Commitment

GROUPE LDLC

UNIVERSAL REGISTRATION
DOCUMENT
2021/2022

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

"The daily commitment of all will enable each one of us to advance and help build a shared and sustainable vision."

A COMMITTED GROUP

Above all, the LDLC Group is a thrilling human adventure. Today, we are among the pioneers of the four-day week, an important milestone for the Group and its employees. Commitment is central to the promise we make to all our customers and stakeholders.

Our DNA combining passion, innovation and commitment is shared with our employees and guides our actions on a daily basis. It allows us to adapt with flexibility and tackle new challenges every day in order to offer a range of products and services that match the expectations of individual and professional customers alike.

Deeply rooted in a customer base of tech fans, we are currently entering a new cycle of conquest and growth with the aim of becoming the go-to high-tech supplier for a broader public. Driven by this determination to further enhance our reputation, we will strengthen our leadership in omnichannel retail of high-tech products on the French market in order to position ourselves as a key player on the European scene.

THE LDLC GROUP

IN FIGURES

31 MARCH 2022

€684.9M

2021/2022
REVENUES

1,070

EMPLOYEES

42,000 M²

DEDICATED LOGISTICS
PLATFORM

15

RETAIL BRANDS
INCL. **7**
COMMERCIAL
WEBSITES

6

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

> 50,000

LISTED PRODUCTS

94

STORES INCL.
78 LDLC
STORES
IN FRANCE
(**62** LDLC & **16** LDLC APPLE STORES)
9 MATERIEL.NET STORES
7 L'ARMOIRE DE BÉBÉ STORES

1,500

HIGH-TECH PARTNER
BRANDS

UP TO
25,000

PARCELS/DAY

5,200,000

FOLLOWERS
ON SOCIAL MEDIA

"The LDLC Group nurtures bold ambitions and has the necessary resources to continue investing in growth."

Once again, the Group achieved a strong operating and financial performance this year, with revenues of nearly €685 million and EBITDA of €58.4 million. Although these indicators were down compared to the record levels achieved the previous year, they are a significant improvement on pre-crisis levels. As consumers have reverted to more normal behaviour over the last six months, the Group has been able to confirm the strength of its fundamentals and the relevance of its business model.

Resolutely committed to our stakeholders, we have strived to improve employee well-being by successfully implementing a four-day week and a responsible wage policy. We also wanted to reward our shareholders through a dividend policy and share buyback plan.

Encouraged by its healthy, cash-generating financial position, the LDLC Group nurtures bold ambitions and has the necessary resources to continue investing in growth. The Group is seeking to confirm its positioning as a high-tech specialist for a broader public. Our enhanced reputation will enable the LDLC Group to become a major player on the French market for a diversified customer base comprising both individual consumers and professionals.

Olivier de la Clergerie
LDLC Group CEO

STRONG AND COMMITTED BRANDS UNDERPINNING

THE LEADING FRENCH ONLINE HIGH-TECH RETAILER

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

With shared & optimised back-office functions

IT SYSTEMS	SOURCING AND LISTING	LOGISTICS

** LDLC Apple Premium Reseller (formerly BIMP)*

Seven L'Armoire de Bébé stores covering the whole of France offer advice and sell childcare products.

THE LDLC BRAND TARGETS A BROADER PUBLIC

The reputation of all the Group's brands is now firmly established beyond all doubt. For many years now, IT geeks and gamers have been won over by the product ranges, advice and quality of service (customer relations, customer service, etc.) offered by the Group's three main high-tech retailers: LDLC, Materiel.net and TopAchat. Each brand has its own positioning that allows it to offer an appropriate response to the needs of its target customer segment.

Backed by the Company's growing reputation, further enhanced by its four-day week and appearance on the "Patron Incognito" TV programme, the Group now intends to leverage the LDLC brand to appeal to a broader public.

The brand has everything in its favour: customer listening and advice, a chain of over 80 LDLC stores offering proximity and flawless customer service, and a product offering carefully tailored to the most varied requirements ranging from everyday home use to intensive online gaming.

To achieve this goal, last May the Group launched its first ever nationwide TV advertising campaign. The three-phase campaign used humour and self-mockery to depict a family struggling with computer technology. So don't forget, "LD, she knows!" [A play on words based on the letters 'LC', which in French are phonetically equivalent to the phrase 'Elle sait', 'She knows'.]

May 2022: LDLC goes on TV with over 720 adverts during the first month of broadcast.

L'ARMOIRE DE BÉBÉ STRENGTHENS ITS POSITION IN THE CHILDCARE SECTOR

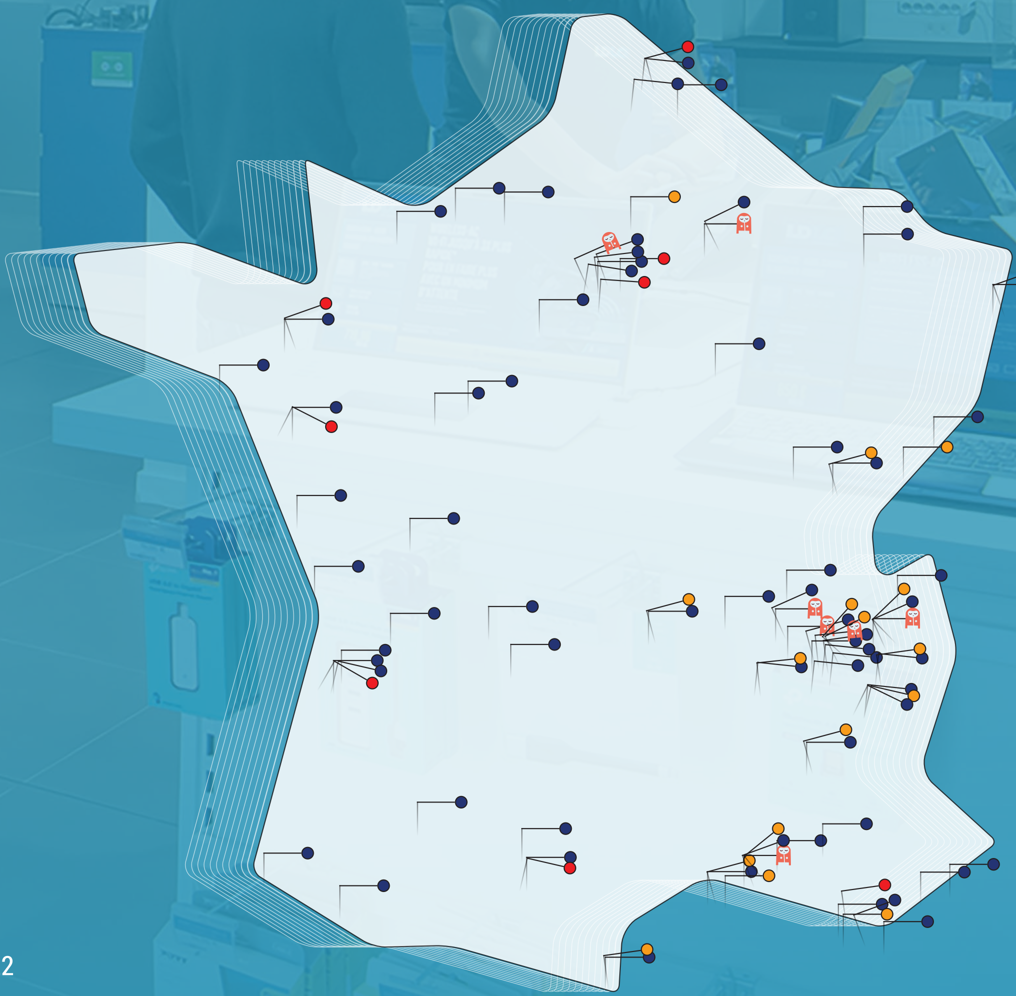
Launched in May 2015, since 2020 L'Armoire de Bébé has enjoyed booming sales thanks to the considerable enhancement of its online reputation and the opening of new stores. The brand has adapted the LDLC Group's high-tech sector business model to its own market segment: carefully selected products designed to meet parents' expectations, attentive customer relations both in stores and online and, of course, an omnichannel approach.

The brand currently has seven stores. In addition to its long-standing stores in Limonest (Rhône) and Orgeval (Yvelines), L'Armoire de Bébé opened five retail outlets during the 2021/2022 financial year, including out-of-town stores (380-500 m²) in Epagny Metz-Tessy (Haute Savoie) opened in April 2021, Nîmes (Gard) in May 2021 and Cormontreuil (Marne) in March 2022. L'Armoire de Bébé has also chosen to roll out a city-centre format (70-100 m²) that has been serving brand adepts in Villefranche-sur-Saône (Rhône) since September 2021 and Lyon's Croix-Rousse district since February 2022.

LOCAL COMMITMENT TO OUR CUSTOMERS

For over ten years, the Group has pursued a strategy of combining online retail with physical store chains (brand stores and franchises).

With 97 stores at 31 May 2022 including all brand outlets, the Group is omnipresent throughout France providing customers with a local service through its physical store chains. The high-tech sector comprises 65 LDLC stores, 16 LDLC Apple stores ("Apple Premium Reseller", under the BIMP brand until 2021) and nine Materiel.net sales outlets.



31 May 2022

- LDLC STORES
- MATERIEL.NET CONCEPT STORES
- LDLC APPLE PREMIUM RESELLER STORES (FORMERLY BIMP)
- L'ARMOIRE DE BÉBÉ STORES

ALSO SERVING CUSTOMERS
ON SOCIAL MEDIA

In 2022, LDLC obtained the Customer Service of the Year award, topping the rankings in the Technical Product Retail category* for the eighth year in a row with a score of 19.24/20.
LDLC's 60 advisers work tirelessly to make sure customers receive the best possible advice, handling nearly 550,000 requests per year. They excel particularly on social media, with a response rate of 100% and an average message response time of only 35 minutes! The chat service, a channel that is still emerging in customer relations, also scored well with a response time of only 34 seconds.

**Technical Product Retail category - BVA Group survey - Viséo CI - Read more at escda.fr*

MEET

Harry de Lépine,
CEO of LDLC Distribution

Over 10 years ago, LDLC adopted an omnichannel retail model. What contribution does the store chain provide nowadays?
Our stores provide genuine local services. They allow our customers to find the product they need among the 1,300 products on offer (on average) in each store, as well as a variety of services ranging from expert advice to equipment repair.
Believe it or not, some of our customers spend thousands of euros on a computer. For this reason, they need to talk to our advisers to refine their choice and identify the configuration best suited to their needs. Every day, our advisers do their utmost to ensure that each customer leaves with the right product under their arm. This is the brand mindset that pervades our network!
Our stores are also an excellent showcase for the LDLC brand. A store customer may become an online customer, and vice versa.

How is chain management organised? What role does LDLC Distribution play?
LDLC Distribution currently has a team of 18 employees working to develop the chain, plus 10 people working in store customer service. The aim is not only to grow the chain by seeking opportunities to open new stores, but also to ensure the smooth running of stores, whether we're talking about branches, subsidiaries or franchises.
When a new store opens, managers receive support with staff recruitment and then follow a five-week training course. The stores benefit from centralised marketing and communication services within the team, receiving advice on product ranges, seasonal special offers (Christmas, etc.) and communication campaigns (social media, displays, etc.). Our network coordinators are responsible for liaising and ensuring store profitability. They regularly visit the stores.

How do you see the store chain developing over the next few years?
We have bold ambitions for the years ahead, starting with around 20 new stores opened by the end of the current financial year. While the store chain has so far been expanded with new franchises, in this latest phase of expansion we're planning to increase the number of brand stores as this seems to be a more appropriate way of plugging gaps (geographical opportunities) and ensuring rapid deployment.
Besides opening new stores, we aim to enhance the appeal of our stores among a broader public by highlighting our services and advisory role. To achieve this, we are looking to strengthen the brand and train our advisers to deal with less knowledgeable customers. We also want to increase the BtoB share of store revenues.

LOGISTICS
SERVING GROUP OPERATIONS

Installation of automated systems at the new warehouse in Saint-Quentin-Fallavier

With nearly 100 stores to supply and thousands of orders received every day, logistics is a key source of operational excellence for the LDLC Group.

Fully integrated within the LDLC Group, three logistics platforms in Saint-Quentin-Fallavier, Grandchamp-des-Fontaines and Gennevilliers enable optimal coverage of deliveries in France. Spanning some 42,000 m², this key activity is performed every day by over 200 employees committed to supplying Group stores and customers as quickly and efficiently as possible.

Goods-in, storage and delivery are managed using a proprietary IT system designed to optimise storage space and platform efficiency.

The new Saint-Quentin-Fallavier warehouse

> 27,500 m²
surface area
(+ 600 m² of offices)

12 m
clearance height

45
loading bay doors + 2 ground-level entrances

178
parking lots for cars

late 2022 early 2023
phased commissioning

Given your involvement in managing Group logistics, how do you see your role in developing the activity?
In the logistics world, no news is good news. Our department's job is to support inbound and outbound flows as best we can to ensure transparency for staff and end customers alike. We manage around a generous month's share of revenues in terms of inventory value on our platforms. It is essential that products can be integrated quickly and shipped without delay as soon as they are sold.
While we're not aiming at becoming the champions of express delivery, we're very careful about sticking to promised delivery times. Although customers aren't necessarily looking for 24-hour delivery, they do expect their product to arrive by the specified date. In the rare cases where we are unable to do so, it is essential to notify the customer in order to maintain the trust relationship.

The Group is investing in a new warehouse to replace the existing facility in Saint-Quentin-Fallavier. Why this choice, and what are you expecting from the new platform?
The current facility dates back to 2005. Since then, the Group has grown considerably. We are reaching saturation on this site. The new warehouse is designed to support business growth, particularly the expansion of the store chain. We expect to increase efficiency while optimising costs and impact.
Using the latest technologies, with improved use of height and narrower aisles, the warehouse has double the storage space and uses extensive automation for low-volume products, which account for a large proportion of our sales. All of these features will enable us to significantly increase parcel preparation efficiency while improving operator working conditions. For example, we should be able to process all Black Friday orders on a single day without having to hire temps.

The LDLC Group pays close attention to its social and environmental impact. How have these factors been incorporated into this project?
We wanted the new warehouse to be environmentally friendly and to help improve quality of life at work for the logistics teams. The site has obtained BREEAM certification, which assesses the performance of a building based on ten environmental and social criteria (management, well-being and health, energy, transport, materials, water, waste, landscape and environment, pollution and innovation). A third of the building is covered with solar panels in order to prioritise green energy. The site's operation was designed to optimise packaging (fewer cardboard boxes) and densify flows in order to optimise road transport (fewer trucks).
We've also worked hard to improve working conditions. Among other things, automation has allowed us to minimise tiring and time-consuming movements. In addition, mobile shelving makes it easier for operators to access products. In addition to workstations, we have also set up relaxation areas for employees.

INTERVIEW

with Rémi Helmstetter,
Director of Rhône-Alpes logistics facilities

"Although customers aren't necessarily looking for 24-hour delivery, they do expect their product to arrive by the specified date."

“Pragmatic thinking, bold targets and tangible achievements.”

Olivier de la Clergerie

CSR, AN INTEGRAL PART OF CORPORATE CULTURE

The LDLC Group is first and foremost a family business determined to contribute towards global issues and tackle the challenges of sustainable development through pragmatic thinking.

In keeping with the values that underpin the Company’s success, the LDLC Group is fully aware of its role in its ecosystem. For many years, it has been conducting initiatives among all stakeholders with a view to responsible and sustainable development.

11

This approach is in line with the United Nations Sustainable Development Goals (SDGs), of which the Group has chosen 11 to focus on.

The Group has set up a cross-departmental CSR working group comprising representatives of the legal, HR, payroll and QHSE departments and senior management. Together, they regularly analyse the Group's non-financial risks and challenges in order to adapt its policy and reporting practices.
Group CSR policy focuses on three areas: employee well-being, the environment and regional development.

EMPLOYEE WELL-BEING

As people are its primary asset, employees are the focal point of the LDLC Group's CSR policy. The Group is committed to improving well-being at work via a holistic approach including safety, quality of life, respect for diversity and developing each employee's skills.

THE ENVIRONMENT

The LDLC Group helps to combat climate change by minimising its impact on the environment as much as possible. Since 2021, the Group has been working alongside the Time for the Planet civic initiative.

Time for the planet

REGIONAL DEVELOPMENT

Historically based in the Auvergne-Rhône-Alpes region, the LDLC Group now operates all over France via its logistics facilities and stores. Through its regional network, partnerships and sponsorship initiatives, the Group supports local economies, enterprise, culture and education.

PEOPLE ARE THE FOCAL POINT OF OUR CORPORATE VISION

The Group has grown by making people the focal point of its strategy. Over many years, management has been committed to the continuous improvement of working conditions, aware that the Group's performance is based on constructive and innovative relations with the workforce and the commitment of each employee.

The Group has led an unrelenting drive to combine well-being at work and collective performance through the introduction of a four-day, 32-hour week and a series of measures designed to foster collaborative management and reshape thought patterns for an increasingly harmonious experience.

FEEDBACK ON THE FOUR-DAY WEEK

In January 2021, the Group introduced a four-day, 32-hour working week. The idea of this arrangement was to guarantee employees a better work-life balance.
This ground-breaking step has produced excellent results in keeping with its initial goal: employees are more rested and more motivated. Contrary to its expectations, the Group has not needed to hire more people: staff have achieved in 32 hours what they used to achieve in 35 hours. It's a win-win situation!

97%
are satisfied and don't want to turn back.

2%
find the system interesting but not relevant to them personally.

1%
would like to go back to the previous arrangements, feeling that the system lacks flexibility. These employees would prefer fewer days off but greater flexibility.

"The four-day week has had a clear impact on work-life balance. The new system has also forced us to work differently, particularly in pairs, and strengthen collaboration. This has had a highly positive impact on the quality of our relationships: we're all moving forward together in a calm atmosphere."
Carine B.

I have one day to get stuff done, DIY, sport and I can fetch my children from school once a week. It's great! In the warehouse, this has really improved relations between colleagues. Everyone is more relaxed and we find it easier to talk about what we do outside work - this is a rallying point for the teams.

Sylvain V.

AN ENVIRONMENT CONDUCIVE TO FULFILMENT

The LDLC Group seeks to support its staff both individually and collectively in order to enhance their skills and performance.
In particular, it places great importance on developing its employees. Besides supporting employees' professional development through training and internal promotion, the Group also helps foster their personal development by providing them with skills that will serve them throughout their working lives.
In addition, the Group is conducting a number of initiatives in a constant endeavour to improve quality of life at work and build constructive industrial relations. These initiatives are rolled out at different levels: respect for everyone's point of view, proactive listening by management to encourage employee initiative, adaptation of workspaces to make them more pleasant and comfortable (relaxation rooms, gyms, concierge services, etc.).
The result is a strong commitment by employees to the Company, as shown by the low absenteeism rate (3.49%).

Key figures

95.9%
permanent contracts

4
day week

89/100
gender equality index
(Groupe LDLC)

11%
staff turnover
(vs 17% in 2020/2021)

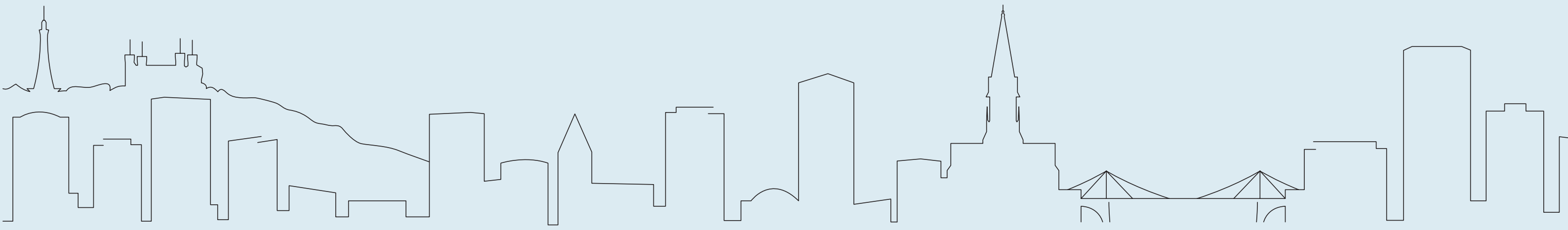
The LDLC Group obtained Great Place to Work certification for the second year running!
For the second year running, LDLC was voted a Great Place to Work. And this is no accident, as for several years the Group has paid particular attention to employee well-being at work and has the results to show for it:

89%

of employees stated that their company is a good place to work! Meanwhile, the rate of positive responses surged seven percentage points from last year to reach 78%.

A PARTNER TO ITS ECOSYSTEM

The LDLC Group pursues a proactive sponsorship policy, thereby providing support to its ecosystem, particularly local communities, and disseminating its values among society. This policy is also an essential means of rallying employees together behind tangible, meaningful initiatives and helping to extend the Group's reach.



SUPPORTING

ART IN ALL ITS FORMS

In view of its contribution to well-being and education, culture is one of the LDLC Group's key areas of focus in terms of sponsorship. For the 2022/2023 financial year, the Group has renewed its support for four leading lights on the Lyon cultural scene: the Théâtre des Célestins, Lyon Opera, its long-standing partner the Nuits de Fourvière festival and the Auditorium concert hall that is home to the Lyon National Orchestra. The Group also supports the Festival Lumière, a major event in the Lyon cultural calendar devoted to the cinema, and the Ninkasi endowment fund, which aims to promote cultural innovation and make contemporary music accessible to as many people as possible.
Gastronomy, a major part of Lyon's culture, also benefited from the Group's support, with LDLC choosing to partner the Bocuse d'Or Social Commitment Award, which recognises social commitment in areas related to food (food aid, meal distribution, waste prevention, etc.).

PROMOTING

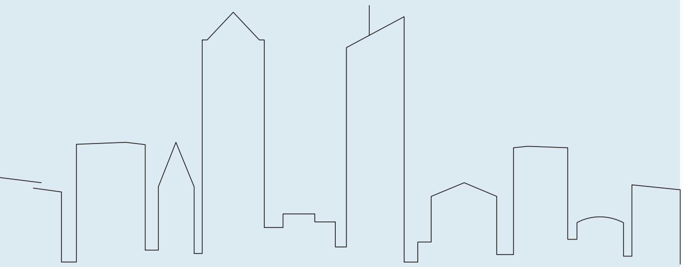
DIVERSITY THROUGH SPORT

At the centre of the Group's DNA, sport rallies together employees and citizens alike around essential values such as inclusion and diversity. Since 2021, LDLC OL has worked alongside Handicap International to raise awareness of disability among e-sports players. In this context, the first streamed gaming tournament was organised between influencers and players with disabilities. Players without disabilities were given a motor or sensory handicap as the game progressed, to enhance their awareness on the subject. This partnership is also displayed on the jerseys worn by the LDLC OL team.

