		(4,820)
Changes in treasury shares			(25)	11	(14)		(14)
Capital increase and additional paid-in capital					0		0
Dividends paid					0	(50)	(50)
Other			(386)		(386)		(386)
Change of net deferred income tax method			(1,978)		(1,978)		(1,978)
Non-controlling interests					0		0
Shareholders' equity at 31 March 2019	**1,138**	**21,053**	**32,173**	**(27)**	**54,337**	**(50)**	**54,287**
Net income for the year ended 31 March 2020			8,308		8,308		8,308
Changes in treasury shares			5	1	7		7
Capital increase and additional paid-in capital					0		0
Dividends paid			(50)		(50)	50	0
Other			(150)		(150)		(150)
Change in consolidation scope			6		6		6
Non-controlling interests					0		0
Shareholders' equity at 31 March 2020	**1,138**	**21,053**	**40,292**	**(25)**	**62,457**	**0**	**62,457**

** Following the change in accounting framework (see Note 2.2.2), comparative data for the previous financial year has been restated in light of the retrospective application of Regulation CRC 99-02. The reconciliation between published and restated financial statements is set out in Note 5.3.*

1.4. CONSOLIDATED CASH FLOW STATEMENT

(€000 unless otherwise stated)	FY ended 31 March	
	2020	2019 Restated *
Net income/(loss) from continuing operations	8,308	(4,820)
Elimination of non-cash income and expenses (a)	7,631	8,053
Tax expense (current and deferred) (b)	7,862	(2,839)
Gains/losses on disposal of assets	(12,436)	67
Sub-total (gross operating cash flow before tax)	**11,365**	**462**
Tax paid	(6,419)	260
Change in working capital (c)	7,476	2,564
Net cash flow from operating activities	**12,421**	**3,286**
Income from disposal of non-current assets, after tax	45,050	(11)
Acquisition of non-current assets (d)	(26,338)	(11,824)
Reduction in financial assets (d)	1,400	345
Change in consolidation scope	61	0
Net cash flow from investing activities	**20,172**	**(11,491)**
Treasury share transactions	7	(14)
Other effects	(1)	(312)
Increase in minority interests	0	0
New borrowings (e)	1,100	6,408
Repayment of borrowings (e)	(32,295)	(10,864)
Change in other borrowings (e)	17	(176)
Dividends paid to minority shareholders	0	(50)
Dividends paid	0	0
Net cash flow from financing activities	**(31,172)**	**(5,009)**
(Decrease)/increase in cash, cash equivalents and bank overdrafts	**1,421**	**(13,213)**
Opening cash, cash equivalents and bank overdrafts	17,928	31,141
Closing cash, cash equivalents and bank overdrafts	19,349	17,928

** Following the change in accounting framework (see Note 2.2.2), comparative data for the previous financial year has been restated in light of the retrospective application of Regulation CRC 99-02. The reconciliation between published and restated financial statements is set out in Note 5.3.*

(a) Corresponds to net operating and financial depreciation, amortisation and provisions totalling €7,091,000.
(b) See Note 4.6.
(c) See Note 1.5.
(d) See Notes 3.3, 3.4 and 3.5.
(e) See table below and Note 3.13.

	At 31/03/2019	Cash flow change	Other changes	At 31/03/2020
Loans	58,067	(30,817)	277	27,527
Finance lease liabilities	19,570	(378)	(19,122)	71
Total financial liabilities	**77,638**	**(31,195)**	**(18,845)**	**27,597**

	At 31/03/2019	At 31/03/2020
Loans	(31,917)	(9,425)
Finance leases	(378)	(1,439)
Total repayment of borrowings	**(32,295)**	**(10,864)**

1.5. CHANGE IN WORKING CAPITAL

	At 31/03/2020	At 31/03/2019
Inventories	(3,597)	18,101
Trade receivables	2,007	(3,198)
Other receivables	4,502	(1,453)
Trade payables	(3,264)	(14,186)
Other payables	7,828	3,301
Total	**7,476**	**2,564**

2. Notes to the consolidated financial statements for the year ended 31 March 2020

(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 Érables 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 2020 have been prepared in accordance with French legal and regulatory provisions provided for in regulation 99-02 of the French accounting regulation committee (Comité de la Réglementation Comptable, CRC), regarding the consolidated financial statements of commercial enterprises. This is the first financial year in which the Group applies these standards. The last financial year (ended 31 March 2019) and all prior financial years were prepared in accordance with the international accounting standards and interpretations (IAS/IFRS) as adopted by the European Union.

The financial statements for the year ended 31 March 2020 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 2020 on 18 June 2020.

2.1. HIGHLIGHTS

As announced in its release dated 20 May 2019, the LDLC Group transferred the listing of its shares to the Euronext Growth market in Paris during the first half of its 2019/2020 financial year. The request for the listing of its securities on this market was approved by the Euronext Listing Board on 14 August 2019 and became effective on 2 September 2019.

Through this transfer to Euronext Growth, the Group intends to position itself on a market more suited to its size. This will enable the Company to simplify its operation and reduce costs while continuing to benefit from the advantages of financial markets.

The transfer has resulted in a return to French GAAP accounting standards for the preparation of the consolidated financial statements, as of the publication of the H1 2019/2020 financial statements (for further detail about the new rules and methods applied see Note 2.2).

In June 2019, the Group competed the sale of the Grandchamps-des-Fontaines warehouse and administrative buildings held by Domimo 2 for an amount of €11.3 million.

The Group's registered office, acquired in 2017 under a finance lease agreement was sold on 31 July 2019 for €32.3 million. This sale enable the Group to reduce its debt by €19.1 million.

On 29 November 2019, the LDLC Group sold 6,000 shares held in the company Bluescreen for a total of €6,000, taking its stake in the company to 80%.

On 17 December 2019, the LDLC Group opened its marketplace. This supplementary offering seeks to significantly expand the number of products on offer. The marketplace primarily concerns related products for which proprietary sourcing is not worthwhile.

The LDLC Group launched the marketing of its first connected saber through its SOLAARI brand on 17 December 2019. This saber is manufactured by the LDLC Group and received a Kickstarter pre-launch in January 2019. This crowdfunding platform enabled over 400 enthusiasts to pre-order their own lightsaber. On 5 March 2020, Groupe LDLC signed a three-year partnership with the French Fencing Federation and its lightsaber academy.

On 7 January 2020, Olys purchased 147,000 shares in Mac & Co Digital for €150,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

On 18 December 2019, the LDLC Group acquired the entire share capital of the company LDLC VR Studio for a total of €20,000.

On 5 February 2020, the LDLC Group purchased a store that was part of the Group's franchise network, acquiring the entire share capital of the company Avitech for a total of €90,000.

On 6 February 2020, the Group announced the withdrawal of its physical presence in Spain with the closure of its two stores, located in Madrid and Barcelona. However, the Group is maintaining its online retail services in the country (see Note 3.4, Note 3.12, Note 4.5 and Note 4.6).

In February 2020, the Group sold its Nantes concept store held by Domino 3 for an amount of €1.4 million.

During the Covid-19 public health crisis, the LDLC network stores Materiel.net and BIMP were deemed essential services by the ministerial order of 15 March 2020. However, despite this status, a number of stores closed their doors. The Group kept a few stores operating at reduced capacity, mainly in order to ensure ongoing hardware sales and customer service for retail customers and provide businesses with the equipment required for teleworking.

The Armoire de Bébé network store was forced to close from 14 March 2020 and thus did not generate any revenues during the lockdown period.

BtoB businesses also experienced a significant temporary downturn.

All of the Group's online retail activities remained operational throughout the lockdown period.

The Group used furlough schemes to help manage the temporary downturn in business at its stores; income of €75,000 was recorded in the accounts at 31 March 2020 in this regard.

In view of the public health crisis, the Group reach out to all the banks with which it has borrowings and was able to obtain, from the end of March 2020, a 6-month repayment moratorium (see Note 3.13).

2.2. ACCOUNTING POLICIES

2.2.1. Basis of preparation

Pursuant to French CRC regulation 99-02 of 29 April 1999, the Group's consolidated financial statements for the year ended 31 March 2020 were prepared in accordance with the accounting principles and legal 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, consistency in accounting methods and independence of financial years, 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 methods within the Group and on a historical cost basis, subject to the exception relating to revaluation rules (see Note 2.2.6).

2.2.2. Change of accounting standards

The Group is applying CRC regulation 99-02 for the first time since the preparation of its half-year financial statements at 30 September 2019. The IFRS (*International Financial Reporting Standards*) were applied up to and including the previous financial year-end at 31 March 2019.

In the context of this change of accounting standards, the Group has chosen to adopt the preferential methods proposed by CRC regulation 99-02 where these are applicable. The previous accounting principles have been retained, with the exception of the recognition of the provision for retirement benefits (see Note 2.2.20.1), and except where said principles are incompatible with the French standards.

In accordance with the provisions of ANC regulation 2010-01 regarding the first-time application of CRC regulation 99-02 by companies whose financial instruments are transferred from a regulated market to the Euronext Growth market, the previous financial statements have been retrospectively restated using the accounting methods and rules in force at the closing date of the financial year during which the change occurs.

The impact of the change of accounting standards on the consolidated financial statements are presented in the reconciliation between the summary annual financial statements and the restated financial statements in Note 5.3.

Similarly, the comparative data relating to the financial year ended 31 March 2019 provided in the Notes have been restated to account for the impact of applying CRC regulation 99-02.

2.2.3. 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, Groupe LDLC 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 2.2.6 and 3.2	Goodwill impairment tests	Allocation of goodwill to a single CGU: Groupe LDLC Key assumptions used in determining value in use (expected cash flows, perpetual growth rate, discount rate at the weighted average cost of capital)
Notes 2.2.7 and 3.3	Research and development costs	Development project capitalisation conditions Project lifetime assumptions (calculation of amortisation)
Notes 2.2.13 and 3.6	Inventories	Expected inventory run-off for the calculation of impairment
Notes 2.2.19, 3.8 and 3.17	Recognition of deferred tax	Assumptions used for recognising deferred tax assets relating to tax loss carryforwards and temporary differences
Note 3.12	Retirement benefits	Discount rate corresponding to the iBoxx Corporate AA rate and salary growth rate

2.2.4. Consolidation scope and criteria

Companies under the exclusive control of Groupe LDLC are fully consolidated. CRC regulation 99-02 defines exclusive control and the power to govern a company's financial and operating policies so as to obtain benefits from its activities.

At year-end, there were no companies in which the Company exercised joint control or significant influence.

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 with the exception of NLCL, for which it is 31 December.

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.

2.2.5. Conversion of financial statements and operations denominated in foreign currencies

2.2.5.1. 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 and their cash flow and income statements are converted at the average exchange rate for the period, pursuant to the method set out in point 3201 of regulation 99-02.

The translation difference resulting from the differences between the opening, average and closing prices is recorded as equity under "Translation adjustments".

2.2.5.2.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 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.

2.2.6. Business combinations and related goodwill

At the initial consolidation of an exclusively controlled company, the identifiable assets and liabilities of the acquired company are valued at their initial value pursuant to point 211 of CRC regulation 99-02.

At the acquisition date, any positive difference between 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 remuneration paid to the seller by the buyer, plus the amount net of tax of all other costs directly attributable to the acquisition.

Goodwill is considered to have an indefinite useful life.

As such, in accordance with ANC regulation 2015-06, its is not amortised; it must be subject to an impairment test at least once per year or if any indication of impairment is identified.

To test for impairment, goodwill is allocated to cash generating units (CGUs), which are homogeneous groups of assets that jointly generate identifiable cash flows.

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 "Amortisation and depreciation of goodwill" after the net income of the consolidated companies. Impairment of goodwill is not reversible.

2.2.7. 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,
- the 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.

2.2.8. 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, as well as 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 depreciation periods applied are as follows:

Type of asset	Depreciation period
Software	3 years
Trademarks	10 years
Contracts	20 years
Other intangible assets	3-8 years

2.2.9. 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	8 years
Technical facilities	8-10 years
Office equipment	3 years
Vehicles and delivery equipment	4 years
Furniture	5 years

In accordance with ANC 2015-06, an impairment test is performed whenever there is an indication of a loss of value. 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.

2.2.10. Lease agreements

2.2.10.1. 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 2.2.9 on Property, Plant & Equipment).

2.2.10.2. 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.

2.2.11. Borrowings

In accordance with point 300 of CRC regulation 99-02, borrowings are recognised at historical cost (see Note 3.13).

Transaction costs correspond to the costs directly attributable to the acquisition or the issue of a loan.

2.2.12. Financial instruments

The Group's financial instruments portfolio comprises two interest rate swap agreements entered into to reduce the risk of an unfavourable impact of fluctuations in borrowing rates.

In accordance with ANC regulation 2015-05, derivatives qualifying as hedging instruments follow the matching principle regarding the recognition of the hedged transaction on the one hand and the impact of the hedge on the other.

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).

As the swaps are used in the context of a future cash flow hedging strategy, the optimisation does not result in additional risk; as a result the changes in the fair value of the option are not recorded on the balance sheet, meaning that unrealised gains and losses are not recognised.

Details of the financial instruments, the underlying items hedged, the documentation of the hedging relationship and the impact of their treatment for the period are provided in Note 3.14.

The nominal amounts of the swap agreements are indicated in off-balance sheet commitments (Note 5.2.2).

2.2.13. 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.

2.2.14. Trade and other receivables

Trade and other receivables are recorded at their nominal value.

They are subject to impairment where an indication of loss of value enables the Group to demonstrate that is not able to recover the full amount initially provided for in the terms of the receivable.

They are analysed on an individual basis in accordance with their age and expectation of recovery.

2.2.15. 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.

In accordance with regulation 99-02, assigned receivables are deconsolidated.

2.2.16. 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 translated at the closing rate. The matching 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”.

2.2.17. Treasury shares

The LDLC Group's treasury shares are categorised according to the purpose for which they are described in the individual accounts.

Treasury shares categorised as long-term investments in the individual accounts are recognised as a deduction from equity for their acquisition cost in the consolidated accounts (CRC 99-02, point 271) Accordingly, the impact of all related transactions recorded in the individual accounts are 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 accounts, pursuant to CNC opinion 2008-17. Any transactions involving theses 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 free share award plans referred to in Note 4.2.

In application of Article 624 of the GAP:

- a provision for personnel expenses 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 3.11.

2.2.18. 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.

2.2.19. 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.

2.2.19.1. Current tax

Current tax assets and liabilities correspond to the tax receivables and liabilities due in less than 12 months.

2.2.19.2. 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.

2.2.20. 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 under CRC regulation 99-02, the Group applies the 'Corridor' method for recognising actuarial gains and losses, from 1 April 2019 given the impossibility of reconstructing a historical corridor.

- the expense representing changes in pension commitments is recognised in EBIT;
- the impact 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 3.12.

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 3.17), 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. EBIT

EBIT 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.

In application of the general principle of substance over appearance specific to consolidated financial statements (CRC 99-02, point 300), the Group has opted to retain the IFRS treatment that involves reclassifying research tax credit as an operating subsidy for capitalised development expenses.

2.2.23. 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
Hardware.fr	Design, development and operation of websites, site content	100%	07/2000	Full consolidation
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	80%	12/2006	Full consolidation
École LDLC	Higher education	100%	11/2014	Full consolidation
LDLC Villefranche	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2015	Full consolidation
Campus 2017	Acquisition of land and construction of buildings for use as office space via a finance lease, leasing of said buildings, acquisition and management of all movable property	100%	09/2015	Full consolidation
LDLC Bordeaux	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2016	Full consolidation
LDLC Villeurbanne	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2016	Full consolidation
LDLC Lille V2	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2016	Full consolidation
Domimo 2	Acquisition, use and development of land	100%	03/2016	Full consolidation
Domimo 3	Acquisition, use and development of land for the construction and leasing of a building	100%	03/2016	Full consolidation
LDLC Event	Organisation and management of events, particularly in the esport sector	70%	05/2016	Full consolidation
LDLC Lyon 7	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2017	Full consolidation

Subsidiaries	Business	% interest	Date acquired	Consolidation method
LDLC Cormeilles	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2017	Full consolidation
ADB Limonest	Retail store sale of personal equipment and childcare products	100%	03/2017	Full consolidation
LDLC 7	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
LDLC 9	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 of all IT hardware and software	80%	03/2018	Full consolidation
ADB Orgeval	Retail store sale of personal equipment and childcare products	100%	03/2018	Full consolidation
LDLC 11	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
LDLC 12	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
LDLC 13	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
Avitech	Retail sale of all IT hardware and software and all multimedia and digital products	100%	02/2020	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
I-Artificielle	Sale of products and services: computers, external devices, software and all complementary hardware or equipment developed by specialised companies in this sector	60%	01/2018	Full consolidation
MyMultimedia	Purchase, sale, installation and repair of IT equipment, video games and marketing of all associated or related products	60%	01/2018	Full consolidation
Mac & Co Digital	IT, telecoms, digital, software, services	100%	01/2018	Full consolidation

Subsidiaries	Business	% interest	Date acquired	Consolidation method
Groupe LDLC España	Direct and franchise sale (including physical store, online or mail order sales) of all kinds of IT hardware and software, electronic equipment and all related services	100%	03/2018	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

I-Artificielle, MyMultimedia and Mac & Co Digital are held by OLYS.

Groupe LDLC holds minority interests in Immo Fi, Presse Non-Stop, Phox and GC Développement; as the financial statements of these companies are not material, they were not consolidated at 31 March 2020. 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 2020, there were no foreign exchange futures contracts outstanding.

The proportion of goods paid for in USD is around 20% 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 3.13).

To cover the risk affecting floating-rate borrowings, the Group has entered into swap contracts (see Note 3.14).

A sensitivity test with regard to interest rate risk is included in 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 €18,245,000 at 31 March 2020;
- plus, at 31 March 2020:
  - a €13.5 million revolving credit facility, not drawn at 31 March 2020;
  - loans and credit facilities totalling €27,597,000;
  - several overdraft facilities.

Cash and cash equivalents and borrowings are described in Notes 3.10 and 3.13 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 CRC regulation 99-02 and its method of calculation may vary from company to company, please note that EBITDA corresponds to the sum of EBIT and net operating depreciation, amortisation and provisions.

Advanced additive method (€000)

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Net income/(loss)	8,308	(4,820)
Net depreciation, amortisation and provisions	(9,104)	(7,390)
Other financial income and expenses	(962)	(2,060)
Other non-recurring operating income and expenses	10,489	(56)
Tax expense	(7,862)	2,839
EBITDA	**15,747**	**1,848**

Simplified additive method (€000)

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
EBIT	6,643	(5,543)
Operating depreciation and amortisation	(9,104)	(7,390)
EBITDA	**15,747**	**1,848**

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

The Spanish website has been hosted by the LDLC Group since 1 April 2020.

On 10 April 2020, Groupe LDLC purchased the business assets of Top Achat for a price of €3 million. This acquisition will generate further opportunities and synergies. The Top Achat business is fully in keeping with the Group's high-tech product retail strategy.

The Group contracted four €4.5 million state-guaranteed loans at the end of April in order to finance potential Group cash requirements. 90% of the €18 million borrowed under these loans is covered by the state guarantee granted to banks and finance companies under Article 6 of the French Amended Finance Act no. 2020-289 of 23 March 2020.

The government announcements on lockdown easing measures enabled the network stores closed since 17 March 2020 to gradually re-open from 11 May 2020, in accordance with the recommended "distancing" measures.

To the Company's knowledge, no event likely to have a material impact on the Company financial statements has occurred since 31 March 2020.

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 3.18.

2.8. CHARGES RELATING TO COMPENSATION 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 2020.

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, with the exception of that of the company Avitech. In view of the acquisition date close to the financial year-end, the entry into the scope of consolidation was carried out on the basis of the accounts at 31 March 2020. The impact of the income statement is not material.

The income statement includes the income statements of companies sold during the financial year up until the disposal date.

Avitech posted revenues of €2,064,000 and net income of €62,000 for the year ended 31 March 2020.

The amounts shown under "Change in scope" in the following tables correspond to the companies LDLC VR Studio and Avitech.

3.2. GOODWILL

Gross values	31/03/2019	Acquisitions	Change in scope	Disposals	31/03/2020
Materiel.net group	20,084	0	0	0	20,084
OLYS Group	7,058	0	0	0	7,058
LDLC VR Studio	0	0	89	0	89
Avitech	0	0	236	0	236
Total	**27,142**	**0**	**324**	**0**	**27,467**

Depreciation, amortisation and impairment	31/03/2019	Acquisitions	Change in scope	Write-backs	31/03/2020
Materiel.net group	0	0	0	0	0
Olys group	0	0	0	0	0
LDLC VR Studio	0	0	0	0	0
Avitech	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

In accordance with regulation 99-02 (see accounting principles in Note 2.2.6):

- goodwill, previously recognised using the "full" method under the IFRS standards, are now 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;
- acquisition costs, previously recognised as operating expenses under the IFRS standards, are now included in the share purchase price at their amount net of tax.

The data relating to the previous year have been restated to account for the retrospective application of CRC regulation 99-02.

3.2.1. Materiel.net group goodwill

Goodwill assigned to the "Materiel.net group" amounting to €20,084,000 results from the March 2016 acquisition of the Materiel.net group comprising Domisys and two real estate investment companies (SCI), Domimo 2 and Domimo 3.

The LDLC Group completed the merger by absorption of the company Domisys during the year ended 31 March 2019.

3.2.2. Olys group goodwill

The "OLYS group" goodwill amounting to €7,058,000 results from the January 2018 acquisition of the company OLYS and its subsidiaries: I-Artificielle, MyMultimedia and Mac & Co Digital, as well as BIMP Éducation, Synopsis and Bizen, which merged with OLYS during the year ended 31 March 2019.

3.2.3. LDLC VR Studio goodwill

The “LDLC VR Studio” goodwill amounting to €89,000, recorded at 31 March 2020, follows the acquisition of the entire share capital of that company on 18 December 2019.

(€000)	**31/12/2019 Carrying amount**
Other intangible assets	11.4
Property, plant and equipment	402.6
Financial assets	28.5
Non-current assets	**442.5**
Inventories	-
Trade receivables	-
Other receivables and accrued income	59.8
Cash and cash equivalents	49.3
Current assets	**109.1**
Total assets	**551.6**
Consolidated reserves	-
Minority interests	-
Total shareholders’ equity	-
Provisions	-
Provisions	-
Loans and borrowings	(148.0)
Trade payables	(34.2)
Other liabilities and accruals	(438.1)
Payables	**(620.2)**
Total equity and liabilities	**(620.2)**
Net assets	**(68.6)**
Goodwill	88.7
Consideration transferred	**20.1**

3.2.4. Avitech goodwill

The "Avitech" goodwill amounting to €236,000, recorded at 31 March 2020, follows the acquisition of the entire share capital of that company on 5 February 2020.