Another example of this commitment is LDLC's support for French para table tennis champion Florian Merrien, an athlete with an impressive track record. In 2008, he was team champion at the Beijing Paralympic Games. He won a number of medals at the last Paralympic Games, including the Bronze team medal. The LDLC Group has been sponsoring Florian Merrien for two years and follows him in his various projects, both sporting and otherwise!

It was logical that the LDLC Group should have its own foundation. Our action to promote well-being at work and sponsorship convinced me that we had our own contribution to make.

Jocelyne Verlet,
Logistics and Customer Relations Director (Nantes) and instigator of the corporate foundation project



FONDATION GROUPE LDLC
SOUS L'ÉGIDE DE LA FONDATION DE FRANCE

CONTRIBUTING

TO THE FIGHT AGAINST CLIMATE CHANGE

Keenly aware of the climate emergency, the LDLC Group is convinced that enterprise is the key to finding concrete and innovative solutions to environmental issues. In order to support future project leaders, in 2021 it partnered with Time for the Planet, a non-profit fund set up by young Lyon-based entrepreneurs whose aim is to finance 100 companies committed to combating climate change. The fund's initiatives have global reach and focus on reducing greenhouse gas emissions.

Towards the end of 2021, the Group also decided to sponsor born-again yachtsman Jean Marre in his bid to complete the Mini Transat race under the banner of Time for the Planet. This solo race in keeping with the fundamental precepts of the sailing community is a perfect opportunity to highlight the challenges of protecting the planet and the values of enterprise embodied by the fund and the LDLC Group.

Time for the planet

CREATE

CORPORATE MOMENTUM THROUGH SOCIAL COMMITMENT

Committed to rallying all of its people behind its sponsorship initiatives, in 2021 the LDLC Group launched the "DoubleTonDon" scheme. Under the scheme, any charity donation of at least €20 by an employee is matched by the Company. The scheme will continue in 2022 and 2023 and has been renamed "TripleTonDon", with the Company tripling the donation made by the employee. As a result, nearly €7,000 has been donated to around 30 charities in only a few months.

In December 2020, at the initiative of its employees, the LDLC Group created its own corporate foundation under the aegis of Fondation de France with the aim of involving employees even further in its social initiatives. Employees were involved as soon as the project was developed, choosing two areas of focus through an internal survey: the "environment" and "education and the family". Employees also submit projects to the Groupe LDLC Foundation Executive Committee, on which they are generously represented. Seven initiatives have already been supported since its inception.

THE MINDSET OF A CHAMPION

PIONEER

OF E-SPORTS, LDLC OL IS CONTINUING ITS WINNING TRAJECTORY

Created on 16 August 2010 as Team LDLC and renamed LDLC OL in 2020, the team is France's oldest active e-sports team. With a trophy cabinet boasting over 180 national and international victories won in over 10 years across over a dozen disciplines, LDLC OL has trained over 30 current professional international gamers.

In 2020, the LDLC OL professional e-sports team, which competes in FIFA games, League of Legends, Counter Strike, Fortnite, WRC and other forthcoming disciplines, took up residence in a brand new 1,000 m^2 e-sports centre in Lyon, a stone's throw from Gerland stadium. The site is also home to the team's training centre in association with the Tony Parker Adéquat Academy.

The team plans to develop an e-sports 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.

The dream team

In May 2020, LDLC OL became European champions by winning the League of Legends European Masters, beating Poland's K1CK team in the final by 3-0.

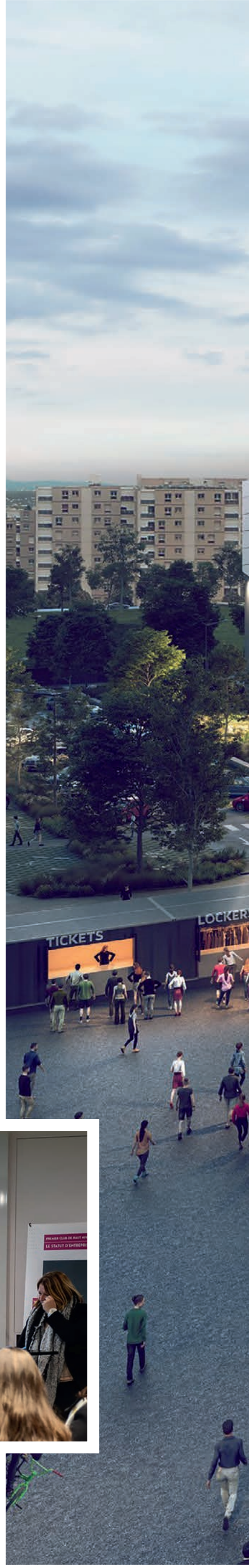
In April 2022, LDLC OL won the LFL Spring Split 2022, thereby qualifying for the EU Masters, the League of Legends Professional European Championships, sadly losing in the final.

A DECADE

ALONGSIDE LDLC ASVEL

A partner of the club since 2012, the LDLC Group has been constantly strengthening its ties with the legendary Astroballe club, which has won more titles than any other men's basketball team.
In 2019, LDLC signed a naming partnership with the club, the first of its kind for this sport. A year later, the LDLC Group expanded its scope of action by supporting the women's team, renamed LDLC ASVEL.
Already active in the field of corporate social responsibility, in 2022 the LDLC ASVEL women's basketball club became the first high-level sports club to adopt French "company with a mission" status, thereby affirming a mission in keeping with the club's values of inclusion and excellence: LDLC ASVEL Féminin places its passion at the service of the community so that each girl and woman can fulfil her dreams and be the master of her own destiny.
The club wants to move the goalposts in professional sport and become a paradigm of civic engagement geared towards the achievement of women. A focus will be placed on initiatives to combat stereotypes and promote individuality.

LDLC ASVEL Féminin presents its mission to the press.



THE LDLC ARENA

Future venue for major cultural and sporting events.

Already deeply committed to sport and culture, in December 2021 the LDLC Group signed an agreement on the naming of the future OL Group event hall in Décines for a period of eight years following the commissioning of this landmark venue.

A European benchmark in terms of technology and the environment, the Arena will be the largest event space in France outside Paris with capacity of 12,000-16,000 people depending on the configuration (concert, show or sport). Drawing on the latest innovations in connectivity and user experience, the LDLC Arena is expected to host 100-120 events per year.

It is destined to become a leading entertainment venue offering shows and concerts by international artists and a sports area that will host Euroleague basketball matches and other sports competitions, including e-sports.

Non-contractual image © Populous.

MAIN FINANCIAL INDICATORS

Summary income statement (1 April - 31 March)

€m - audited figures	2021/2022	H1 2021/2022	H2 2021/2022	2020/2021	Change (€m)
	12 months	6 months	6 months	12 months	12 months
Revenues	**684.9**	**333.5**	**351.4**	**724.1**	**-39.2**
Gross margin	**154.3**	**76.9**	**77.4**	**162.9**	**-8.6**
Gross margin rate (%)	22.5%	23.1%	22.0%	22.5%	-
EBITDA[1]	**58.4**	**30.7**	**27.7**	**70.0**	**-11.6**
EBITDA margin (%)	8.5%	9.2%	7.9%	9.7%	-1.2 pp
EBIT	**51.0**	**26.1**	**24.9**	**62.7**	**-11.7**
Net income of consolidated companies	**36.1**	**18.3**	**17.8**	**42.2**	**-6.1**

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

Key takeaways

- Full-year revenues of €684.9m
- BtoB revenues up 4.8% year-on-year to €194.7m
- Gross margin rate of 22.5%, stable versus 2020/2021 record margin
- EBITDA of €58.4m and net income of €36.1m, testifying to the strength of the business model

Main balance sheet items (at 31 March)

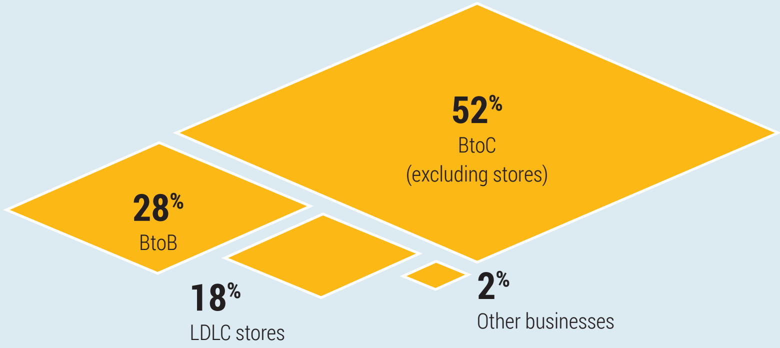
€m - audited figures	2021/2022	2020/2021
Shareholders' equity	116.7	101.6
Net (cash)/debt	(22.8)	(31.3)
Gearing*	(0.19)	(0.31)

*Net debt/equity

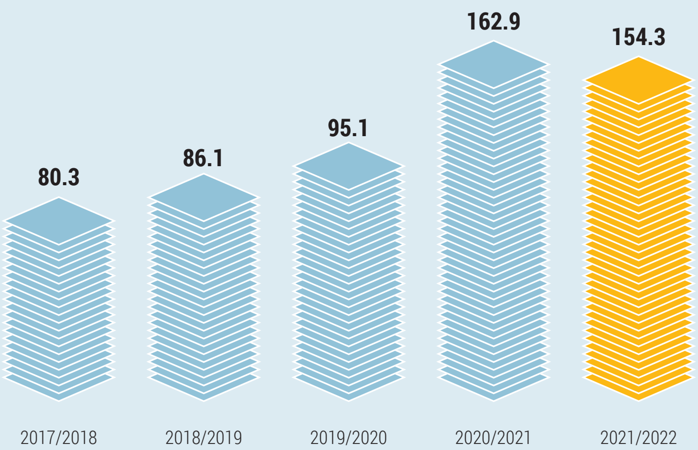
Key takeaways

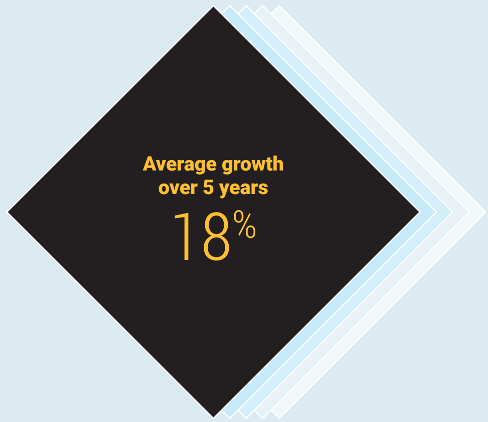
- Net cash of €22.8m at 31 March 2022
- LDLC Group nurtures bold ambitions and has the necessary resources to continue investing in growth

2021/2022 revenue breakdown
(1 April - 31 March) (€m)

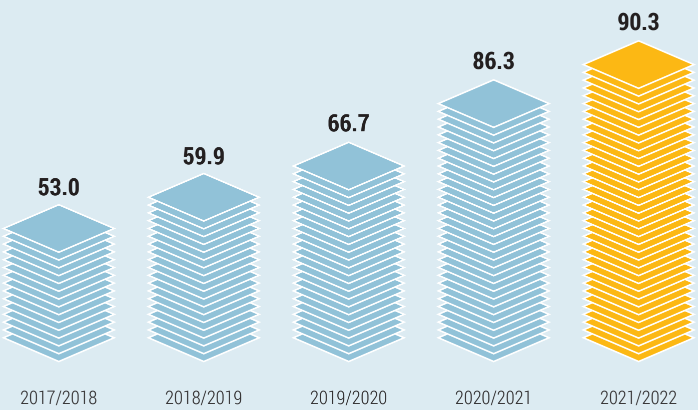


Five-year gross margin growth
(1 April - 31 March) (€m)





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



INVESTOR NOTEBOOK

Listing market*	**EURONEXT Growth**
ISIN	**FR0000075442 ALLDL**
Number of shares**	**6,171,776**
Indexes	**CAC All Shares, Enternext PEA-PME 150**
Market capitalisation at 4 July 2022	**€173 million**
Analysts tracking the share	**Gilbert Dupont - Gabriel Santier** **Midcap Partners - Florent Thy-Tine** **Kepler Chevreux - Hugo Paternoster**

* During the 2019/2020 financial year, as approved by the 1 July 2019 General Meeting, the Group transferred its shares to Euronext Growth with effect from 2 September 2019.
** Cancellation of 150,330 LDLC shares on 16 June 2022 by decision of the Management Board

Investor reporting timetable

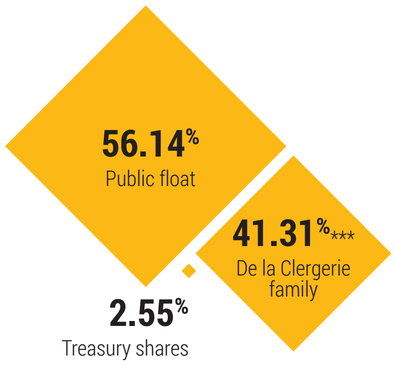
Q1 2022/2023 revenues	21 July 2022
Annual General Meeting	30 September 2022
Q2 2022/2023 revenues	27 October 2022
H1 2022/2023 results	1 December 2022
Q3 2022/2023 revenues	26 January 2023
Q4 2022/2023 revenues	27 April 2023
2022/2023 full-year results	15 June 2023

Stock market performance

(1 July 2021 - 8 July 2022)

Shareholder breakdown

Based on disclosures made over the past 12 months



Share price at 4 July 2022

€27.95

per share

- 1-year high: **€71.30**
- 1-year low: **€25.80**
- 3-year high: **€71.30**

De la Clergerie family***

Laurent de la Clergerie: 19.80%
Caroline de la Clergerie: 10.18%
Olivier de la Clergerie: 10.07%
Suzanne de la Clergerie: 1.25%

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

2021

UNIVERSAL REGISTRATION DOCUMENT

2022

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

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

RCS Lyon 403 554 181

Universal Registration Document

including the Annual Report

2021/2022 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" available on the website of the Company. 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.

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Universal Registration Document was registered on 12 July 2022 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 note and, where applicable, a summary and all amendments made to the Universal Registration Document. All of these documents together are approved by the AMF in accordance with Regulation (EU) no. 2017/1129.

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

- consolidated financial statements for the financial year ended 31 March 2020 prepared under French GAAP, in accordance with CRC regulation 99-02 applicable to the consolidated financial statements of commercial and state-owned companies, and the related statutory auditors' report presented on pages 126-180 of the 2019/2020 Universal Registration Document filed on 23 July 2020 under number D.20-0699.
- consolidated financial statements for the financial year ended 31 March 2021 prepared under French GAAP, in accordance with CRC regulation 99-02 applicable to the consolidated financial statements of commercial and state-owned companies, and the related statutory auditors' report presented on pages 126-170 of the 2020/2021 Universal Registration Document filed on 12 July 2021 under number D.21-0698.

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

Risk factors

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

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

1.1. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Groupe LDLC is a French limited company (*société anonyme*) with a Management Board and Supervisory Board
Registered office: 2 rue des 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 that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and provide a true and fair view of the assets and liabilities, financial position and earnings of the Company and all of the companies included in the consolidation scope, and that the management report set out on pages 27-249 of this document provides a fair presentation of the business performance, earnings and financial position of the Company and all of the companies included in the consolidation scope and describes the main risks and uncertainties to which they are exposed.

12 July 2022

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 – France.

Date of reappointment: 28 September 2018

Term of office: 6 years

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

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

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

Date of appointment: 27 September 2019

Term of office: 6 years

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

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

2.2. ALTERNATE STATUTORY AUDITORS

Fabrice Goenaga, 12 quai du Commerce, 69009 Lyon – France.

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

Date of appointment: 27 September 2019

Term of office: 6 years

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

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

CHAPTER 3. RISK FACTORS

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

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

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

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

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

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

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 evolves and its potential impacts.

In particular, the Group must ensure the health of its employees and customers by integrating into its day-to-day operations preventive measures adapted to each business line. The varying nature of the pandemic in different countries may disrupt industrial supply chains and lead to stockouts in certain product categories.

Health measures introduced by the authorities may have an impact on the supply chain for the transport of goods, on the supply of some of the Group's products and on the ability to guarantee deliveries and sales to the end customer. Against this backdrop, the digitisation of the working environment has made it possible to implement remote working to protect eligible employees. By leveraging the centralised organisation of its logistics platforms and the robustness of its digital platforms, the Group has continued to adapt its operating model to meet changing demand and conditions.

At the date on which this document was filed, the Group believes that the COVID-19 pandemic could have an adverse impact on its business globally due to the post COVID-19 consumer slowdown. More specifically, the recovery in consumption could accelerate during the current financial year and have an unfavourable impact on the Group's business, financial position and earnings (see Section 3.1.2.1). The Group remains vigilant and periodically reassesses, with the utmost attention, the evolution of the situation and its impact on its operations and earnings.

Risks related to the conflict in Ukraine and sanctions on Russia

The Group has no stores in the area of conflict between Russia and Ukraine.

At the date on which this document was filed, the future course of the conflict is uncertain and the Group remains attentive to the situation and its potential impact on its operations and earnings.

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 it operates, which generates a large number of small receivables which may be difficult to recover individually.

A customer follow-up department has been set up in order to minimise the risk of default, although this risk is fairly limited due to the nature of the Group's customer base, given that around 75% of its revenues come from individual customers, who tend to pay at the time of order shipment.

The number of frauds fell more than 30% in 2021 to less than 0.1% (400 online payment rejections among over a million 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.

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

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

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

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

3.1.1.2. Supplier risks

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

The Group is careful to maintain or increase the diversification of its sources of supply and transport in the face of component shortages; in any event, the Group takes into account the market environment, which remains tight for all supply channels worldwide in electronic components and hardware.

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

In the financial year ended 31 March 2022, the LDLC Group's main supplier accounted for around 17% of Group procurement, while the top ten suppliers accounted for around 60%.

A number of factors, including geopolitical issues, deterioration in the Group's relations with its main suppliers, tightening of supplier conditions, supplier difficulties meeting contractual commitments, particularly with regard to production, product quality, volumes or lead times, and non-renewal or early termination of the Group's main contracts for the supply of goods or services, could have a material adverse impact on the Group's business, financial position, earnings, growth and outlook, particularly in the context of stockouts or increases in manufacturing or transport costs.

3.1.2. Market risks

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

The 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).

The pace of recovery in post-COVID-19 consumption is slowed by the consequences of social hardship and changes in customer consumption patterns. The recovery in consumption could accelerate during the current financial year and have an unfavourable impact on the Group's business, financial position and earnings (see Section 5.2.1).

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

3.1.2.2. Franchising risks

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

At 31 March 2022, the Group had 62 LDLC stores including 48 franchises located all over France, plus 9 Materiel.net concept stores and 16 LDLC Apple Premium Reseller stores.

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

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

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

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

For several years, the LDLC Group has pursued a specialist multi-brand, multi-channel retailer strategy currently targeted at both BtoC and BtoB markets. The Group's growth has been marked by a number of key milestones: the creation of a store chain (brand stores and franchises), developing the BtoB offering (launch of LDLC.pro website in 2015) and increasing market share through acquisitions including main competitor Materiel.net, the Olys group (a Premium Apple Reseller) and, in April 2020, the TopAchat business.

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

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

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

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

3.1.2.4. Competitive risks

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

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

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

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

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

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

3.2. FINANCIAL RISKS

3.2.1. Goods warranty risk

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

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

3.2.2. Currency risk

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

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

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

3.2.3. Liquidity risk

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

Notes 2.4.4, 3.9, 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 2022.

You will find below a summary of the Group's cash and debt position at 31 March 2021 and 2022:

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

Summary of borrowings by due date at 31 March 2022:

€000	Principal outstanding	Due in < 1 year	Due in 1-5 years	Due in > 5 years
Loans	21,009	6,010	14,999	0
Finance leases	0	0	0	0
Total	**21,009**	**6,010**	**14,999**	**0**

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

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

Cash pooling

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

3.2.4. Interest rate risk

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

At 31 March 2022, no sensitivity tests were carried out given that the Group had no outstanding floating-rate borrowings.

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

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

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

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

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

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

3.3.2. 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).

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

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

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

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

3.3.3. Litigation risks

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

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

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

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

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

3.4. CLAIMS RISKS

3.4.1. Risks relating to inventories and transport

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

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

Furthermore, this risk has been minimised since the acquisition of Materiel.net given that, if a problem occurred at one of the Group's two logistics centres, the other centre would be able to cover all delivery requirements.

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. During the year ended 31 March 2022, the Group faced a shortage of certain high-tech products which increased the inventory risk.

Mainly caused by strong demand, this market shortage means that some products will be less available than the Group would prefer. Nonetheless, at time of writing the Group has not experienced any major disruptions in product supplies.

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

The emergence of difficulties in managing logistics platforms, over/underestimation of customer demand by the Group or supply chain disruption, even temporary, could hamper the Group's ability to manage this risk. In particular, during the current financial year, the work required to replace the existing 21,000 m² logistics structure in the Lyon area with a new logistics platform measuring approximately 28,000 m² could also limit the Group's ability to manage this risk until the new warehouse is fully operational.

With optimised storage space and state-of-the-art, largely automated logistics technology, this new site will enable the Group to meet the future increase in business and expand the store chain, with store openings set to accelerate in the months ahead in line with the opportunities presented by the Group's various brands.

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

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

3.4.2. Policy regarding insurance

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

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

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

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

Liability insurance

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

Comprehensive business and environmental insurance

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

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

Directors and officers' liability

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

Key personnel

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

Goods transport

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

CHAPTER 4. INFORMATION REGARDING THE ISSUER

4.1. COMPANY NAME AND TRADING NAME

The company name is: Groupe LDLC

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

4.2. PLACE AND NUMBER OF REGISTRATION

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

The Company LEI code is: 969500DJ67NWWO3OJ977

4.3. DATE AND TERM OF INCORPORATION

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

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

The Company's registered office is located at: 2 rue des 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. Since 2013, the Group has been developing a chain of brand stores and franchises to cover its core market. As at 31 March 2022, the LDLC Group had 62 LDLC stores in France.