(€000)	**31/03/2020 Carrying amount**
Other intangible assets	4.4
Property, plant and equipment	160.1
Financial assets	15.3
Non-current assets	**179.8**
Inventories	65.9
Trade receivables	26.9
Other receivables and accrued income	112.2
Cash and cash equivalents	265.5
Current assets	**470.5**
Total assets	**650.3**
Consolidated reserves	-
Minority interests	-
Total shareholders' equity	**-**
Provisions	(1.8)
Provisions	**(1.8)**
Loans and borrowings	(128.7)
Trade payables	(121.0)
Other liabilities and accruals	(544.5)
Payables	**(794.2)**
Total equity and liabilities	**(796.0)**
Net assets	**(145.7)**
Goodwill	235.7
Consideration transferred	**90.0**

3.2.5. Impairment testing

The Group has not identified any goodwill impairment.

Cash flows were valued based on budgets and five-year plans prepared using growth and profit forecasts in line with the past performance of the Group and its markets. In the context of events related to Covid-19, three different scenarios have been considered and weighted based on the probability of their materialisation. Each scenario reflects the estimated impact of Covid-19 on revenues and EBITDA margin over the business plan period. The 1.9% 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 2020, the discount rate determined using market data was 9.7% for the Groupe LDLC CGU.

Following the goodwill valuation, no impairment was recorded as at 31 March 2020.

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 for each scenario, applying assumptions taken on an individual basis, including changes that could be reasonably expected to occur (-50 bps for the EBITDA/revenues margin, +100 bps for the discount rate) and did not identify scenarios in which the recoverable value would fall below the carrying amount of the assets tested.

Based on the assumptions applied, the CGU's value in use derived from the weighted average of the three scenarios is €86.4 million higher than its carrying amount at 31 March 2020. The results of sensitivity testing are as follows:

Appreciation/(Devaluation) – Headroom in €m

EBITDA/revenues margin	-50 bps
	65.7
Discount rate	+100 bps
	66.3

3.3. INTANGIBLE ASSETS

Intangible assets break down as follows:

Gross values	31/03/2019	Acquisitions	Ch. in cons. scope	Reclassi-fication	Disposals/ retirement	31/03/2020
Materiel.net trademark	8,300					8,300
Apple contract	11,584					11,584
Software and other intangible assets	6,236	1,357	87	2,248	80	9,849
Leasehold rights	1,481	70		(50)		1,501
Intangible assets in progress	3,422	656		(2,451)		1,627
Total	**31,023**	**2,083**	**87**	**(253)**	**80**	**32,861**

Amortisation and impairment	31/03/2019	Charges	Ch. in cons. scope	Reclassification	Write-backs	Write-downs	31/03/2020
Materiel.net trademark	2,490	830					3,320
Apple contract	579	579					1,158
Software and other intangible assets	1,317	1,460	71	6	80	9	2,783
Leasehold rights	1,061	64		(6)			1,119
Total	**5,447**	**2,933**	**71**	**0**	**80**	**9**	**8,380**

The Materiel.net trademark valued at €8.3 million is amortised over 10 years. There are 6 years remaining on the trademark's amortisation schedule, until 31 March 2026, and its net book value amounted to €5 million as at 31 March 2020.

Intangible assets comprised of the advantageous contract between OLYS and the supplier Apple, is amortised over 20 years (ending 31 March 2038). Net book value at 31 March 2020 amounted to €10.4 million.

The increase in intangible assets is mainly due to in-house IT project development (€934,000) and R&D projects (€986,000), including €595,000 of intangible assets in progress. All IT projects underway as of 31 March 2019 were capitalised at 31 March 2020.

IT projects commissioned during the year amounted to €2,537,000 and R&D projects to €996,000.

Capitalised IT project development and R&D expenses are deducted from "Other purchases and external costs" on the income statement. Development costs incurred during the year ended 31 March 2020 amounted to €1,575,000 and mainly comprised external costs (€928,000) and staff costs (€647,000).

The change in scope recorded for intangible assets corresponds to Avitech for €47,000 and to LDLC VR Studio for €40,000.

The sharp increase in charges at 31 March 2020 primarily results from the amortisation of the various internal projects, which accounts for €1,208,000 compared with €202,000 at 31 March 2019.

3.4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment break down as follows:

Gross values	31/03/2019	Acquisitions	Ch. in cons. scope	Reclassi-fication	Disposals/ retirement	31/03/2020
Land	3,375	0	0	0	3,375	**0**
Buildings	35,094	0	0	0	33,896	**1,198**
Fixtures and fittings	17,385	839	1,144	723	611	**19,480**
Equipment	6,503	54	143	664	19	**7,345**
Vehicles and delivery equipment	406	7	0	0	11	**403**
Office equipment and furniture	7,517	749	180	242	267	**8,422**
PP&E in progress	1,636	283		(1,633)	1	**285**
Total	**71,918**	**1,932**	**1,469**	**(4)**	**38,181**	**37,133**

Depreciation and impairment	31/03/2019	Charges	Ch. in cons. scope	Write-backs	Impairment	31/03/2020
Land	0	0	0	0	0	**0**
Buildings	8,802	514	0	8,346	0	**970**
Fixtures and fittings	10,251	1,427	613	285	545	**12,551**
Equipment	4,310	661	143	19	0	**5,096**
Vehicles and delivery equipment	272	49	0	10	0	**311**
Office equipment and furniture	4,483	1,244	150	156	84	**5,806**
Total	**28,118**	**3,896**	**906**	**8,816**	**630**	**24,733**

Purchases of property, plant and equipment correspond to the fit-out costs for:

- the Grandchamps-des-Fontaines premises for €296,000;
- the MyMultimedia store for €217,000.
- the Mac & Co Digital store for €161,000;
- the new premises occupied by all LDLC Event staff for €265,000 including €157,000 of assets in progress.

The total amount of fixtures and fittings commissioned and completed for the Grandchamps-des-Fontaines site amounted to €1,148,000.

The Autostore project (storage system and handling robots) was commissioned during the year for €675,000, of which €672,000 was acquired at 31 March 2019.

Disposals of land and buildings correspond to the withdrawal from the registered office property finance lease for €22,000,000, the completion of the sale of the Grandchamps-des-Fontaines warehouse and administrative buildings for €14,208,000 as well as the sale of the Nantes concept store for €1,063,000.

Disposals relating to other property, plant and equipment items primarily correspond to the return of the Barcelona stores premises by Groupe LDLC España for €520,000, including €384,000 of fixtures and fittings and €136,000 of furniture and office equipment.

The change in scope recorded for property, plant and equipment corresponds to LDLC VR Studio and Avitech for €1,134,000 and €335,000 respectively.

On 6 February 2020, the Group closed its two stores in Spain, located in Madrid and Barcelona. As of 31 March 2020, LDLC España remained the lessee of the Madrid store; as such all fixtures, fittings and furniture were written down to the residual net book value at 31 March 2020 and represents an amount of €630,000 (see Note 2.1).

3.5. EQUITY INTERESTS AND OTHER FINANCIAL ASSETS

Net value	31/03/2019	Reclassi-fication	Acquisitions	Disposals/ retirement	Disposals	Impairment	31/03/2020
Presse Non-Stop shares	13						**13**
Other shares	39				0		**39**
IMMO FI 1 shares	348						**348**
NLCL shares	1,500						**1,500**
CG Développement shares	400						**400**
Deposits and guarantees	1,372	(188)	676	44	103		**1,801**
Loan holdback	333	188	58		0		**579**
Loans	1,296				1,296		**0**
Total	**5,301**	**0**	**734**	**44**	**1,400**	**0**	**4,679**

Acquisitions primarily correspond to the security deposits paid to the new owners of the registered office located in Limonest in the amount of €386,000 and the new owners of the Grandchamps-des-Fontaines warehouse and offices in the amount of €188,000.

Disposals primarily correspond to the repayment of the loan that had been granted to the lessor, the company Finamur, as part of the financing of the investment in Groupe LDLC's registered office in the amount of €1,296,000.

3.6. INVENTORIES

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Goods for resale	68,989	1,888	67,101	64,817	1,334	63,482
Total goods inventories	**68,989**	**1,888**	**67,101**	**64,817**	**1,334**	**63,482**
Other supplies	34	3	31	35	2	32
Work in progress	63	0	63	18		18
Total inventories and WIP	**69,087**	**1,892**	**67,195**	**64,869**	**1,336**	**63,532**

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.

3.7. TRADE RECEIVABLES

This item breaks down as follows:

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
	Gross	Imp.	Net	Gross	Imp.	Net
Trade receivables overdue	13,961	2,757	11,203	12,136	1,283	10,853
Trade receivables not yet due	13,302		13,302	15,632		15,632
Trade receivables	**27,262**	**2,757**	**24,505**	**27,768**	**1,283**	**26,485**

At 31 March 2020, the Group had sold €4.8 million in trade receivables to Eurofactor. As at 31 March 2019, assigned receivables amounted to €4.4 million.

3.8. OTHER RECEIVABLES AND ACCRUALS

This item breaks down as follows:

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
	Gross	Imp.	Net	Gross	Imp.	Net
Advances and down payments	1,320		1,320	771		771
Supplier credits receivable	4,297	60	4,237	4,591	75	4,516
Government (income tax, VAT, etc.)	1,659		1,659	5,686		5,686
Government - income receivable	79		79	6		6
Deferred tax assets	1,246		1,246	1,469		1,469
Accrued income receivable	63		63	264		264
Eurofactor current account	204		204	1,517		1,517
Eurofactor retainer	279		279	264		264
Current account	150		150	151		151
Other	212		212	73		73
Prepaid expenses - goods	2,555		2,555	2,893		2,893
Other	102		102	15		15
Prepaid expenses	2,634		2,634	2,140		2,140
Total	**14,800**	**60**	**14,740**	**19,841**	**75**	**19,766**

All other receivables and accruals are due or will be settled in less than one year.

As a reminder, at 31 March 2019 the “Government” item primarily comprised a tax receivable following the payment of income tax instalments in the amount of €3,651,000. The income tax payable at 31 March 2020 is indicated in the “Other payables” item (see Note 3.17).

Other receivables include €483,000 relating to the Eurofactor current account and retainer.

“Prepaid expenses - goods” relates to invoices for goods delivered after the financial year-end.

3.9. SHORT-TERM INVESTMENTS

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
Values	**Gross**	**Prov.**	**Net**	**Gross**	**Prov.**	**Net**
Short-term investments	**1,614**	**0**	**1,614**	**1,464**	**(248)**	**1,216**
Total	**1,614**	**0**	**1,614**	**1,464**	**(248)**	**1,216**

3.10. CASH AND CASH EQUIVALENTS

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Cash and cash equivalents	**18,245**	**17,315**
Total	**18,245**	**17,315**

3.11. SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

√ **Shareholder breakdown at 31 March 2020**

At 31 March 2020, the share capital of Groupe LDLC consisted of 6,322,106 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 2020:

Shareholders	**Number of shares**	**% share capital**	**% voting rights**
Laurent de la Clergerie	1,226,746	19.40%	25.32%
Caroline de la Clergerie	628,579	9.94%	12.23%
Olivier de la Clergerie	615,500	9.74%	11.94%
Suzanne de la Clergerie	71,423	1.13%	6.16%

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 2018	**6,322,106**	**120,943**	**118,643**
New shares			
Treasury shares purchased/(sold)		48,266	46,318
Bonus shares granted		(41,731)	(41,731)
Total at 31 March 2019	**6,322,106**	**127,478**	**123,230**
New shares			
Treasury shares purchased/(sold)		75,866	77,402
Bonus shares granted		(64,726)	(64,726)
Total at 31 March 2020	**6,322,106**	**138,618**	**135,906**

√ **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.

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Numerator		
Net income attributable to owners of the company	8,308	(4,820)
Net income used to calculate diluted earnings per share	8,308	(4,820)
Denominator		
Weighted average number of ordinary shares used to calculate basic earnings per share	6,319,394	6,317,858
Impact of dilutive ordinary shares		0
Weighted average number of ordinary shares used to calculate diluted earnings per share	6,319,394	6,317,858
Earnings per share (€)	**1.31**	**(0.76)**
Diluted earnings per share (€)	**1.31**	**(0.76)**

3.12. PROVISIONS FOR RISKS AND CONTINGENCIES

Provisions for risks and contingencies break down as follows:

	01/04/2019 - 31/03/2020					01/04/2018 - 31/03/2019				
	Provi-sions b/fwd	Prov. rec.	Prov. used	Prov. Not used	Total	Provi-sions b/fwd	Prov. risks during FY	Prov. used during FY	Prov. not used /wrbk during FY	Total
Customer warranties	26	95	(26)		95	126	26	(126)	0	26
Retirement benefits	3,521	172	6	(31)	3,667	2,322	1,216	0	(17)	3,521
Employment disputes	23	3	(18)		8	57	18	(47)	(5)	23
Rent & rental charges	0	428			428	18	0	(18)	0	0
Bonus shares	574	320	(481)		413	566	367	(335)	(24)	574
Employee provisions	0	400	0		400	0				0
Other provisions	17	87	(17)		87	12	17	(12)		17
Total	**4,160**	**1,504**	**(535)**	**(31)**	**5,097**	**3,101**	**1,644**	**(538)**	**(47)**	**4,160**

As at 31 March 2020 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 main assumptions used to calculate the provision for retirement benefits as at 31 March 2020 are as follows:

Assumptions used	**At 31 March 2020**	**At 31 March 2019**
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	1.42%	1.05%
Average remaining service	12-22 years	12-23 years
Demographic assumptions		
Retirement age	60-67 years	60-67 years
Mortality tables	Insee 2018	Insee 2017
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.

The amount of actuarial gains and losses offset as of 31 March 2020 through application of the 'corridor' method amounted to €1,800,000.

√ 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
- Construction employees, engineers and supervisors – IDCC 2609
- Journalists – IDCC 1480
- Consulting firms – IDCC 1486
- Non-food retail – IDCC 1517
- Electronic, audiovisual and household appliances – IDCC 1686.
- 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 €413,000 provision for contingencies recorded at 31 March 2020 is intended to cover the probable outflow of resources for each of the 2017-2018 plans, in accordance with the likelihood that the presence condition will be met and in proportion to services rendered.

The contra entry to this provision is recorded under staff costs.

Groupe LDLC España

A provision of €828,000 was recorded following the decision to terminate store operations in Spain. This provision corresponds for €428,000 to rental charges for the Madrid store until the end of the lease and to employee contract termination expenses for €400,000.

3.13. LOANS AND BORROWINGS

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Loans	455	1,697
Commercial paper	0	0
Finance lease liabilities	0	11,748
Due in > 5 years	**455**	**13,445**
Loans	4,660	4,494
Commercial paper	0	0
Finance lease liabilities	0	3,288
Due in 3-5 years	**4,660**	**7,782**
Loans	14,683	6,380
Commercial paper	0	0
Finance lease liabilities	40	3,075
Due in 1-3 years	**14,724**	**9,455**
Total long-term borrowings	**19,839**	**30,682**
Loans	7,704	45,467
Commercial paper	0	0
Accrued interest on loans	24	29
Finance lease liabilities	30	1,459
Due in < 1 year	**7,758**	**46,956**
Total short-term borrowings	**7,758**	**46,956**
Long and short-term borrowings	**27,597**	**77,638**
Guarantee deposits received	0	0
Bank overdrafts	510	852
Short-term bank loans	0	0
Current accounts	327	308
Dividends payable	0	0
Total borrowings	**28,435**	**78,797**

Long-term loans

On 31 March 2016, Groupe LDLC took out a €23 million loan to partly finance the acquisition of Materiel.net, including related costs and fees. This loan is repayable over a 7-year term and bears interest at Euribor 3 months, plus an acquisition loan margin subject to annual revision in accordance with the leverage ratio.

On 19 January 2018, Groupe LDLC took out two loans amounting to €10 million and €5.3 million to finance the Olys acquisition and related costs and fees.

A second amendment to the €10 million loan agreement dated 31 March 2016 was signed on 19 January 2018 in order to align the repayment period with the 2016 acquisition loan, The terms of the €23 million loan apply in the same way as for the €10 million loan.

These €23 million and €10 million loans are supplemented by a €15 million revolving credit facility, subject to minimum drawdowns of €1 million each, intended to partly finance working capital for Groupe LDLC and its subsidiaries. This facility is subject to interest based on the Euribor rate, plus a revolving credit facility margin subject to annual revision in accordance with the leverage ratio. The facility was unused at 31 March 2020.

On 11 December 2019, a majority of the pool of banking partners ratified an agreement to extend the €13.5 million revolving credit facility until 31 March 2021.

Swaps have been entered into to hedge the floating rates applicable to these 2016 and 2018 acquisition loans.

The amendment to the 2016 and 2018 acquisition loan agreement provides for compliance with a number of bank covenants (ratios, capex limits, etc.). Failure to comply with these covenants may under specific conditions trigger early repayment.

These covenants are contractually based on the consolidated financial statements and are tested every six months.

The loan agreement is subject to compliance with two bank covenants contractually based on the consolidated financial statements and tested every six months:

- √ A leverage ratio: this ratio is defined as “consolidated net borrowings” (i.e. borrowings less cash and cash equivalents plus bank guarantees for an amount of €89,000) divided by “adjusted consolidated EBITDA” (i.e. Group EBIT plus net depreciation, amortisation and provision allowances included in EBIT, plus value added contributions and discounts received from suppliers).
- √ A gearing ratio :defined as “consolidated net borrowings” (i.e. total borrowings less cash and cash equivalents plus guarantee commitments given and endorsed by signature totalling €89,000) divided by “consolidated equity” (including minority interests).

The agreement also imposes a limit on capital expenditure incurred by all Group companies.

The loan agreement covenants are in compliance as at 31 March 2020.

At 31 March 2019, the bank covenants related to the loan agreement were not in compliance and the corresponding liabilities were reclassified as short-term liabilities in the amount of €35.4 million at 31 March 2019.

Pursuant to amendment 2 to the loan agreement, disposals of real estate assets carried out during the year resulted in the early repayment of €6 million on 13 December 2019, i.e. €3 million for each of the €23 million and €10 million loans, thereby shortening the repayment schedule for these two loans. As a result, the final instalments will fall due on 30 September 2022 for the €23 million loan and 30 September 2021 for the €10 million loan.

The €5.3 million loan is repayable over a 7-year term and subject to a fixed interest rate of 1.31% per annum with repayment deferred for 8 quarters. The first instalment combining principal repayment and interest was scheduled for 30 April 2020.

The €23 million and €10 million loans are carried on the balance sheet at amortised cost in respective amounts of €8.5 million and €3.4 million, at 31 March 2020.

Following the outbreak of the COVID-19 health crisis, in late March the Group companies obtained a six-month moratorium on loan repayments from all lending banks, entailing the deferral of instalments totalling €2.9 million at 31 March 2020 and the deferral of debt repayments due in less than one year totalling €1.7 million.

The sale of the Grandchamps-des-Fontaines warehouse and offices in June 2019 by Domimo 2, accounts for a €4.3 million debt reduction.

In April 2019, Groupe LDLC took out a €1.5 million loan to finance the Group’s working capital.

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 + 1% to Euribor 3m + 3.2%

Overdraft authorisations granted to the Group amounted to €8.02 million as at 31 March 2020.

Finance lease liabilities

Finance lease liabilities mainly relate to the capitalisation of the new Groupe LDLC head office in Limonest, for which the repayment schedule provides for a €22 million repayment over 12 years. Following the sale of the registered office in July 2019, the Group settled the full amount of the finance lease agreement, which amounted to €19.1 million.

3.14. FINANCIAL INSTRUMENTS

This item breaks down as follows:

(€)					
Date date	**Date of maturity**	**Type of contract**	**Hedged notional amount**	**MTM**	**Impact on earnings for the period**
30/06/2016	31/03/2021	Swap	11,500,000	12,035	**(12,931)**
31/03/2018	31/03/2023	Swap	6,363,636	24,855	(19,522)
Total				**36,890**	**(32,453)**

In June 2016, Groupe LDLC entered into an interest rate swap intended to hedge interest rate risk related to the €23 million loan.

Following the January 2018 acquisition, which led to the signing of amendment 2 to the March 2016 loan agreement and the addition of a floating-rate €10 million loan, a new swap contract was entered into in March 2018.

As demonstrated by the results of the sensitivity tests in Note 3.15, the impact of interest rate fluctuations is limited by the implementation of swaps.

In addition to reducing the risk of an adverse impact of the hedged item, these financial instruments are eligible for cash flow hedge accounting within the meaning of ANC regulation 2015-05.

3.15. EXPOSURE TO INTEREST RATE RISK

Exposure to interest rate risk comprises floating-rate financial liabilities exposed to cash flow risk, as follows:

	Repayment schedule at 31/03/2019		
	< 1 year	**1 - 5 years**	**> 5 years**
Other borrowings	37,211	2,383	277
Floating-rate financial liabilities	**37,211**	**2,383**	**277**

	Repayment schedule at 31/03/2020		
	< 1 year	**1 - 5 years**	**> 5 years**
Other borrowings	5,104	6,760	0
Floating-rate financial liabilities	**5,104**	**6,760**	**0**

Interest rate risk sensitivity tests

On the basis of the information presented above, an interest rate fluctuation of 0.50 basis points would have an impact on the Group's net exposure, over the full year, entailing a €152,000 variation in Group consolidated earnings before tax for the year ended 31 March 2020.

FY ended 31 March 2020	**Impact on net income**
+ 0.5 basis points	(152)
- 0.5 basis points	152

Negative figures indicate a financial expense.

3.16. TRADE PAYABLES

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Trade payables	45,242	51,494
Supplier L/C & prom. notes payable	13,274	10,397
Supplier invoices not received	2,754	2,488
Total	**61,270**	**64,379**

All trade and related payables are due in less than one year.

3.17. OTHER LIABILITIES AND ACCRUALS

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Advances and down payments received on orders	4,011	2,942
Payable to employees	7,249	6,541
Payable to social security organisations	3,613	3,231
Payable to the government (income tax, VAT, etc.)	13,187	7,482
Deferred tax liabilities	2,917	1,805
Other customer credit	1,543	3,305
Other	709	669
Deferred income	4,838	2,537
Total	**38,067**	**28,511**

All other payables are due in less than one year.

The increase in employee payables is mainly due to employee profit-sharing schemes for €778,000 recorded for the LCDC Group.

The sharp increase in government payables at 31 March 2020 mainly relates to:

- Income tax in the amount of €4.3 million, whereas the financial year ended 31 March 2019, for which a deficit was recorded, generated a tax receivable posted under “Other receivables and accruals” (see Note 3.8);
- VAT in the amount of €6.4 million at 31 March 2020 compared with €4.8 million at 31 March 2019.

At 31 March 2020, a deferred tax liability was recognised under intangible assets in relation to the Materiel.net brand for €1,308,000 and for €2,207,000 in relation to the Apple agreement, compared with €1,539,000 and €2,869,000 respectively at 31 March 2019.

“Deferred income” mainly corresponds to income from customer warranty contracts spread over the term of the contract and the restatement of the last two days of revenues in March.

3.18. RELATED PARTIES

This item breaks down as follows:

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
	Equity interests			Equity interests		
	Gross	Imp.	Net	Gross	Imp.	Net
Financial assets	2,307	(39)	2,267	2,307	(39)	2,267
Trade receivables	6	0	6	136	0	136
Other receivables	150	0	150	150	0	150
Accrued income and prepaid expenses	0	0	0	0	0	0
Total assets	**2,463**	**(39)**	**2,424**	**2,593**	**(39)**	**2,553**
Borrowings	0	0	0	0	0	0
Trade payables	(157)	0	(157)	(172)	0	(172)
Other payables	(221)	0	(221)	(178)	0	(178)
Accrued expenses and deferred income	0	0	0	0	0	0
Total equity and liabilities	**(378)**	**0**	**(378)**	**(349)**	**0**	**(349)**

Financial assets mainly comprise NLCL (€1,500,000) and CG Développement (€400,000) shares. The impairment charges were recognised on Phox and Presse Non-Stop shares. Other receivables correspond to the NLCL current account.

Trade payables mainly relate to Phox (€112,000) and CG Développement (€11,000) debts.

Other payables relate to the shareholder loan current account between Groupe LDLC and Immo Fi for €221,000.

4. Notes to the income statement

4.1. REVENUE BREAKDOWN

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
	France	Export	Total	France	Export	Total
Sales of goods	414,963	53,921	468,884	426,745	57,762	484,507
Sales of services*	19,726	4,786	24,512	18,283	4,704	22,987
Total	**434,689**	**58,707**	**493,396**	**445,028**	**62,465**	**507,494**

** Sales of services mainly comprise shipping costs.*

At 31 March 2020, 88% of revenues were generated in France, the same as the previous year.

4.2. STAFF COSTS AND HEADCOUNT

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Wages and salaries	33,097	35,379
Social security contributions and staff costs	14,216	14,955
Employee profit-sharing	778	0
Total	**48,091**	**50,334**
Average headcount	1,007	1,085
Non-managerial staff	653	722
Managerial staff	311	311
Temporary workers	44	51

The reduction in staff costs primarily results from the reduction in workforce between 31 March 2019 and 31 March 2020. The CICE has been abolished with effect from 1 January 2019 and has been replaced by a new system of reductions in social security charges.

Information on bonus share plans

Outstanding

Date granted	**29/06/2017**	**23/02/2018**
Total number of bonus shares granted	10,000	35,000
Vesting date	1,000 shares on 29/06/2019	10,000 shares on 23/02/2020
	1,000 shares on 29/06/2020	12,500 shares on 23/02/2021
	2,000 shares on 29/06/2021	12,500 shares on 23/02/2022
	3,000 shares on 29/06/2022	
	3,000 shares on 29/06/2023	
Lock-in period	2 years	1 year

Bonus shares granted

The benefits awarded in the form of bonus share allocations, previously measured at the fair value on the share allocation date and recognised as a counter-entry to shareholders' equity pursuant to IFRS standards, are now 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, in accordance with the provisions of CRC regulation 99-02. As with the IFRS standards, these staff costs are amortised on a straight-line basis over the vesting period (see accounting methods in Note 2.2.17).

- 10,000 existing shares in Groupe LDLC were allotted on 29 June 2017, to be vested after a vesting period of 2 to 6 years and thereafter subject to a two-year lock-in period.
- 35,000 existing shares in Groupe LDLC were allotted on 23 February 2018, to be vested after a vesting period of 2 to 4 years and thereafter subject to a one-year lock-in period.

Apart from the 9 July 2014 plan, these bonus share plans are subject to a condition of presence in the Company but not to any performance criteria.

A provision for staff costs is recorded and is intended to cover the probable outflow of resources for each of the 2017-2018 plans, in accordance with the likelihood that the presence condition will be met and in proportion to services rendered (see Note 3.12).

The June 2017, November 2017 and February 2018 plans are subject to chargeback agreements with the subsidiaries (see Note 02/02/2017).

During the year ended 31 March 2020, 64,726 shares were vested.

4.3. NET DEPRECIATION, AMORTISATION AND PROVISIONS

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Net depr./amort. of non-current assets	(6,822)	(6,510)
Net provisions for retirement benefits	(145)	(1,214)
Net provisions for inventory impairment	(555)	349
Net provisions for impairment of receivables	(1,458)	(178)
Net provisions for current account impairment	0	0
Net provisions for customer warranties	(69)	100
Other charges/write-backs	(55)	63
Total net depreciation, amortisation and provisions	**(9,104)**	**(7,390)**

Figures presented as (-) denote expenses.

The reduction of provisions for retirement benefits is primarily related to the reduction in workforce and the change in the discount rate (see Note 3.12).

The increase in the impairment of trade receivables primarily corresponds to an increase in doubtful debts for the company OLYS, for which a net provision of €1.2 million was recorded at 31 March 2020.

4.4. NET FINANCIAL INCOME/(EXPENSE)

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Write-back of provisions for impairment of financial assets	248	0
Other financial income	36	87
Financial income	**284**	**87**
Interest on borrowings	(968)	(1,653)
Interest paid to banks	(161)	(135)
Current account interest	(67)	(21)
Financing commissions	(31)	(26)
Provisions for impairment of financial assets	0	(286)
Other financial expenses	(21)	(26)
Financial expense	**(1,246)**	**(2,147)**
Net financial income/(expense)	**(962)**	**(2,060)**

Actuarial gains and losses relating to pension commitments, previously recorded in other comprehensive income pursuant to IFRS standards, are now recorded immediately under financial income/expense, in accordance with the provisions of CRC regulation 99-02 (see accounting methods in Note 2.2.20.1). At 31 March 2020, the actuarial difference did not exceed 10% of the higher of the commitment amount and the fair value of the plan assets at the start of the period. Accordingly, no actuarial gain or loss was recorded in financial income/expense.

Interest on borrowings for the year ended 31 March 2020 breaks down as follows (see Note 3.13):

√ €263,000 cost of the €23 million loan used to partly finance the Materiel.net acquisition, compared with €474,000 at 31 March 2019.

√ €221,000 cost of the €15,3 million loans used to finance the Olys acquisition, compared with €323,000 at 31 March 2019

√ €251,000 cost of the revolving credit facility, compared with €310,000 at 31 March 2019.

√ €84,000 cost of the loan corresponding to the capitalisation of the registered office, compared with €349,000 at 31 March 2019.

Following the sale of the warehouse and offices held by Domimo 2, the interest rate swap concluded to hedge against floating-rate risk was settled, generating a net banking interest expanse of €121,000.

Financial provision write-backs correspond to the reversal of the impairment of treasury shares purchased for the purposes of bonus share plans but not allocated to a specific plan at 31 March 2019.

4.5. NON-RECURRING INCOME/(EXPENSE)

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Income from fixed asset disposals	45,056	11
Non-rec. write-backs on provisions	447	330
Other non-recurring income	48	40
Total non-recurring income	**45,551**	**381**
Net book value of fixed assets sold	32,620	67
Non-recurring expenses (purchase of treasury shares)	447	330
Non-recurring write-downs and provisions	638	0
Other non-recurring expenses	1,357	40
Total non-recurring expenses	**35,062**	**437**
Total	**10,489**	**(56)**

Non-recurring income/(expense) is primarily comprised of:

- the July 2019 sale of the Groupe LDLC registered office, which released a €9,111,000 capital gain;
- the June 2019 sale of the Grandchamps-des-Fontaines warehouse and administrative buildings held by Domimo 2, which released a €3,202,000 capital gain;
- the February 2020 sale of the Nantes concept store held by Domimo 3, which released a €668,000 capital gain;
- the release of the fixed assets corresponding to the fixtures and fittings of the Barcelona store for an amount of €410,000;
- non-recurring write-downs and provisions totalling €638,000 corresponding to the impairment of the intangible assets and property, plant and equipment of the Madrid store (see Notes 3.3 and 3.4);
- the vesting of bonus shares accounts for the non-recurring write-backs of provisions and non-recurring treasury share buy-back expenses in the amount of €447,000;
- the other non-recurring expenses primarily correspond to the rental costs of the stores in Spain and the employment contract termination expenses for Groupe LDLC España staff in the amount of €1,236,000.

4.6. INCOME TAX

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Net income/(loss), Group share	8,308	(4,820)
Current tax income/(expense)	(6,422)	202
Deferred tax income/(expense)	(1,441)	2,637
Net income from equity associates	0	0
Earnings before tax	16,170	(7,658)
Theoretical tax rate	34.43%	34.43%
Theoretical tax (expense)/income	(5,568)	2,637
Permanent differences	(158)	222
Classification of CIR research tax credit	14	85
Tax credits	160	202
Impact of change in tax rate	(194)	(346)
Other effects	0	38
Tax losses capitalised in prior periods	(596)	0
Non-capitalised tax losses	(1,520)	0
Effective tax (expense)/income	(7,862)	2,839

The income tax rate applicable in France is the 33.33% base rate for tax group companies plus social security contributions of 3.3%, giving a total rate of 34.43%. The 2019 French Finance Act provides for a progressive decrease in the current corporate income tax rate to 25% by 2022.

The tax rate applicable in Spain is the base rate of 25%.

The Group's net tax expense takes this decrease into account, via the application of the 25% tax rate plus the 3.3% contribution for the main items for which tax must be paid from 2022 onwards.

Tax losses capitalised in prior periods and non-capitalised tax losses correspond to the cumulative losses of Groupe LDLC España following the decision to terminate store operations in Spain.

CVAE, previously recognised under "Income tax" pursuant to IFRS standards, is now included under "Miscellaneous taxes".

4.7. TAX CONSOLIDATION AGREEMENT

The tax consolidation Group, of which Groupe LDLC is the parent company, is comprised of the subsidiaries Hardware.fr, Nemeio, LDLC Distribution, LDLC Villefranche, L'École LDLC, LDLC Bordeaux, LDLC Villeurbanne, LDLC Lille V2, CAMPUS 2017, LDLC Lyon 7, LDLC Cormeilles, ADB Limonest, Domimo 2, Domimo 3, ADB Orgeval, LDLC7, LDLC9, LDLC11, LDLC12, LDLC13 and OLYS.

The sale of 20% of the shares of the company Bluescreen on 29 November 2019, led to its removal from the tax consolidation scope for the year ended 31 March 2020.

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 €1,166,000 for the year ended 31 March 2020.

5. Other notes

5.1. REMUNERATION AND BENEFITS AWARDED TO MEMBERS OF THE EXECUTIVE BODIES

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Short term benefits		
Fixed compensation	530	522
Variable compensation	43	140
Other benefits		
Shared-based compensation (allotment of bonus shares)	0	0
Total compensation and benefits granted to executive directors	**573**	**662**

5.2. OFF-BALANCE SHEET COMMITMENTS

5.2.1. Commitments given

- √ Groupe LDLC is acting as surety for LDLC Lille V2 for the amount of €39,000 to cover the commercial lease signed on 31 August 2017 between the lessor, SCI Immocrous, and 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. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.
- √ Pledge of shares in Domimo 2 and Domimo 3 as security for a €23 million loan.
- √ Lender's lien granted by Domimo 3 for commercial premises located at 188 bis Route de Rennes, 44300 Nantes, as security for the loan entered into between Domimo 3 and Crédit Industriel de l'Ouest on 15 May 2008. It was released on 4 May 2020.
- √ Securities, pledges, the registering of liens or other real rights granted by Domimo 2 over its assets, as security for the loan contracted between Domimo 2 and Oseo Financement on 29 February 2008:
  - √ Lender's lien granted by Domimo 2 amounting to €448,000
  - √ First mortgage of €3.6 million for a building located at Grandchamp-des-Fontaines (44119) Zac de l'Erette, cadastral section ZB, plot numbers 116,117 and 119.

  It was released on 22 May 2020.

- √ Mortgage granted by Domimo 2 up to a limit of €2.6 million for buildings located at Zac Erette, Rue Olivier de Serres, 44119 Grandchamps-des-Fontaines, plots ZB – 116 – 117 – 119, as security for a loan contracted between Domimo 2 and Crédit Industriel de l'Ouest on 7 July 2010. It was released on 22 May 2020.
- √ Securities, pledges, the registering of liens or other real rights granted by Domimo 2 over its assets as security for a loan contracted between Domimo 2, LCL and Oseo, dated 18 December 2012:
  - First mortgage of €1.1 million for a building located at Grandchamps-des-Fontaines (44119), rue Olivier de Serres, ZAC de l'Erette, cadastral section ZB, number 121,
  - Second mortgage of €1.1 million for a building located at Grandchamps-des-Fontaines (44119), rue Olivier de Serres, ZAC de l'Erette, cadastral section ZB, numbers 116, 117 and 119,

  It was released on 22 May 2020.
- √ Senior pledge of the business undertaking mainly comprising retail distance selling of IT hardware under the Materiel.net brand as security and guarantee for all principal amounts owed under the loan agreement for a maximum principal amount of €38 million.
- √ Pledge of Olys shares as security for the €10 million 2018 acquisition loan.
- √ Pledge of the equipment business of the Olys establishment located at 400 Avenue du Docteur Baillet, Centre Commercial Cap Costières, 30000 NÎMES, to Banque Populaire du Sud as security for a €320,000 loan.
- √ Pledge of the trading business of the Olys establishment located at 4 rue du Commandant Dubois, 69003 Lyon, to Crédit Coopératif as security for a €600,000 loan.
- √ Pledge of the business assets of the Olys establishment located at Centre Commercial Grand V, 117 Traverse de la Montre, 13011 Marseille, to Société Générale as security for a €92,000 loan.
- √ Pledge of the trading business of the Olys establishment located at 7 rue de la Poste, 74000 Annecy, to Société Générale as security for a €251,000 loan.
- √ Pledge of the trading business of the Olys establishment located at 7 rue de la Poste, 74000 Annecy, to Société Générale as security for a €125,000 loan with an outstanding balance of €44,500.
- √ Pledge of the business assets of the Olys establishment located at Centre Commercial Carré Jaude, 2 rue Giscard de la Tour Fondue, 63000 Clermont-Ferrand, to Société Générale as security for a €317,000 loan.
- √ Pledge of the sales business of the Olys establishment located at 67 rue Vendôme, 69006 Lyon, to Société Générale as security for a €270,000 loan.
- √ Pledge of the equipment business of the Olys establishment located at 36 rue Saint Guilhem, 34000 Montpellier, to Banque Populaire du Sud as security for a €200,000 loan. The release of the pledge was ongoing as of 31 March 2020.
- √ Pledge of the trading business of the OLYS establishment located at ZAC de Chateaufarine, 25000 Besançon, to Société Générale as security for a €260,000 loan. The release of the pledge was ongoing as of 31 March 2020.
- √ Pledge of the trading business of the OLYS establishment located at 39 Rue René Fonck Zone Frejorgues Ouest, 34130 Mauguio, to CIC Sud-Ouest as security for a €283,200 loan. The release of the pledge was ongoing as of 31 March 2020.
- √ 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.
- √ €57,000 security commitment to Honda Finance under a lease purchase agreement on movable assets belonging to Mac & Co Digital, with an outstanding balance €38,700.
- √ €89,000 Security commitment to Sogelease under a lease purchase agreement on the movable assets of the OLYS establishments, with an outstanding balance of €23,000.
- √ €12,000 security commitment to Financo under a lease purchase agreement on movable assets belonging to the Olys establishments, with an outstanding balance of €3,800.

- √ €37,000 security commitment to Mercedes Benz Financial Services France under a lease purchase agreement on movable assets belonging to MyMultimedia, outstanding balance €7,000.
- √ €4,000 security commitment to Financo under a lease purchase agreement on movable assets belonging to Olys, with an outstanding balance of €2,000.
- √ Personal joint and several guarantee for €50,000 given by Olys on behalf of Mac & Co Digital to Techdata under a commercial agreement.
- √ Pledge of the business assets of LDLC VR Studio to CIC as security for a €500,000 loan.
- √ Pledge of the business assets of Avitech to CIC as security for a €380,000 loan.

5.2.2. Commitments received

- √ BNP Paribas is acting as surety for Groupe LDLC to cover €400,000 in rental payments owed to SCI Blomet, represented by Mr Chancel, company director, for its Paris store.
- √ BNP Paribas is acting as surety for Groupe LDLC to cover payment of 55,000 CHF 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 13,020 CHF in customs duties and customs VAT owed by Groupe LDLC to the Swiss Federal Customs Administration. Guarantee applicable for an indefinite term.
- √ In May 2016, Groupe LDLC entered into an interest rate swap intended to hedge interest rate risk related to the €23 million loan (see Note 3.14).
- √ In April 2018, Groupe LDLC entered into an interest rate swap intended to hedge interest rate risk related to the €10 million loan (see Note 3.14).
- √ In January 2015, Groupe LDLC entered into a master agreement with Caisse d'Épargne regarding transactions in financial futures. There are no agreements currently in force.
- √ In January 2015, Groupe LDLC signed a master futures agreement with Crédit Agricole for purchasing USD. There are no agreements currently in force.
- √ Groupe LDLC benefits from a guarantee under the *FNG Prêt Numérique* fund, in respect of the loan taken out with BPI, covering 80% of the principal, i.e. €420,000 at 31 March 2020. An €88,000 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 €900,000 loan taken out with BPI, covering 80% of the principal, i.e. €720,000 at 31 March 2020. 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 "Industry 2 Growth Loan", in respect of the €1,100,000 loan taken out with BPI, covering 80% of the principal, i.e. €880,000 at 31 March 2020. 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 ("Renforcement de haut de bilan" fund), in respect of the €5,300,000 loan taken out with BPI, covering 50% of the principal, i.e. €2,650,000 at 31 March 2020. A €265,000 holdback was retained by lender BPI as a cash pledge.
- √ Olys benefits from a guarantee under the "Regional Competitiveness and Employment" operating programme financed jointly by the EU Structural Funds and the Languedoc-Roussillon region as part of the JEREMIE scheme *(Joint European Resource for Micro to Medium Enterprises)* in relation to a €320,000 loan taken out with Banque Populaire Sud-Ouest covering 80% of the principal i.e.€7,000 at 31 March 2010

- √ Olys benefits from a guarantee under the "Regional Competitiveness and Employment" operating programme financed jointly by the EU Structural Funds and the Languedoc-Roussillon region as part of the JEREMIE scheme (*Joint European Resource for Micro to Medium Enterprises)* in relation to a €200,000 loan taken out with Banque Populaire Sud-Ouest covering 80% of the principal i.e.€6,000 at 31 March 2010
- √ LDLC VR Studio benefits from a BPI guarantee, in respect of the €500,000 loan taken out with CIC, covering 50% of the principal, i.e. €64,000 at 31 March 2020.

5.2.3. Commitments relating to the Company's operations

The following tables show all commitments and obligations under finance leases and operating leases.

Finance lease

The following table shows the discounted present value of future rental payments included under "Borrowings and other financing" with respect to capitalised assets that meet the criteria for finance leases.

The payment schedule breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Due in < 1 year	0	1,415
Due in 1 - 5 years	0	5,985
Due in > 5 years	0	10,269
Discounted value of future rent	**0**	**17,668**

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:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Due in < 1 year	6,747	3,694
Due in 1 - 5 years	23,808	11,654
Due in > 5 years	20,502	8,239
Discounted value of future rent	**51,057**	**23,587**

5.3. IMPACT OF THE CHANGE IN ACCOUNTING STANDARDS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Group has restated the comparative accounts pursuant to the application of CRC regulation 99-02 (see Note 2.2.2).

In accordance with ANC regulation 2010-01, the comparative accounts have been restated, as though CRC regulation 99-02 had been applied at 1 April 2018.

Principal reclassifications:

A number of the differences between the IFRS standards and CRC regulation 99-02 have no impact on earnings or shareholders' equity. This includes the following differences in presentation:

Current and non-current assets and liabilities

Under IFRS, items of assets and liabilities are categorised as "current" or "non-current". This distinction is not made in CRC regulation 99-02. Under the French standards, these items are categorised as "fixed assets", "current assets" "provisions" or "payables".

Factoring

The Group therefore assigns its receivables on a non-recourse basis. Under IFRS, the unsecured portion of transferred receivables is recognised under trade and related receivables. Under the French standards, it is recognised under other receivables.

Earnings before tax and non-recurring items and non-recurring income/expense

Under the French standards, there is a requirement to distinguish between earnings before tax and non-recurring items and non-recurring income/expense. However, the GAP does not provide a precise definition of non-recurring income/expense. It has been decided to classify transactions under non-recurring income/expense in accordance with the criteria defined by the Group in Note 4.5.

CVAE

Under IFRS, CVAE is presented under income tax. Under the French standards, CVAE is categorised under net operating income.

Principal restatements:

Goodwill and acquisition costs

Under IFRS, goodwill can be treated using the "full goodwill" method. Under the French standards, 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.

Under IFRS, acquisition costs are recognised under operating expenses. Under the French standards, they are included in the share purchase price at their amount net of tax.

The switch to the French accounting standards impacts the measurement of goodwill and net assets.

Grants of treasury shares to employees

Under IFRS, these shares (as well as write-backs of provisions) are deducted from shareholders' equity until they are fully vested. Under the French standards, these treasury shares categorised as investment securities in the individual accounts are maintained under that item in the consolidated accounts, as well as provisions in financial income/expense.

Bonus share plans

Under IFRS, benefits granted by way of bonus shares are measured at the fair value on the share allocation date recognised as a counter-entry to shareholders' equity. Under the French standards, these shares 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. The accounting treatment applied in the individual accounts is maintained in the consolidated accounts, including for transactions that continue to be recognised in non-recurring income/expense.

Employee benefits – Actuarial gains and losses

Under IFRS, the actuarial assumptions used to determine retirement benefits are immediately recorded under non-reclassifiable items of other comprehensive income at their amount net of tax. Under the French standards, the impact is recorded directly in operating expenses. The Group has opted to spread these costs using the 'corridor' method.