In 2021/2022 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. The Group has also set up an e-commerce website for Spain and, more recently, Italy. In 2021, the Group launched an English version of the LDLC website to reach a wider European customer base.

1. *BtoC* online business

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

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

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

L'Armoire de Bébé is an online boutique created in 2015 and specialising in childcare products. It offers a comprehensive range of baby clothing and accessories, with over 8,600 product references and 250 rigorously selected brands. After the opening of the first store in the Lyon region (April 2018) followed by a second in the Paris region (July 2020), during the 2021/2022 financial year the Group opened five new stores in Epagny Metz-Tessy, Nîmes, Villefranche-sur-Saône, Lyon and Cormontreuil. Accordingly, at 31 March 2022 the L'Armoire de Bébé store chain comprised seven stores.

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

Its BtoC division employs 60 advisers committed to serving customers.

2. BtoB business

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

Offering everything from the simplest to the most sophisticated hardware components, www.ldlc.pro has rapidly become a trusted partner of companies, government agencies, educational establishments, local authorities and resellers. Acutely aware of businesses' technical and financial requirements, as well as the opportunities for companies able to guide them through their technical choices, the LDLC Group took the decision to step up the development of its BtoB offering. Around 100 sales engineers are ready to listen to the needs of small and medium-sized businesses and propose tailored solutions. LDLC.pro has built up around 81,000 active accounts over the last three years, including around 18,000 new accounts in 2021/2022.

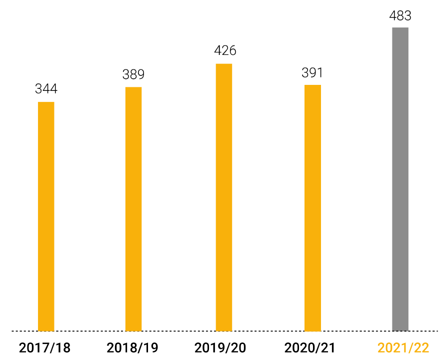
DLP Connect provides an additional service to professionals by offering solutions in the field of electrical equipment and installations, including electrical systems, computer networks, CCTV and home automation.

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

443,000 new customer accounts (BtoB and BtoC) were created in 2021/2022.

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

(€ excl. VAT)



3. Related businesses

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

LDLC Event is a communication agency specialising in e-sports that provides its customers with expertise, responsiveness and versatility in brand management, Pro Gamer team management and community-targeted programmes gained from seven years of professional experience in e-sports.

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

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

4. Network of brand stores and franchises

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

The LDLC store concept

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

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

LDLC franchises

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

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

LDLC franchisees are selected primarily according to the following five criteria:
- Commercial mindset: a good feel for customer service is essential.
- An interest in the world of high-tech: if you know the product well, you'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, the LDLC Group 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 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 2022, the Group had 62 LDLC stores including 48 franchises located all over France, plus 9 Materiel.net concept stores and 16 LDLC Apple Premium Reseller stores. The Group's high-tech stores (across all chains) posted combined revenues of €120.6 million for the 2021/2022 financial year, up 2.7%.

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

	2021/2022	2020/2021	2019/2020
BtoC	477.6	526.2	323.5
- LDLC stores	90.3	86.3	68.6
BtoB	194.7	185.9	162.3
Other	12.6	12.0	7.5
Total revenues	**684.9**	**724.1**	**493.4**

5.1.2. Competitive advantages

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

A strategic pillar of the Group, the customer 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 four 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 2022 LDLC won the “Customer Service of the Year” award for the eighth year running in the “Technical Product Retail” category, earning an impressive score of 19.24/20, a record among all categories since the award was created (BVA survey - Viséo CI - May-July 2021). All in all, 160 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 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, LDLC markets a range of white label high-tech products including laptops, tablets, IT components and accessories.

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

LDLC is recognised on social media as a specialist. The Group boasts a huge community of fans, with around 5,200,000 social media fans and followers at 31 March 2022 (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 chain of franchises and brand stores in order to expand its field of action.

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

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

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

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

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 25,000 parcels per day.

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

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, 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 LDLC Group is continuing development of the new Saint-Quentin-Fallavier warehouse (approximately 28,000 m^2), which will replace the existing 21,000 m^2 logistics platform. The new warehouse should be operational after summer 2022 or at the latest in the second half of the 2022/2023 financial year. With optimised storage space and state-of-the-art, largely automated logistics technology, this new site will enable the Group to meet the future increase in business and expand the store chain, with store openings set to accelerate in the months ahead in line with the opportunities presented by the LDLC Group's various brands.

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, the LDLC Group was also one of the first market players to invest in the gaming and e-sports sectors. Since 2011 the Group has run its own e-sports team (formerly 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 e-sports.

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

The Group's unique experience has 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.com targets young consumers searching for attractively-priced components.

Launched in May 2015 by the LDLC Group, L'Armoire de Bébé enjoyed booming sales during the 2021/2022 financial year. With an innovative concept in the world of childcare and the success of its omnichannel offer (e-commerce website and seven stores ranging from a 70-80 m² "city" format to a 500 m² concept store).

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

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

5.2. MAIN MARKETS

5.2.1. LDLC Group target segments

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

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

With a medium-term target of listing more than 100,000 additional catalogue items, the new marketplace has enabled 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 2020 annual survey and 2021 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 2020. In these cases we have left the previous data.

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

After a record year in 2020, the products and services e-commerce sector will continue to grow in 2021 to reach €129 billion (including €66.7 billion in product sales), an increase of 15.1%. This return to double-digit growth is attributable to a 7% increase in online product sales (up 42% versus 2019) and a clear upturn in services, particularly in the transport, tourism and leisure sector, up 44% from 2020 (down 16% versus 2019). The online share of product sales is estimated at 14.1% of retail trade, up 0.7 percentage points versus 2020.

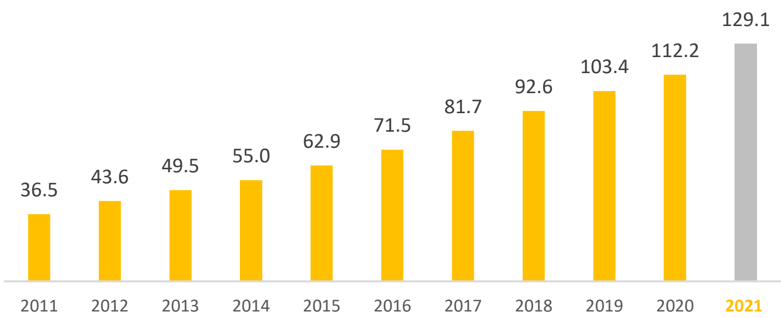
In 2021, e-commerce websites (products and services combined) recorded more than 2.1 billion transactions, up 16%. The average transaction amount was €60 in 2021, down slightly by 0.8% from €61 in 2020 but still above the 2019 level (up 1.8%). On average, each shopper made almost 1 online purchase per week in 2021, with an average amount spent per shopper exceeding the €3,000 mark.

After a mixed year in 2020 (up 10.7%, reflecting a drop in the first half of the year followed by a sustained recovery in the second half), online BtoB sales increased by 16.3% in 2021 to approach pre-crisis trends (up 17.5% in 2017, 17.8% in 2018 and 14.2% in 2019) (source: iCE/FEVAD).

The online offering continues to expand, with over 200,100 e-commerce websites identified in Q4 2021, up 11% year-on-year.

E-commerce revenues in France

(€bn)



From 2011 to 2021, online sales grew by an average of 13.5% per year (source: FEVAD-iCE). After a sharp increase in 2020 owing to the effects of the health crisis, the online share of product sales is estimated at 14.1% of retail trade in 2021, up 0.7 percentage points from 2020.

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

Online sales enabled a large number of closed physical stores to maintain business activity. The increase in e-commerce also affected online sales via marketplaces, which were able to supply an outlet for a large number of SMEs and limit their revenue losses. On average, in 2020 marketplace sales rose 27%, i.e. twice as much as in 2019. Marketplaces still account for 15% of the total volume of FEVAD-iCE panel websites.

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

According to the same survey, in Q4 2021 around 41.8 million French consumers (80% of Internet users aged 11 and over) made at least one online purchase across all screens. This practice has become more frequent, with 32% of Internet users making weekly online purchases (up two percentage points from 2020), particularly due to the increase in the use of smartphones for making purchases.

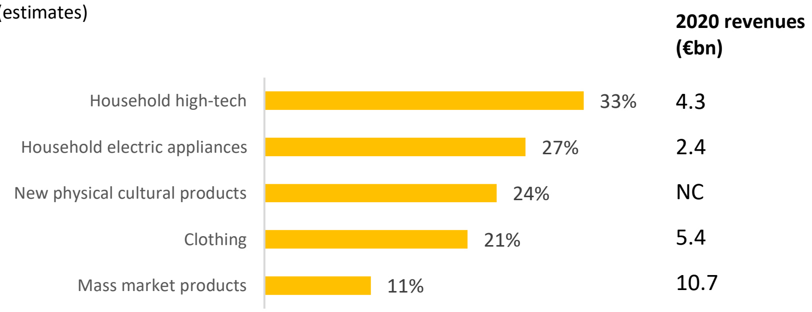
Sales via mobile terminals (smartphones and tablets) rose 23% in 2021 versus 2020, boosted by the recovery in travel purchases. The mobile terminal proportion of sales continues to grow fast and accounted for 48% of iCM panel website revenues, up four percentage points year-on-year (source: FEVAD 2021 e-commerce report).

The survey also revealed a rise in new trends, such as the use of platforms that connect consumers with local businesses, used by more than 1 in 10 online shoppers in 2021, and the purchase of second-hand goods, which is becoming increasingly common among online shoppers (50% of online shoppers bought reconditioned or second-hand goods online in 2021, or 80% including online shoppers also acting as sellers).

More specifically, in the "household high-tech" segment in which the LDLC Group is positioned, e-commerce sales had a 33% market share in 2020 generating revenues estimated at €4.3 billion (source: FEVAD estimate - 2021 key figures).

2020 market share by sector

(estimates)



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

Although 177,000 active e-commerce websites were registered in France in Q1 2021 (up 12% versus Q1 2020), the sector remains concentrated according to FEVAD estimates, with 91.8% of e-commerce revenues generated via 6.7% of the websites. Accordingly, in 2020 1.1% of French e-commerce websites generated revenues of over €10 million (74.5% of total revenues), 5.6% generated revenues of €1-10 million (17.3% of total revenues) and 93.3% generated revenues below €1 million (8.2% of total revenues) (source: FEVAD - 2021 e-commerce figures).

Marketplaces continue to grow as another component of the e-commerce sector. Business volumes sold via marketplaces in 2021 grew by 5% compared to 2020 (up 33% versus 2019) and accounted for 33% of host website volumes (source: iCE/FEVAD).

After a continuous eight-year decline, the average basket value crossed back over the €60 mark in 2020 (€59 in 2019) and remained at this level in 2021. In 2021, the average e-shopper carried out 51 online transactions totalling €3,089 (2020: 44 transactions totalling €2,694) (source: FEVAD - 2021 e-commerce report).

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

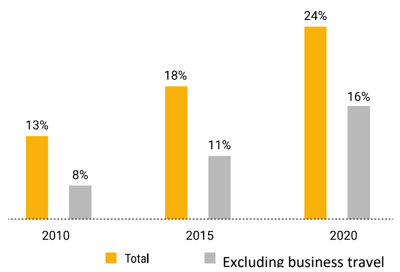
In 2020, many companies and retailers stepped up their digitisation to offer customers the possibility of continuing to buy and take delivery at home or collecting their orders in-store (click & collect). Online sales enabled a large number of physical stores closed during lockdowns to maintain business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

In 2020, Europe accounted for 17% of global e-commerce revenues, posting e-commerce revenues estimated at €744 billion, up 9% versus 2019. The five largest consumers in 2020 were, in descending order, the UK (€236 billion), France (€112 billion), Germany (€94 billion), Spain (€68 billion) and Russia (€32 billion) (source: E-commerce Europe / FEVAD - E-commerce key figures - 2021).

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.

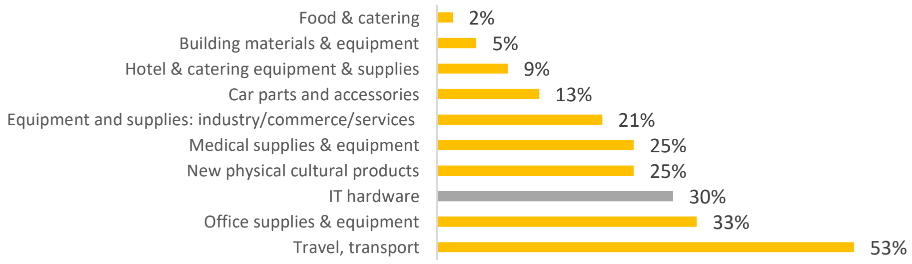
Growth of e-commerce share of BtoB sales



(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.

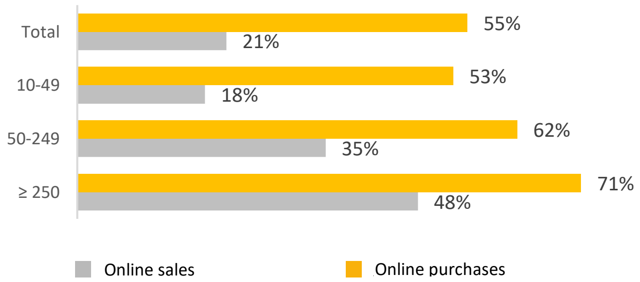
BtoB e-commerce sales by sector



(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, 53% of companies with less than 50 employees carry out online purchases.
A recent survey ("BtoB purchases & e-commerce" - Médiamétrie/FEVAD), indicates that the digitisation of BtoB purchasing practices continued to accelerate in 2021, particularly among start-ups and SMEs. Companies are making more use of the Internet at all stages of commercial relations, purchase preparation and negotiation, and so on. However, while the use of digital technology in customer-supplier relations is now a matter of routine, the survey reveals a lower degree of certainty that it will continue to progress and, above all, that these new uses coexisted in 2021 alongside a significant resumption of physical exchanges with suppliers: 40% of companies surveyed believe that the COVID-19 crisis has led them to develop online ordering (up 8 percentage points versus 2020) and 28% think that the trend will continue.

After two years of health crisis and the resulting supply difficulties, inventory availability of products ordered has become the key criterion in the choice of supplier for a BtoB purchase. Since the beginning of the COVID-19 crisis, it is the selection criterion that has increased the most and that continues to rise (up 7 percentage points versus 2020) alongside delivery time guarantees. Price remains a key factor and has become even more important, particularly for start-ups and SMEs (up 10 and 7 percentage points respectively versus 2020). Finally, albeit to a lesser extent, the location of suppliers in France or in the company's region, quality standards and labels and the supplier's CSR policy are taken into account by 20% of shoppers (28% of start-ups).

2. IT product market boosted by the COVID-19 crisis in 2020 but slowing down after six quarters of growth

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

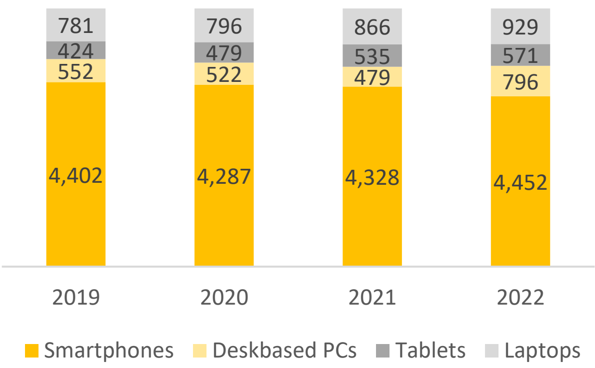
After a long period of decline with occasional modest growth, the pandemic revived the PC industry, as evidenced by sustained strong growth over the latter part of 2020 and into 2021, although there have been supply shortages due to this high demand. The market was boosted by the trend towards remote working and increased use of PCs by households.

According to Gartner, PC demand is expected to slow for at least the next two years, but annual shipment volumes are not expected to fall back to pre-pandemic levels during this period. The pandemic has significantly changed the behaviour of business and individual PC users. Some newly established ways of using PCs will remain regular practices, such as remote or hybrid working styles, online courses and online communication with friends and family.

In 2021, worldwide PC shipments totalled 339.8 million units, up 9.9% from 2020. Q4 2021, with 88.4 million units shipped, was down 5% due to persistent supply problems and the collapse in demand for Chromebooks (previously driven by educational demand in the USA).

In Q1 2022, worldwide PC shipments continued the late 2021 trend and totalled 77.9 million units, down 6.8% versus Q1 2021. The sharp decline in Chromebook sales contributed significantly to the overall market decline. Excluding Chromebooks, the global PC market saw modest year-on-year growth of 3.9%. In addition to declining Chromebook sales, slowing consumer demand has contributed to the market downturn, with discretionary spending shifting away from high-tech equipment. Sales of business PCs, however, rose in Q1 2022 as hybrid working and a return to the office fuelled demand for desktop devices.

Global devices installed base, 2019-2022 **(in thousands of units)**



(source: Gartner - April 2021)

In 2022, the global devices installed base is expected to reach 6.4 billion units, up 3.2% from 2021. While the transition to remote work has exacerbated the decline in desktop sales, it has boosted the use of tablets and laptops.

Global smartphone sales grew by 6% in 2021, rebounding in the first half of the year after a 12.5% decline in 2020. Growth in 2021 was driven by increased discretionary spending, the reopening of marketplaces after lockdowns and a lower base of comparison from 2020 onwards. The introduction of 5G at lower prices to meet future needs also impacted renewal purchases.

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 (Apple Premium Reseller) and, in April 2020, the TopAchat business.

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

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

The Group continues to invest in growth drivers including:

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

2/ heightened brand awareness of LDLC among the general public;

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

4/ 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);

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

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

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

5.3. COMPETITIVE POSITIONING IN FRANCE

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

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

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

Main sector business combinations in France:

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

(Sources: company press releases)

5.4. CAPITAL EXPENDITURE

5.4.1. Main capital expenditure over the last three years

€000	2021/2022	Hexa-Tech, LDLC Event & MyMultimedia acquisitions (ch. in conso. scope)	2020/2021	Anikop & I-Artificielle acquisitions (ch. in conso. scope)	2019/2020	LDLC VR Studio & Avitech acquisitions (ch. in conso. scope)
Intangible assets	1,965	1,145	5,536	644	2,494	411
Net goodwill	*1,135*	*1,135*	*644*	*644*	*324*	*324*
Concessions, patents and licences	*53*	*10*	*417*		*1,407*	*50*
TopAchat trademark			*4,069*			
Leasehold rights	*95*				*70*	*0*
Other intangible assets					*37*	*37*
Intangible assets in progress	*681*		*407*		*656*	*0*
Property, plant and equipment	7,165	254	2,468		3,401	1,469
Fixtures and fittings	*2,624*	*208*	*729*		*1,983*	*1,144*
Equipment	*30*		*63*		*198*	*143*
Vehicles and delivery equipment	*0*		*3*		*7*	*0*
Office equipment and furniture	*439*	*47*	*517*		*929*	*180*
PP&E in progress	*4,072*		*1,157*		*283*	*0*
Total acquisitions of intangible assets and PP&E	**9,130**	**1,399**	**8,005**	**644**	**5,895**	**1,880**
Expenditure amounts covered by detailed notes below	8,151	1,389	6,734	644	4,747	1,880
% of total acquisition amount covered by notes	89%	99%	84%	100%	81%	100%

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

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

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

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

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

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

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

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

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

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

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

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

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 consisted of capitalised in-house IT project development (€943,000) and R&D project costs (€986,000), which accounted for 78% of new investments in intangible assets during the year. As at 31 March 2020, 60% of acquisitions related to R&D projects were capitalised as intangible assets in progress.

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

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

In general, these investments are intended to support the Group's strategic plan, in particular with the increase in business and expansion of the store chain, with store openings set to accelerate in the months ahead in line with the opportunities presented by the LDLC Group's various brands.

5.4.2. Main capital expenditure planned

In 2022/2023, the Group also plans to invest around €7-10 million on opening new brand stores covering all Group brands and maintaining the existing chain.

As stated during the previous financial year, the Group also plans to complete the expansion of its logistics facilities through an investment of around €3 million by the end of September 2022.

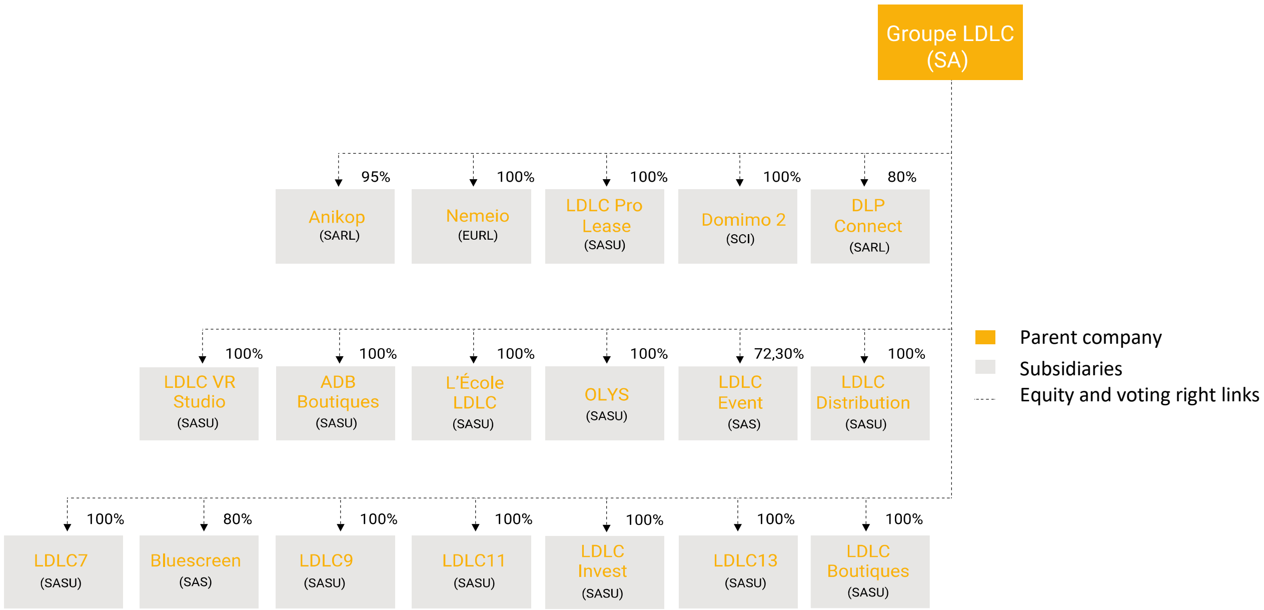
Lastly, next year the Group plans to invest around €1 million in in-house projects, including research and development and IT projects.

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

CHAPTER 6. ORGANISATIONAL STRUCTURE

6.1. ORGANISATIONAL CHART AT 31 MARCH 2022

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 2022.



6.2. LIST OF MAIN COMPANY SUBSIDIARIES

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

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

6.3. SIGNIFICANT EQUITY INVESTMENTS AND TAKEOVERS

In accordance with Articles L.233-6 paragraph 1 and L.247-1, I (1) of the French Commercial Code, we hereby inform you that during the financial year ended the Company has directly acquired equity interests amounting to more than:

- two-thirds of the share capital and voting rights of LDLC Pro Lease (formerly F-LOC), now a wholly-owned subsidiary of Groupe LDLC; and
- two-thirds of the share capital and voting rights of Hexa-Tech; this company, which was wholly owned by Groupe LDLC following its acquisition, was merged into LDLC Boutiques on 31 August 2021 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 the Company held all of the share capital and voting rights of Hexa-Tech.

In addition to the above information, we hereby inform you that no material changes were made with regard to equity interests held by the Company during the year ended 31 March 2022 apart from the transactions presented below:

- on 29 June 2021, Hardware.fr transferred all its assets and liabilities to the parent company (Groupe LDLC), in accordance with the procedure set out in Article 1844-5, paragraph 3 of the French Civil Code; and
- on 30 June 2021, ADB Orgeval was merged by absorption into ADB Boutiques (former ADB Limonest) 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 the share capital and voting rights of these companies were held by a single parent company (the Company).
- the Company increased its equity stake in LDLC Event from 69% at 31 March 2021 to 72.30% at 26 July 2021;
- Olys increased its equity stake in MyMultimedia from 60% at 31 March 2021 to 100% at 30 November 2021. On 31 January 2022, MyMultimedia was merged by absorption into Olys 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 held all of the share capital and voting rights of MyMultimedia.

Furthermore, we hereby inform you that the Company sold no equity investments to a third party outside the Group during the year ended 31 March 2022.

6.4. LIST OF EXISTING BRANCHES

In accordance with Article L.232-1 II of the French Commercial Code, a list of Company branches existing as at 31 March 2022 is presented below:

Address	Town/city
22 rue de la Gare	Lyon 9 (69)
24 rue de la Gare	Lyon 9 (69)
150 allée des Fresnes	Limonest (69)
20 rue du Ruisseau – ZI de Chesnes Tharabie – ZAC Tharabie	Saint-Quentin-Fallavier (38)
Boulevard de Satolas - ZAC de Chênes Nord Actilogis Parc de l'Isle d'Abeau	Saint-Quentin-Fallavier (38)
Route des Chapelles – Isle d'Abeau DC2	Saint-Quentin-Fallavier (38)
3/14/17 rue de Bruxelles and 3 rue de la Haye	Saint-Quentin-Fallavier (38)
12-14 rue de l'Eglise	Paris 15 (75)
47 route principale du Port – 2 rue Mercière	Gennevilliers (92)
31 rue du Pont aux Pins – Parc d'activité des Bourguignons	Montlhéry (91)
42 avenue Général de Croutte	Toulouse (31)
281 route d'Espagne	Toulouse (31)
724 avenue du Club Hippique – Le Centre ensoleillé	Aix-en-Provence (13)
100 rue Lucien Faure	Bordeaux (33)
188 bis route de Rennes	Nantes (44)
Rue Olivier de Serres – ZAC Erette Grandchamps des Fontaines	Grandchamps-des-Fontaines (44)
18 rue Edison – ZAC Ecoparc	Montgermont (35)
11 C route de Brumath	Vendenheim (67)
4 avenue du Général de Gaulle	Chelles (77)
9 rue des Moissons – ZAC du Haut Touquet	Marquette-Lez-Lilles (59)

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 of this Universal Registration Document.

Definition of EBIT margin as a % of revenues

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

Group non-financial performance indicators are explained in Chapter 22 below.
(See in particular pages 213 et seq.).

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

The published financial information presented below is taken from the consolidated financial statements for the years ended 31 March 2020, 31 March 2021 and 31 March 2022, which were prepared in accordance with French statutory and regulatory provisions as set out in CRC (French Accounting Regulatory Committee) Regulation 2020-01 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 years ended 31 March 2021 and 31 March 2022, as featured in Section 18.1 of this Universal Registration Document.

7.1.1. Key figures - Group income statement

€000	2021/2022	2020/2021	2019/2020
Revenues	684,896	724,065	493,396
Gross margin	154,259	162,851	95,112
Gross margin - % of revenues (1)	22.52%	22.49%	19.3%
Operating earnings (EBIT) before goodwill amortisation and impairment (2)	50,961	62,686	6,643
EBIT margin - % of revenues (3)	7.4%	8.7%	1.3%
Goodwill amortisation and impairment	0	0	0
Operating earnings (EBIT) after goodwill amortisation and impairment	50,961	62,686	6,643
Net income of consolidated companies	36,104	42,213	8,308
Consolidated net income	36,104	42,213	8,308
Earnings per share (€)	5.86	6.68	1.31
Diluted earnings per share (€)	5.86	6.68	1.31
EBITDA (4)	58,426	70,002	15,747

(1) Gross margin divided by revenues.
(2) Total operating income less operating expenses (excluding goodwill amortisation and impairment).
(3) Operating earnings (EBIT) before goodwill amortisation and impairment divided by revenues.
(4) Operating earnings (EBIT) before goodwill amortisation and impairment plus net amortisation, depreciation and provision charges included in operating earnings (EBIT) before goodwill amortisation and impairment (see Note 2.5 to the consolidated financial statements for the year ended 31 March 2022).

7.1.2. Key figures - Group balance sheet

€000	31/03/2022	31/03/2021	31/03/2020
on-current assets	72,281	69,595	69,026
Current assets	194,925	209,637	126,299
Shareholders' equity	116,671	101,594	62,457
Provisions	6,135	5,226	5,097
Total liabilities	144,400	172,412	127,771
Loans and borrowings	*21,328*	*19,978*	*28,435*
Cash and cash equivalents	*44,095*	*51,260*	*19,859*
Net cash/(debt)	22,768	31,283	(8,576)

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

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

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

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

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

At 31 March 2020, 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 had a significant downward impact on the amount of non-current assets and borrowings.

7.1.3. Key figures - Group cash flow statement

€000	2021/2022	2020/2021	2019/2020
Gross operating cash flow before tax	58,882	69,898	11,365
Change in working capital	(21,092)	1,946	7,476
Net cash flow from operating activities	22,255	51,002	12,421
Net cash flow from investing activities	(9,252)	(8,068)	20,172
Net cash flow from financing activities	(20,021)	(11,250)	(31,172)
Net cash/(debt)	22,768	31,283	(8,576)

At 31 March 2022, the Group's net cash position remains significantly positive at €22,768,000 compared to €31,283,000 at 31 March 2021 and net debt of €8,576,000 at 31 March 2020.

As such, the Group continues to maintain a healthy financial position.

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

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

At 31 March 2020, 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 accounted for the sharp increase in net cash.

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

7.1.4. Group revenues

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

			Change FY 21/22 vs FY 20/21			Change FY 20/21 vs FY 19/20	
€000	**2021/2022**	**2020/2021**	**€000**	**%**	**2019/2020**	**€000**	**%**
Sales of goods - France	578,467	618,134	(39,667)	(6.4%)	414,963	203,171	49.0%
Sales of goods - Export	77,194	74,337	2,857	3.8%	53,921	20,416	37.9%
Total sales of goods	655,660	692,471	(36,811)	(5.3%)	468,884	223,586	47.7%
Provision of services - France	24,420	25,544	(1,124)	(4.4%)	19,726	5,818	29.5%
Provision of services - Export	4,816	6,050	(1,234)	(20.4%)	4,786	1,264	26.4%
Total provision of services	29,236	31,594	(2,358)	(7.5%)	24,512	7,082	28.9%
Total net revenues	**684,896**	**724,065**	**(39,169)**	**(5.4%)**	**493,396**	**230,669**	**46.8%**

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

2021/2022 revenues from BtoC activities amounted to €477.6 million, down 9.2% from €526.2 million in 2020/2021 but up 47.6% from €323.6 million in 2019/2020. LDLC store revenues (62 LDLC stores in France at 31 March 2022) rose 4.7% to €90.3 million. Total revenues from all Group stores across all retail chains amounted to €120.6 million, up 2.7%.

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

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

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

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

BtoC revenues came to €526.2 million for the year ended 31 March 2021, up 62.6% (up 30% at constant consolidation scope) from €323.6 million the previous year. LDLC store chain revenues (57 LDLC stores in France at 31 March 2021) rose sharply by 25.8% to €86.3 million.

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

Other businesses posted total revenues of €12.0 million for the year ended 31 March 2021, up 59.6% from €7.5 million the previous year mainly driven by brisk sales at L'Armoire de Bébé. The childcare brand posted revenues of €7.8 million for the year ended 31 March 2021, up 150% driven by the surge in online sales and the June 2020 opening of a second store in the Paris region.

The 2019/2020 financial year was particularly intense for the Group. Strategic projects essential for the future were carried out (see Section 10.1 of the 2019/2020 Universal Registration Document).

The BtoC business posted revenues of €323.5 million for the year ended 31 March 2020. Business was curbed during the first half due to the strategic repositioning of the Materiel.net offering.

This operation involved a major reshuffle of the Materiel.net product mix in order to reduce the emphasis on products contributing little to gross margin. This strategic decision had a temporary impact on revenues for the 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 driven by brisk sales of L'Armoire de Bébé childcare products.

For the year ended 31 March 2020, 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.

Revenues are mostly generated by sales of goods, which accounted for around 96% of total Group revenues for the year ended 31 March 2022, compared to 95% for the years ended 31 March 2021 and 31 March 2020.

COVID-19 health crisis

Despite the lockdown implemented nationwide from 3 April 2021 to combat the latest wave of the COVID-19 epidemic, all LDLC, Materiel.net and LDLC APR (formerly BIMP) chain stores remained open during the year ended 31 March 2022, in compliance with the recommended "distancing" measures, except for two LDLC APR stores located in shopping centres, which had to close until 19 May 2021.

Some L'Armoire de Bébé product categories were classified as essential and enabled these stores to partly reopen on 5 April 2021. These restrictions were lifted on 19 May 2021 and allowed the reopening of all L'Armoire de Bébé departments.

Throughout the period, the Group made every effort to maintain its high standards of quality of service, whether by phone, email, live chat or on social media.

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

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

The Group posted Q3 2020/2021 revenues of €227.8 million accounting for 31% of full-year consolidated revenues, up 51.3% (including 27.1% at constant consolidation scope) versus Q3 2019/2020.

For the year ended 31 March 2020, the Group generated 31% of its consolidated annual revenues in the third quarter.

Changes in exchange rates

The Group is exposed to currency risk, mainly relating to the US dollar. The Group uses foreign exchange futures or adjusts its selling prices in order to counteract volatility in the dollar (see Note 2.4.1.1 to the consolidated financial statements for the year ended 31 March 2022).

At 31 March 2022, there were no foreign exchange futures contracts outstanding.

Number of stores

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

	2022			2021			2020		
Number of stores/ collection points per retail chain	Brand stores	Franchises	Total	Brand stores	Franchises	Total	Brand stores	Franchises	Total
France									
LDLC	14	48	**62**	9	46	**55**	9	40	**49**
Materiel.net	9	0	**9**	9	0	**9**	9	0	**9**
LDLC APR (formerly BIMP) (1)	16	0	**16**	16	0	**16**	16	0	**16**
LDLC-BIMP (2)	0	0	**0**	2	0	**2**	2	0	**2**
L'Armoire de Bébé	7	0	**7**	2	0	**2**	1	0	**1**
Total	**46**	**48**	**94**	**38**	**46**	**84**	**37**	**40**	**77**

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

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

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

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

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

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

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

€000	2021/2022	(% of revenues)	2020/2021	(% of revenues)	2019/2020	(% of revenues)
Total net revenues	684,896	100%	724,065	100%	493,396	100%
Other operating income	410	0.1%	620	0.1%	341	0.1%
Cost of goods sold	(531,048)	(77.5%)	(561,834)	(77.6%)	(398,626)	(80.8%)
Gross margin	**154,259**	**22.5%**	**162,851**	**22.5%**	**95,112**	**19.3%**
Other purchases and external costs	(33,205)	(4.8%)	(32,568)	(4.5%)	(27,409)	(5.6%)
Miscellaneous taxes	(3,548)	(0.5%)	(3,563)	(0.5%)	(2,841)	(0.6%)
Staff costs	(58,094)	(8.5%)	(55,102)	(7.6%)	(48,091)	(9.7%)
Net depreciation, amortisation and provisions	(7,465)	(1.1%)	(7,315)	(1.0%)	(9,104)	(1.8%)
Other income and expenses	(986)	(0.1%)	(1,616)	(0.2%)	(1,024)	(0.2%)
Operating earnings (EBIT) before goodwill amortisation and impairment	**50,961**	**7.4%**	**62,686**	**8.7%**	**6,643**	**1.3%**
Goodwill amortisation and impairment	0	0%	0	0%	0	0%
Operating earnings (EBIT) after goodwill amortisation and impairment	**50,961**	**7.4%**	**62,686**	**8.7%**	**6,643**	**1.3%**

Group operating earnings (EBIT) after goodwill amortisation and impairment for the year ended 31 March 2022 came to €50,961,000 or 7.4% of full-year consolidated revenues, compared to €62,686,000 or 8.7% for the year ended 31 March 2021 and €6,643,000 or 1.3% for the year ended 31 March 2020.

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

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

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

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

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

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

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

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

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

The increase in staff costs for the year ended 31 March 2021 was mainly due to the sharp increase in employee profit-sharing and related social security charges, which amounted to €4,841,000 for the year ended 31 March 2021 compared to €934,000 the previous year.

For the year ended 31 March 2020, the Group recorded positive operating earnings (EBIT) after goodwill amortisation and impairment thanks to the strategic repositioning of Group brands, achieving a gross margin of 19.3%. In addition, efforts to optimise synergy-related costs contributed to the achievement of positive operating earnings (EBIT) after goodwill amortisation and impairment.

7.2.2. Net financial income/(expense)

€000	2021/2022	2020/2021	2019/2020
Interest on borrowings	(206)	(401)	(968)
Bank interest, current account charges and financing commissions	(50)	(37)	(258)
Net cost of debt	**(256)**	**(439)**	**(1,226)**
Net (charges)/write-backs of provisions for impairment of financial assets	11	(11)	248
Other financial income	135	78	36
Other financial expenses	5	(5)	(21)
Net financial income/(expense)	**(105)**	**(376)**	**(962)**

The Group posted a net financial expense of €105,000 for FY 2021/2022, compared to €376,000 the previous year and €962,000 the year before that.

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

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

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

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

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;
- €221,000 cost of the €15.3 million loans used to finance the Olys acquisition;
- €251,000 cost of the revolving credit facility;
- €84,000 cost of the loan related to the capitalisation of the head office.

The €248,000 net write-back of provisions for impairment of financial assets recognised at 31 March 2020 reversed the provision recorded the previous year on treasury shares acquired for allocation under a bonus share plan.

7.2.3. Non-recurring income/(expense)

€000	2021/2022	2020/2021	2019/2020
Non-recurring income	307	551	45,551
Non-recurring expenses	(355)	(590)	(35,062)
Net non-recurring income/(expense)	(47)	(39)	10,489

For the year ended 31 March 2022, the Group posted a net non-recurring expense of €47,000, compared to a net non-recurring expense of €39,000 in 2020/2021 and net non-recurring income of €10,489,000 in 2019/2020.

The vesting of bonus shares accounts for a non-recurring expense in the amount of €250,000.

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

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 real estate assets sold in 2019/2020 (€32 million);
- provisions and charges arising from the closure of subsidiary Groupe LDLC España operations (€2.3 million).

7.2.4. Earnings per share

€000	2021/2022	2020/2021	2019/2020
Earnings before tax	**50,809**	**62,271**	**16,170**
Income tax	(14,705)	(20,058)	(7,862)
Net income from equity associates	0	0	0
Net income for the year:	**36,104**	**42,213**	**8,308**
Company shareholders	36,104	42,213	8,308
Minority interests	0	0	0
Weighted average number of shares outstanding	6,163,092	6,321,072	6,319,394
Earnings per share (€)	**5.86**	**6.68**	**1.31**
Diluted earnings per share (€)	**5.86**	**6.68**	**1.31**

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 2022 are presented in Section 18.3 of this Universal Registration Document.

For the year ended 31 March 2022, Groupe LDLC posted net revenues of €640,120,047 compared to €657,527,597 the previous year and €420,654,389 the year before that.

Operating expenses for the year ended 31 March 2022 amounted to €590,861,311 compared to €597,943,076 the previous year and €413,628,688 the year before that.

Operating income totalled €648,834,936, with net operating income (EBIT) amounting to €57,973,625 compared to €67,550,051 the previous year and €13,136,692 for the year ended 31 March 2020.

Financial expenses for the year ended 31 March 2022 amounted to €322,194 compared to €2,149,889 the previous year and €10,820,314 the year before that. Financial income amounted to €287,370 compared to €12,561,047 the previous year and €440,953 the year before that.

Accordingly, the Company posted a net financial expense of €34,824 for the year ended 31 March 2022 compared to net financial income of €10,411,158 the previous year and a €10,379,361 net financial expense the year before that.

Earnings before tax and non-recurring items amounted to €57,938,801 for the year ended 31 March 2022 compared to €77,961,209 the previous year and €2,757,331 the year before that.

Total non-recurring income for the year ended 31 March 2022 amounted to €418,394, while non-recurring expenses totalled €686,219, giving a net non-recurring expense of €267,825 compared to net expenses of €46,070 the previous year and €131,315 the year before that.

Given these results, after a corporate income tax charge of €15,411,670 and an employee profit-sharing expense of €4,188,128, the Company posted net income of €38,071,177 for the year ended 31 March 2022 compared to €52,212,613 the previous year and €244,179 the year before that.

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

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

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

However, on 30 June 2021 Groupe LDLC opted to prepay the entire outstanding balance of the loan, in the amount of €6,385,000 (principal and interest), without incurring any voluntary prepayment penalties or other related costs. (See Note 3.13 to the consolidated financial statements for the year ended 31 March 2021).

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

7.5. REVENUES AND EARNINGS OF SUBSIDIARIES AND CONTROLLED COMPANIES

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

All of the data presented below is stated in euros.

Business	Revenues	Earnings before tax and non-recurring items	Net earnings after tax	New investments in PP&E	Average headcount	Period
Design, development and operation of websites, site content						
Hardware (1)	**81,087**	**70,068**	**60,297**	**0**	**1**	**01/04/2021 to 28/06/2021**
Business line total	**81,087**	**70,068**	**60,297**	**0**	**1**	
Wholesale trader of all computer hardware and software, plus all related services						
Nemeio	0	(25,294)	(25,294)	0	0	01/04/2021 to 31/03/2022
Business line total	**0**	**(25,294)**	**(25,294)**	**0**	**0**	
Installation of cable networks and access control, CCTV and telecommunications systems						
DLP Connect	1,849,187	89,097	88,931	2,874	15	01/04/2021 to 31/03/2022
Business line total	**1,849,187**	**89,097**	**88,931**	**2,874**	**15**	
Design, development and sale of software and provision of IT services, maintenance; secondary activity in customer service for goods sold, training						
Anikop	2,729,578	133,491	133,491	5,324	31	01/04/2021 to 31/03/2022
Business line total	**2,729,578**	**133,491**	**133,491**	**5,324**	**31**	
Creation and development of a distribution network for the sale of all equipment and services, as well as the granting of all franchising or licensing rights						
LDLC Distribution	4,749,153	316,443	316,028	8,692	25	01/04/2021 to 31/03/2022
Business line total	**4,749,153**	**316,443**	**316,028**	**8,692**	**25**	
Higher education						
Ecole LDLC	286,863	(9,517)	(9,642)	6,000	5	01/04/2021 to 31/03/2022
Business line total	**286,863**	**(9,517)**	**(9,642)**	**6,000**	**5**	

(1) Hardware.fr data covers the period up to 28 June 2021 inclusive in view of the transfer of all the company's assets and liabilities on 29 June 2021.

(2) LDLC Pro Lease data covers the period from 1 July 2021 to 31 March 2022 in view of the Group's acquisition of the company on 30 June 2021.