IFRIC 21

Under IFRS, in accordance with IFRIC 21, a provision must be recorded for the taxes for which a company is liable pursuant to a law or regulation at the time the event giving rise to said taxes takes place, as defined by law.

CRC regulation 99-02 does not provide for any specific restatement regarding the recognition of taxes.

5.3.1. Reconciliation of the balance at 31 March 2019 between IFRS and CRC REGULATION 99-02

Assets

		IFRS -> CRC 99-02 Restatements					
	31/03/2019 IFRS	Ret. benefit commitment	IFRIC 21	CVAE	Acquisition costs	Goodwill	Treasury shares intended for employees
Net goodwill	26,725				589	(172)	
Other net intangible assets	25,576						
Net property, plant and equipment	43,800						
Net financial assets	5,301						
Deferred tax	4,210		(21)	(17)			
Non-current assets	**105,612**	**-**	**(21)**	**(17)**	**589**	**(172)**	**-**
Inventories	63,731						
Trade receivables	27,949						
Other receivables	16,833						
	-						1,216
Cash and cash equivalents	17,315						
Current assets	**125,829**	**-**	**-**	**-**	**-**	**-**	**1,216**
Total assets	**231,441**	**-**	**(21)**	**(17)**	**589**	**(172)**	**1,216**

				IFRS -> CRC 99-02 Reclassifications				
ASVEL agreement	**Inventories**	**Bonus share plans**	**Swap**	**Eurofactor**	**Deferred tax**	**Current and non-current assets**	**31/03/2019 French GAAP**	
							27,142	Net goodwill
							25,576	Other net intangible assets
							43,800	Net property, plant and equipment
							5,301	Net financial assets
(38)	63		(48)		(2,680)	(1,469)	-	
(38)	**63**	**-**	**(48)**		**(2,680)**	**(1,469)**	**101,820**	**Non-current assets**
	(198)						63,532	Inventories
				(1,464)			26,485	Trade receivables
				1,464		1,469	19,766	Other receivables and accrued income
							1,216	Cash equivalents
							17,315	Cash
-	**(198)**	**-**	**-**	**-**	**-**	**1,469**	**128,315**	**Current assets**
(38)	**(135)**	**-**	**(48)**	**-**	**(2,680)**	**-**	**230,134**	**Total assets**

Equity and liabilities

		IFRS-> CRC 99-2 Restatements					
	31/03/2019 IFRS	Retirement benefit commitment	IFRIC 21	CVAE	Acquisition costs	Goodwill	Treasury shares to be granted to employees
Share capital	1,138						
Additional paid-in capital	21,053						
Consolidated reserves	36,655	625	(164)	(16)	589	10	
Treasury shares	(1,491)						1,464
Net income/(loss)	(4,264)	(625)	29	(1)			(169)
Total shareholders' equity, Group share	**53,091**	**-**	**(134)**	**(17)**	**589**	**10**	**1,296**
Minority interests	132					(182)	
Non-controlling interests	-						
Total shareholders' equity	**53,222**	**-**	**(134)**	**(17)**	**589**	**(172)**	**1,296**
Borrowings due in > 1 yr	30,682						
Deferred tax	4,564			(0)			(80)
Provisions for retirement benefits	3,521						
Non-current liabilities	**38,767**	**-**	**-**	**(0)**	**-**	**-**	**(80)**
Borrowings and other current financing	48,115						
Provisions for risks and contingencies	92						
Trade payables	64,499						
Other payables	26,745		113				
Current liabilities	**139,451**	**-**	**113**	**-**	**-**	**-**	**-**
Total equity and liabilities	**231,441**	**-**	**(21)**	**(17)**	**589**	**(172)**	**1,216**

				IFRS-> CRC 99-2 -> CRC 99-2				
ASVEL contract	Inventories	Bonus share plans	Swap	Eurofactor	Deferred tax	Current and non-current liabilities	31/03/2019 French GAAP	
							1,138	Share capital
							21,053	Additional paid-in capital
	(142)	(646)	81				36,993	Consolidated reserves
							(27)	Treasury shares
82	8	99	21				(4,820)	Net income/(loss)
82	**(135)**	**(547)**	**103**			**-**	**54,337**	**Total shareholders' equity, Group share**
							(50)	Minority interests
								Non-controlling interests
82	**(135)**	**(547)**	**103**	**-**		**-**	**54,287**	**Total shareholders' equity**
						(30,682)	-	
					(2,680)	(1,805)	-	
						639	4,160	Provisions
-	**-**	**-**	**-**	**-**	**(2,680)**	**(31,847)**	**4,160**	**Provisions**
						30,682	78,797	Loans and borrowings
			547			(639)	-	
			(120)				64,379	Trade payables
			(151)			1,805	28,511	Other liabilities and accruals
(120)	**-**	**547**	**(151)**	**-**	**-**	**31,847**	**171,687**	**Payables**
(38)	**(135)**	**-**	**(48)**		**(2,680)**	**-**	**230,134**	**Total equity and liabilities**

5.3.2. Reconciliation of the income statement at 31 March 2019 between IFRS and CRC regulation 99-02

		IFRS restatements -> CRC 99-02					
	31/03/2019 IFRS	Retirement benefit commitment	Treasury shares intended for employees	ASVEL contract	Inventories	Bonus share plans	Swap
Revenues	507,494						
Non-recurring operating income	382						
Cost of goods sold	(421,812)				11		
Gross margin	**86,063**	**-**	**-**	**-**	**11**	**-**	**-**
Other purchases and external costs	(29,965)			120			
Miscellaneous taxes	(2,630)						
Staff costs	(50,851)	(843)				146	
Net depreciation, amortisation and provisions	(6,176)						
Other income and expenses	(653)						
Underlying EBIT	**(4,211)**	**(843)**	**-**	**120**	**11**	**146**	**-**
Non-recurring operating expenses	(67)						
Non-recurring operating income	11						
EBIT	**(4,267)**	**(843)**	**-**	**120**	**11**	**146**	**-**
Net cost of debt	(1,858)						
Other financial income and expenses	16		(248)				31
Earnings before tax	**(6,109)**	**(843)**	**(248)**	**120**	**11**	**146**	**31**
						(330)	
						330	
Income tax	1,845	218	80	(38)	(4)	(47)	(10)
Net income of consolidated companies	**(4,264)**	**(625)**	**(169)**	**82**	**8**	**99**	**21**
Net income after tax from discontinued operations	0	0					
Net income/(loss)	**(4,264)**	**(625)**	**(169)**	**82**	**8**	**99**	**21**
Revaluation of employee benefits, net of income tax	(614)	614					
Cash flow hedging	(7)	0					7
Gains and losses posted to shareholders' equity	**(621)**	**614**	**-**	**-**	**-**	**-**	**7**
Total comprehensive income/(loss)	**(4,885)**	**(11)**	**(169)**	**82**	**8**	**99**	**28**

		IFRS restatements -> CRC 99-02					
CVAE	IFRIC 21	CVAE	Non-recurring income/(expense)	Retirement benefit provision	Net financial income/(expense)	31/03/2019 French standards	
						507,494	Revenues
						382	Non-recurring operating income
						(421,801)	Cost of goods sold
						-	
-	-	-	-		-	**86,074**	**Gross margin**
						-	
						(29,845)	Other purchases and external costs
	28	(793)				(3,395)	Miscellaneous taxes
				1,214		(50,334)	Staff costs
				(1,214)		(7,390)	Net depreciation, amortisation and provisions
			(0)			(653)	Other income and expenses
						-	
0	**28**	**(793)**	**(0)**	**-**		**(5,543)**	**EBIT**
			67				
			(11)				
0	**28**	**(793)**	**56**			**(5,543)**	
					1,858	-	Net cost of debt
					202	-	Other financial income and expenses
					(2,147)	(2,147)	Financial expense
					87	87	Financial income
0	**28**	**(793)**	**56**	**-**	**-**	**(7,603)**	**Earnings of consolidated companies before non-recurring items**
			(107)			(437)	Non-recurring expenses
			51			381	Non-recurring income
(1)	2	793	0			2,839	Income tax
(1)	**29**	0	**-**			**(4,820)**	**Net income/(loss) of consolidated companies**
0	0	0	0			0	Net income after tax from discontinued operations
(1)	**29**	**0**	**-**	**-**	**-**	**(4,820)**	**Net income/(loss)**
						-	
						-	
-	-	-	-	-	-	-	
(1)	**29**	**0**	**-**	**0**	**-**	**(4,820)**	

5.3.3. Reconciliation of shareholders' equity at 31 March 2019 between IFRS and CRC regulation 99-02

	Share capital	Additional paid-in capital	Consolidated reserves	Treasury shares	Shareholders' equity, Group share	Minority interests	Shareholders' equity
Shareholders' equity at 31 March 2019 - IFRS	**1,138**	**21,053**	**32,391**	**(1,491)**	**53,091**	**132**	**53,222**
Net income for the year ended 31 March 2019			(486)		(486)		(486)
Gains and losses posted to shareholders'			984		984		984
Changes in treasury shares			(169)	1,464	1,296		1,296
Bonus shares			(547)		(547)		(547)
Capital increase and additional paid-in capital					0		0
Dividends paid					0		0
Other					0		0
First-time application of IFRS 15 (a)					0		0
Non-controlling interests						(182)	(182)
Shareholders' equity at 31 March 2019 - CRC	**1,138**	**21,053**	**32,173**	**(27)**	**54,337**	**(50)**	**54,287**

5.3.4. Reconciliation of the cash flow statement at 31 March 2019 between IFRS and CRC regulation 99-02

		IFRS -> CRC 99-02 Restatements					
	31/03/2019 IFRS	Ret. benefit commitment	IFRIC 21	CVAE	Acquisition costs	Goodwill	Inventories
Net income/(loss) from continuing operations	(4,264)	(625)	29	(1)			8
Elimination of non-cash income and expenses (a)	6,946	843					
Tax expense (current and deferred)	(1,845)	(218)	(2)	1			4
Gains/losses on disposal of assets	67						
Sub-total (gross operating cash flow before tax)	**903**	**-**	**28**	**-**	**-**	**-**	**11**
Tax paid	(413)			793			(67)
Change in working capital	2,485		(28)				198
Net cash flow from operating activities	**2,975**	**-**	**-**	**793**	**-**	**-**	**142**
Income from disposal of non-current assets, after tax	(11)						
Acquisition of non-current assets	(11,824)						
Reduction in financial assets	345						
Change in consolidation scope	0						
Net cash flow from investing activities	**(11,491)**	**-**	**-**	**-**	**-**	**-**	**-**
Treasury share transactions and bonus shares	(329)						
Other effects	(156)				140		
Transactions on financial instruments	4						
Increase in minority interests	0						
New borrowings	6,408						
Repayment of borrowings	(10,864)						
Change in other borrowings	(176)						
Dividends paid to minority shareholders	(50)						
Dividends paid	0						
Net cash flow from financing activities	**(5,164)**	**-**	**-**	**-**	**140**	**-**	**-**
(Decrease)/increase in cash,	**(13,679)**	**-**	**-**	**793**	**140**	**-**	**142**
Opening cash, cash equivalents and bank overdrafts	30,143						
Closing cash, cash equivalents and bank overdrafts	16,464						

					IFRS -> CRC 99-02 Reclassifications			
ASVEL agreement	Treasury shares intended for employees	Other effects	Plans	Bonus shares Swap	Eurofactor	CVAE	31/03/2019 French GAAP	
82	(169)		99	21			(4,820)	Net income/(loss) from continuing operations
	595			(330)			8,053	Elimination of non-cash income and expenses
38	(80)		47	10		(793)	(2,839)	Tax expense (current and deferred)
							67	Gains/losses on disposal of assets
120	**346**	**-**	**(185)**	**31**	**-**	**(793)**	**462**	**Sub-total (gross operating cash flow before tax)**
			(47)	(6)			260	Tax paid
(120)			49	(21)			2,564	Change in working capital
-	**346**	**-**	**(182)**	**4**	**-**	**(793)**	**3,286**	**Net cash flow from operating activities**
							(11)	Income from disposal of non-current assets, after tax
							(11,824)	Acquisition of non-current assets
							345	Reduction in financial assets
							-	Change in scope
-	**-**	**-**	**-**	**-**	**-**	**-**	**(11,491)**	**Net cash flow from investing activities**
	466		(151)				(14)	Treasury share transactions and bonus
		(296)					(312)	Other impacts
				(4)			-	Transactions on financial instruments
							-	Increase in minority interests
							6,408	New borrowings
							(10,864)	Repayment of borrowings
							(176)	Change in other borrowings
							(50)	Dividends paid to minority shareholders
							-	Dividends paid
-	**466**	**(296)**	**(151)**	**(4)**	**-**	**-**	**(5,009)**	**Net cash flow from financing activities**
-	**812**	**(296)**	**(332)**	**-**	**-**	**(793)**	**(13,213)**	**(Decrease)/increase in cash and cash equivalents and bank overdrafts**
	999						31,141	Opening cash, cash equivalents and bank overdrafts
	1,464						17,928	Cash, cash equivalents and bank overdrafts

6.STATUTORY AUDITORS' FEES

	PricewaterhouseCoopers				Cap Office			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
	FY ended 31/03/2019	FY ended 31/03/2020	FY ended 31/03/2019	FY ended 31/03/2020	FY ended 31/03/2019	FY ended 31/03/2020	FY ended 31/03/2019	FY ended 31/03/2020
Audit								
Statutory audits, certification, review of Company and consolidated financial statements								
Issuer	147	0	78%	0%	138	50	79%	30%
Fully consolidated subsidiaries	41		22%		38	117	21%	70%
Audit sub-total	**188**		**100%**		**175**	**167**	**100%**	**100%**
Other services								
Non-audit services - Issuer								
	25	12	100%	100%	4	20	55%	100%
Non-audit services - Fully consolidated subsidiaries					3		45%	
Other services sub-total	**25**	**12**	**100%**	**100%**	**6**	**20**	**100%**	**100%**
TOTAL	213	12			182	186		

Non-audit services comprised the following:

- report by the independent third party on the environmental, human resources and social information,
- certification of bank covenants,
- limited review of the interim accounts.

Mazars				Other				TOTAL			
Amount (excl. tax)		%		Amount (excl. tax)		%		Amount (excl. tax)		%	
FY ended 31/03/2019	FY ended 31/03/2020	FY ended 31/03/2019	FY ended 31/03/2020	FY ended 31/03/2019	FY ended 31/03/2020	FY ended 31/03/2019	FY ended 31/03/2020	FY ended 31/03/2019	FY ended 31/03/2020	FY ended 31/03/2019	FY ended 31/03/2020
	57		90%	(21)		-141%		264	107	70%	44%
	6		10%	36	13	241%	100%	114	136	30%	56%
	63		100%	15	13	100%	100%	378	243	100%	100%
	20		100%	4		100%		32	51	92%	100%
								3	0	8%	0%
	20		100%	4		100%		35	51	100%	100%
	83			19	13			413	294		

18.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as verification of the information pertaining to the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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 31 March 2020. These consolidated financial statements have been approved by the Management Board (Directoire) on 18 June 2020, based on the information available at that date regarding the evolving context of Covid-19's crisis.

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 at 31 March 2020, 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 rules applicable to us, for the period from the 1st of April, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

Emphasis of Matter

We draw attention to the following matter described in Notes 2.2.2 "Change of accounting standards" and 5.3 "Impact of the change in accounting standards on the consolidated financial statements" to the consolidated financial statements relating to the main restatements made on the comparative financial statements in the context of the first application of regulation CRC 99-02 as of 31 March 2020. Our opinion is not modified in respect of this matter.

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 judgement, 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, approved in the aforementioned context, 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 at 31 March 2020, for a net amount of €27 467 K, was subject to impairment tests according to the methods described in Notes 2.2.6 "Business combinations and related goodwill" and 3.2.5 "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 2.2.13 and 3.6 "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 the Management Board (Directoire) approved on 18 June 2020. Regarding the events that occurred and elements that have been known since the date the financial statements were approved and in relation to the effects of Covid-19's crisis, management informed us that this would be subject to a specific communication addressed to the Annual general meeting of shareholders called to vote on said consolidated financial statements.

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.

Report on Other Legal and Regulatory Requirements

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 Consolidated 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 and Villeurbanne, 18 June 2020

The Statutory Auditors	
CAP Office	MAZARS
Rémi Charnay	Pierre Beluze Séverine Hervet

18.3. COMPANY FINANCIAL STATEMENTS (FRENCH GAAP) FOR THE YEAR ENDED 31 MARCH 2020

1. Groupe LDLC financial statements for the year ended 31 March 2020

1.1. BALANCE SHEET

Balance sheet - Assets (€000 unless otherwise stated)		At 31 March	
	Note	2020	2019
Net intangible assets	(2.3.1)	25,735	26,136
Net property, plant and equipment	(2.3.2)	6,766	7,773
Net financial assets	(2.3.3)	22,806	25,797
Non-current assets		55,306	59,706
Inventories and work-in-progress	(2.3.4)	62,764	57,870.
Trade receivables	(2.3.5)	20,338	20,496
Other receivables	(2.3.6)	22,541	27,374
Cash and cash equivalents	(2.3.7)	16,522	16,245
Current assets		122,164	121,985
Accrued income and prepaid expenses	(2.3.8)	4,696	4,297
Total assets		**182,166**	**185,988**

Balance sheet - Equity & liabilities (€000 unless otherwise stated)		At 31 March	
	Note	2020	2019
Share capital	(1.3)	1,138	1,138
Additional paid-in capital	(1.3)	21,053	21,053
Legal reserve	(1.3)	114	114
Other reserves	(1.3)	28,838	32,909
Retained earnings	(1.3)	0	(2,780)
Net income/(loss) for the year	(1.3)	244	(1,291)
Regulated provisions		268	169
Total shareholders' equity		**51,654**	**51,312**
Provisions for risks and contingencies	(2.3.9)	4,494	4,134.
Borrowings	(2.3.10)	42,649	56,345
Trade payables	(2.3.11)	53,873	53,731
Tax and social security liabilities	(2.3.12)	19,919	13,007
Other payables	(2.3.13)	5,243	5,720
Accrued income and prepaid expenses	(2.3.14)	4,334	1,740
Total equity and liabilities		**182,166**	**185,988**

1.2. INCOME STATEMENT

Income statement (€000 unless otherwise stated)		FY ended 31 March	
	Note	**2020**	**2019**
Sales of goods	(02.3.18)	404,585	422,353
Sales of services	(2.3.18)	16,070	14,119
Purchase of goods		(344,396)	(368,620)
Gross margin		76,258	67,851
Other income		482	(321)
Other purchases and external costs		(21,647)	(25,203)
Miscellaneous taxes		(2,144)	(2,540)
Staff costs	(2.3.20)	(31,618)	(33,887)
Net depreciation, amortisation and provisions	(2.3.21)	(5,558)	(3,627)
Other expenses		(2,635)	(3,212)
EBIT		**13,137**	**(938)**
Financial income	(2.3.22)	441	506
Financial expense	(2.3.22)	(10,820)	(1,655)
Net financial income/(expense)		**(10,379)**	**(1,149)**
Earnings before tax and non-recurring items		**2,757**	**(2,087)**
Non-recurring income/(expense)	(2.3.23)	**(131)**	**13**
Employee profit-sharing		(778)	(0)
Income tax	(2.3.24)	(1,604)	783
Net income/(loss)		**244**	**(1,291)**

1.3. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€000 unless otherwise stated)

(€000)	Share capital	Additional paid-in capital	Legal reserve	Undistri-butable reserve	Other reserves	Retained earnings	Regl. prov.	Net income/ (loss) for the year	Total shareholders' equity
Shareholders' equity at 31 March 2018	**1,138**	**21,053**	**114**	**0**	**28,348**	**480**	**246**	**4,081**	**55,459**
Appropriation of previous year's earnings					4,561	(480)		(4,081)	0
Dividends allotted/ FY ended 31/03/2018									0
Accelerated depreciation/ amortisation							(77)		(77)
Impact of change in method						(2,780)			(2,780)
Net income/(loss) for the year ended 31/03/2019								(1,291)	(1,291)
Shareholders' equity at 31 March 2019	**1,138**	**21,053**	**114**	**0**	**32,909**	**(2,780)**	**169**	**(1,291)**	**51,312**
Appropriation of previous year's earnings					(4,071)	2,780		1,291	0
Dividends allotted/ FY ended 31/03/2019									0
Accelerated depreciation/ amortisation							98		98
Net income/(loss) for the year ended 31/03/2020								244	244
Shareholders' equity at 31 March 2020	**1,138**	**21,053**	**114**	**0**	**28,838**	**0**	**268**	**244**	**51,654**

√ **Shareholder breakdown at 31 March 2020**

At 31 March 2020, the share capital of Groupe LDLC consisted of 6,322,106 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 2018	**6,322,106**	**120,943**	**118,643**
New shares			
Treasury shares purchased/(sold)		48,266	46,318
Bonus shares granted		(41,731)	(41,731)
Total at 31 March 2019	**6,322,106**	**127,478**	**123,230**
New shares			
Treasury shares purchased/(sold)		75,866	77,402
Bonus shares granted		(64,726)	(64,726)
Total at 31 March 2020	**6,322,106**	**138,618**	**135,906**

2. Notes to the Company financial statements for the year ended 31 March 2020

(Amounts in €000 unless otherwise stated)

The following notes form an integral part of the Company financial statements for the period from 1 April 2019 to 31 March 2020, which have been approved by the Company's Management Board.

2.1. HIGHLIGHTS OF THE YEAR

As announced in its release of 20 May 2019, Groupe LDLC transferred the listing of its shares to the Euronext Growth market in Paris during the second half of its 2019/2020 financial year. The request for the listing of its securities on this market was approved by the Euronext Listing Board on 14 August 2019 and became effective on 2 September 2019.

Through this transfer to Euronext Growth, the company intends to position itself in a market more suited to its size, simplify its operation and reduce costs while continuing to benefit from the advantages of financial markets.

On 29 November 2019, the LDLC Group sold 6,000 shares held in the company Bluescreen for a total of €6,000, taking its stake in the company to 80%.

On 17 December 2019, the LDLC Group opened its marketplace. This supplementary offering seeks to significantly expand the number of products on offer. The marketplace primarily concerns related products for which proprietary sourcing is not worthwhile.