Business	Revenues	Earnings before tax and non-recurring items	Net earnings after tax	New investments in PP&E	Average headcount	Period
Outsourced IT system management for business customers, remote monitoring, on-site services, IT product repair centre						
Bluescreen	242,517	(131,437)	(131,653)	1,153	4	01/04/2021 to 31/03/2022
Business line total	**242,517**	**(131,437)**	**(131,653)**	**1,153**	**4**	
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	65,247	(532,482)	(532,482)	12,722	3	01/04/2021 to 31/03/2022
Business line total	**65,247**	**(532,482)**	**(532,482)**	**12,722**	**3**	
Retail sale of all IT hardware and software and all multimedia and digital products						
LDLC Boutiques	13,342,177	606,580	537,851	754,292	42	01/04/2021 to 31/03/2022
LDLC7	0	(1,233)	(1,233)	0	0	01/04/2021 to 31/03/2022
LDLC9	0	(1,226)	(1,226)	0	0	01/04/2021 to 31/03/2022
LDLC11	0	(1,227)	(1,227)	0	0	01/04/2021 to 31/03/2022
LDLC13	0	(1,226)	(1,226)	0	0	01/04/2021 to 31/03/2022
Business line total	**13,342,177**	**601,668**	**532,939**	**754,292**	**42**	
Acquisition of any interests in any business, company or group whose purpose is all research and development activities, and all industrial, commercial, agricultural, investment, real estate or financial activities						
LDLC Invest (formerly LDLC 12)	0	(3,570)	(3,570)	0	0	01/04/2021 to 31/03/2022
Business line total	**0**	**(3,570)**	**(3,570)**	**0**	**0**	

Business	Revenues	Earnings before tax and non-recurring items	Net earnings after tax	New investments in PP&E	Average headcount	Period
Retail store sale of personal equipment and childcare products						
ADB Boutiques	3,366,757	(813,558)	(813,478)	1,604,699	21	01/04/2021 to 31/03/2022
Business line total	**3,366,757**	**(813,558)**	**(813,478)**	**1,604,699**	**21**	
Organisation and management of events, particularly in the e-sports sector						
LDLC Event	1,326,908	(925,034)	(929,016)	15,051	8	01/04/2021 to 31/03/2022
Business line total	**1,326,908**	**(925,034)**	**(929,016)**	**15,051**	**8**	
Acquisition, use and development of land for the construction and leasing of a building						
Domimo 2	0	55,883	11,778	0	0	01/04/2021 to 31/03/2022
Business line total	**0**	**55,883**	**11,778**	**0**	**0**	
Trade, representation in any form whatsoever of computer hardware and all derived products, telephone and network equipment and multimedia						
Olys	67,705,822	378,639	420,437	291,347	175	01/04/2021 to 31/03/2022
Business line total	**67,705,822**	**378,639**	**420,437**	**291,347**	**175**	
Lease of computer and telecommunications hardware and software, lease of all industrial equipment, sale of second hand computer and telecommunications hardware, trading						
LDLC Pro Lease (2)	1,384,225	29,894	21,972	0	0	01/07/2021 to 31/03/2022
Business line total	**1,384,225**	**29,894**	**21,972**	**0**	**0**	
Total	**97,129,521**	**(765,709)**	**(859,262)**	**2,702,154**	**331**	

(1) Hardware.fr data covers the period up to 28 June 2021 inclusive in view of the transfer of all the company's assets and liabilities on 29 June 2021.
(2) LDLC Pro Lease data covers the period from 1 July 2021 to 31 March 2022 in view of the Group's acquisition of the company on 30 June 2021.

Hardware:

On 29 June 2021, Hardware transferred all its assets and liabilities to the parent company (Groupe LDLC) in accordance with the procedure set out in Article 1844-5, paragraph 3 of the French Civil Code.

In connection with this transaction, the accounting statement of assets and liabilities transferred to Groupe LDLC as sole shareholder was closed at 28 June 2021 (11:59 pm inclusive). Consequently, the financial statements for the period ended 28 June 2021 cover just under three months of business.

For the period ended 28 June 2021, Hardware posted revenues of €81,000 compared to €380,000 for the full year ended 31 March 2021.

The company posted EBIT of €63,000 for the period ended 28 June 2021, compared to €143,000 for the year ended 31 March 2021.

Net income came to €60,000 for the period ended 28 June 2021, compared to €119,000 for the year ended 31 March 2021.

Nemeio:

Nemeio posted zero revenues for 2021/2022, as in the previous year, due to the fact that the company has not yet started trading.

The company posted an EBIT loss of €25,000 for the year ended 31 March 2022, compared to a €79,000 loss for the year ended 31 March 2021.

The 2021/2022 net loss amounted to €25,000 compared to €79,000 the previous year.

DLP Connect:

DLP Connect posted 2021/2022 revenues of €1,849,000, up 48% from €1,248,000 the previous year.

The company posted EBIT of €98,000 for the year ended 31 March 2022, compared to a €206,000 EBIT loss the previous year. This positive result is attributable to an increase in business during the year.

Net income for the year ended 31 March 2022 came to €89,000 compared to a net loss of €213,000 the previous year.

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

Anikop:

Anikop posted 2021/2022 revenues of €2,730,000, up 6% from €2,578,000 the previous year.

During the year, Anikop diversified its range of business management software by launching the CAMP'IN application, which aims to facilitate communication between campsite managers and their customers.

The company posted EBIT of €138,000 for the year ended 31 March 2022, compared to €166,000 the previous year.

Net income came to €133,000 for the year ended 31 March 2022, down from €160,000 the previous year.

LDLC Distribution:

LDLC Distribution posted 2021/2022 revenues of €4,749,000, up 71% from €2,772,000 the previous year.

This increase primarily relates to the waiving of franchise fees during the previous year to support the franchise chain during successive lockdowns, which curbed 2020/2021 revenues by €1,329,000. 2021/2022 revenues were further boosted by the introduction of a network management fee for all LDLC and Materiel.net chain stores as of 1 April 2021, which generated revenues of €398,000 during the year.

At 31 March 2022, the Group had:
- 62 LDLC stores including 14 brand stores;
- 16 LDLC APR (formerly BIMP) brand stores;
- 9 Materiel.net brand stores.

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

The company posted EBIT of €316,000 for the year ended 31 March 2022 compared to a €568,000 EBIT loss the previous year.

Net income for the year ended 31 March 2022 came to €316,000 compared to a net loss of €573,000 the previous year.

LDLC School:

The LDLC School recorded fewer admissions for the 2021/2022 academic year with 36 new students, 16 fewer than the previous year.

The school posted 2021/2022 revenues of €287,000, down 8% from €311,000 the previous year.

The company posted an EBIT loss of €17,000 for the year ended 31 March 2022, compared to an €18,000 loss the previous year.

The company posted a 2021/2022 net loss of €10,000, compared to a net loss of €15,000 the previous year.

Bluescreen:

Bluescreen posted 2021/2022 revenues of €243,000, down 7% from €261,000 the previous year.

The company posted an EBIT loss of €128,000 for the year ended 31 March 2022, compared to a €231,000 loss the previous year.

The company posted a 2021/2022 net loss of €132,000, compared to a net loss of €232,000 the previous year.

LDLC VR Studio:

LDLC VR Studio posted 2021/2022 revenues of €65,000 compared to €10,000 the previous year.

Following the easing of health restrictions, LDLC VR Studio launched operations on 9 June 2021 with the opening of a virtual reality gaming room in Dardilly and an adjoining restaurant.

The company posted an EBIT loss of €514,000 for the year ended 31 March 2022, compared to a €421,000 loss the previous year.

The net loss for the year ended 31 March 2022 came to €532,000, compared to a net loss of €593,000 the previous year.

LDLC Boutiques:

At 31 March 2022, LDLC Boutiques had ten stores following the acquisition of a store belonging to the Group franchise chain and the opening of two new stores during the financial year.

The franchise acquisition consisted in the purchase of the entire share capital of Hexa-Tech, a member of the Group franchise chain, on 8 July 2021 by LDLC Boutiques.

On 31 August 2021, LDLC Boutiques decided to merge Hexa-Tech by absorption pursuant to the provisions of Articles L.236-1 et seq. and R.236-1 et seq. of the French Commercial Code under the simplified merger procedure.

LDLC Boutiques posted 2021/2022 revenues of €13,342,000, up 7% from €12,502,000 the previous year.

The company posted EBIT of €617,000 for the year ended 31 March 2022 compared to €1,187,000 the previous year.

Net income came to €538,000 for the year ended 31 March 2022, compared to €1,106,000 the previous year.

ADB Boutiques:

On 30 June 2021 a merger was carried out pursuant to the provisions of Articles L.236-1 et seq. and R.236-1 et seq. of the French Commercial Code under the simplified merger procedure applicable to sister companies. ADB Boutiques decided to merge ADB Orgeval by absorption with effect from 1 April 2021, thereby gathering the various business activities under the same umbrella.

Meanwhile, five new stores were opened during the year, thereby increasing the number of L'Armoire de Bébé stores from two at 31 March 2021 to seven at 31 March 2022.

The company posted 2021/2022 revenues of €3,367,000, up 218% from €1,058,000 the previous year.

The company posted an EBIT loss of €777,000 for the year ended 31 March 2022, compared to a €191,000 loss the previous year.

The company posted a 2021/2022 net loss of €813,000, compared to a net loss of €202,000 the previous year.

LDLC Event:

LDLC Event posted 2021/2022 revenues of €1,327,000, down 1% from €1,346,000 the previous year.

The company posted an EBIT loss of €892,000 for the year ended 31 March 2022, compared to a €786,000 loss the previous year.

The company posted a 2021/2022 net loss of €929,000, compared to a net loss of €813,000 the previous year.

Domimo 2:

SCI Domimo 2 posted zero revenues for 2021/2022, as in the previous year.

The company posted EBIT of €4,000 for the year ended 31 March 2022, compared to €21,000 the previous year.

Net income came to €12,000 for the year ended 31 March 2022, compared to €53,000 the previous year.

Olys:

At 31 March 2022, the Olys group comprised 18 stores in France.

In the interests of brand consistency and in order to capitalise on the reputation of the LDLC store chain for the year ended 31 March 2022, the LDLC Group decided to rebrand the BIMP stores held by Olys, which were renamed LDLC APR (Apple Premium Reseller), while the two stores held under the LDLC-BIMP dual brand were renamed LDLC.

During the lockdown introduced nationwide from 3 April 2021 to combat the latest wave of COVID-19, all Olys group stores remained open in compliance with the recommended "distancing" measures, except for two stores located in shopping centres, which were forced to close on 31 January 2021.

The lifting of the restrictions on non-essential shops on 19 May 2021 allowed the two Olys shopping centre stores to reopen, subject to compliance with a maximum number of customers per square metre.

Since 30 June 2021, all capacity limits on Group stores have been lifted.

On 30 November 2021, Olys purchased 560 shares in MyMultimedia at a price of €400,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

On 31 January 2022, Olys merged MyMultimedia by absorption with effect from 1 April 2021 under the simplified merger procedure pursuant to the provisions of Articles L.236-1 et seq. and R.236-1 et seq. of the French Commercial Code.

Olys posted 2021/2022 revenues of €67,706,000, down 9% from €74,437,000 the previous year.

The company posted EBIT of €425,000 for the year ended 31 March 2022, compared to €1,104,000 the previous year.

Net income came to €420,000 for the year ended 31 March 2022, compared to €393,000 the previous year.

LDLC Pro Lease:

On 30 June 2021, Groupe LDLC purchased all remaining shares comprising F-LOC's share capital, thereby increasing its equity stake to 100%. Following the transaction, F-LOC was renamed LDLC Pro Lease. The company's main activity is the lease of computer hardware and software to business customers of the LDLC Group.

LDLC Pro Lease's financial year was exceptionally extended to 15 months in order to synchronise the LDLC Pro Lease and Group balance sheet dates on 31 March 2022. Accordingly, the financial year ended 31 March 2022 runs from 1 January 2021 to 31 March 2022.

The period used for consolidation of the LDLC Group financial statements runs from 1 July 2021 to 31 March 2022, in view of the acquisition date of 30 June 2021.

LDLC Pro Lease posted revenues of €1,384,000 and EBIT of €30,000 for the period from 1 July 2021 to 31 March 2022.

LDLC Pro Lease generated a profit of €22,000 for the period from 1 July 2021 to 31 March 2022.

On 2 July 2021, LDLC12 was renamed LDLC Invest and changed its business activity.

LDLC7, LDLC9, LDLC11, LDLC Invest and LDLC13 conducted no operations during the year ended 31 March 2022. 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 2021/2022 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.

€657,000 in research and development costs were capitalised in respect of the 2021/2022 financial year compared to €394,000 the previous year and €986,000 the year before that.

The Nemeio customisable e-ink keyboard with screen recognised at CES Las Vegas in January 2019 was still in the design phase at 31 March 2022. In the 2021/2022 financial year, the Group had to deal with a market environment disrupted by difficulties in the supply of certain components, which had an impact on the launch date of the Nemeio keyboard.

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

Groupe LDLC did not receive a research tax credit for 2021, in contrast to the €33,000 research tax credit received in 2020. This tax credit is awarded to companies making significant investments in research and development.

7.7. MATERIAL POST-BALANCE SHEET EVENTS

On 27 April 2022, Groupe LDLC purchased 800,000 shares in Time for the Planet at a price of €800,000.

On 5 May 2022, Groupe LDLC purchased 150 shares in Anikop at a price of €200,000, thereby becoming the company’s sole shareholder holding a 100% equity stake.

A €5 million loan was taken out in June 2022 for a seven-year term to finance Group working capital requirements.

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

CHAPTER 8. CASH AND CAPITAL

The LDLC Group's main capital requirements are related to funding working capital and operational capital expenditure.

The statement of changes in consolidated shareholders' equity is presented in Note 1.3 to the consolidated financial statements for the year ended 31 March 2022. 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 GROUP SHORT- AND LONG-TERM FINANCIAL RESOURCES

Cash: cash and cash equivalents amounted to €44,095,000 at 31 March 2022 compared to €51,260,000 at 31 March 2021 and €19,859,000 at 31 March 2020.

The decrease in net cash and cash equivalents at 31 March 2022 is explained in particular by the acquisition of 150,330 treasury shares under a repurchase agreement, which are to be cancelled, in the amount of €6,596,000.

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.

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 July 2025.

The two loans of €23 million and €10 million taken out by the LDLC Group to finance its acquisitions were fully prepaid on 30 June 2021 for a total amount of €6,385,000 (principal and interest). This voluntary total early repayment means that the LDLC Group has waived the €13.5 million revolving credit facility and is no longer required to comply with the ratios and investment limits that were associated with these loans.

The Group has thus regained full financial and operational flexibility.

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

Group net debt breaks down as follows:

€000	31/03/2022	31/03/2021	31/03/2020
Gross borrowings	21,328	19,978	28,435
Cash and cash equivalents	44,095	51,260	19,859
Net cash/(debt)	**22,768**	**31,283**	**(8,576)**

The following table shows the Group's debt instalment maturities at 31 March 2022:

€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	**14,999**	**0**	**9,425**	**5,574**	**0**
Loans	14,999	0	9,425	5,574	0
Short-term loans and borrowings	**6,329**	**6,329**	**0**	**0**	**0**
Guarantee deposits received	0	0	0	0	0
Loans	5,998	5,998	0	0	0
Accrued interest on loans	12	12	0	0	0
Bank overdrafts	80	80	0	0	0
Current accounts	238	238	0	0	0
Total	**21,328**	**6,329**	**9,425**	**5,574**	**0**

Debt at 31 March 2022:

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

In March 2022, the LDLC Group took out two €3.5 million loans to finance growth investments related to the new logistics warehouse, such as the new logistics software, optimised storage space that will enable it to handle the future increase in business and the expansion of the store chain.

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

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

8.2. CASH FLOW ANALYSIS

8.2.1. Cash flows

€000	2021/2022	2020/2021	2019/2020
Net cash flow from operating activities	22,255	51,002	12,421
Net cash flow from investing activities	(9,252)	(8,068)	20,172
Net cash flow from financing activities	(20,021)	(11,250)	(31,172)
Net change in cash and cash equivalents	**(7,019)**	**31,684**	**1,421**

8.2.2. Net cash flow from operating activities

€000	2021/2022	2020/2021	2019/2020
Net income/(loss) from continuing operations	36,104	42,213	8,308
Elimination of non-cash income and expenses	8,040	7,698	7,631
Tax expense (current and deferred)	14,705	20,058	7,862
Gains/losses on disposal of assets	33	(71)	(12,436)
Gross operating cash flow before tax	58,882	69,898	11,365
Tax paid	(15,535)	(20,843)	(6,419)
Change in working capital	(21,092)	1,946	7,476
Net cash flow from operating activities	**22,255**	**51,002**	**12,421**

Net operating cash flow for the year ended 31 March 2022 amounted to a €22,255,000 inflow compared to a €51,002,000 inflow the previous year and a €12,421,000 inflow the year before that.

Despite a reduction in business activity compared to last year's record performance, the level of net income from continuing operations remains well above the pre-Covid period with net cash flow from operating activities of €22,255,000, reflecting the good performance achieved as for the year ended 31 March 2022.

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

The decrease in trade payables justifies the significant €19,674,000 decrease in working capital.

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

The significant change in gains/losses on disposal of assets in FY 2019/2020 mainly arose 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.

8.2.3. Net cash flow from investing activities

€000	2021/2022	2020/2021	2019/2020
Income from disposal of non-current assets, after tax	10	109	45,050
Acquisition of non-current assets	(8,755)	(8,350)	(26,338)
Reduction in financial assets	218	174	1,400
Change in consolidation scope	(726)	0	61
Net cash flow from investing activities	**(9,252)**	**(8,068)**	**20,172**

Net cash flow from investing activities for the year ended 31 March 2022 amounted to an €9,252,000 outflow versus a €8,068,000 outflow the previous year and a €20,172,000 inflow the year before that.

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

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

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

The €20,172,000 net inflow generated in FY 2019/2020 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 refurbishment work on three Group stores (€451,000).

8.2.4. Net cash flow from financing activities

€000	2021/2022	2020/2021	2019/2020
Treasury share transactions	(6,950)	17	7
Other effects	0	0	(1)
New borrowings	12,000	18,000	1,100
Repayment of borrowings	(10,905)	(26,015)	(31,917)
Finance lease payments	(9)	(62)	(378)
Change in other borrowings	(80)	(97)	17
Capital increase (nominal)	0	0	0
Additional paid-in capital + undistributable reserves + retained earnings	0	0	0
Decrease in shareholders' equity (dividends)	(9,229)	0	0
Interim dividend	(4,848)	(3,093)	0
Net cash flow from financing activities	**(20,021)**	**(11,250)**	**(31,172)**

In the year ended 31 March 2022, net cash flow from financing activities amounted to an €20,021,000 outflow compared to an €11,250,000 outflow the previous year and a €31,172,000 outflow the year before that.

Treasury share transactions primarily relate to the acquisition of 150,330 treasury shares for cancellation under a buyback agreement, in the amount of €6,596,000.

The new borrowings of €12 million recognised at 31 March 2022 are due to the subscription of a €5 million loan in April 2021 to finance the Group's working capital requirements, and two €3.5 million loans to finance the investments related to the new logistics warehouse.

In the year ended 31 March 2022, on 30 June 2021 the Group prepaid in full the €23 million and €10 million loans taken out to partly finance the Materiel.net, Olys and Synopsis acquisitions, representing a total liability of €6,353,000.

The dividends of €9,229,000 paid to shareholders represent the payment of a dividend of €2 per share in respect of the 2020/2021 financial year, taking into account the payment of an interim dividend of €3,093,000 paid on 25 February 2021.

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

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

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

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

The significant amount of loan repayments 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 prepayment of the loans associated with these real estate assets in an amount of €4.3 million;
- the sale of the Nantes concept store by Domimo 3, which triggered prepayment of the loans associated with this real estate asset 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 prepayments of €3 million under each of the €23 million and €10 million loans, in accordance with Amendment 2 to the loan agreement.

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 2022 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 Pro Lease and Hexa-Tech at respective prices of €100,000 and €655,000 in June 2021 and July 2021.

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

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

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

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

The Group made no other acquisitions during the year ended 31 March 2022.

Non-current assets: property financing

The Group sold all of its real estate assets during the year ended 31 March 2020.

Accordingly, at 31 March 2022 all premises used by the Group are rented.

Non-current assets: financing of other assets

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

Financing of working capital

Group working capital is financed via short- and long-term loans (see Note 3.13 to the consolidated financial statements for the year ended 31 March 2022).

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

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

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

Overdraft authorisations granted to the Group amounted to €25.15 million as at 31 March 2022.

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

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

8.3.2. Summary of borrowings by due date

€000	Principal outstanding	Due in < 1 year	Due in 1-5 years	Due in > 5 years
Loans	21,009	6,010	14,999	0
Finance leases	0	0	0	0
Total	**21,009**	**6,010**	**14,999**	**0**

8.3.3. Changes in borrowings

€000	Loans	Finance leases	Total
31/03/2020	**27,527**	**71**	**27,597**
New borrowings	18,000	0	18,000
Repayment of borrowings	(26,005)	(62)	(26,067)
Other changes	(10)	0	(10)
31/03/2021	**19,511**	**9**	**19,520**
New borrowings	12,000	0	12,000
Repayment of borrowings	(10,905)	(9)	(10,914)
Other changes	403	0	403
31/03/2022	**21,009**	**0**	**21,009**

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

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

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

The other changes of €403,000 for the period ended 31 March 2022 are due to the consolidation of Hexa-Tech cash flows.

"New borrowings" taken out during the 2021/2022 financial year corresponded to the four €4.5 million PGE state-guaranteed loans obtained in April 2020 for a total amount of €18 million. All four loans were fully prepaid in February 2021, which explains €18 million of the amount shown under "Repayment of borrowings" at 31 March 2021.

Following the outbreak of the COVID-19 health crisis, in late March 2020 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 2021.

In accordance with Amendment 2 to the loan agreement signed with a banking pool in the context of the partial acquisition of Materiel.net Group, OLYS and Synopsis, the sale of the real estate asset held by Domimo 3 during the 2019/2020 financial year triggered a €407,000 prepayment under the €23 million and €10 million loans on 30 September 2020.

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

On 21 February 2020, Groupe LDLC signed a sale agreement for the Nantes concept store held by 99.9%-owned subsidiary Domimo 3. The sale price amounted to €1.4 million. The transaction triggered a €216,000 prepayment under the associated loan in the year ended 31 March 2021.

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

8.4.1. Bank covenants

The voluntary early repayment on 30 June 2021 of the two loans taken out to partly finance the Materiel.net, Olys and Synopsis acquisitions removed the requirement for compliance with the ratios and investment limits associated with these loans. The Group has thus regained full financial and operational flexibility.

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

Group exposure to the various risks as at 31 March 2022 is analysed in Note 2.4 to the consolidated financial statements for the year ended 31 March 2022, as featured in Section 18.1 of this Universal Registration Document.

At 31 March 2022, no sensitivity tests were carried out given that the Group had no outstanding floating-rate borrowings.

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

A €5 million loan was taken out on in June 2022 for a seven-year term to finance Group working capital requirements.

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

CHAPTER 9. REGULATORY ENVIRONMENT

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

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

9.1. REGULATIONS ON E-COMMERCE SALES

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

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

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

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

  - **Stringent disclosure requirements:**

> **Regarding consumers**

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

> **Regarding business users**

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

  - **Payment services:**

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

  - **Misleading commercial practices**

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

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

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

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

  - **Developments foreseen with the "European digital package":**

Over the coming years, LDLC's business could be impacted by the entry into force of the Digital Services Act and Digital Markets Act, two proposed EU regulations on online platforms, the European digital market, consumer protection, etc.

The Digital Markets Act provides for a number of new requirements for platforms, in particular the prevention of unfair practices related to user data and the practice of false online reviews to allow business users to conduct their activities without restriction, and to promote transparent advertising practices. The regulation was finalised through the trialogue on 24 March 2022 and is now in the final approval phase. It is scheduled to enter into force in January 2023.

The Digital Services Act provides for a number of rules to protect platform users, including the ability to report non-compliant or counterfeit products offered for sale and the requirement for the platform to address such products, the requirement for transparency in advertising content delivered to users, and the possibility for users to opt out of profiling and targeted advertising. The regulation was approved by the European Parliament and the Council on 20 January and is under negotiation in the trialogue.

9.2. REGULATIONS ON PERSONAL DATA PROTECTION

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

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

Accordingly, companies must ensure that they have procedures and documentary records in place to 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.).

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

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 for warehouses in operation as at 31 March 2022:

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

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

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

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

CHAPTER 10. INFORMATION ON TRENDS

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

Except for the information set out below, the Company is not aware of (i) other material trends having affected production, sales and inventories, costs and selling prices, or (ii) material changes in financial performance from the end of the financial year ended 31 March 2022 until the date of filing the Universal Registration Document.

- **Press release dated 28 April 2022:** 2021/2022 revenues of €684.9 million: Q4 revenues of €160.1 million, following a return to normal consumption patterns; BtoB business up 4.8% year-on-year to €194.7 million; aim to increase LDLC brand recognition among the general public; solid business fundamentals and business model with medium-term growth potential.

Olivier de la Clergerie, LDLC Group CEO, said: *"The Group achieved a solid performance over the year with revenues of almost €685 million, admittedly down from the record levels of the previous year but up sharply versus the Group's pre-crisis performance. As consumption levels return to normal, the Group expects to generate EBITDA in excess of €55 million, in line with the latest estimates communicated in February. In view of year-on-year trends, the Group considers that it will return to a rate of consumption comparable to 2021, excluding the crisis period, by the end of September 2022. Underpinned by a model that continues to generate cash and a comfortable cash reserve, the Group has the means to build future growth. Investments in growth have already been made, such as the new logistics facility in Saint-Quentin-Fallavier. The Group also intends to continue to expand its store chain and strengthen LDLC brand awareness in order to increase its market share among the general public."*

Consolidated revenues (1 April to 31 March) – unaudited

€m	2021/2022	2020/2021	Ch. (%)
Q1 revenues	163.7	149.1	+9.8%
Q2 revenues	169.7	165.2	+2.7%
Q3 revenues	191.4	227.8	-16.0%
Q4 revenues	160.1	181.9	-12.0%
12-month revenues	**684.9**	**724.1**	**-5.4%**

Corporate data: Q4 2021/2022 revenues amounted to €148.7 million and full-year revenues came to €640.1 million.

Q4 2021/2022 revenues: €160.1 million (down 12.0%) following a return to normal consumption patterns

Over the past quarter, the BtoC business generated revenues of €109.2 million, down 15.3%, reflecting a return to non-COVID consumption levels. This level of activity nevertheless remains well above that of 2019/2020, demonstrating that the Group was able to take advantage of the period to gain market share both online and in physical stores. Revenues from LDLC stores for the period came to €21 million, compared to €24.7 million in the fourth quarter of the previous financial year and €15.6 million in Q4 2019/2020.

The BtoB business performed better with Q4 2021/2022 revenues of €47.7 million, compared to €50.1 million the previous year.

Other businesses posted Q4 revenues of €3.2 million, up 15% from €2.8 million a year earlier. Childcare brand L'Armoire de Bébé continued to grow, with Q4 revenues up 12.5% to €2.1 million.

Full-year revenues of €684.9 million
(down 5.4% from €724.1 million in FY 2020/2021)

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

BtoC revenues amounted to €477.6 million, down 9.2% from €526.2 million in 2020/2021 but up 47.6% compared to 2019/2020 revenues of €323.6 million. LDLC store revenues (62 LDLC stores in France at 31 March 2022) rose sharply by 4.7% to €90.3 million. Total revenues from all Group stores across all retail chains amounted to €120.6 million, up 2.7%.

BtoB revenues for the full financial year amounted to €194.7 million, up 4.8% from €185.9 million in 2020/2021 reflecting strong business momentum in the first half.

Other businesses posted total full-year revenues of €12.6 million, up 5.1% from €12.0 million in FY 2020/2021. Childcare brand L'Armoire de Bébé posted annual revenues of €8.4 million, up 7.9%, and continued its growth trajectory, driven by its online reputation and the opening of five new points of sale during the financial year.

Recent news and outlook

A new logistics facility to support business growth

The LDLC Group is continuing development of the new Saint-Quentin-Fallavier warehouse (approximately 28,000 m²) destined to replace the existing 21,000 m² logistics platform, which no longer met the requirements of the Group's fully multichannel organisational system. The warehouse is expected to start operating after summer 2022. The Group has nevertheless given itself the option of postponing opening until 2023 if there is any doubt regarding its completion.

With optimised storage space and state-of-the-art, largely automated logistics technology, this new site will enable the Group to meet the future increase in business and expand the store chain, with store openings set to accelerate in the months ahead in line with the opportunities presented by the LDLC Group's various brands.

In addition to improving logistical performance, the warehouse has been designed to reduce time-consuming and tiring tasks performed by operators and is fully in keeping with the Group's commitment to improving quality of life at work.

Communication campaign targeting the general public

The LDLC Group will launch a television communication campaign in the coming weeks. This campaign, which will be spread over several periods until the end of 2022, aims to increase awareness of the LDLC brand and its business in a context of increased visibility for the Group (four-day week, appearance on "Patron Incognito" TV programme).

Through this campaign, the Group wishes to consolidate its position as a high-tech specialist capable of addressing the needs and concerns of all. The Group will thus showcase its store chain and accessibility to all consumers for all situations, from finding the right equipment through teams of enthusiasts skilled in advising on the right product for each individual, to troubleshooting solutions or improving an existing hardware installation at a lower cost in order to extend product lifetime. Through this campaign, the LDLC Group, which is currently known mainly among enthusiasts, aims to show that everyone can be a customer and that, by constantly expanding the store chain, it can provide customers with a truly local service and offer them advice and solutions for every use: family, gaming, remote working or even professional use for start-ups and SMEs.

Ambitions

As mentioned previously, the Group does not expect a return to positive comparables before the end of September 2022 due to the return to non-crisis consumption patterns. Nevertheless, these economic fluctuations will have no impact on the sustainability, development, relevance and efficiency of the LDLC Group's business model. Against this backdrop, the Group will use the period to build its model, strengthen its reputation for the years ahead and continue to develop.

With a healthy financial situation and strong cash generation, the LDLC Group remains ambitious and has the means to progress, invest and thereby become a major player in the French market serving individual consumers and professionals alike. In addition, the Group remains open to all opportunities to cross borders and develop new markets.

Provisional calendar of upcoming publications and events

Publication*	Date	Information meeting
2021/2022 full-year results	16 June 2022	17 June 2022
Q1 2022/2023 revenues	21 July 2022	
Annual General Meeting	30 September 2022	
Q2 2022/2023 revenues	27 October 2022	
H1 2022/2023 results	1 December 2022	2 December 2022
Q3 2022/2023 revenues	26 January 2023	
Q4 2022/2023 revenues	27 April 2023	
2022/2023 full-year results	15 June 2023	16 June 2023

** Publication after market close*

Press release dated 16 June 2022: 2021/2022 full-year results

- full-year revenues of €684.9 million; BtoB revenues up 4.8% year-on-year to €194.7 million;
- gross margin rate of 22.5%, stable compared to the previous year record;
- EBITDA of €58.4 million and net income of €36.1 million, demonstrating the strength of the business model;
- net cash of €22.8 million at 31 March 2022;
- aim to increase LDLC brand recognition among the general public.

Olivier de la Clergerie, LDLC Group CEO, said: *"The Group achieved a solid performance over the year with revenues of almost €685 million and EBITDA of €58.4 million, admittedly down from the record levels of the previous year but up sharply versus the Group's pre-crisis performance. Looking beyond market trends, which are not too favourable at the moment, the Group has demonstrated the soundness of its fundamentals, the relevance of its business model and its willingness to reward stakeholders, especially shareholders.*

In view of current trends, the Group considers that it will return to a rate of consumption comparable to 2021, excluding the positive impact of the crisis, by the end of September 2022. The LDLC Group has solid financial resources that will enable it to build the foundations for a new cycle of growth. With the capacity for growth offered by the new logistics facility in Saint-Quentin-Fallavier, the Group intends to further expand its store chain and enhance awareness of the LDLC brand in order to cater more closely to the high-tech needs of a more diverse customer base."

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

€m - Audited figures	2021/2022 *12 months*	H1 2021/2022 *6 months*	H2 2021/2022 *6 months*	2020/2021 *12 months*	Change €m
Revenues	**684.9**	**333.5**	**351.4**	**724.1**	**-39.2**
Gross margin	**154.3**	**76.9**	**77.4**	**162.9**	**-8.6**
Gross margin rate	*22.50%*	*23.1%*	*22.0%*	*22.5%*	-
EBITDA (1)	**58.4**	**30.7**	**27.7**	**70**	**-11.6**
EBITDA margin	*8.5%*	*9.2%*	*7.9%*	*9.7%*	*-1.2 pp*
Operating earnings (EBIT) after goodwill amortisation and impairment (2)	**51**	**26.1**	**24.9**	**62.7**	**-11.7**
Net financial income/(expense)	(0.1)	(0.2)	0.1	(0.4)	+0.3
Non-recurring income/(expense)	0	0	0	0	0
Income tax	(14.7)	(7.6)	(7.1)	(20.1)	+5.4
Net income of consolidated companies	**36.1**	**18.3**	**17.8**	**42.2**	**-6.1**
Net income, Group share	**36.1**	**18.3**	**17.8**	**42.2**	**-6.1**

(1 EBITDA = Operating earnings (EBIT) before goodwill amortisation and impairment + operating depreciation, amortisation and provisions.
(2) No goodwill amortisation and impairment charges were recorded for the financial years presented.

On 16 June 2022, the LDLC Management and Supervisory Boards approved the consolidated financial statements for the financial year ended 31 March 2022. The account auditing procedures have been finalised and the accounts have been audited.

Overview of the 2021/2022 financial year

Full-year revenues of €684.9 million (down 5.4% from €724.1 million in FY 2020/2021)

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

BtoC revenues amounted to €477.6 million, down 9.2% from €526.2 million in 2020/2021 but up 47.6% compared to 2019/2020 revenues of €323.6 million. LDLC store revenues (62 LDLC stores in France at 31 March 2022) rose 4.7% to €90.3 million. Total revenues from all Group high-tech stores across all retail chains amounted to €120.6 million, up 2.7%.

BtoB revenues for the full financial year amounted to €194.7 million, up 4.8% from €185.9 million in 2020/2021 reflecting strong business momentum in the first half.

The Group added 443,000 new customers (BtoC and BtoB) in 2021/2022, representing strong growth compared to customer acquisition before the health crisis (329,000 added in 2019/2020). After a significant drop in 2020/2021 following the increase in the BtoC share, the Group's average basket increased 24% to €483 excl. VAT (€391 excl. VAT in the previous year and €426 excl. VAT in 2019/2020), driven in particular by BtoB sales.

Other businesses posted total full-year revenues of €12.6 million, up 5.1% from €12.0 million in FY 2020/2021. Childcare brand L'Armoire de Bébé posted annual revenues of €8.4 million, up 7.9%, and continued its growth trajectory, driven by its online reputation and the opening of five new points of sale during the financial year.

High gross margin rate sustained at 22.5%

Group gross margin was €154.3 million in 2021/2022 (compared to €162.9 million in 2020/2021). This slight decline mainly reflects the relatively low level of business in the second half.

Despite a disrupted market environment in the second half of the year, the Group was able to maintain the gross margin rate at 22.5%, stable compared to the record level achieved in the previous year. The Group benefited from structural measures implemented over the last two years (improved purchasing terms, back office integration) and continued to make less use of promotional offers.

At constant consolidation scope and excluding the positive impact of the first half, the LDLC Group remains confident in its ability to deliver a normalised gross margin rate of around 21.5% over the long term.

EBITDA of €58.4 million with an EBITDA margin of 8.5%

EBITDA amounted to €58.4 million in 2021/2022 (compared to €70.0 million in 2020/2021). The Group once again achieved historically high operating profitability, with an EBITDA margin of 8.5%.

This year confirmed the relevance of the Group's business model, with a gross margin rate of 22.5% and moderate increases in other operating expenses, in line with the Group's strategy and commitment to its teams. Staff costs increased by 5% to €58.1 million, reflecting the Group's proactive compensation policy (minimum gross monthly salary set at 25% above the minimum wage).

Net cost of debt fell from €0.4 million last year to €0.3 million after the Group maintained a cash surplus throughout the year.

The Group posted net income of €36.1 million for the 2021/2022 financial year, compared to €42.2 million the previous year.

Robust financial structure

Shareholders' equity amounted to €116.7 million at 31 March 2022 (€101.6 million at 31 March 2021) versus net cash of €22.8 million (€31.3 million at 31 March 2021).

In 2021/2022, the Group generated a net cash outflow of €7.0 million, reflecting a decrease in cash flow from operations (€22.3 million in 2021/2022 compared to €51.0 million the previous year), including an exceptional increase in working capital due to the desire to maintain an atypically high level of inventory given the global situation as well as the continued policy of rewarding the shareholders. The Group allocated €21.0 million to the payment of dividends (€14.1 million in dividends corresponding to the 2020/2021 balance and the 2021/2022 interim dividend) and the purchase of LDLC shares for cancellation (€6.6 million).

Positive impact of the labour model on profitability

The Group, which has been working for three years on improving its employment model, has switched all its teams to a four-day, 32-hour week (4x8), set a minimum salary (after four months of service) nearly 25% above the minimum wage and incorporated target-based and variable bonuses into the fixed salary. The Group has seen a real gain in efficiency and commitment over the last few years, with a strong knock-on effect on profitability.

Accordingly, in the 2018/2019 financial year, the Group achieved revenues of €507.5 million with a workforce of 1,014, whereas currently, with an almost equivalent workforce of 1,064 (including TopAchat and new brand stores), the Group has seen revenues grow over the period by more than €175 million, clearly demonstrating the productivity and efficiency gains achieved through the labour model.

2021/2022 dividend

In line with the shareholder compensation policy renewed last year, the LDLC Group will propose a dividend of €2.00 per share for the 2021/2022 financial year to the General Meeting of shareholders to be held on 30 September 2022. Subject to approval by the Annual General Meeting and the Management Board's decision, shares would go ex-dividend on 5 October 2022 and the dividend would be paid on 7 October 2022.

By way of reminder, the LDLC Group has already paid an interim dividend of €0.80 per share in respect of the 2021/2022 financial year (ex-dividend date 23 February 2022, payment date 25 February 2022).

Wishing to foster the long-term relationship with its shareholders, the Group will submit a resolution to the next General Meeting aimed at introducing a 10% loyalty dividend for registered shareholders after two years of continuous ownership. This dividend would be applied for the first time to the financial year ending 31 March 2024, in accordance with the relevant laws and regulations.

Details of these resolutions will be included in the 2021/2022 Universal Registration Document.

Cancellation of 150,330 LDLC SHARES

By decision of the Management Board, the Group today cancelled 150,330 LDLC shares previously acquired for this purpose under the share buyback plan authorised by the General Meeting of 24 September 2021.

The share capital now comprises 6,171,776 shares with a par value of €0.18 each.

Recent news and outlook

Resumption of the pace of LDLC store openings

With the addition of the new logistics warehouse designed for optimal processing of retail logistics flows, the Group confirms its desire to resume a steady pace of store openings starting with the current financial year. Since 1 April, the Group has announced the opening of five stores (Perpignan in April, Mâcon and La Roche-sur-Yon in May, Lyon Cordelier and Orléans in June) and expects to open over 20 more stores, all brands combined, by the end of the financial year. By way of comparison, only six stores were added to the LDLC chain during the previous year.

Convinced of the relevance of its omnichannel distribution model, the Group plans to continue expanding its network of high-tech stores, in line with the opportunities available to the various retail chains.

In the interests of speed of execution and balance, the Group plans to give priority to the deployment of branches in this new stage of expansion. By doing so, the LDLC Group may also review opportunities to acquire existing business assets.

LDLC launches its first TV campaign

In May, the LDLC Group launched its first ever nationwide TV advertising campaign. The three-phase campaign used humour and self-mockery to depict a family struggling with computer technology. This campaign, which will be spread over several periods until the end of 2022, aims to increase awareness of the LDLC brand and its business in a context of increased visibility (four-day week, appearance on "Patron Incognito" TV programme).

This important step for the Group is part of the development of its multi-brand, multi-channel strategy. Through this campaign, the Group hopes to extend the reach of its LDLC brand by highlighting its ability to serve all consumer categories and meet all needs. To achieve this, the Group is plugging its distinguishing features such as the store chain, its culture of providing the right advice to meet customer needs, its many services and its commitment to customer relations.

Ambitions

In the short term, the LDLC Group anticipates a two-phase financial year, with the first half marking a return to a normalised pace of high-tech product consumption, for which the Group expects to see a performance at least in line with previous quarters. This would be followed by a return to growth from October driven partly by the renewal of product generations such as graphics cards (which change every two years) and a slow but steady improvement in supplies.

Over the medium term, the Group has many strengths to play with. First of all, it can rely on the growth of its reputation, its network of sales outlets and the BtoB business. It is also well placed to manage future growth with the completion of new logistics facilities that will allow the Group to develop with confidence while maintaining the advantage of its longstanding successful fixed-charge business model.

As such, encouraged by its healthy, cash-generating financial position, the LDLC Group continues to nurture bold ambitions and has the resources it needs to pursue its growth investments. In addition, the Group remains open to all opportunities to cross borders and develop new markets.

Next meeting:

17 June 2022 at 10am – 2021/2022 full-year earnings presentation meeting.

Edouard VII Conference Centre, 23 square Edouard VII, Paris 9th district

Next release:

On 21 July 2022 after market close, Q1 2022/2023 revenues.

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

In the short term, the LDLC Group anticipates a two-phase financial year, with the first half marking a return to a normalised pace of high-tech product consumption, for which the Group expects to see a performance at least in line with previous quarters. This would be followed by a return to growth from October driven partly by the renewal of product generations such as graphics cards (which change every two years) and a slow but steady improvement in supplies.

Over the medium term, the Group has many strengths to play with. First of all, it can rely on the growth of its reputation, its network of sales outlets and the BtoB business. It is also well placed to manage future growth with the completion of new logistics facilities that will allow the Group to develop with confidence while maintaining the advantage of its longstanding successful fixed-charge business model.

As such, encouraged by its healthy, cash-generating financial position, the LDLC Group continues to nurture bold ambitions and has the resources it needs to pursue its growth investments. In addition, the Group remains open to all opportunities to cross borders and develop new markets.

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

CHAPTER 11. PROFIT FORECASTS AND ESTIMATES

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

CHAPTER 12. 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 Universal Registration Document.

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

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

12.1.2. Membership of the Supervisory Board

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

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

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

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

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

12.1.4. Disclosures regarding members of the Management and Supervisory Boards

We hereby inform you that:

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

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

To the best of the Company's knowledge, no member of the Management Board or Supervisory Board has, over the past five years:

- been sentenced for fraud;
- been linked to a bankruptcy, receivership, liquidation or company placed under court-ordered administration in the capacity of executive director, Board member or Supervisory Board member;
- been charged or had official public sanctions imposed on them by statutory or regulatory authorities (including designated professional organisations);
- been deprived by court order of the right to be a member of a corporate body of an issuer or be involved in managing or directing the business of an issuer.

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

> **Laurent Villemonte de la Clergerie**

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

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

In 1997, driven by his courage and inspiration, he launched LDLC.com in Lyon. This was the dawn of the age of e-commerce… 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 Bignier Valentin**

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

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

> **Suzanne Villemonte de la Clergerie**

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

Suzanne Villemonte de la Clergerie studied law and psychology. She has been involved in the family business since 1997 and was officially appointed Chairwoman of the LDLC Group Supervisory Board in 2000.

> **Marc Villemonte de la Clergerie**

Vice-Chairman and member of the Supervisory Board
Born in 1943, a French national

As a graduate of the *Ecole Supérieure de Commerce* in Bordeaux, Marc Villemonte de la Clergerie spent his career at the Renault Group. He occupied a number of executive positions, mainly in finance, economics, sales and marketing. Involved right from the start of his children's venture into the world of business, Marc Villemonte de la Clergerie has been Vice-Chairman of the Supervisory Board since 2001 and a member of the Supervisory Board since 2000, the year of its creation.

12.2. CONFLICT OF INTEREST WITHIN CORPORATE BODIES

To the best of the Company's knowledge, there is no potential conflict of interest between the duties of the members of the Company's Management Board and Supervisory Board towards the Company and their private interests or other duties.

The Supervisory Board adopted a set of internal regulations, including a clause entitled "Conflict of interests – Disclosure requirement" regarding the prevention of conflicts of interests. This provision requires members of the Supervisory Board who find themselves in any situation entailing or that could entail a conflict 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. REMUNERATION AND BENEFITS

13.1. COMPENSATION PAID TO MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

To ensure compliance with the provisions of point 13.1 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, applicable by reference to point 1.1 of Annex 2 of said regulation, below you will find, based on the information in our possession, the compensation and benefits of all kinds owed and/or paid to the corporate officers of the Company during the financial years ended 31 March 2021 and 31 March 2022. The remuneration and benefits presented below include those received from all companies included with the company's scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code.

We hereby inform you that:

- all members of the Management Board or Supervisory Board are entitled, upon presentation of corresponding receipts, to the repayment of travel and business trip expenses, as well as expenses incurred during the performance of their duties and in the Company's interest;
- no commitment of any kind has been made by the Company in favour of its corporate officers relating to compensation, indemnities or benefits owed or likely to be owed due to the taking up, termination or change of duties or after the performance of said duties, in particular pension and other annuities.

The tables set out in Appendix 2 of AMF recommendation 2021-02 are presented below.