The LDLC Group launched the marketing of its first connected saber through its SOLAARI brand on 17 December 2019. This saber is manufactured by the LDLC Group and received a Kickstarter pre-launch in January 2019. This crowdfunding platform enabled more than 400 devotees to pre-order their saber. On 5 March 2020, Groupe LDLC signed a three-year partnership deal with the French Fencing Federation and its lightsaber academy.

On 18 December 2019, the LDLC Group acquired the entire share capital of the company LDLC VR Studio for a total of €20,000.

On 5 February 2020, the LDLC Group purchased a store that was part of the Group's franchise network, acquiring the entire share capital of the company Avitech for a total of €90,000.

On 6 February 2020, Groupe LDLC announced the withdraw of its physical presence in Spain with the closure of its two stores, located in Madrid and Barcelona. However, the company is maintaining its online retail services in the country (see Note 2.3.3, Note 2.3.5, Note 2.3.6, Note 2.3.9 and Note 2.3.22).

During the Covid-19 public health crisis, the LDLC and Materiel.net network stores were deemed essential services by the ministerial order of 15 March 2020. Despite this status, certain stores remained closed. The company kept a number of stores open at reduced capacity to enable the continuation of hardware sales and after-sales services for retail customers and provide businesses with the equipment required for teleworking.

BtoB businesses also experienced a significant temporary downturn.

All of Groupe LDLC's online retail activities remained operational throughout the lockdown period.

The company used furlough schemes to help manage the temporary downturn in in-store business; income of €18,000 was recorded in the accounts at 31 March 2020 in this regard.

In view of the public health crisis, Groupe LDLC contacted all the banks with which it has borrowings and was able to obtain, from the end of March 2020, a 6-month repayment moratorium (see Note 2.3.10).

2.2. ACCOUNTING POLICIES

The Company financial statements have been prepared in accordance with the French chart of accounts (Plan Comptable Général) and ANC regulation 2018-01 of 20 April 2018 (as approved by the ministerial order of 8 October 2018) on changes in accounting policies.

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:

Intangible assets

Intangible assets are stated at cost on the balance sheet. They mainly consist of software licences, leasehold rights, 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
Other intangible assets	3-8 years

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,
- the ability to measure the attributable expenditure reliably over its development.

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.

Depreciation is calculated on a straight line basis according to the estimated useful life once the asset is ready for commissioning.

The following amortisation periods are applied:

Fixtures and fittings	8-10 years
Equipment	5-8 years
Technical facilities	8-10 years
Office equipment and hardware	3 years
Furniture	5 years

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 opinion no. 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.

Other financial assets include treasury shares purchased under a share buyback plan or liquidity contract entered into with an investment services provider. The shares are written down in accordance with the average trading price during the last month of the financial year.

Inventories

Goods 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.

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.

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.

Provisions for risks and contingencies

Provisions for risks and contingencies are recognised in accordance with the CRC 200-06 “Regulations 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.

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 currency gains and losses on commercial transactions from financial income and expense to operating income and expenses (EBIT).

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 currency losses.

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.

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 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.

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.

Post balance sheet events

The Spanish website has been hosted by the LDLC Group since 1 April 2020.

On 10 April 2020, Groupe LDLC acquired the Top Achat business for €400,000. This business combination is a source of further opportunities and synergies. Top Achat's business is perfectly compatible with the high-tech product distributor's strategy.

At the end of April 2020, the LDLC Group was granted 4 PGE state-guaranteed loan worth €4.5 million each in order to respond to the Group's cash flow needs. This total amount of €18 million is guaranteed at a rate of 90% by the State under the guarantee granted to credit establishments and finance providers in application of Article 6 of the 23 March 2020 corrective funding for 2020 law N°2020-289.

The government announcements on lockdown easing measures enabled the LDLC and Materiel.net network stores closed since 17 March 2020 to gradually re-open from 11 May 2020, in accordance with the recommended "distancing" measures.

To the Company's knowledge, no event likely to have a material impact on the Company financial statements has occurred since 31 March 2020.

2.3. ADDITIONAL BALANCE SHEET AND INCOME STATEMENT INFORMATION

Intangible assets

Intangible assets break down as follows:

Gross values	31/03/2019	Acquisitions	Reclassifi-cation	Disposals/ retirement	31/03/2020
Software and other intangible assets	5,658	1,356	2,198	50	9,162
Leasehold rights	470	70			540
Intangible assets in progress	3,399	611	(2,386)		1,624
Domisys merger deficit	11,945				11,945
Domisys trademark	6,640				6,640
Total	**28,112**	**2,037**	**(188)**	**50**	**29,910**

Intangible assets mainly consist of software, leasehold rights, IT project development costs and R&D project costs.

The increase in intangible assets is mainly due to in-house IT project development (€934,000) and R&D projects (€986,000), including €595,000 of intangible assets in progress.

IT projects commissioned during the year amounted to €2,537,000 and R&D projects to €996,000. All IT projects underway as of 31 March 2019 were capitalised at 31 March 2020.

The capitalised production account corresponding to the capitalisation of IT and R&D project expenses is presented under "Other purchases and external costs" on the income statement. Development costs incurred during the year ended 31 March 2020 amounted to €1,575,000 and mainly comprised external costs (€928,000) and staff costs (€647,000).

Depreciation, amortisation and impairment	31/03/2019	Charges	Write-backs	31/03/2020
Software and other intangible assets	1,024	1,360	50	2,333
Leasehold rights	122	60		182
Domisys trademark	830	830		1,660
Total	**1,976**	**2,250**	**50**	**4,176**

The sharp increase in charges at 31 March 2020 primarily results from the amortisation of the various internal projects, which accounts for €1,208,000 compared with €202,000 at 31 March 2019.

Property, plant and equipment

Property, plant and equipment break down as follows:

Gross values	31/03/2019	Acquisitions	Reclassifi-cation	Disposals/ retirement	31/03/2020
Fixtures and fittings	11,841	767	722	153	13,176
Equipment	6,289	28	664		6,980
Vehicles and delivery equipment	34				34
Office equipment and furniture	4,407	376	229	59	4,953
PP&E in progress	1,618		(1,615)	1	2
Total	**24,189**	**1,171**	**0**	**214**	**25,146**

The completion of works at the Grandchamps-des-Fontaines site generated property, plant and equipment acquisitions amounting to €296,000 and €118,000 for the Limonest administrative buildings.

The total amount of fixtures and fittings commissioned and completed for the Grandchamps-des-Fontaines site amounted to €1,148,000.

Following the exercise of the lease purchase option by the subsidiary CAMPUS 2017, Groupe LDLC purchased the fixtures and fittings from CAMPUS 2017 for the amount of €314,000.

The Autostore project (storage system and handling robots) was commissioned during the year for €675,000.

Financial assets

Financial assets break down as follows:

	31/03/2019 gross value	Acquisitions	Reclass-ification	Disposals/ retirement	31/03/2020 gross value	Impairment	31/03/2020 net value
Hardware shares	3,033				3,033		3,033
Nemeio shares	8				8	(8)	0
DLP Connect shares	24				24		24
Anikop shares	24				24		24
LDLC Distribution shares	100				100		100
École LDLC shares	500				500		500
LDLC Villefranche shares	303				303		303
LDLC Bordeaux shares	30				30		30
LDLC Villeurbanne shares	30				30		30
LDLC Lille V2 shares	2				2		2
LDLC Event shares	21				21		21
Campus 2017 shares	2				2		2
LDLC Lyon 7 shares	30				30		30
LDLC Cormeilles shares	30				30		30
ADB Limonest shares	30				30		30
Domimo 2 shares	1,907				1,907		1,907
Domimo 3 shares	224				224		224
NLCL shares	1,500				1,500		1,500
Other shares	1				1		1
Olys shares	15,347				15,347	(3,500)	11,847
LDLC7 shares	30				30		30
Bluescreen shares	30			(6)	24		24
LDLC9 shares	30				30		30
ADB Orgeval shares	30				30		30
LDLC11 shares	30				30		30
LDLC12 shares	30				30		30
LDLC13 shares	30				30		30
Groupe LDLC España shares	50	5,200			5,250	(5,250)	0
Avitech shares	0	20			20		20
LDLC VR Studio shares	0	90			90		90
CG Développement shares	400				400		400
Phox shares	2				2	(2)	0
Immo fi 1 shares	348				348		348
Presse Non-Stop shares	51				51	(38)	13
Treasury shares	27	1,779	(597)	(1,183)	25		25

Deposits and guarantees	1,279	673	(188)	(276)	1,489		1,489
Accrued interest on deposits and guarantees	23	3		(0)	26		26
Loan holdback	310	55	188		553		553
Total gross	**25,845**	**7,820**	**(597)**	**(1,465)**	**31,603**	**(8,797)**	**22,806**

Acquisitions primarily correspond to the security deposits paid to the new owners of the registered office located in Limonest in the amount of €386,000 and the new owners of the Grandchamps-des-Fontaines warehouse and offices in the amount of €188,000.

The reduction of deposits and guarantees primarily results from the reimbursement of the €215,000 surety to Domimo 2 following the sale of the Grandchamps-des-Fontaines site.

On 27 March 2020, Groupe LDLC carried out a €5,200,000 capital increase for its subsidiary Groupe LDLC España through the incorporation of receivables. Following the decision to discontinue its store operations in Spain, the equity interests held in Groupe LDLC España for a total of €5,250,000 were written down in full on 31 March 2020.

On 29 November 2019, Groupe LDLC sold 20% of its shares in the company Bluescreen for an amount of €6,000.

Groupe LDLC acquired the entire share capital of the company LDLC VR Studio on 18 December 2019 and of the company Avitech on 5 February 2020. These acquisitions were carried out at a price of €90,000 for Avitech and €20,000 for LDLC VR Studio.

As at 31 March 2020, Groupe LDLC held 2,712 treasury shares with a market value of €24,000.

The principal write-downs related to the subsidiaries:
- Groupe LDLC España, 100% of the shares of which were written down for an amount of €5.25 million;
- OLYS, the shares of which were written down by €3.5 million following impairment tests.

OLYS impairment testing

Cash flows were valued based on budgets and five-year plans prepared using growth and profit forecasts in line with past the performance of OLYS and its markets. In the context of events related to Covid-19, three different scenarios have been considered and weighted based on the probability of their materialisation. Each scenario reflects the estimated impact of Covid-19 on revenues and EBITDA margin over the business plan period. The 1.9% 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 2020, the discount rate determined using market data was 12.9% for OLYS.

Following the equity interest valuation, a €3.5 million write-down was recorded at 31 March 2020.

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 for each scenario, applying assumptions taken on an individual basis, including changes that could be reasonably expected to occur (-50 bps for the EBITDA/revenues margin, +100 bps for the discount rate).

Based on the assumptions applied, the value in use of the OLYS shares derived from the weighted average of the three scenarios is €3.5 million lower than its carrying amount at 31 March 2020. The results of sensitivity testing are as follows:

Appreciation/(Devaluation) – *headroom in €m*

EBITDA/revenues margin	-50 bps
	-5.2
Discount rate	+100 bps
	-4.2

Inventories and work-in-progress

Inventories and work-in-progress break down as follows:

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Goods inventories	64,240	1,476	62,764	59,106	1,236	57,870
Total goods inventories	**64,240**	**1,476**	**62,764**	**59,106**	**1,236**	**57,870**

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.

Trade receivables

This item breaks down as follows:

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
	Gross	Impairment	Net	Gross	Impairment	Net
Trade receivables	21,579	1,241	20,338	20,885	389	20,496
Total	**21,579**	**1,241**	**20,338**	**20,885**	**389**	**20,496**

All trade receivables are due in less than one year.

The increase in the write-down compared to 31 March 2019 primarily relates to the provision for the Groupe LDLC España receivable for an amount of €557,000.

Other receivables

This item breaks down as follows:

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019
	Gross	Impairment	Net	Net
Advances and down payments	1,235	59	1,177	396
Supplier credits receivable	4,134		4,134	4,297
Government (income tax, VAT and other income receivable)	1,073		1,073	4,224
Government - income receivable	18		18	0
Accrued income receivable	742		742	1,123
Eurofactor current account and retainer	483		483	1,781
Current account - subsidiaries	15,099	252	14,847	15,546
Other	67		67	6
Total	**22,852**	**311**	**22,541**	**27,374**

All other receivables are due in less than one year.

Other receivables include €483,000 relating to the Eurofactor current account and retainer.

As a reminder, in March 2017 Groupe LDLC signed a new factoring agreement with Eurofactor.

The "Current account - subsidiaries" item mainly represents current account loans and advances to the following subsidiaries:

- OLYS (€7,453,000),
- LDLC Event (€1,689,000).
- ADB Limonest (€1,051,000),
- LDLC Bordeaux (€840,000),
- Anikop (€659,000),
- DLP Connect (€599,000),
- Avitech (€514,000),
- LDLC VR Studio (€511,000).

The €252,000 write-down of subsidiary current accounts corresponds exclusively to that of the subsidiary Groupe LDLC España (see Note 2.3.5).

As a reminder, at 31 March 2019 the "Government" item primarily comprised a tax receivable following the payment of income tax instalments in the amount of €3,237,000. The income tax payable as of 31 March 2020 is indicated in the "Tax and social security liabilities" item (see Note 2.3.12).

Cash and cash equivalents

Provisions for risks and contingencies break down as follows:

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
Values	**Gross**	**Prov.**	**Net**	**Gross**	**Prov.**	**Net**
Cash	**14,908**	**0**	**14,908**	**15,029**	**0**	**15,029**
Short-term investments	**1,614**	**0**	**1,614**	**1,464**	**248**	**1,216**
Total	**16,522**	**0**	**16,522**	**16,493**	**248**	**16,245**

Short-term investments consist solely of 135,906 Groupe LDLC treasury shares, compared to 123,230 shares at the previous year-end.

Treasury shares are valued at their purchase price and compared to the average share price over the last month before the closing date, which does not result in any write-down for the period.

Accrued income and prepaid expenses

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Invoices for goods delivered after the closing date	2,503	2,485
Prepaid expenses/property rent and rental charges	824	459
Sundry prepaid operating expenses	1,307	1,298
Sundry prepaid financial expenses	0	0
Total accrued income and prepaid expenses	**4,634**	**4,242**
Unrealised foreign currency losses	62	55
Total	**4,696**	**4,297**

Provisions for risks and contingencies

Provisions for risks and contingencies break down as follows:

	01/04/2019 - 31/03/2020					01/04/2018 - 31/03/2019					
	Provi-sions b/fwd	Prov. rec. during year	Prov. used during FY	Prov. not used/ wrbk during FY	Total	Provi-sions b/fwd	Merger contri-bution Domisys	Prov. rec. during year	Prov. used during FY	Prov. not used/ wrbk during FY	Total
Retirement benefits	2,907		6	(20)	2,894	1,589	180	1,138			2,907
Bonus share plans	1,106	57	(481)		682	2,109		24	(330)	(697)	1,106
Other provisions	98	170	(98)		170	160	0	98	(161)		98
Provisions rent/rental charges	0				0	18			(18)		0
Provision for negative net pos. of Groupe LDLC España	0	740			740						0
Employee provisions	23	3	(18)		8	24	34	18	(47)	(5)	23
Total	**4,134**	**970**	**(590)**	**(20)**	**4,494**	**3,900**	**214**	**1,278**	**(556)**	**(702)**	**4,134**

As at 31 March 2020 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 as at 31 March 2020 are as follows:

Assumptions used	**At 31 March 2020**	**At 31 March 2019**
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	1.42%	1.05%
Average remaining service	19-21 years	20-22 years
Demographic assumptions		
Retirement age	60-67 years	60-67 years
Mortality tables	Insee 2018	Insee 2017
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:

- 10,000 existing shares in Groupe LDLC were allotted on 29 June 2017, to be vested after a vesting period of 2 to 6 years and thereafter subject to a two-year lock-in period.
- 35,000 existing shares in Groupe LDLC were allotted on 23 February 2018, to be vested after a vesting period of 2 to 4 years and thereafter subject to a one-year lock-in period.

Apart from the 9 July 2014 plan, these bonus share plans are subject to a condition of presence in the Company but not to any performance criteria.

The €682,000 provision for contingencies recorded at 31 March 2020 is intended to cover the probable outflow of resources for each of the 2017-2018 plans, in accordance with the likelihood that the presence condition will be met and in proportion to services rendered.

The contra entry to this provision is recorded under staff costs.

The June 2017, November 2017 and February 2018 plans are subject to chargeback agreements with the subsidiaries (see Note 2.3.17).

During the year ended 31 March 2020, 64,726 shares were vested.

Information on bonus share plans

Outstanding

Date granted	**29/06/2017**	**23/02/2018**
Total number of bonus shares granted	10,000	35,000
Vesting date	1,000 shares on 29/06/2019	10,000 shares on 23/02/2020
	1,000 shares on 29/06/2020	12,500 shares on 23/02/2021
	2,000 shares on 29/06/2021	12,500 shares on 23/02/2022
	3,000 shares on 29/06/2022	
	3,000 shares on 29/06/2023	
Lock-in period	2 years	1 year

Groupe LDLC España subsidiary

Following the decision to terminate store operations in Spain, a €740,000 provision was recorded to cover the risk of offsetting losses in the amount of the net negative capital of the Groupe LDLC España subsidiary.

Borrowings

This item breaks down as follows:

	01/04/2019 - 31/03/2020				01/04/2018 - 31/03/2019			
	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	26,439	7,395	18,589	455	51,824	41,586	8,818	1,420
Bank overdrafts and accrued interest	155	155			258	258		
Immofi current account	205	205			178	178		
Accrued interest - shareholders	16	16			19	19		
Nemeio current a/c	5	5			7	7		
École LDLC current a/c	878	878			808	808		
Hardware current a/c	2,309	2,309			2,365	2,365		
LDLC Distribution current a/c	37	37			724	724		
CAMPUS 2017 current a/c	6,472	6,472						
LDLC Villeurbanne current a/c	15	15						
Domimo 2 current a/c	5,142	5,142			163	163		
Domimo 3 current a/c	976	976						
Total	**42,649**	**23,604**	**18,589**	**455**	**56,345**	**46,107**	**8,818**	**1,420**

Bank overdrafts

New loans bear interest for an indefinite term based on the following rates, depending on the bank issuing the loan:

√ Euribor 3 M + 1%

Overdraft authorisations granted to Groupe LDLC amount to €7.5 million as at 31 March 2020,

Loans

On 31 March 2016, Groupe LDLC took out a €23 million loan to partly finance the acquisition of Materiel.net, including related costs and fees. This loan is repayable over a 7-year term and bears interest at Euribor 3 months, plus an acquisition loan margin subject to annual revision in accordance with the leverage ratio.

On 19 January 2018, Groupe LDLC took out two loans amounting to €10 million and €5.3 million to finance the acquisition of Olys and Synopsis and related costs and fees.

A second amendment to the €10 million loan agreement dated 31 March 2016 was signed on 19 January 2018 in order to align the repayment period with the 2016 acquisition loan, he terms of the €23 million loan apply in the same way as for the €10 million loan.

These €23 million and €10 million loans are supplemented by a €15 million revolving credit facility, subject to minimum drawdowns of €1 million each, intended to partly finance working capital for Groupe LDLC and its subsidiaries. This facility is subject to interest based on the Euribor rate, plus a revolving credit facility margin subject to annual revision in accordance with the leverage ratio. This loan had not been used at 31 March 2020.

On 11 December 2019, a majority of the pool of banking partners ratified an agreement to extend the €13.5 million revolving credit facility until 31 March 2021.

Swaps have been entered into to hedge the floating rates applicable to these 2016 and 2018 acquisition loans.

The amendment to the 2016 and 2018 acquisition loan agreement provides for compliance with a number of bank covenants (ratios, capex limits, etc.). Failure to comply with these covenants may under specific conditions trigger early repayment.

These covenants are contractually based on the consolidated financial statements and are tested every six months.

The loan agreement is subject to compliance with two bank covenants contractually based on the consolidated financial statements and tested every six months:

- √ A leverage ratio: this ratio is defined as "consolidated net borrowings" (i.e. borrowings less cash and cash equivalents plus bank guarantees for an amount of €89,000) divided by "adjusted consolidated EBITDA" (i.e. Group EBIT plus net depreciation, amortisation and provision allowances included in EBIT, plus value added contributions and discounts received from suppliers).
- √ A gearing ratio, defined as "consolidated net borrowings" divided by "consolidated equity" (i.e. borrowings less cash and cash equivalents plus bank guarantees for an amount of €89,000) divided by "consolidated equity" (including minority interests).

The agreement also imposes a limit on capital expenditure incurred by all Group companies.

The loan agreement covenants are in compliance as at 31 March 2020.

At 31 March 2019, the bank covenants related to the loan agreement were not in compliance and the corresponding liabilities were recategorised as current liabilities in an amount of €33.1 million at 31 March 2019.

Pursuant to amendment 2 to the loan agreement, disposals of real estate assets carried out during the year resulted in the early repayment of €6 million on 13 December 2019, i.e. €3 million for each of the €23 million and €10 million loans, thereby shortening the repayment schedule for these two loans. The last instalment for the €23 million loan is due on 30 September 2022 while the last instalment for the €10 million loan is due on 30 September 2021.

The €5.3 million loan is repayable over a 7-year term and subject to a fixed interest rate of 1.31% per annum with repayment deferred for 8 quarters. The first instalment combining principal repayment and interest was scheduled for 30 April 2020.

In view of the public health crisis related to Covid-19, Groupe LDLC obtained a 6-month moratorium on monthly loan repayments from the banks at the end of March, resulting in the deferral of maturities at the end of March 2020 in the amount of €2.9 million and the deferral of current debt amounting to €1.5 million.

In April 2019, Groupe LDLC took out a €1.5 million loan to finance the Group's working capital.

Trade payables

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Trade payables	38,089	41,767
Supplier L/C & prom. notes payable	13,274	10,397
Supplier invoices not received	2,510	1,567
Total	**53,873**	**53,731**

All trade and related payables are due in less than one year.

Tax and social security liabilities

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Payable to employees	5,537	4,593
Payable to social security organisations	2,475	2,181
Payable to the government (income tax, VAT, etc.)	11,906	6,233
Total	**19,919**	**13,007**

The increase in employee payables is mainly due to employee profit-sharing schemes for €778,000.

The sharp increase in government payables at 31 March 2020 mainly relates to:

- √ Income tax in the amount of €4.6 million, whereas the financial year ended 31 March 2019, for which a deficit was recorded, generated a tax receivable posted under "Other receivables" (see Note 2.3.6);
- √ VAT in the amount of €5.3 million at 31 March 2020 compared with €4.1 million at 31 March 2019.

All tax and social security liabilities are due in less than one year.

Other payables

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Customer down payments received on orders	3,264	2,233
Other customer credit, discounts & rebates to be granted	1,975	3,484
Other	4	3
Total	**5,243**	**5,720**

All other payables are due in less than one year.

Accrued income and prepaid expenses

This item mainly corresponds to deferred income in the amount of €4,324,000, including €1,424,000 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 for €2,874,000.

Accrued expenses payable

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Bank loans and borrowings	24	24
Cash - accrued interest payable	155	120
Trade payables	2,510	1,567
Tax and social security liabilities	6,849	5,783
Other payables	523	187
Total	**10,060**	**7,681**

Research and development costs

R&D expenses for the year ended 31 March 2020 totalled €1,097,000, of which €986,000 met the criteria for capitalisation and was accordingly capitalised during the period (see Note 2.2.2).

Accrued income receivable

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Customer invoices to be issued	316	31
Other income receivable	742	1,123
Supplier receivables	3,833	3,996
Government - income receivable	18	0
Total	**4,908**	**5,150**

The income receivable related to chargebacks under bonus share plans for employees of Groupe LDLC subsidiaries amounted to €682,000 at 31 March 2020 compared to €889,000 at 31 March 2019.

The increase in "Customer invoices to be issued" mainly concerns rental cost chargebacks to Group subsidiaries in the amount of €302,000.

Breakdown of net revenues

	01/04/2019 - 31/03/2020			01/04/2018 - 31/03/2019		
	France	Export	Total	France	Export	Total
Sales of goods	355,290	49,294	404,585	368,657	53,695	422,353
Sales of services *	11,982	4,088	16,070	9,854	4,264	14,119
Total	**367,272**	**53,382**	**420,654**	378,511	57,960	436,471

** Sales of services mainly comprise shipping costs invoiced for goods sold.*

Expense transfers

This item breaks down as follows:

	Mainly impacted income statement item	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Transfer of goods expenses	Purchase of goods	341	374
Intercompany chargebacks	Other purchases and external costs	1,824	1,665
Transfer of employee charges	Other income	194	(536)
Transfer of insurance charges	Other income	110	148
Total		**2,469**	**1,650**

"Intercompany chargebacks" amounting to €1,824,000 is primarily accounted for by cost chargebacks to subsidiaries.

"Transfer of employee charges" mainly comprises transactions related to bonus share plans for employees of Groupe LDLC subsidiaries, which are subject to a chargeback agreement between subsidiaries in the amount of €39,000. The departure of a plan beneficiary during the year led to the cancellation of one plan valued at €697,000 as at 31 March 2019.

Staff costs and average headcount

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Wages and salaries	21,972	24,145
Social security contributions and staff costs	9,647	9,742
Total	**31,618**	**33,887**
Average headcount	671	763
Non-managerial staff	427	493
Managerial staff	200	221
Temporary workers	43	50

The reduction in staff costs primarily results from the reduction in workforce between 31 March 2019 and 31 March 2020.

The CICE has been abolished with effect from 1 January 2019 and has been replaced by a new system of reductions in social security charges.

Net depreciation, amortisation and provisions

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Net depr./amort. of non-current assets	(4,414)	(3,418)
Net inventory impairment (charges)/write-backs	(240)	885
Net charges for trade rec. impairment	(852)	(23)
Net charges for impairment of supplier rec.	(8)	(47)
Net provisions for warranties	(69)	100
Net provisions for retirement benefits	13	(1,138)
Net provisions for employee risks and contingencies	15	34
Other charges/write-backs	(4)	(19)
Total net depreciation, amortisation and provisions	**(5,558)**	**(3,627)**

The increase in net depreciation/amortisation of non-current assets is mainly due to the capitalisation during the period of numerous in-house projects resulting in the provisioning of €1,208,000 compared to €202,000 at 31 March 2019.

The reduction of provisions for retirement benefits is primarily related to the reduction in workforce and the change in the discount rate (see Note 2.3.9).

The increase in provisions for impairment of trade receivables is primarily related to the provision for impairment of the subsidiary Groupe LDLC España for €557,000 (see Note 2.3.5).

Net financial income/(expense)

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Discounts received	0	322
Current account income	173	118
Currency gains	13	31
Financial provision write-backs	248	0
Other financial income	7	36
Total financial income	**441**	**506**
Financial depr./amort. and provision charges	9,742	286
Interest on borrowings	847	1,211
Current account expenses	140	40
Interest paid to banks	24	47
Financing commissions	31	26
Currency losses	21	26
Other financial expenses	16	19
Total financial expenses	**10,820**	**1,655**
Net financial income/(expense)	**(10,379)**	**(1,149)**

Interest on borrowings for the year ended 31 March 2020 breaks down as follows (see Note 2.3.10):

√ €263,000 cost of the €23 million loan used to partly finance the Materiel.net acquisition, compared with €474,000 at 31 March 2019;

√ €221,000 cost of the €15.3 million loans used to finance the olys acquisition, compared with €323,000 at 31 March 2019;

√ €251,000 cost of the revolving credit facility, compared with €310,000 at 31 March 2019.

"Financial provision write-backs" correspond to the reversal of the impairment of treasury shares purchased for the purposes of bonus share plans but not allocated to a specific plan as at 31 March 2019.

The increase in "Financial depreciation/amortisation and provision charges" relates to the write-down of the shares of the company OLYS in the amount of €3.5 million and to the provisions recorded following the decision to terminate store operations in Spain in the amount of:

√ €5,250,000 of equity interests;

√ €252,000 current account;

√ €740,000 to cover the risk of offsetting losses in the amount of the net negative capital of the Groupe LDLC España subsidiary.

The discounts obtained are now reclassified as a reduction in the purchase price.

Non-recurring income/(expense)

This item breaks down as follows:

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Non-rec. income from fixed asset disposals	0	0
Non-rec. income from disposal of fin. assets	6	1
Gains on sale of treas. shares	38	25
Non-rec. write-backs on provisions	447	330
Write-back of accel. depr./amort.	0	175
Other non-recurring income	1	1
Total non-recurring income	**492**	**532**
Non-rec. expenses on fixed asset disposals	12	11
Non-rec. exp. on disposal of fin. assets	6	0
Losses on sale of treas. shares	477	392
Accelerated depr./amort.	98	98
Other non-recurring expenses	30	18
Total non-recurring expenses	**623**	**519**
Non-recurring income/(expense)	**(131)**	13

The vesting of bonus shares accounts for the non-recurring write-backs of provisions and treasury share buy-back loss in the amount of €447,000.

The €175,000 write-back of accelerated depreciation/amortisation charges at 31 March 2019 corresponds to the portion of Domisys acquisition costs that had been paid off by the date of the merger.

Income tax

Income tax is calculated as follows:

	01/04/2019 - 31/03/2020				
	Earnings before tax	**Corporate income tax at 33.33%**	**Social sec. charges at 3.3%**	**Impact of tax consolidation and tax credits (charity donations, research, apprenticeships)**	**Earnings after tax**
EBIT	13,137	(6,145)	(186)	4,978	11,784
Net financial income/(expense)	(10,379)	(212)			(10,592)
Non-recurring income/(expense)	(131)	(39)			(170)
Employee profit-sharing	(778)				(778)
Total	**1,848**	**(6,396)**	**(186)**	**4,978**	**244**

Negative tax figures shown in brackets indicate tax expenses.

Future tax (increases) and reductions

The following figures indicate future reductions or increases in the tax base.

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Customer warranty provision	95	26
Purchase voucher provision	13	17
Organic	157	164
Retirement benefit provision	(13)	(1,138)
Equity investment provision	0	38
Employee profit-sharing	778	0
Total	**1,029**	**(894)**

Table - List of subsidiaries and equity interests

	Share capital	Equity other than share capital (including FY 2019/2020 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 2019/2020 revenues excl. VAT	FY 2019/2020 net income/(loss)	Dividends received by Company during the year
Subsidiaries held > 50%										
Anikop	30	(838)	80%	24	24	659		2,804	102	0
Campus 2017	2	6,526	100%	2	2	(6,472)		525	7,498	0
DLP Connect	30	(425)	80%	24	24	599		1,690	(129)	0
Domimo 2	50	4,838	99.98%	1,907	1,907	(5,142)		323	3,557	0
Domimo 3	10	888	99.90%	224	224	(976)		83	688	0
Hardware.fr	20	2,657	100%	3,033	3,033	(2,309)		449	168	0
LDLC Distribution	100	(435)	100%	100	100	(37)		3,237	(213)	0
LDLC Event	30	(1,289)	70%	21	21	1,689		1,053	(765)	0
LDLC Villefranche	303	(196)	100%	303	303	92		1,849	23	0
LDLC Bordeaux	30	(494)	100%	30	30	840		1,698	(72)	0
LDLC Villeurbanne	30	101	100%	30	30	(15)		1,722	40	0
LDLC Lille V2	2	(170)	100%	2	2	353		1,144	41	0
École LDLC	500	340	100%	500	500	(878)		339	47	0
Nemeio	8	(4)	100%	8	0	(5)		2	(3)	0
LDLC Lyon 7	30	16	100%	30	30	95		1,660	81	0
LDLC Cormeilles	30	(40)	100%	30	30	272		1,362	90	0
ADB Limonest	30	(556)	100%	30	30	1,015		932	(174)	0
LDLC7	30	(10)	100%	30	30	0		0	(3)	0
Bluescreen	30	(96)	80%	24	24	38		77	(89)	0
LDLC9	30	(10)	100%	30	30	0		0	(3)	0
ADB Orgeval	30	(61)	100%	30	30	237		0	(54)	0
LDLC11	30	(9)	100%	30	30	0		0	(3)	0
LDLC12	30	(10)	100%	30	30	0		0	(3)	0
LDLC13	30	(9)	100%	30	30	0		0	(3)	0
Avitech	100	(354)	100%	90	90	514		2,064	62	0
Olys	954	(6,527)	100%	15,347	11,847	7,453		62,492	(3,261)	0
Groupe LDLC España*	5,250	(6,799)	100%	5,250	0	252		2,380	(5,011)	0
LDLC VR Studio **	692	(877)	100%	20	20	511		(0)	(116)	0
Subsidiaries held < 50%										
NLCL***	167	432	10%	1,500	1,500	150		3,260	(76)	0
CG Développement	5	450	20%	400	400	0		1,032	66	0

** The current account of the subsidiary Groupe LDLC España is written down in full as at 31 March 2020.*
** LDLC VR Studio was acquired on 18 December 2019. The historical financial year-end of the company was 31 December. This has been switched to 31 March 2020 in line with Groupe LDLC. The financial data reported below for LDLC VR Studio covers the 3-month period ended 31 March 2020.*
**** The figures for NLCL apply to its last financial year ended 31 December 2019.*

Tax consolidation agreement

The tax consolidation Group, of which Groupe LDLC is the parent company, is comprised of the subsidiaries Hardware.fr, Nemeio, LDLC Distribution, LDLC Villefranche, L'École LDLC, LDLC Bordeaux, LDLC Villeurbanne, LDLC Lille V2, Campus 2017, LDLC Lyon 7, LDLC Cormeilles, ADB Limonest, Domimo 2, Domimo 3, ADB Orgeval, LDLC7, LDLC9, LDLC11, LDLC12, LDLC13 and Olys.

The sale of 20% of the shares of the company Bluescreen on 29 November 2019, led to its removal from the tax consolidation scope for the year ended 31 March 2020.

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 €1,116,000 for the year ended 31 March 2020.

Compensation of corporate officers

	01/04/2019 - 31/03/2020	01/04/2018 - 31/03/2019
Management Board members	434	530
Supervisory Board members	38	38

Off balance sheet commitments

Commitments given

√ Pledge of shares in Domimo 2 and Domimo 3 as security for a €23 million loan.

√ Senior pledge of the business undertaking mainly comprising retail distance selling of IT hardware under the Materiel.net brand as security and guarantee for all principal amounts owed under the loan agreement for a maximum principal amount of €38 million.

√ Pledge of Olys shares as security for the €10 million 2018 acquisition loan.

√ Groupe LDLC is acting as surety for LDLC Lille V2 for the amount of €39,000 to cover the commercial lease signed on 31 August 2017 between the lessor, SCI Immocrous, and 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. 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 €400,000 in rental payments owed to SCI Blomet, represented by Mr Chancel, company director, for its Paris store.

√ Swiss Federal Tax Administration, Value Added Tax Division, CHF 55,000 guarantee to secure payment of Swiss VAT owed by Groupe LDLC. Guarantee applicable for an indefinite term.

√ Swiss Federal Customs Administration, CHF 13,020 guarantee to secure payment of customs duties and customs VAT owed by Groupe LDLC. Guarantee applicable for an indefinite term.

√ In May 2016, Groupe LDLC entered into an interest rate swap intended to hedge interest rate risk related to the €23 million loan.

√ In April 2018, Groupe LDLC entered into an interest rate swap intended to hedge interest rate risk related to the €10 million loan.

√ In January 2015, Groupe LDLC entered into a master agreement with Caisse d'Épargne regarding transactions in financial futures. There are no agreements currently in force.

√ In January 2015, Groupe LDLC signed a master futures agreement with Crédit Agricole for purchasing USD. There are no agreements currently in force.

- √ Groupe LDLC benefits from a guarantee under the *FNG Prêt Numérique* fund, in respect of the loan taken out with BPI, covering 80% of the principal, i.e. €700,000 at 31 March 2020. An €88,000 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 €900,000 loan taken out with BPI, covering 80% of the principal, i.e. €720,000 at 31 March 2020. 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, in respect of the €900,000 loan taken out with BPI, covering 80% of the principal, i.e. €720,000 at 31 March 2020. 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, in respect of the €900,000 loan taken out with BPI, covering 50% of the principal, i.e. €720,000 at 31 March 2020. A €45,000 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 Érables, 69760 Limonest, France.

18.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

To the 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 31 March 2020. These financial statements have been approved by the Management Board (Directoire) on 18 June 2020 based on information available at that date regarding the evolving context of Covid-19's crisis.

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 at 31 March 2020 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 rules applicable to us, for the period from the 1st of April, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

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 society 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 at 31 March 2020, for a net amount of €22,806 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, without 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 the Management Board (Directoire) approved on 18 June 2020 and in the other documents with respect to the financial position and the financial statements provided to shareholders. Regarding the events that occurred and elements that have been known since the date the financial statements were approved and in relation to the effects of Covid-19's crisis, management informed us that this would be subject to a specific communication addressed to the Annual general meeting of shareholders called to vote on said financial statements.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D. 441-4 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 and Villeurbanne, 18 June 2020

The Statutory Auditors	
CAP Office	MAZARS
Rémi Charnay	Pierre Beluze 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 2020.

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	**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 2019	None	None	None
Financial year ended 31 March 2018	None	None	None
Financial year ended 31 March 2017	None	None	None

18.7.2. Dividend policy

The Company has no specific dividend policy in place.

However, under the loan agreement dated 31 March 2016 as amended, the Company has undertaken to put to the shareholder vote only dividend, interim dividend, reserve or other distributions that fulfil certain conditions, including the condition that they do not exceed 40% of consolidated net income for the relevant financial year.

18.8. PROPOSED APPROPRIATION OF EARNINGS FOR THE YEAR ENDED 31 MARCH 2020

At its meeting on 18 June 2020, having noted the €244,178.73 net profit for the financial year ended 31 March 2020, the Company's Management Board unanimously resolved to propose to the Ordinary General Meeting to be held on 25 September 2020 to allocate the said profit as follows:

	Allocation	Source
Net profit for the year ended 31 March 2020		€244,178.73
Fully allocated to “Other reserves”, thereby increasing this account from €28,838,225.65 to €29,082,404.38	€244,178.73	

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 €134,394.03 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 €46,276.34 (rate of 34.43% 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 2020, of outstanding trade receivables and payables by due date.

	Article D. 441-4 I. - 1°: Invoices received, overdue but not yet paid at the balance sheet date for the financial year						**Article D. 441-4 I. - 2°: Invoices issued, 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	264					2,820	2,788					15,853
Total amount of invoices concerned *(note: incl. VAT)*	1,622,499.01	6,109,454.24	926,083.76	151,361.90	511,281.32	7,698,181.22	3,942,454.69	5,026,783.45	1,857,381.84	472,492.67	1,617,590.76	8,974,248.72
Percentage of total purchases for the year *(note: incl. VAT)*	0.4%	1.4%	0.2%	0.0%	0.1%	1.7%						
Percentage of full-year revenues *(note: incl. VAT)*							0.8%	1.0%	0.4%	0.1%	0.3%	1.8%
(B) Invoices excluded from (A) relating to payables and receivables under dispute or not recognised												
Number of invoices excluded	0						743					
Total amount of excluded invoices *(note: incl. VAT)*	0						1,407,167.51					
(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)	31/03/2020 12	31/03/2019 12	31/03/2018 12	31/03/2017 12	31/03/2016 12
Share capital at year-end					
Share capital	1,137,979	1,137,979	1,137,979	1,137,979	1,137,979
Number of ordinary shares	6,322,106	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	420,654,389	436,471,148	447,204,138	346,910,614	316,984,835
Earnings before tax, profit-sharing, depr./amort. and provisions	17,329,401	1,431,728	5,416,465	12,352,878	16,489,421
Income tax	1,603,756	-783,255	251,728	2,768,063	5,346,506
Employee profit-sharing	778,082	29	-	652,679	1,336,418
Depreciation, amortisation and provisions	14,703,384	3,505,700	1,083,789	2,517,780	1,268,453
Net income/(loss)	244,179	-1,290,746	4,080,948	6,414,356	8,538,044
Distributed earnings (1) (2)	0	0	0	0	3,161,053
Earnings per share					
EPS after tax and profit-sharing, before depr./amort. and provisions	2.36	0.35	0.82	1.41	1.55
EPS after tax, profit-sharing, depr./amort. and provisions	0.04	(0.20)	0.65	1.01	1.35
Dividend allotted (2)	0	0	0	0	0.50
Human resources					
Average headcount	671	763	485	444	443
Payroll expenses	21,971,560	24,145,395	16,322,354	13,676,995	13,410,429
Employment benefits paid (social security, welfare actions, etc.)	9,646,553	9,741,502	8,713,159	5,976,868	5,981,004

(1) including dividends attached to treasury shares held as at the payment date
(2) subject to the approval of the Annual General Meeting on 25 September 2020

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 2020 were approved by the Management Board on 18 June 2020 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 €1,137,979.08 at 31 March 2020, comprising 6,322,106 fully paid-up shares of the same class with a par value of €0.18 each.

The Company's share capital did not change between 1 April 2019 and 31 March 2020.

It is recalled that the Company's shares are admitted for trading on the organised multilateral trading facility Euronext Growth instead of the regulated market Euronext Paris since 2 September 2019 (see press releases of 20 May 2019 and 29 August 2019).

The attention of shareholders is drawn to the fact that both the law on public tender offers and the requirements to disclose threshold crossing and statements of intent applicable to companies listed on a regulated market will be upheld for a period of three years following the admission of the Company's shares to trading on Euronext Growth (French Mon. and Fin. Code Art. L.433-5; AMF Gen. Reg. Art. 231-1(4)).

ISIN code: 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 27 September 2019 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.225-209 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, in compliance with market practices authorised by the AMF; or
- to cancel all or some of the repurchased shares.
- and, 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): €35.

Maximum amount of funds that may be committed to the share buyback plan: €2,275,000

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 2020:

Number of shares purchased during the year ended	206,565
Average share purchase price during the year ended	€8.61
Trading fees	None
Number of shares sold during the year	130,699
Average share sale price during the year ended	€9.11
Number of shares cancelled during the year ended	None
Number of shares used during the year ended (including 51,726 treasury shares awarded to Philippe Sauze under his bonus share plan (1))	64,726
Number of treasury shares registered in the Company's name at 31 March 2020 (2)	138,618
Treasury shares held at 31 March 2020 (% of share capital)	2.19%
Net book value of treasury shares at 31 March 2020 (purchase price value)	€1,639,547.92
Par value of treasury shares at 31 March 2020	€24,951.24
Market value of treasury shares at 31 March 2020 (share price of €31.55 at this date)	€1,247,562.00

(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 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 €2,051.75 for the financial year ended 31 March 2020.

The breakdown of treasury shares by purpose at 31 March 2020 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	2,712
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	135,906 (relates to allocations on 29 June 2017 and 23 February 2018) (1)
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	**138,618**

(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 Registration Document.

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.

Nor did the Company grant 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. However, 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

The resolutions on issues approved by the General Meetings on 28 September 2018 and 27 September 2019 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

The Company’s share capital has not changed in the past three financial years.

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
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
Caroline Villemonte de la Clergerie	Banque Rothschild Martin Maurel	31/01/2012	16/02/2024	Loan repayment	27,019	0.43
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.

The attention of shareholders is drawn to the fact that, in view of (i) the fact that the Company's shares are admitted for trading on the organised multilateral trading facility Euronext Growth instead of the regulated market Euronext Paris and (ii) the new legal and regulatory provisions, a proposal to align certain articles of the Articles of Association of the Company will be submitted for their approval at the Annual General Meeting of 25 September 2020.

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 postpone or prevent a change of control

√ **Crossing of thresholds (Article 12 of the articles of association)**

Any individual or legal entity, acting alone or in concert, that comes to possess, via any means whatsoever, a number of shares representing 2% of the share capital or voting rights at General Meetings, or any multiple of this amount, must inform the Company within 15 days of crossing this threshold, by registered letter with acknowledgement of receipt addressed to the registered office, of the total number of shares and attached voting rights that it holds as well as, where applicable, the number of shares granting future access to the share capital and the voting rights attached thereto.

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 of non-compliance with any of the foregoing provisions, the shares exceeding the threshold that must be disclosed shall be stripped of voting rights with regard to all shareholders' meetings that may take place, until the expiry of a two-year period from when the required disclosure is made. 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.

Unless one of the thresholds referred to under Article L.233-7 of the French Commercial Code is crossed, this sanction shall only be applied upon request, recorded in the minutes of the General Meeting, of one or more shareholders holding, together or separately, at least 5% of the share capital and/or voting rights in the Company.

Compliance with said obligation to disclose the crossing of the 2% threshold of the share capital or voting rights at General Meetings, or any multiple of this percentage, does not under any circumstances whatsoever dispense the shareholders, whether individuals or legal entities, from complying with statutory provisions requiring that the Company be informed of any interests exceeding one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, half, two thirds, eighteen twentieths or nineteen twentieths of the share capital or voting rights of the Company, in accordance with Articles L.233-7 et seq. of the French Commercial Code."