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

	Financial year ended 31 March 2021	**Financial year ended 31 March 2022**
Laurent Villemonte de la Clergerie, Chairman of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€260,031.39	€651,833.23
Multi-year variable compensation awarded during the year	None	None
Options granted during the year *(breakdown in Table 4)*	None	None
Bonus shares granted *(breakdown in Table 6)*	None	None
Total	**€260,031.39**	**€651,833.23**

	Financial year ended 31 March 2021	Financial year ended 31 March 2022
Olivier Villemonte de la Clergerie, Chief Executive Officer		
Compensation due for the year *(breakdown in Table 2)*	€246,795.73	€547,777.71
Multi-year variable compensation awarded during the year	None	None
Options granted during the year *(breakdown in Table 4)*	None	None
Bonus shares granted *(breakdown in Table 6)*	None	None
Total	**€246,795.73**	**€547,777.71**

	Financial year ended 31 March 2021	Financial year ended 31 March 2022
Caroline Villemonte de la Clergerie, Member of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€27,926.69	€27,874.24
Multi-year variable compensation awarded during the year	None	None
Options granted during the year *(breakdown in Table 4)*	None	None
Bonus shares granted *(breakdown in Table 6)*	None	None
Total	**€27,926.69**	**€27,874.24**

	Financial year ended 31 March 2021	Financial year ended 31 March 2022
Marc Prieur, Member of the Management Board		
Compensation due for the year *(breakdown in Table 2)*	€146,151.81	€308,481.03
Multi-year variable compensation awarded during the year	None	None
Options granted during the year *(breakdown in Table 4)*	None	None
Bonus shares granted *(breakdown in Table 6)*	None	None
Total	**€146,151.81**	**€308,481.03**

Tables 2: Summary of compensation paid to each executive director

The tables presented below list compensation owed to executive directors for the years ended 31 March 2021 and 2022 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 EBIT before deduction of the employee profit-share.

The Company considers that this accounting indicator provides a sufficiently accurate view of its situation during a given financial year reflecting the collective and individual performance of corporate officers. Furthermore, the Company considers that this indicator indirectly takes into account the results of the Company's CSR initiatives.

Laurent Villemonte de la Clergerie, Chairman of the Management Board

	Financial year ended 31 March 2021		Financial year ended 31 March 2022	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation for corporate office	0	€204,000.00 (5)	0	€210,000.00 (7)
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus (8).	0	€18,543.56	0	€39,618.61
Annual variable compensation (1)(2)	€400,000.00 (3)	€34,531.61	€400,000.00 (6)	€400,000.00
Benefits in kind (4)	0	€2,956.22	0	€2,214.62
Total	**€400,000.00**	**€260,031.39**	**€400,000.00**	**€651,833.23**

(1) With regard to annual variable compensation, (i) the only item taken into consideration is Group EBIT before deduction of the employee profit-share, to which a percentage is applied in order to calculate the annual variable compensation; (ii) there is no correlation between the amount of annual variable compensation awarded and the fixed compensation for corporate office.

(2) On 18 June 2020, the Company's Supervisory Board decided that the annual variable compensation liable to be awarded to Laurent Villemonte de la Clergerie, provided that he holds at least 2% of the share capital in the form of registered shares at the closing date, would be calculated on the basis of Group EBIT before deduction of the employee profit-share as recognised at the closing date of each financial year, multiplied by a percentage on a sliding scale between 0% (zero EBIT) and 2.25%. In any event, this variable compensation is capped at €400,000 gross per financial year.

(3) On 17 June 2021, 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 2021.

(4) Company vehicle in respect of his position as member of the Management Board.

(5) On 18 June 2020, with effect from 1 April 2020, the Supervisory Board set the fixed gross annual compensation awarded to Laurent Villemonte de la Clergerie as Chairman of the Management Board at €204,000.

(6) On 16 June 2022, the Supervisory Board noted the achievement of the target amount of Group underlying EBIT before deduction of the employee profit-share set for Laurent Villemonte de la Clergerie and noted the corresponding award of his variable compensation for the financial year ended 31 March 2022.

(7) On 17 June 2021, with effect from 1 April 2021, the Supervisory Board set the fixed gross annual compensation awarded to Laurent Villemonte de la Clergerie as Chairman of the Management Board at €210,000.00.

(8) On 18 June 2020, the Supervisory Board decided that the "June" annual bonus would be awarded to Laurent Villemonte de la Clergerie with effect from 1 April 2020, and for all subsequent financial years until decided otherwise, under the conditions applicable to Company employees, i.e. 30% of the June gross base salary every year.

Olivier Villemonte de la Clergerie, Chief Executive Officer

	Financial year ended 31 March 2021		Financial year ended 31 March 2022	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed compensation for corporate office	0	€201,840.00 (5)	0	€210,000.00 (7)
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus (8).	0	€17,868.68	0	€34,114.46
Annual variable compensation (1)(2)	€300,000.00 (3)	€23,021.08	€300,000.00 (6)	€300,000.00
Benefits in kind (4)	0	€4,065.97	0	€3,663.25
Total	**€300,000.00**	**€246,795.73**	**€300,000.00**	**€547,777.71**

(1) With regard to annual variable compensation, (i) the only item taken into consideration is Group EBIT before deduction of the employee profit-share, to which a percentage is applied in order to calculate the annual variable compensation; (ii) there is no correlation between the amount of annual variable compensation awarded and the fixed compensation for corporate office.
(2) On 18 June 2020, the Company's Supervisory Board decided that the annual variable compensation liable to be awarded to Olivier Villemonte de la Clergerie, provided that he holds at least 2% of the share capital in the form of registered shares at the closing date, would be calculated on the basis of Group EBIT before deduction of the employee profit-share as recognised at the closing date of each financial year, multiplied by a percentage on a sliding scale between 0% (zero EBIT) and 1.5%. This variable compensation is capped at €300,000 gross per financial year.
(3) On 17 June 2021, 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 2021.
(4) Company vehicle in respect of his position as member of the Management Board.
(5) On 18 June 2020, with effect from 1 April 2020, the Supervisory Board set the fixed gross annual compensation awarded to Olivier Villemonte de la Clergerie as Chief Executive Officer at €204,000. The difference of €2,160 results from an overpayment during the financial year ended 31 March 2020, which was returned to the Company during the year ended 31 March 2021.
(6) On 16 June 2022, the Supervisory Board noted the achievement of the target amount of Group underlying EBIT before deduction of the employee profit-share set for Olivier Villemonte de la Clergerie and noted the corresponding award of his variable compensation for the financial year ended 31 March 2022.
(7) On 17 June 2021, with effect from 1 April 2021, the Supervisory Board set the fixed gross annual compensation awarded to Olivier Villemonte de la Clergerie as Chief Executive Officer at €210,000.
(8) On 18 June 2020, the Supervisory Board decided that the "June" annual bonus would be awarded to Olivier Villemonte de la Clergerie with effect from 1 April 2020, and for all subsequent financial years until decided otherwise, under the conditions applicable to Company employees, i.e. 30% of the June gross base salary every year.

Caroline Villemonte de la Clergerie, Member of the Management Board

	Financial year ended 31 March 2021		Financial year ended 31 March 2022	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed compensation for corporate office	0	€24,000.00 (5)	0	€24,000.00
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus (7).	0	€2,039.13	0	€2,074.24
Annual variable compensation (1)(2)		None (3)		None (6)
Benefits in kind (4)	0	€1,887.56	0	€1,800.00
Total	**0**	**€27,926.69**	**0**	**€27,874.24**

(1) With regard to annual variable compensation, (i) the only item taken into consideration is Group EBIT before deduction of the employee profit-share, to which a percentage is applied in order to calculate the annual variable compensation; (ii) there is no correlation between the amount of annual variable compensation awarded and the fixed compensation for corporate office.
(2) On 18 June 2020, 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) can prove 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 before deduction of the employee profit-share as recognised at the closing date of each financial year, multiplied by a percentage on a sliding scale between 0% (zero EBIT) and 0.75%. This variable compensation is capped at €150,000 gross per financial year.
(3) Given that there was no employment contract between Caroline Villemonte de la Clergerie and the Group as at 31 March 2021, she did not qualify for the allocation of annual variable compensation for the financial year ended 31 March 2021.
(4) Company vehicle in respect of his position as member of the Management Board.
(5) On 18 June 2020, with effect from 1 April 2020, the Supervisory Board set the fixed gross annual compensation awarded to Caroline Villemonte de la Clergerie as member of the Management Board at €24,000.
(6) After the Supervisory Board decision on 17 June 2021, at her request, no annual variable compensation shall be awarded to Caroline Villemonte de la Clergerie for her role as a Member of the Management Board as of the financial year closing on 31 March 2022 and for all subsequent years until decided otherwise by the Supervisory Board.
(7) On 18 June 2020, the Supervisory Board decided that the "June" annual bonus would be awarded to Caroline Villemonte de la Clergerie with effect from 1 April 2020, and all subsequent financial years until decided otherwise, under the conditions applicable to Company employees, i.e. 30% of the June gross base salary every year.

	Marc Prieur, Member of the Management Board			
	Financial year ended 31 March 2021		Financial year ended 31 March 2022	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation for corporate office	0	€24,000.00 (6)	0	€100,500.00 (7)
Yearly bonus calculated according to the collective bargaining agreement on distance selling of specialised products and "June" annual bonus (8).	0	€2,350.76	0	€12,821.03
Fixed compensation as employee of Hardware.fr (10)	0	€98,400.00	0	€24,600.00
Annual variable compensation (1)(2)	€150,000.00 (3)	€11,510.54	€150,000.00 (4)	€150,000.00
Bonus in relation to work as employee ofHardware.fr (9)(10)	0	€8,200.00	0	€18,760.00
Benefits in kind (5)	0	€1,690.51	0	€1,800.00
Total	**€150,000.00**	**€146,151.81**	**€150,000.00**	**€308,481.03**

(1) With regard to annual variable compensation, (i) the only item taken into consideration is Group EBIT before deduction of the employee profit-share, to which a percentage is applied in order to calculate the annual variable compensation; (ii) there is no correlation between the amount of annual variable compensation awarded and the fixed compensation for corporate office.
(2) On 18 June 2020, the Company's Supervisory Board decided that the annual variable compensation liable to be awarded to Marc Prieur, provided that he (i) has an employment contract with the Group and does not receive annual variable compensation under this contract and (ii) proves that he holds at least 2% of the share capital in the form of registered shares at the closing date, would be calculated on the basis of Group EBIT before deduction of the employee profit-share as recognised at the closing date of each financial year, multiplied by a percentage on a sliding scale between 0% (zero EBIT) and 0.75%. This variable compensation is capped at €150,000 gross per financial year.
(3) On 17 June 2021, the Supervisory Board noted the achievement of the target amount of Group EBIT before deduction of the employee profit-share set for Marc Prieur and noted the corresponding award of his variable compensation for the financial year ended 31 March 2021.
(4) On 16 June 2022, the Supervisory Board noted the achievement of the target amount of Group EBIT before deduction of the employee profit-share set for Marc Prieur and noted the corresponding award of his variable compensation for the financial year ended 31 March 2022.
(5) Company vehicle in respect of his position as member of the Management Board
(6) On 18 June 2020, with effect from 1 April 2020, the Supervisory Board set the fixed gross annual compensation awarded to Marc Prieur as member of the Management Board at €24,000.
(7) On 17 June 2021, with effect from 1 January 2021, the Supervisory Board set the fixed gross annual compensation awarded to Marc Prieur as member of the Management Board at €100,500.
(8) On 18 June 2020, the Supervisory Board decided that the "June" annual bonus would be awarded to Marc Prieur with effect from 1 April 2020, and for all subsequent years until decided otherwise, under the conditions applicable to Company employees, i.e. 30% of the June gross base salary every year.
(9) 13th month bonus
(10) On 17 June 2021, with effect from 28 June 2021, the Supervisory Board noted the end of Marc Prieur's employment contract at the Hardware.fr company and the ensuing end of compensation owed for this purpose.

On 16 June 2022, the Supervisory Board decided to waive the annual variable compensation for Laurent and Olivier Villemonte de la Clergerie and Marc Prieur for their duties, as of the year ending 31 March 2023 and for all subsequent years until decided otherwise by the Supervisory Board.

The Supervisory Board has decided to align, to a certain extent, the compensation policy applicable to the members of the Management Board and the Group's wage policy, mainly by shifting the target bonuses and variable bonuses to fixed salaries. The Group thus noted a significant increase in efficiency and commitment over the last few years.

In this context, the Supervisory Board has decided to set as follows the fixed gross annual compensation attributable to certain members of the Management Board in respect of the financial year ending 31 March 2023, and all subsequent years until decided otherwise by the Supervisory Board:
- Laurent Villemonte de la Clergerie, Chairman of the Management Board: €420,000
- Olivier Villemonte de la Clergerie, Chief Executive Officer: €420,000
- Marc Prieur, Member of the Management Board: €276,000

As an example, compared to the year ended 31 March 2022, the waived annual variable compensation and its partial transformation to a fixed compensation led to the following changes for the relevant members of the Management Board:

Relevant member of the Management Board	Total fixed annual compensation and annual variable compensation for the year ended 31 March 2022	Revised annual fixed compensation for the year ended 31 March 2023, including the waived annual variable compensation	Change (in %)
Laurent Villemonte de la Clergerie	€610,000	€420,000	-31.15%
Olivier Villemonte de la Clergerie	€510,000	€420,000	-17.65%
Marc Prieur	€293,860 (including compensation received in respect of his employment contract)	€276,000	-6.08%

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

	Financial year ended 31 March 2021	Financial year ended 31 March 2022
Suzanne Villemonte de la Clergerie, Chairwoman of the Supervisory Board		
Compensation awarded under Article L.225-83, French Commercial Code	None	None
Fixed compensation for corporate office	€21,600.00	€21,600.00
Total	**€21,600.00**	**€21,600.00**

	Financial year ended 31 March 2021	Financial year ended 31 March 2022
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 2021	Financial year ended 31 March 2022
Anne-Marie Bignier Valentin, Member of the Supervisory Board		
Compensation awarded under Article L.225-83, French Commercial Code	None	None
Total	**None**	**None**

Table 4: Stock options granted during the year to each executive director by the issuer and by any Group company

None.

Table 5: Stock options exercised during the year by each executive director

None.

Table 6: Bonus shares granted to each corporate officer during the year ended

None.

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	30/09/2016	30/09/2016	30/09/2016	27/09/2019
Date of Management Board meeting	29/06/2017	13/11/2017	23/02/2018	22/07/2020
Total number of bonus shares granted	10,000	2,000	70,000	20,000
Vesting date	(1)	13/11/2019	(1)	(1)
End of lock-in period	(1)	14/11/2021	(1)	(1)
Number of shares acquired at 31 March 2022	3,000	2,000	35,000	0
Total number of shares cancelled or expired	7,000	None	35,000	None
Bonus shares outstanding at year-end	None	None	None	20,000
Share value (closing price on allotment date)	€28.49	€19.55	€17.94	€27.20
Euro valuation of shares under the method used for the 2021/2022 consolidated financial statements (2)	1,640.00 (1)	None	(43,000.00) (1)	150,931.67

(1) Please see the special report on the Management Board's exercise of the authorisations to grant Company bonus shares pursuant to Articles L. 225-197-1 et seq. of said Code. This report is presented in Chapter 24 of this Universal Registration Document.
(2) For further information, see Notes 3.12 and 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 2022:

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 was an employee of Company subsidiary Hardware.fr until his contract was terminated on 28 June 2021.

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 3.12 to the consolidated financial statements presented in Section 18.1 of this Universal Registration Document, the Company has not recorded any provisions for the payment of pensions, retirement and other benefits to members of the Management or Supervisory Boards.

The Company did not pay any golden hellos or golden parachutes to the aforementioned directors or to any other corporate officers.

13.3. SUMMARY STATEMENT OF COMPANY SHARE TRANSACTIONS CARRIED OUT DURING THE YEAR ENDED BY DIRECTORS AND PERSONS LISTED UNDER ARTICLE L.621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE

Pursuant to Article L.621-18-2 of the French Monetary and Financial Code and Articles 223-23 and 223-26 of the AMF General Regulation, the Company has been notified of the execution of the following transactions, as referred to in Article 19 of EU Regulation 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse, during the year ended 31 March 2022.

Persons concerned	Type of transaction	Number of transaction	Month of transaction	Volume	Average price (€)
Arthur Villemonte de la Clergerie, person related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	1	May 2021	500	€54.90
Antoine Villemonte de la Clergerie, person related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	1	May 2021	500	€54.90
Marc Prieur, Member of the Management Board	Disposal	3	June 2021	2,009	€59.8811
Marc Prieur, Member of the Management Board	Disposal	3	June 2021	1,486	€60.2622
Marc Prieur, Member of the Management Board	Disposal	1	June 2021	5,244	€60.30
Marc Prieur, Member of the Management Board	Acquisition	2	December 2021	1,500	€44.0869
PTITFOX SAS, a French simplified joint-stock company and legal entity related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	1	December 2021	5,000	€47.00
Arthur Villemonte de la Clergerie, person related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	1	December 2021	100	€46.55
Antoine Villemonte de la Clergerie, person related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	1	December 2021	100	€46.55
WOLGARATH SASU, legal entity related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	3	December 2021	5,000	€49.0873
Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	2	December 2021	244	€53.4037
Suzanne Villemonte de la Clergerie, Chairwoman of the Supervisory Board	Acquisition	1	January 2022	2,000	€43.90
Arthur Villemonte de la Clergerie, person related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	1	January 2022	100	€43.25
Antoine Villemonte de la Clergerie, person related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	1	January 2022	100	€43.25
Olivier Villemonte de la Clergerie, Chief Executive Officer	Pledge	1	February 2022	98,000	€39.50
WOLGARATH SASU, legal entity related to Olivier Villemonte de la Clergerie, Chief Executive Officer	Acquisition	1	February 2022	1,000	€37.3893
Marc Prieur, Member of the Management Board	Acquisition	2	March 2022	1,152	€29.8312

CHAPTER 14. OPERATION OF CORPORATE BODIES

14.1. COMPANY MANAGEMENT

Further information on the members of the Management Board may be found in Chapter 12 "Corporate bodies" of this Universal 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. His employment contract was terminated on 28 June 2021.

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 three different sites, the sales department is responsible for:

- upstream relations with specific manufacturers, including Intel, Microsoft, Apple, HP, etc.
- BtoB sales.

As part of the services it provides to businesses, the Company also provides cable installation services via its subsidiary, DLP Connect, as well as the installation and/or repair of IT equipment via the company Bluescreen.

IT department

The employees working in this division are responsible for the following IT projects:

- technical development of e-commerce websites (upgrading the browser experience, SEO, etc.);
- implementation of security systems (websites, hardware, etc.);
- in-house development of software required for Company operations. During the course of a few years, over thirty software applications have been developed and upgraded, covering all back-office operations (order analysis, order processing, inventory management, statistical operational analysis, analysis of incoming and outgoing phone calls, logistics platform administration).

General services department

The general services department is responsible for the legal aspects of the Company, the management of premises, travel and the implementation of projects involving the relocation or extension of premises. It is also responsible for monitoring compliance with provisional schedules and for recording any delay in implementing strategic decisions that could have a material impact on the Group's business.

Customer contact centre department

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

Procurement department

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

Logistics department

The logistics department ensures proper fulfilment of Group customer orders and delivery. It also manages after-sales flows and computer assembly workshops.

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 Groupe LDLC with a view to development and market launch.

14.5. SUPERVISORY BOARD REPORT ON CORPORATE GOVERNANCE

Dear Shareholders,

In accordance with Article L.225-68, paragraph 6 of the French Commercial Code, we hereby provide the information required under Article L.225-37-4 of the French Commercial Code, as adapted where applicable to companies with a Supervisory Board, as well as the Supervisory Board's comments on the Management Board report and financial statements for the year ended 31 March 2022.

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 16 June 2022.

I. Corporate governance

The Company notes that Article L.22-10-10 (4) of the French Commercial Code, applicable by reference from Article L.22-10-20 of said Code relating to the selection of a corporate governance code, no longer applies to the Company. However, the Company has decided to continue to voluntarily use the MiddleNext code revised in September 2021 as its reference corporate governance code.

The Company considers that this code is suited to the Company's size and shareholder structure.

It may be consulted on the MiddleNext website (www.middlenext.com).

The Management Board has launched an initiative aimed at gradually bringing the Company into line with the MiddleNext corporate governance code recommendations. The revision of the code prompted the Company to take this action in order to comply with new recommendations, while making allowance for its specific features.

MiddleNext code recommendation	Adopted on 31 March 2022	Not adopted on 31 March 2022
I. Supervisory power		
R 1: Code of conduct for Board members	X	
R 2: Conflicts of interests	X	
R 3: Board membership – Independent members		X(1)
R 4: Provision of information to Board members	X	
R 5: Provision of training to Board members	X(2)	
R6: Organisation of Board and committee meetings	X	
R7: Establishment of committees	X	
R8: Creation of a specialised Committee on Corporate Social Responsibility (CSR)		X(3)
R9: Establishment of Board internal regulations	X(8)	
R10: Choice of each Board member	X	
R11: Board members' term of office		X(4)
R12: Compensation awarded to the Board members in respect of their office		X(5)
R13: Establishment of a system for assessing the work of the Board	X(6)	
R14: Shareholder relations	X	
II. Executive power		
R15: Diversity and equity policy within the company	X	
R16: Definition and transparency of executive directors' compensation		X(9)
R17: Succession plans for directors	X(7)	
R18: Combining employment contract with corporate office	X	
R19: Severance pay	X	
R20: Supplementary pension schemes	X	
R21: Stock options and bonus shares	X	
R22: Review of checkpoints	X	

(1) If the membership of the Supervisory Board changes, MiddleNext code recommendation R3 regarding the presence of two independent members will be taken into account. At the date of this document, in view of the number of Supervisory Board members (currently three), the appointment of two new members qualified as independent members would require broader planning by the Company with regard to changes in Supervisory Board membership. The Company is not averse to the idea of adding one or more independent members, but would like to set such changes in Board membership within a long-term vision so that the members continue to meet the requirements of the Company, its markets and its operation. The Company believes that the current membership of the Supervisory Board meets these requirements; current members possess the expected skills, not only due to their long-standing presence on the Company's Supervisory Board, but also due to their previous positions in other companies or civil society. Although the Supervisory Board has no independent members strictly meeting the five criteria of MiddleNext code recommendation R3, given the family ties between the current members, the code also defines independence as a mindset indicating, above all, that the person is capable of fully exercising their freedom of judgement and ready to object or resign if necessary. The MiddleNext code also defines independence as a way of conceiving and approaching one's own responsibilities, and therefore a question of personal ethics and loyalty towards the company and the other members of the Supervisory Board. In this respect, the Company considers that the current members of its Supervisory Board fully possess this freedom of judgement and the critical mindset, ethical standards and loyalty required to perform their duties, especially in view of the quality of the information provided by the Board, the frequency of its meeting (six per year) and the average attendance rate (94.44%).