Subject to the approval of the shareholders, the new sub-section 12.6 of Article 12 "Rights and obligations attached to shares" will be worded as follows:

"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 (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 request for acknowledgement of receipt, or by any other equivalent means for persons resident outside of 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 share capital or voting rights of the company, the shares in excess of the amount that are not duly reported are stripped of their voting rights for any Shareholders' 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 adhering to the reporting obligations provided for in the legal and regulatory provisions (including those of the AMF General Regulation and the market rules in force)."

√ **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, liquidation, communal property between spouses or 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.

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. LOAN AGREEMENT DATED 31 MARCH 2016 AS AMENDED

For the purposes of the Materiel.net acquisition, the Company entered into a loan agreement dated 31 March 2016, subsequently amended.

The main terms of this agreement are set out in Note 3.13 to the consolidated financial statements for the year ended 31 March 2020.

20.2. REAL ESTATE LEASE PURCHASE AGREEMENT DATED 30 NOVEMBER 2015

In order to increase the Group's capacity to accommodate its development ambitions, on 30 November 2015 CAMPUS 2017 (Group member), the Group's real estate subsidiary, entered into a lease purchase agreement regarding the head office for part of the Group at 2 Rue des Érables, Limonest (69760).

We would remind readers that on 29 June 2017 the Supervisory Board resolved to relocate the Company's head office from 18 Chemin des Cuers, CS40207, 69574 Dardilly cedex to 2 Rue des Érables, CS21035, 69578 Limonest cedex as of 1 September 2017.

In accordance with Article L.225-65 of the French Commercial Code, the Ordinary General Meeting of 29 September 2017 ratified the move in its ninth resolution.

The Group settled the finance lease agreement following the sale of the registered office in July 2019.

The main terms of the lease purchase agreement are set out in Note 3.13 to the consolidated financial statements for the year ended 31 March 2020.

20.3. 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).

20.4. 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 reaffirms its support for basketball in the city of Lyon. For a period of 4 years, LDLC.com is combining its name with that of the ASVEL Féminin team in Lyon, renamed LDLC ASVEL Féminin.

LDLC.com has worked alongside the ASVEL men's basketball team for over 6 years, a partnership bolstered by the naming agreement in place until 2028. Now, the high-tech leader founded by Laurent de la Clergerie has decided to associate its name with the women's team, much to the delight of club president Tony Parker (see press kit and press release dated 2 October 2019).

20.5. 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).

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 ;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, high-tech, gaming and media) and related markets including childcare and, more recently, education. The Group business model is based on retail.

Through a chain of 51 LDLC.com stores at 31 March 2020, 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 French-speaking countries such as Belgium, Luxembourg and Switzerland, as well as Spain.

22.1.1. LDLC Group business activities

1. BtoC online business

LDLC.com is the leader in the online high-tech market (management estimate). It offers a catalogue of over 50,000 products spanning over 1,700 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. The website specialises in online retail of high-tech products.

L'Armoire de Bébé is an online boutique created in 2015 and specialising in childcare products. The first physical store was opened in 2018.

Shop.Hardware.fr 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.).

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.

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.

Last but not least, BIMP, an Apple Premium Reseller, offers IT solutions to individual consumers and professionals, on macOS, Windows and mobile platforms.

3. Related businesses

Anikop publishes corporate management software. Market leader for over ten years in prepaid voucher processing (via its "Titres Prépayés" solution), Anikop offers a wide range of other solutions: customisable display, cash management, CRM and ERP, project management and accounting assignment management.

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 2019, 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 service department. On the basis of 225 points of contact via email, phone, Internet and social media, for which LDLC.com obtained an average rating of 19.07/20, the brand came first in the Technical Product Retail category for the sixth year running. Accordingly, the Group's drive towards improving customer relations was once again rewarded, in the form of the 2020 Customer Service of the Year award. [1]

60 pre- and post-sale advisers help e-commerce website customers. *"Excellence in customer relations has been a hallmark of our identity since the outset. Winning the Customer Service of the Year award for the sixth time in a row in 2020 is a source of inestimable pride for our teams, who are always looking to do better for our customers. This sixth award is a reflection of their unwavering commitment",* LDLC Group Chairman Laurent de la Clergerie said.

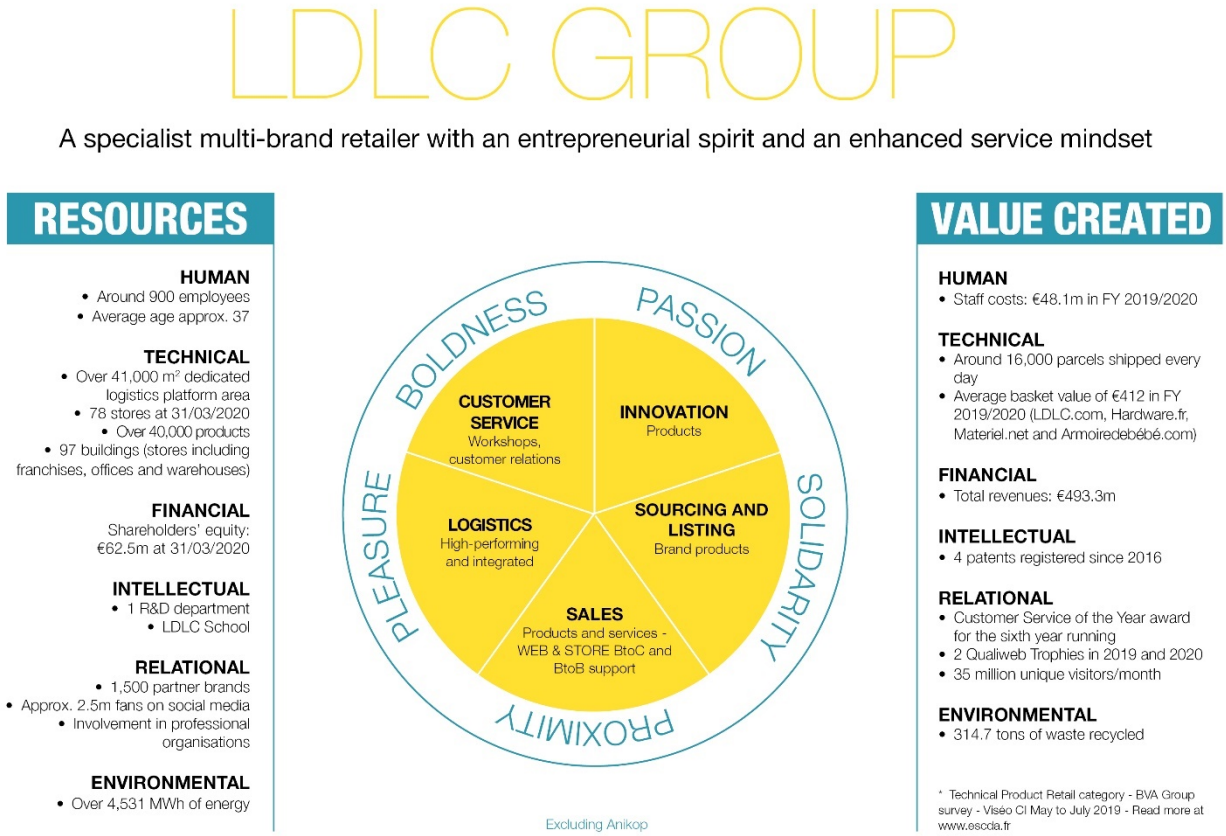
The organisation of specialised events aimed at professionals, such as "Tech Your Time", makes it possible to discuss major current and future trends with other BtoB stakeholders. Likewise, gatherings aimed at architects organised in several major cities in France towards the end of 2019 by the BIMP BtoB division allowed stakeholders in this sector to discuss recent developments and new solutions employed in the building industry. Annual negotiations with suppliers are an opportunity to pass on customer expectations and brainstorm new solutions. The after-work get-togethers with employees also provide an opportunity to share ideas in a relaxed atmosphere. 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.

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.

Lastly, in line with his desire to be attentive to his staff, Chairman Laurent de la Clergerie has for two years organised small group sessions to listen and talk to employees.

See Chapter 5 for more information.

[1] *Technical Product Retail category - BVA Group survey - Viséo CI - May to July 2019 Read more at www.escda.fr*



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 LDLC brand products;
- an efficient integrated logistics platform;
- a cross-channel 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, earning the Group six "Customer Service of the Year" awards in a row;
- in-house R&D department;
- LDLC brand awareness and trust capital coupled with strong fan engagement on social media;
- pleasant employee working conditions in an outstanding setting.

22.2. METHODOLOGY

In 2019, a working group of representatives responsible for the LDLC Group CSR policy reviewed 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.

In December 2019, the project manager in charge of the statement of non-financial performance approached the various contributors, as well as Group management, in order to review non-financial risks and issues affecting the LDLC Group. It transpired that tax evasion does not constitute an overriding risk for the Group and that it is no longer necessary to associate it with a KPI that does not provide any relevant information.

The following list was thus approved for the 2019/2020 financial year:

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
Controlling 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.

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. The Group has operations in France and Spain.

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 specifically for listed companies, 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.

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 Groupe LDLC 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.

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 committee.

Preventing physical, physiological and psychological risks

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, a container ventilation system limits exposure to chemical risk when the container is opened for unpacking. As a result, the Group has not recorded a single occupational sickness to date.

As a further preventive measure, employees are 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.

Since 2017, the Group has organised one-to-one meetings with members of one department at Saint-Quentin-Fallavier as part of a survey on psychological risks at work. In 2018 and 2019 the survey was carried out in Limonest, at the Vaise store in Lyon and in Nantes with a view to preparing a specific action plan, the aim being to include all departments in the survey by 2020.

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. BIMP also occasionally makes use of their services.

Improving workspace ergonomics

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 are currently being installed in one department each year. Late 2018, 23 workstations were replaced in the customer service department and new double screens were installed. The reinstallation of this department also provided an opportunity to reconsider layout and goods movements in order to expand the working area and minimise handling operations.

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 one or two adjustable height workstations have been acquired for each department 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.). In 2018, 99% of PC screens were changed in order to replace all small screens with at least 22" screens.

Reducing risk via muscle warm-up and massage

For several years now, the Group has implemented measures to prevent risks of workplace accidents caused by load transportation and handling, which have been identified as the two principal risk factors within the Group. For example, in 2017 employees trained in the StiMCore method of muscle warm-up before occupying workstations ran daily workouts at the Saint-Quentin-Fallavier logistics warehouse. Since 2018, each logistics department has run these sessions independently, with a manager, employee or specific warm-up coach taking it in turns to lead the session.

In addition, free massages are provided by appointment by an osteopath at all logistics facilities and at head office. An additional seated massage service is also provided in the Limonest Campus rest room.

Results

- Number of lost-time industrial accidents: 24 in 2019 (versus 18 in 2018 and 22 in 2017).

KPIs

2019 frequency and severity rate

	Groupe LDLC			
	Logistics	**Office**	**Stores**	**Subsidiaries**
Frequency rate (FR)	32.47	2.90	12.54	25.04
Severity rate (SR)	0.29	0.04	0.66	0.29

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.

The working environment

The buildings occupied by the LDLC Group in Limonest are designed to provide a state-of-the-art working environment 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 warehouse, including:

- electrically operated sit-stand workstations: storage of incoming goods, adjustment of an assembly workstation for a disabled worker at the main Saint-Quentin facility;
- installation of remote-controlled systems for opening the skydomes at the Nantes warehouse, 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.

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 The Corporate Gym) which opens in the morning, 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. Similar amenities have been installed at Saint-Quentin-Fallavier.

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.

An amusement arcade has been installed on the ground floor of the new Orizon building to help staff relax.

Fostering staff cohesion

The Group encourages informal meetings and friendly exchanges among and between teams, whose average age is relatively young (37.69 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, every Thursday evening an after-work get-together is held at the Limonest head office and is regularly attended by Group Chairman Laurent de La Clergerie. This practice was introduced at Saint-Quentin-Fallavier in April 2018.

Many initiatives are organised at the instigation of LDLC Group employees, including an indoor football team, badminton and squash tournament, jogging and trail running. For example, the procurement, Anikop marketing, customer contact, accounts and Pro1 departments organised an interdepartmental football competition, known as the LDLC Challenge Cup, for which Anikop developed a specific application.

Work-life balance

The LDLC Group recognises the importance of the 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.

The purpose of this measure is to give employees freedom to organise their work, taking personal constraints into account whilst respecting the collective needs of each department, the Company and its operating procedures.

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 good 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.

KPIs
- Absenteeism rate of 3.36%*
- Staff turnover rate of 15.51% (versus 23% in 2018/2019)

** The KPI was changed this year. KPI 2018/2019: 0.69 days of unjustified absenteeism per employee.*

22.3.3. Anti-discrimination

22.3.3.1. Disability and inclusion

The LDLC Group is pursuing its goal of becoming a disability-friendly company. In the context of these transactions, 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 headlong the problems of disability at work and to do everything it can to safeguard disabled persons' careers in the long run. Every year, disabled employees 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 in Nantes and Lyon. An existing employee at the establishment, this person is tasked with promoting the disability policy advocated by management and staff representatives and acting 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, i.e. 91 managers representing over 10% of the headcount. The course was aimed at promoting the Group disability policy and encouraging its implementation along the following lines:
- What is disability and how is it recognised?
- Binding obligations for companies and establishments.
- Social, economic and financial implications for the LDLC Group and its structures.
- Potential measures allowing the Company to implement a disability policy and deal with situations involving disability.
- Tools and partners that can be mobilised in the different regions where Group establishments are based.
- Sharing of experience, feedback, successes and failures.

In 2017, Saint-Quentin introduced seated massages administered by visually impaired practitioners, followed by Nantes and Limonest in 2018.

Articles are regularly published in the HR newsletter and on social media (Yammer) to raise awareness about disability and, in particular,the adaptation of workstations. In April 2018, posters were put up and content on disability was added to the Group's recruitment website.

All Anikop staff have received training in sign language in order to raise their awareness.

Action

In 2018, a partnership was set up with Sport2Job.

Under this partnership, in September 2018 the “Fox Team” comprising employees from Saint-Quentin and head office and three disabled persons took part in the following sports events, with the non-disabled team members simulating disability:

- Wheelchair races.
- Blindfold long jump.
- Sitting volleyball.
- Seated shot put.
- Blindfold relay.
- Para-table tennis.

On the same day, participants received instruction in sign language and a short course in communicating with the deaf and dumb without knowing sign language. The Fox Team also met disabled job candidates.

The event provided participants with an opportunity to share fun moments, interact with disabled people and foster positive human relationships. This experience filled them with enthusiasm and helped to drive the project launched by HR over a year ago to make LDLC a disability-friendly company.

In October 2018, again in partnership with Sport2Job, the LDLC Fox Team took part in a culinary challenge aimed at raising awareness of disability through a sharing experience held at a ground-breaking culinary incubator known as La Commune. These events were followed by the communications department and reported via the enterprise social network.

Safeguarding employment

In May 2018, the LDLC Group set up the “Inclusive Company Light Trophy” awards, designed to showcase and reward companies’ inclusion initiatives. The idea is to promote initiatives allowing disabled persons to effectively exercise their right to work.

In 2019, at the Grandchamps facility, the Disability Officer met a sample of disabled employees at their request to get to know them better and identify potential workstation adaptations for review.

A meeting between Cap Emploi, the establishment’s HR department and the Disability Officer was organised in December 2019. Cap Emploi’s mission is to help disabled workers remain in employment.

The Group is currently reviewing potential solutions and diagnostics requests with a view to roll-out at the Grandchamps facility by the end of 2020.

The HR department is working with the company doctor, the QHSE manager and Cap Emploi to optimise workstations for use by disabled persons.

These measures continue to be implemented at Group subsidiaries for disabled employees in need. For example, two DLP Connect employees had their workstations adapted in 2019.

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. In 2018 the Group adapted its distance-selling websites for the hard of hearing.

In November 2019, the Recruitment Officer and Disability Officer took part in a blind dating session with the goal of meeting candidates in a different manner from the standard recruitment process. This exercise took place with blindfolds and the interviews lasted around 10 minutes. Afterwards, the interviews continued in standard fashion.

This exercise led to the identification of one disabled candidate. This candidate took part in an immersion course at the Saint-Quentin-Fallavier site in February 2020 and the feasibility of offering him a permanent contract by the end of 2020 is currently under review.

KPIs

- Disabled employees accounted for 3.72% of the applicable workforce in 2019 (versus 3.78% in 2018 and 3.29% in 2017), i.e. 32 persons
- €60.42 contribution to AGEFIPH per applicable employee in 2019 (versus €40.03 in 2018 and €74.37 in 2017)

These figures show that the contribution rate per employee has slightly increased given the decline in both overall headcount and the number of employees recognised as disabled (French RQTH certification).

22.3.3.2. Equal opportunities

Despite the increasing 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.

Equal pay for men and women

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:
(excluding LDLC España)

Manager	**43,577.19**
Women	39,724.65
Men	45,283.31
Supervisor	**27,949.06**
Women	28,542.19
Men	27,773.94
Employee	21,690.98
Women	**21,412.74**
Men	21,804.97
Total	**29,469.17**

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.

So that access to training is not hampered by family constraints, special attention is paid to the organisation of training sessions organised or offered by the Company.

For this reason, the Company seeks to minimise the amount of travel required, especially involving overnight stays, that might prevent employees from fulfilling their family duties. Accordingly, e-learning modules are available for certain training courses and local sessions are arranged where possible. 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 far 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. The Company uses training as a means of maintaining equal conditions regarding the promotion of men and women into positions of responsibility.
- **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 is a valuable opportunity for each returning employee to talk to their line manager and assess any discrepancy between the skills they possess and those required for their job, taking into account any technical, procedural or other changes that may have affected it. It 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.

In accordance with the recommendations of the French Defender of Civil Rights, all job offers published by the Company must be available to men and women without distinction.

For this purpose, the Company pays attention to the terminology used in job offers and job descriptions in order to avoid discriminatory language and encourage male and female applications, whether in-company or external, for all jobs, including those traditionally held by men or women or where working conditions are more associated with men or women.

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

Groupe LDLC is 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 the management's decision, including the reasons for that decision, no later than six weeks following their request. Employees wishing to take parental leave on a part-time basis can take either one full day a week (80% working hours) or two full days a week (50%), depending on the option they have chosen. Terms and conditions are determined in consultation with the line manager before resuming work. As a reminder, parental leave is offered to men as well as women: in 2019 a number of new fathers took this leave.
- 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.

  ✣ Before departing on maternity or parental leave:
  - ⇒ No later than 30 days before departure, the employee will see their line manager in order to discuss the terms of their departure and return and the duration of the leave.

  ✣ On return from maternity or parental leave:
  - ⇒ 30 days before resuming work, the employee will receive a letter from the Company inviting them to see their line manager to review their professional and personal situation and prepare for returning to work.
  - ⇒ No later than 20 days before returning to work, the employee will be given an interview at which the parties will review the following questions:
    - ➢ Return to original post or an equivalent post in the event of organisational changes during their absence.
    - ➢ The possibility of special working arrangements, provided that these do not disrupt departmental organisation. Nevertheless, employees will be able to take one full day off a week in the case of the parental leave arrangements described under "Part-time employment" above.

Prevention of sexism and sexual violence

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.

- **KPIs**
  Women make up 20% of the ten highest earners

22.3.4. Employee upskilling

As a fast-growing, globalising 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. 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 and Group ambitions and strategy. It is also designed to foster versatility. Accordingly, skills development takes place at all levels of the organisational structure.

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 development plan must have a positive impact on both organisation and employees:
- Improved understanding of expectations and targets,
- Enhancement of skills and performance,
- Increased independence and accountability,
- Greater versatility,
- Increased trust in the organisation,
- Stronger motivation,
- Stimulating commitment,
- Reducing staff turnover by retaining skills and potential.

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.

Develop and strengthen 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.

This means that every employee must gain independence and versatility whilst becoming more accountable and working on aspects such as:
- Improving product expertise in order to provide better advice to customers and help solve their problems remotely,
- Optimising computer skills, etc.

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. Given the complexity and uncertainty of the current economic environment, collective intelligence is one of the most efficient means to boost company performance. It is essential for working in a network and making horizontal projects work.

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. It is important for the facilitators to remain impartial during discussions: they provide the framework without getting involved in the content.

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 as well as 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.

Develop 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.

In line with Group efforts over the past few years to support transformation and anchor the required adaptations, it is essential to develop BtoB skills in order to meet the ambitious targets that have been set:

- Transmit technological changes on a daily basis,
- Train and transform the sales force in its current drive towards an aggressive campaign geared towards marketable projects,
- Build a marketing model, support the new system and ensure efficient implementation in the field,
- Gain new markets, meet the expectations of these new customers,
- Develop and diversify the product offering to constantly increase competitive edge.

Provide in-field support to the sales force in order to harmonise operations

Following the 2018 Domisys merger, the purpose of the training courses implemented in 2019 was to acquire the means to efficiently operate a Materiel.net sales outlet following the deployment of the new C2BO IT system in order to harmonise the LDLC Group's retail operations.

The second target was to condition all the teams for the successful implementation of a customer-centric system. Free access to knowledge was provided for all retail staff on the basis of volunteer contributions.

Guarantee the safety of property and persons

Improving their understanding of the working environment and associated good practices will help staff to:

- forestall risks,
- reduce the accident rate,
- adopt a preventive mindset and increase the efficiency of curative measures.

Customary training courses are provided, including first aid courses and preparation to obtain vehicle operating permits.

KPIs

- 45% of employees completed personal development courses in 2019 (versus 70% in 2018)
- 4% of employees completed personal development courses in 2019 (versus 22% in 2018)

On average, each employee completed 22 hours of training in 2019.

22.4. PROTECTION OF THE ENVIRONMENT

As a commercial company, the LDLC Group has little 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. Three of our four warehouses are 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, which are areas in which we can adapt to the consequences of climate change.

22.4.1. Responsible waste management

For several years now the LDLC Group has pursued a voluntary scheme for sorting waste generated by operations at source in order to maximise recycling. The Group is fully in compliance with the obligation to sort five waste categories at source. The general services department and HQSE officer 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. Five categories of EPR (Extended Producer Responsibility) are relevant to the Group: electrical and electronic equipment, packaging, batteries, graphic papers and furniture. The Group uses approved environmental organisations (Ecologic, Adelphe, Screlec, Citeo and Ecomobilier) to achieve this goal and helps finance the end-of-life management of the products it sells. Moreover, the website and store personnel provide customers with information on the responsible management of used products and the Group's duty to recover them when an equivalent new item is purchased (the "1 for 1" scheme).

Waste electrical and electronic equipment (WEEE) is mainly derived from defective product returns and collected end-of-life products. In 2019/2020, the LDLC Group collected 19 tonnes of WEEE, similar to last year's volume, and sent it to a recycling firm for final treatment. This figure is included in the calculation of the waste recycling rate.

Other recyclable waste (paper, cardboard, shrink wrap 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, which this year started to reuse polystyrene from incoming parcels as cushioning for outgoing parcels.

Increase 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.

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

Early 2019, the LDLC Group shut down the Maginea website after ten years of operation on the online decoration market. Following the closure, around 9 tonnes of miscellaneous items were donated to charity in March 2019, followed by a donation of around 5 tonnes in April 2019. The choice was made for the Secours Populaire Français collection centre in Pays-de-la-Loire, close to the Grandchamps-des-Fontaines warehouse that housed Maginea's inventory.

At the end of 2019, the LDLC Group decided to support the Lyon branches of two national organisations: *Sport dans la ville* and *Habitat et Humanisme* (donation of t-shirts and vinyl flooring).

Group operations generated 438.3 tonnes of waste during the 2019/2020 financial year, around 21% less than in 2018/2019.

2018/2019: 555t
2017/2018: 614t

Type of waste	Group volume (tonnes)	Group volume (tonnes) 2018/2019	Group volume (tonnes) 2017/2018
Paper, cardboard and shrink wrap	257.9	289.6	335.9
Wooden pallets	37.2	44.4	58
Non-hazardous waste	123.4	195.7	169.2
Special waste = liquids generated from maintenance of logistics chains	0.3	0	0.6
Waste electrical and electronic equipment (WEEE)	18.69	18.5	22.5
Agglomerated wood	0	6.2	4.4
Other	0.8	0.8	23.6
Total	**438.3**	**555.1**	**614.2**

KPI
• 71.79% overall LDLC Group recycling rate (% of waste recycled compared to total waste evacuated) in 2018/2019: 64.75%

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).

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 economical solutions and procedures.

Furthermore, employees are encouraged to adopt measures for cutting consumption.

Electricity is the primary cost and energy item. Electricity is used on all sites for lighting, air conditioning, computer hardware, order picking chains, fork lifts 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 the four Olys/BIMP buildings, while the Lyon store heating system and Grandchamps-des-Fontaines sprinkler system are both oil-powered.

Total energy consumption for the year was 7,531 MWh versus 7,493 MWh the previous year.

Energy consumption	Group consumption (kWh)	Group volume (tonnes) 2018/2019
Electricity	4,514,272	4,581,446
Gas	2,944,146	2,830,110
Domestic heating oil	72,635	82,123
Total	7,531,053	7,493,679

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, is in the process of obtaining BREEAM certification with a target rating of "VERY GOOD".

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. The Group has not conducted a carbon audit of its business activity.

Group greenhouse gas emissions are as follows:

999,670 kg CO_2eq

2018/2019: 978,755 kg CO_2eq
2017/2018: 779,015 kg CO_2eq

Promoting eco-friendly transport among employees

2 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, Groupe LDLC 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.

In September 2019, Groupe LDLC participated in a "car-sharing speed dating" scheme with several companies based in the Techlid business park.

Reducing CO_2 emissions from transport

Regarding transportation, the Group outsources all customer deliveries to recognised carriers, thereby benefiting from its partners' CSR initiatives. A portion of customer deliveries are carried by the French postal service ("La Poste"), which has the foremost voluntary carbon offset programme in Europe. Accordingly, all of its courier, parcel delivery, express and digital offers are guaranteed carbon neutral.

KPIs

- 63.42 kWh of electricity consumed per m² of area (versus 63.78 kWh in 2018/2019)
- 105.80 kWh of energy (gas, fuel oil and electricity) per m² of area (versus 104.33 kWh in 2018/2019)

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 service 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.com 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.

- **No** liability insurance claim incurred during the 2019/2020 financial year

22.5.2. Promote 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 and LDLC School are located;
- Saint-Quentin-Fallavier (Isère), where the Group's first logistics warehouse is located;
- Grandchamps-des-Fontaines (Loire-Atlantique), the historical base of Materiel.net, where a logistics warehouse is located;
- Gennevilliers (Paris area) more recently through the establishment of an LDLC Pro location.

Furthermore, the Group store chain largely consisting of franchises has locations in around 50 towns and cities in France. The Group's development strategy, particularly with regard to the LDLC store network, will strengthen its local presence by the end of 2020.

Through its locations and operations, Groupe LDLC indirectly contributes to the local employment market and economy via its service providers and suppliers.

In addition, the LDLC Group is continuing to support Blend Web Mix, a two-day web conference masterminded by La Cuisine du Web.

Supporting cultural initiatives and the local economy

The Group is strongly attached to its Lyon roots and seeks to support local and regional initiatives and projects, including the internationally renowned *Nuits de Fourvière* ("Fourvière Nights") cultural festival in summer.

As in previous years, the Group set up around 20 new partnerships and charity initiatives, some of which were instigated by employees. These initiatives help to boost LDLC'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.

Having sponsored the Villeurbanne ASVEL basketball club since 2012, the Group took a step forward by signing a ground-breaking naming contract with the club in September 2018, whereby the team is 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. Sharing the same values, in October 2019 Groupe LDLC reaffirmed its support for basketball in the City of Lyon. For a duration of four years, LDLC.com will combine its name with that of the Lyon ASVEL Féminin team, now renamed LDLC ASVEL Féminin.

Furthermore, the two entrepreneurs joined forces once again to include e-sport in the Academy's activities by creating a Team LDLC training centre. In September 2019, the Tony Parker Adéquat Academy launched an e-sport curriculum in which budding gamers receive e-sport training from the LDLC Team and follow courses at the Acadomia private high school that forms part of the Academy. As a follow-up to this adventure, in January 2020 LDLC Event, which operates Team LDLC on behalf of the LDLC Group, announced a partnership with the Olympique Lyonnais e-sport team. Team LDLC, which has an impressive track record in both national and international competitions, joined forces with the OL e-sport team to create the LDLC OL team, in order to reinforce its leadership on the French and worldwide e-sport 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.

Supporting education

In 2015, Group founder and 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.

As at 31 March 2020 the school had 38 students.

In 2020, LDLC renewed its commitment to the famous 4L Trophy rally, the largest sporting and inclusive student rally in the world, by supporting a team competing in order to fund educational and sporting equipment for the "*Enfants du Désert*" charity. The Group is proud of supporting this noble venture for the 9th year in a row: the event arouses curiosity, opens up new horizons and supports a humanitarian project.

KPIs

- 28% increase in the number of LDLC.com stores in France, up from 40 last year to 51 - 2018/2019 KPI: up 38%
- 66% of LDLC School graduates in September 2019 found employment at the end of their course - 2018/2019 KPI: 50%

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. Major 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 division is responsible for monitoring and handling alerts for all companies except OLYS/BIMP. While the OLYS/BIMP IT department manages its infrastructure in cooperation with an outside partner, operation is fully in line with the Group IT department infrastructure division. They use an IT system supervision solution and a solution for recording incident tickets.

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. IT departments are notified where applicable and 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.

KPI
- 96.72% software availability enabling critical business to be managed during the week from 01/04/2019 to 31/03/2020 - 2018/2019
- KPI: 100% from 26/04/2019 to 03/05/2019

22.6.2. Anti-corruption

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 (%)
European Union	77%
Non-EU	23%

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 automatically incorporated into all new contracts forwarded.

Finally, awareness-raising initiatives were organised again in 2019 in the departments deemed most at risk, including procurement. Other departments such as sales, general services and all positions deemed relevant by the compliance department were included in these initiatives. Awareness documentation will be updated in 2020 and new campaigns will be scheduled. The compliance department is to review the inclusion of other departments and positions in the awareness initiatives.

KPI

- 76.5% of buyers were briefed on the Sapin II Act during the last two years

22.6.3. GDPR compliance (General Data Protection Regulation)

The recent 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, Groupe LDLC 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. Groupe LDLC 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 has always 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.

The LDLC Group intranet portal features a GDPR section accessible to all employees (Olys employees can access the documents through their own system). This section contains all documents useful for understanding the GDPR, CNIL guides and other documents, which are periodically updated

The Group DPO and departmental officers met frequently during the year in order to help departmental officers establish a working file for monitoring their processing and to incorporate the principle of data protection into all projects. Groupe LDLC has drafted a data protection appendix for all of its contracts and a supplemental agreement for subcontractors.

This year, Groupe LDLC organised awareness-raising initiatives for department officers as well as other positions deemed relevant.

During 2019, Groupe LDLC changed its DPO, keeping an external DPO. Bluescreen, however, appointed an internal DPO.

KPI

- In 2020, 95% data protection officers (20 persons) have attended an awareness session on the connotations of the GDPR for the previous two years. Awareness sessions take place every two years.

22.7. OUTLOOK

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.

22.8. 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	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	**22.3.1.**
Quality of life at work: The working environment Relaxation, sport, concierge service: a wealth of services provided to employees Fostering staff cohesion Work-life balance	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: Develop and strengthen employee job skills Collaborative management: a driver of commitment, innovation and performance Develop BtoB skills Provide in-field support to the sales force in order to harmonise operations Guarantee 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 Increase voluntary waste collection Promoting the circular economy Controlling energy consumption Reducing consumption and emissions 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 Promote regional economic growth Supporting enterprise Supporting cultural initiatives and the local economy Supporting education	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.**

22.9. 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 2020.

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 (see Note 2.3 to the consolidated financial statements). 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 and Domimo 3, Nemeio, LDLC7, LDLC9, LDLC10, LDLC11, LDLC12, LDLC13 and Campus 2017.

Reporting period

Unless otherwise stated, reported figures relate to the financial year beginning on 1 April 2019 and ending on 31 March 2020.

Certain KPIs are based on the calendar year from 1 January to 31 December. These include:
- AGEFIPH contribution by applicable workforce
- Percentage of disabled employees 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 as at the closing date (31 March 2020), 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.

These indicators do not include Spain. 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 Spanish workforce is not included in the calculation of the absenteeism rate. The only absences taken into account are, on working days: illness, industrial or commuting accidents, unpaid absences, unjustified absences, absences pending justification and therapeutic part-time work.

Staff turnover

Spain is not included in the calculation of staff turnover. The workforce hired under permanent, fixed-term and work-study contracts are taken into account. Trainees and agents are excluded.

Disability

The calculation is based on the amounts stated in the annual DOETH declarations.

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.

Greenhouse gas emissions

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). The Group vehicle fleet is too small to be worth including in the total GHG emissions record.

Consumer safety

This indicator was created this year.

IT system incidents

The software is not used by Olys/BIMP. Last year, 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.

CHAPTER 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 31 March 2020

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In 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 hereby report to you on the consolidated non-financial statement for the year ended 31 March 2020 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for 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.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are available on request from the entity's head office.

Independence and quality control

Our independence is defined by Article L.822-11-3 of the French Commercial Code and by our Professional Code of Conduct. Furthermore, we have implemented a system of quality controls that includes documented policies and procedures designed to verify compliance with ethical requirements, applicable laws and regulations and professional standards.

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 information 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 (hereinafter the "Information").

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 nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

Our work described below was carried out in accordance with the requirements of Articles A.225-1 et seq. of the French Commercial Code, the professional standards of the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) in relation to this assignment and ISAE 3000[2]:

- 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 ;

[2] *ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.*

- 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. Our work was carried out in the consolidating entity Groupe LDLC.
- 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 techniques, 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 and covers between 64% 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.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion.

A higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of 5 people between October 2019 and April 2020 and took a total of 3 weeks.

We conducted 8 interviews with people responsible for preparing the Statement, representing in particular, administration and finance, legal, human resources, health and safety, environmental departments

Conclusion

Based on the procedures performed, 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.

Comments

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- The LDLC Group has started work enabling it to assess the carbon impact of its activities in response to the risks of climate change and emissions into the air and will therefore be able to set and publish during the next year a target of reduction of its greenhouse gas emissions in the medium and long term.

Villeurbanne, 18 June 2020

The independent third-party organization

Mazars SAS (Lyon)

Séverine Hervet Partner	Nicolas Dusson Partner, Technical Director

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 Extraordinary General Meetings of 28 September 2012, 30 September 2016 and 27 September 2019 to grant 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 11 adopted by the General Meeting of 28 September 2012, Resolution 19 adopted by the General Meeting of 30 September 2016, Resolution 16 adopted by the General Meeting of 27 September 2019 and pursuant to Articles L.225-197-1 to L.225-197-6 and L.225-129-2, paragraph 3 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 24 June 2013, 28 March 2014, 9 July 2014, 30 September 2016, 29 June 2017, 13 November 2017 and 23 February 2018, the Management Board unanimously decided to grant existing Company bonus shares under the following terms.

No operation of this kind took place during the financial year ended 31 March 2020.

Date of General Meeting	**28/09/2012**	**28/09/2012**	**28/09/2012**	**30/09/2016**	**30/09/2016**	**30/09/2016**	**30/09/2016**
Date of Management Board meeting	**24/06/2013**	**28/03/2014**	**09/07/2014**	**30/09/2016**	**29/06/2017**	**13/11/2017**	**23/02/2018**
Total number of bonus shares granted (to):	11,494	137	161,746	1,500	10,000	2,000	70,000
Philippe Sauze (1)	11,494	0	160,924	0	0	0	0
Vesting date	23/06/2015	28/03/2016	(2)(3)(4)	30/09/2018 (8)	(9)	13/11/2019 (11)	(12)
End of lock-in period	23/06/2017	28/03/2018	(5)(6)(7)	01/10/2020	(10)	14/11/2021	(13)
Number of shares acquired at 31 March 2020	11,494	137	161,746	1,500	1,000	2,000	10,000
Total number of shares cancelled or expired	None	None	None	None	None	None	35,000
Bonus shares outstanding at year-end	None	None	None	None	9,000	None	25,000
Share value (closing price on allotment date)	€9.68	€22.32	€17.10	€33.30	€28.49	€19.55	€17.94
Value of shares (€) according to the method applied to the 2019/2020 consolidated financial statements (14)	None	None	11,670.92	None	46,459.84	13,242.28	248,475.71

(1) These bonus shares were granted to Philippe Sauze in his capacity as Deputy Chief Executive Officer and Company employee responsible for sales, Internet and marketing. Philippe Sauze is no longer a member of the Management Board as of 29 November 2017.

(2) Philippe Sauze will acquire his bonus shares at the end of vesting periods defined as follows by the Management Board:

- *Tranche 1 (28,736 shares): 2 years, expiring midnight 8 July 2016,*
- *Tranche 2 (40,231 shares): 3 years, expiring midnight 8 July 2017,*
- *Tranche 3 (40,231 shares): 4 years, expiring midnight 8 July 2018,*
- *Tranche 4 (51,726 shares): 5 years, expiring midnight 8 July 2019.*

(3) Other plan beneficiaries will acquire their bonus shares at the end of a two-year vesting period expiring midnight 8 July 2016.

The Management Board decided to waive the presence condition applicable to Philippe Sauze (i.e. that he must still be an employee of the Company) on the tranche 3 and 4 vesting dates in respect of the remaining 91,957 bonus shares to be vested.

(4) However, in accordance with the last paragraph of Article L.225-197-3 of the French Commercial Code, if the beneficiary dies during the vesting period, his or her heirs may request vesting of the shares within six months of his or her death.

Likewise, if a beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code, the beneficiary may request vesting of the shares before the end of the vesting period.

(5) Pursuant to the Management Board's decision, bonus shares acquired by Philippe Sauze are subject to a two-year lock-in period beginning on the vesting date of each tranche:

- *Tranche 1: 2 years, expiring midnight 8 July 2018,*
- *Tranche 2: 2 years, expiring midnight 8 July 2019,*
- *Tranche 3: 2 years, expiring midnight 8 July 2020,*
- *Tranche 4: 2 years, expiring midnight 8 July 2021.*

(6) Pursuant to the Management Board's decision, bonus shares acquired by other beneficiaries are subject to a two-year lock-in period beginning on the vesting date, i.e. midnight 8 July 2018.

(7) By way of exception, if a beneficiary dies during the lock-in period, his or her heirs shall be entitled to sell or transfer the relevant shares. The same applies if a beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

(8) Bonus shares shall only vest provided that the beneficiaries are still employed by the Company on the vesting date.

(9) 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, 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.

(10) 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.*

(11) 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.

(12) 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, as at the Tranche 1 vesting date, the beneficiary has been 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, as at the Tranche 2 vesting date, the beneficiary has been 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 3 bonus shares shall only vest provided that, as at the Tranche 3 vesting date, the beneficiary has been 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.*

However, 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.

(13) 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.
Likewise, if the beneficiary dies, his or her bonus shares may be freely sold or transferred in accordance with Article L.225-197-3 of the French Commercial Code.
(14) For further information, see Note 4.2 to the consolidated financial statements in Section 18.1.

2. Bonus shares granted to 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, no bonus shares were granted by the Company, by related companies as defined by Article L.225-197-2 of the French Commercial Code or by controlled entities as defined by Article L.233-16 of the French Commercial Code to any of these corporate officers in respect of offices and duties exercised within the Company.

3. Bonus shares having vested to corporate officers, granted 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, no bonus shares were vested by the Company, by related companies as defined by Article L.225-197-2 of the French Commercial Code or by controlled entities as defined by Article L.233-16 of the French Commercial Code to any of these corporate officers in respect of offices and duties exercised within the Company following expiry of the vesting period.

4. 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 2020, no bonus shares were granted by the Company or by related companies or groups as defined by Article L.225-197-2 of the French Commercial Code to any of the ten non-director Company employees granted the highest number of bonus shares.

5. Bonus shares having vested to the ten non-director Company 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

The table below presents the amount and value of bonus shares having vested during the year (expiration of vesting period) to the ten non-director Company 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.

Group companies concerned	Allotment date	Number of employees concerned	Number of shares vested	Share value (closing price on allotment date)
Groupe LDLC	29/06/2017	1	1,000	€28.49
Groupe LDLC	13/11/2017	3	2,000	€19.55
Groupe LDLC	23/02/2018	1	10,000	€17.94
			13,000	

CHAPTER 25. TOTAL AMOUNT 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.225-114-4 OF THE FRENCH COMMERCIAL CODE

The total amount paid (direct or indirect compensation) to the ten highest paid persons in the Company during the year ended 31 March 2020 amounted to €1,262,945.

Limonest, 18 June 2020

Olivier Villemonte de la Clergerie
Chief Executive Officer

25.2. STATUTORY AUDITORS' ATTESTATION ON THE INFORMATION COMMUNICATED IN ACCORDANCE WITH THE REQUIREMENTS OF ARTICLE L. 225-115 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 31 MARCH 2020

(Annual General Meeting held to approve the financial statements for the year ended 31 March 2020)

This is a free translation into English of the Statutory Auditor's attestation issued in French and is provided solely for the convenience of English-speaking readers. This attestation should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders of GROUPE LDLC,

In our capacity as statutory auditors of your company and in accordance with the requirements of article L. 225-115 4° of the French commercial code (Code de commerce), we have prepared this attestation on the information relating to the total amount of remuneration paid to the highest-paid employees for the year ended 31 March 2020 contained in the attached document.

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 31 March 2020. 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 31 March 2020.

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 €1 262 495, and the books of account used as the basis for preparation of the annual financial statements for the year ended 31 March 2020.

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.

Lyon and Villeurbanne, 18 June 2020

The Statutory Auditors	
CAP Office	MAZARS
Rémi Charnay	Pierre Beluze Séverine Hervet

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 2020 was €216,761.

Limonest, 21 July 2020

Olivier Villemonte de la Clergerie
Chief Executive Officer

26.2. CERTIFICATE OF THE STATUTORY AUDITORS ON THE INFORMATION PROVIDED IN THE CONTEXT OF ARTICLE L.225-115-5 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 31 March 2020)

This is a free translation into English of the Statutory Auditor's certificate issued in French and is provided solely for the convenience of English-speaking readers. This certificate should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

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 31 March 2020.

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 31 March 2020. 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 31 March 2020.

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 two hundred and sixteen thousand seven hundred and sixty-one euros (€216 761), and the books of account used as the basis for preparation of the annual financial statements for the year ended 31 March 2020.

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.

Lyon and Villeurbanne, 21 July 2020

The Statutory Auditors	
CAP Office	MAZARS
Rémi Charnay	Pierre Beluze Séverine Hervet

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 Annual Report (Article 4.2.1 of Euronext Growth market rules).

√ Information comprising the Management Report (Articles L.225-100 et seq. of the French Commercial Code).

Annual Report cross-reference table

Annual Report		URD chapter/section	Page
2	Management Report	See table below	See table below
4	Consolidated financial statements	18.1	126
5	Statutory auditors' report on the consolidated financial statements	18.2	178
7	Company financial statements	18.3	181
8	Statutory auditors' report on the Company financial statements	18.4	207

Management Report cross-reference table

Annual Management Report		URD chapter/section	Page
1	Company financial position and business during the financial year ended	5 & 18	39/126
2	Analysis of financial statements and earnings	7, 8 & 18	52/71/126
3	Appropriation of earnings	18.8	211
4	Non tax-deductible expenses	18.9	211
5	Dividends paid	18.7.1	210
6	Main risks and uncertainties facing the Company / Company's use of financial instruments	3	30
7	Trade receivables and payables aging balance	18.10	212
8	Research and development activities	7.6	69
9	Forecast changes and outlook	5 & 10	39/83
10	Material post-balance sheet events	7.7 & 10	70/83
11	Employee share ownership at financial year-end	15.3	119
12	Corporate governance	14.5	104
13	General information on corporate officers	12 & 14.5	90/104
14	Compensation, retirement benefits and other annuities paid to corporate officers	13 & 14.5	93/104
15	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	13.3	101
16	Revenues of subsidiaries and controlled companies	6 & 7.5	50/59
17	Significant interests acquired in companies registered in France, takeovers of such companies or disposal of such interests	6.3	51
18	Information on shareholder structure and treasury shares – Share buyback programme	16 & 19.1.3	120/215
19	Changes in the share capital during the financial year	19.1.1	215
20	Share performance – Share price risk	16 & 3	120/30
21	Delegations of power or authority to perform capital increases	14.5	104
22	Table of results of the past five years	18.11	213
23	Supervisory Board report on corporate governance	14.5	104
24	Statutory auditors' report on the Supervisory Board report on corporate governance	14.6 & 18.4	117/207
25	Statement of non-financial performance	22	223
26	Independent third-party body report on the statement of non-financial performance	23	249
27	Special report on allotment of bonus shares (Article L.225-197-4, French Commercial Code)	24	251

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