(2) In order to comply with MiddleNext code recommendation 5, on 16 June 2022 the Board of Directors approved a three-year training programme for its Supervisory Board members. Annual reports will be provided on the progress of this training programme.

(3) In accordance with Middlenext code recommendation 8, on 16 June 2022 the Supervisory Board examined the appropriateness of setting up a special committee on Corporate Social Responsibility (CSR) and decided, in view of its composition, needs and topicality, that the creation of such an ad hoc special committee is not relevant. The Supervisory Board, within the framework of its legal prerogatives, has already been carrying out an analysis of the Company's social and environmental responsibility for several years. In order to comply with this new recommendation, the Board will have to consider more specifically the sharing of value and, in particular, the balance between the compensation for all employees, the shareholder's reward for risk-taking and the investments necessary to ensure the company's long-term survival. The Supervisory Board plans to appoint a Company employee specialising in CSR to report on the progress of the Company's policy on an ad hoc basis.
(4) The Supervisory Board considers that the term of office provided for by the articles of association is suited to the nature of the Company, within the limits provided by law. However, in view of the size and 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) 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.
(6) In order to comply with MiddleNext code recommendation 13, on 16 June 2022 the Board conducted an assessment of its operations.
(7) In accordance with Article 1.2 of the Company's internal regulations, revised on 16 June 2022, if it sees fit to do so, the Supervisory Board reviews the question of the successor to the present executive director (and possible other key personnel).
(8) The internal regulations of the Company's Supervisory Board, updated on 16 June 2022, may be consulted on request at the head office and without restriction on the Company website.
(9) In previous years, the Company referred to the seven principles that determine the level and terms of executive compensation in accordance with Middlenext code recommendation 16. However, following the 2021 update of the Middlenext code, the Company does not comply, for the financial year ending 31 March 2022, with the exhaustiveness criterion as modified in 2021 insofar as the variable compensation of corporate officers is not based on any extra-financial performance or qualitative criteria, but only on Group EBIT before deduction of the employee profit-share. The Company considers that this accounting indicator provides a sufficiently accurate view of its situation during a given financial year reflecting the collective and individual performance of corporate officers. Furthermore, the Company considers that this indicator indirectly takes into account the results of the Company's CSR initiatives.
Also, in accordance with Middlenext code recommendation 16, paragraph b), the ratio between the compensation of each member of the Management Board and the minimum wage on a full-time equivalent basis of the Company's employees other than the corporate officers is as follows:

	Laurent Villemonte de la Clergerie, Member and Chairman of the Management Board		**Olivier Villemonte de la Clergerie, Member of the Management Board and Chief Executive Officer**		**Marc Prieur, Member of the Management Board**		**Caroline Villemonte de la Clergerie, Member of the Management Board**	
	2021/2022	**2022/2023 (simulation)**	**2022/2021**	**2022/2023 (simulation)**	**2021/2022**	**2022/2023 (simulation)**	**2022/2021**	**2022/2023 (simulation)**
Ratio between the compensation of the corporate officer concerned and the minimum full-time equivalent wage of the Company's employees other than corporate officers	25.82	18.29	21.70	18.13	12.22	11.51	1.10	n/a

Methodological note concerning the equity ratio for the year ended 31 March 2022

In the numerator: total compensation, on a gross before-tax basis, paid to members of the Management Board for the year ended 31 March 2022.

In the denominator: The minimum wage of the Company's employees other than corporate officers, on a full-time equivalent basis resulting from the company agreement relating to the 2021 mandatory negotiation and including the mandatory bonus resulting from the collective agreement (Art. 30 of the National Collective Bargaining Agreement (CCN)) (subject to a condition of presence), plus the top-up bonus provided for in the company agreement relating to the 2018 mandatory negotiation (subject in particular to conditions of seniority and presence), i.e. €25,246.24 gross per year.

The Company considers that calculating the equity ratio on the basis of the French minimum wage (SMIC), as recommended by Middlenext code recommendation 16, paragraph b, is not indicative of the Company's situation insofar as the Group, which has been working for three years on improving its employment model, has notably switched all its teams to a four-day, 32-hour working week (4x8), set a salary nearly 25% above the minimum wage and incorporated target-based and variable bonuses into the fixed salary.

Scope of employees concerned: only the company's employees are concerned, on a non-consolidated basis, i.e. 695 people as at 31 March 2022, representing 65.32% of the Group's salaried workforce as at that date.

Methodological note concerning the simulation of the equity ratio for the year ended 31 March 2023

The reader's attention is drawn to the fact that the sole purpose of this simulation is to provide a comparative view between two financial years regarding the impact of the abolition of the annual variable compensation and its partial transformation into annual fixed compensation. By definition, as the items of compensation to be received by the members of the Management Board for the financial year ending 31 March 2023 are not known at the date of this document, the ratios presented are subject to change and are therefore only indicative. For all intents and purposes, it is also specified that the bonuses awarded to the members of the Management Board and calculated on the fixed salary basis have not been readjusted for the purposes of the simulated equity ratio.

In the numerator: total compensation, on a gross before-tax basis, paid to members of the Management Board for the financial year ended 31 March 2022, with the exception of (i) the gross annual fixed compensation for the year ended 31 March 2022, which is replaced by the annual fixed compensation for the year ending 31 March 2023, and (ii) the annual variable compensation, which is no longer paid. For further information, please refer to Chapter 13.

In the denominator: the minimum salary of the Company's employees other than corporate officers, on a full-time equivalent basis resulting from the company agreement relating to the 2021 mandatory negotiation and including the mandatory bonus resulting from the collective agreement (Art. 30 of the National Collective Bargaining Agreement (CCN)) (subject to a condition of presence), plus the top-up bonus provided for in the company agreement relating to the 2018 mandatory negotiation (subject in particular to conditions of seniority and presence), i.e. €25,246.24 gross per year.

Scope of employees concerned: only the company's employees are concerned, on a non-consolidated basis, i.e. 695 people as at 31 March 2022, representing 65.32% of the Group's salaried workforce as at that date.

At its meeting on 16 June 2022, the Company's Supervisory Board duly noted the checkpoints specified in the MiddleNext code, in accordance with recommendation 22.

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 2022, 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 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th 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 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th reappointment: 18 June 2020 Expiry of office: end of General Meeting called to approve the financial statements for the year ended 31 March 2025

Name	Office	Date of appointment and expiry of office
Olivier Villemonte de la Clergerie	Member of the Management Board	First appointment: 7 March 2000 1st reappointment: 19 July 2005 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th reappointment: 18 June 2020 Expiry of 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 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th 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 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th 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 2nd reappointment: 1 July 2010 3rd reappointment: 19 June 2015 4th 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 2022, 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 Bignier Valentin	Member of the Supervisory Board	7 March 2000	29 September 2006 28 September 2012 28 September 2018	End of General Meeting called to approve the financial statements for the year 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 16 June 2022, 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, one of the Chief Executive Officers or any proxy duly empowered to such end.

The Management Board met 8 times during the year ended 31 March 2022, with an attendance rate of 96.88%.

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 six times during the year ended 31 March 2022, with an attendance rate of 94.44%.

It should be noted that during the Supervisory Board meeting of 16 June 2022, the members of the Board paid particular attention to negative votes by analysing, among other things, how the majority of minority shareholders expressed themselves at the 24 September 2021 General Meeting, in accordance with Middlenext code recommendation 14. The Board considered whether it would be appropriate to revise the elements that may have led to negative votes in view of the next General Meeting.

8) Establishment of committees

In accordance with MiddleNext code recommendation 7, we hereby report to you on the Company's decision with regard to special committees.

As of 31 March 2022, the Supervisory Board does not have any specialised committees.

We hereby remind you that, at its meeting on 12 December 2019, the Supervisory Board, on the basis of a favourable opinion issued by the Audit Committee and the Company's statutory auditors, unanimously decided as from that date to discontinue the Supervisory Board's Audit Committee, which was set up in order to comply with the provisions of Articles L.823-19 and L.823-20.4 of the French Commercial Code.

This decision is justified (i) by the fact that, since 2 September 2019 when the Company's shares were admitted for trading on the Euronext Growth organised multilateral trading facility instead of the Euronext Paris regulated market, the creation of an Audit Committee has been optional for the Company, and (ii) in order to simplify the operation of the Supervisory Board given the size of the Company and composition of its corporate bodies.

In any case, it is recalled that the Supervisory Board continues to monitor all matters related to the preparation and auditing of accounting and financial information to the full extent permitted by the legal authority granted to it pursuant to Article L.225-68 of the French Commercial Code.

In accordance with Middlenext code recommendation 8, on 16 June 2022 the Supervisory Board examined the appropriateness of setting up a special committee on Corporate Social Responsibility (CSR) and decided, in view of its composition, needs and topicality, that the creation of such an ad hoc special committee is not relevant. The Supervisory Board, within the framework of its legal prerogatives, has already been carrying out an analysis of the Company's social/societal and environmental responsibility for several years. In order to comply with this new recommendation, the Board will have to consider the sharing of value and, in particular, the balance between the compensation for all employees, the shareholder's reward for risk-taking and the investments necessary to ensure the company's long-term survival. The Supervisory Board plans to appoint a Company employee specialising in CSR to report on the progress of the Company's policy on an ad hoc basis.

9) Implementation of a three-year training programme for members of the Supervisory Board

In accordance with Middlenext code recommendation 5, the Supervisory Board, at its 16 June 2022 meeting, adopted the following training programme: four training sessions, from now until the end of 2025, with one to two sessions per year.

The Supervisory Board will review the progress of the training programme as implemented when reviewing the Company financial statements for the following financial year and will report on this in its corporate governance report for the year ending 31 March 2023.

10) Implementation of a diversity and equity policy within the company

In accordance with Middlenext code recommendation 15, the Supervisory Board, at its 16 June 2022 meeting, took note of the diversity and equity policy implemented within the Company and at each hierarchical level.

The Company ensures non-discrimination and diversity representation through various measures, which are reported on via indicators in the Group's statement of non-financial performance in Chapter 22 of this Registration Document.

To this end, the Supervisory Board took note of the results of the following indicators:

- the gender equality index, including the pay gap between women and men by social grade status and age group, the number of women who have received a pay rise compared to the number of men who have received a pay rise by social grade status, the difference in the promotion rate between women and men, the percentage of female employees who received a pay rise in the year following their return from maternity leave and the number of employees of the under-represented sex among the 10 employees with the highest salaries;
- the percentage of women among the ten highest earners;
- the average gross salaries per gender and social grade status;
- the percentage of employees with disabilities in the applicable workforce; - AGEFIPH contribution by applicable workforce;
- the percentage of employees who have received training, including the percentage of employees who completed a personal development course.

II. List of all offices and duties exercised at any company during the financial year ended 31 March 2022

To ensure compliance with the provisions of Article L.225-37-4 (1) of the French Commercial Code, applicable by reference from Article L.225-68, paragraph 6 of said Code, we have summarised the list of offices and duties exercised in any company (with the exception of the Company - see paragraph I of this section) during the financial year ended 31 March 2022.

Name	Position	Company
Management Board		
Laurent Villemonte de la Clergerie	Manager	Nemeio SARL (Company subsidiary)
	Manager	IDFAMILY SCI
	Chairman	Sttanding SAS
	Chairman	LDLC VR Studio (Company subsidiary previously called KATZAMI SAS)
	Member of the Supervisory Board	LYON ASVEL Féminin SASP
	Member of the Supervisory Board	ASVEL Basket SASP
	Chairman	PTIFOX SAS
	Chief Executive Officer	LDLC Invest SAS (Company subsidiary previously called LDLC12)
	Manager	DUBONSKI SARL
Olivier Villemonte de la Clergerie	Manager	Anikop SARL (Company subsidiary)
	Co-manager	DLP Connect SARL (Company subsidiary)
	Manager	Domimo 2 SCI (Company subsidiary)
	Board member	Thermador Groupe SA (company listed on Euronext Paris)
	Chairman	LDLC Pro Lease (Company subsidiary previously called F-LOC SAS)
	Chief Executive Officer	LDLC VR Studio (Company subsidiary previously called KATZAMI SAS)
	Chairman	Wolgarath (SAS)
	Chief Executive Officer	LDLC Invest (Company subsidiary previously called LDLC12)
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 Bignier	None	None

Furthermore, in accordance with point 12.1 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, applicable by reference from point 1.1 of Annex 2 of said Regulation, a list of the offices and duties exercised in any company during the last five years and terminated as at 31 March 2022 for each corporate officer is provided below.

Name	Position	Company
Management Board		
Laurent Villemonte de la Clergerie	Co-manager Co-manager	Synopsis (merger) Avitech SARL (Company subsidiary)
Olivier Villemonte de la Clergerie	Member of the Supervisory Board Co-manager Manager Co-manager	La Vie Claire SA Synopsis (merger) Domimo 3 SCI (TUP) Avitech SARL (merger)
Marc Prieur	Manager	Hardware.fr (TUP)
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 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 have been admitted to trading on the Euronext Growth organised multilateral trading facility instead of the Euronext Paris regulated market since 2 September 2019, the provisions of Article L.22-10-11 of the French Commercial Code, by reference from Article L.22-10-20, of said Code, relating to information that could 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 opted to maintain a description of the information listed in Article L.22-10-11 of the French Commercial Code that could 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

Article 12.6 of the Company's articles of association provides that: *"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 acknowledgement of receipt, or by any other equivalent means for persons residing 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 foregoing stipulations are not adhered to and upon request, as recorded in the minutes of the corresponding General Meeting, by one or more shareholders holding at least 5% of the Company's share capital or voting rights, the shares exceeding the portion not duly reported shall be stripped of voting rights at all General Meetings held during a period of two years following the date on which they are duly reported. Under the same conditions, the voting rights attached to said shares that were not duly disclosed may not be exercised or assigned by the non-compliant shareholder.

Adherence to the statutory obligation to report the crossing of a threshold does not, under any circumstances, exempt any natural person or legal entity from fulfilling statutory and regulatory reporting obligations (including those of the AMF General Regulation and the market rules in force)."

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 V below.

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.

V. 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 issuance of ordinary shares or any securities granting access to the share capital, with shareholder preferential subscription rights	25/09/2020 Resolution 10	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issuance of ordinary shares and any securities granting access, by any means, immediately and/or in the future, to ordinary shares in the Company €50,000,000 for the issuance of debt securities [(1)]	None	-	None
Delegation of authority to the Management Board to increase the share capital via the issuance of ordinary shares or any securities granting access to the share capital, without shareholder preferential subscription rights, in the form of a public offering, excluding the offers referred to in Article L.411-2 (1) of the French Monetary and Financial Code	25/09/2020 Resolution 11	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issuance of ordinary shares and any securities granting access, by any means, immediately and/or in the future, to ordinary shares in the Company €50,000,000 for the issuance of debt securities [(1)]	None	At least equal to the weighted average share price over the last three trading sessions preceding the beginning of the public offering, less a discount not exceeding 10%, where applicable, and adjusted for any differences in dividend dates	None

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 issuance of ordinary shares or any securities granting access to the share capital, without shareholder preferential subscription rights, in the form of a public offering as referred to in Article L.411-2 (1) of the French Monetary and Financial Code	25/09/2020 Resolution 12	26 months	€1,000,000 for increases liable to be carried out, immediately or in the future, via the issuance of ordinary shares and any securities granting access, by any means, immediately and/or in the future, to ordinary shares in the Company €50,000,000 for the issuance of debt securities (1)	None	Within the limits set by applicable regulations at the date of issuance	None
Delegation of authority to the Management Board to increase the number of shares to be issued in the event of a capital increase with or without shareholder preferential subscription rights	25/09/2020 Resolution 13	26 months	15% of the initial issue amount	None	At the initial issue price	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	25/09/2020 Resolution 16	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 to the Management Board pursuant to Articles L.225-197-1 to L.225-197-6 of the French Commercial Code to allocate existing or future bonus shares to some or all of the salaried employees and/or corporate officers, as defined by Article L.225-197-1 (II) of the French Commercial Code, of the Company and related companies and/or groups	27/09/2019 Resolution 16	38 months	10% of the share capital	None	-	In view of the exercise of previous authorisations by the Management Board, the remaining available amount is 9.45% of the current share capital calculated in accordance with Article L.225-197-1, paragraph 1 of the French Commercial Code

In accordance with Resolution 15 adopted by the General Meeting of shareholders on 25 September 2020:

- *the aggregate maximum nominal amount of capital increases that may be carried out pursuant to the authority delegated under (i) Resolution 16 adopted by the Combined General Meeting of 27 September 2019 and (ii) Resolutions 10-14 adopted by the Combined General Meeting of 25 September 2020 is set at €1,000,000 (or the foreign currency equivalent thereof as at the date of issuance, or equivalent value in units calculated by reference to a basket of currencies), plus the amount of additional shares to be issued in order to maintain the rights of holders of securities and other rights granting access to shares, in accordance with the law and any applicable contractual provisions;*
- *the aggregate maximum nominal amount of debt securities that may be issued pursuant to the authority delegated under Resolutions 10-14 adopted by the Combined General Meeting of 25 September 2020 is set at €50,000,000 (or the foreign currency equivalent thereof as at the date of issuance, or equivalent value in units calculated by reference to a basket of currencies); this cap does not apply to debt securities issued or authorised by the Management Board in accordance with Article L.228-40 of the French Commercial Code.*

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 15 adopted by the Combined General Meeting of 25 September 2020.

VI. Observations of the Supervisory Board on the report of the Management Board and on the financial statements for the year ended 31 March 2022

On 16 June 2022, the Supervisory Board reviewed the Company and consolidated financial statements submitted by the Management Board for the year ended 31 March 2022, as well as its related report, and stated that it had no comments to make.

14.6. STATUTORY AUDITORS' REPORT, PREPARED PURSUANT TO ARTICLE L.22-10-71 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE GROUPE LDLC SUPERVISORY BOARD

Please see the "Corporate governance report" section of the statutory auditors' report on the financial statements for the year ended 31 March 2022, in Section 18.4.

CHAPTER 15. EMPLOYEES

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

As at 31 March 2022, the Group employed 1,064 people (excluding Caroline, Suzanne, Laurent, Marc and Olivier Villemonte de la Clergerie, Marc Prieur and Harry De Lepine) at Groupe LDLC and its subsidiaries LDLC Distribution, Anikop, DLP Connect, École LDLC (LDLC School), LDLC Event, LDLC Boutiques, ADB Boutiques, Bluescreen and Olys; these include 1,013 permanent employees, 20 on fixed-term contracts, 7 trainees and 24 apprentices.

Breakdown of headcount by company (excluding corporate officers)

Companies	Number of employees	Number of employees	Number of employees
	31/03/2022	31/03/2021	31/03/2000
Groupe LDLC	**695**	**696**	**618**
Anikop	32	32	30
Hardware.fr (6)	0	1	1
DLP Connect	13	14	15
LDLC Distribution	28	21	20
École LDLC	3	4	4
LDLC Boutiques (formerly LDLC Villeurbanne)	60	33	4
LDLC Villefranche (1)	0	0	5
LDLC Bordeaux (1)	0	0	4
LDLC Lyon 7 (1)	0	0	4
LDLC Lille V2 (1)	0	0	3
LDLC Cormeilles (1)	0	0	3
LDLC Event	8	9	9
LDLC VR Studio	3	2	1
ADB Boutiques (formerly ADB Limonest) (6)	31	6	6
ADB Orgeval (7)	0	5	0
Groupe LDLC España (2)	0	0	17
Bluescreen	5	4	4
OLYS	186	189	184
I-Artificielle (3)	0	0	3
Mac And Co Digital (4)	0	0	11
MyMultimedia (5)	0	3	4
Total	**1,064**	**1,019**	**950**

(1) On 30 September 2020, LDLC Bordeaux, LDLC Villefranche, LDLC Cormeilles, LDLC Lille V2, LDLC Lyon 7 and Avitech were merged by absorption into LDLC Boutiques (formerly LDLC Villeurbanne).
(2) On 17 February 2021, Groupe LDLC España S.L. was wound up.
(3) Effective 31 December 2020, I-Artificielle was merged by absorption into Olys.
(4) Effective 31 July 2020, Mac And Co Digital was merged by absorption into Olys.
(5) Effective 31 January 2022, MyMultimedia was merged by absorption into Olys.
(6) Effective 28 May 2021, Hardware.fr was wound up without liquidation, thus transferring all the Company's assets and liabilities.
(7) Effective 30 June 2021, ADB Orgeval was merged by absorption into ADB Boutiques.

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 2022, reviewed according to the specific terms and conditions of Article L.225-102, paragraph 1 of said Code, represents around 0.50% 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 2020 and 31 March 2022, including shareholders that hold, directly or indirectly, alone or in concert, more than 5% of the share capital or voting rights:

	31/03/2020				31/03/2021				31/03/2022			
Share ownership	**Shares**	**% share capital**	**Theoretical voting rights**	**% theo-retical voting rights**	**Shares**	**% share capital**	**Theoretical voting rights**	**% theo-retical voting rights**	**Shares**	**% share capital**	**Theoretical voting rights**	**% theo-retical voting rights**
Laurent Villemonte de la Clergerie (1)	1,226,746	19.40	2,313,492	25.32	1,216,746	19.25	2,285,492	25.20	1,221,746 (6)	19.32	2,298,492 (6)	25.37
Olivier Villemonte de la Clergerie (2)	615,500	9.74	1,091,000	11.94	615,500	9.74	1,091,000	12.03	621,744 (7)	9.83	1,097,244 (7)	12.11
Caroline Villemonte de la Clergerie (3)	628,579	9.94	1,117,158	12.23	628,579	9.94	1,117,158	12.32	628,579	9.94	1,117,158	12.33
Suzanne Villemonte de la Clergerie (4)	71,423	1.13	562,846	6.16	75,423	1.19	566,846	6.25	77,423	1.22	568,846	6.28
Sub-total De la Clergerie family (5)	**2,542,248**	**40.21**	**5,084,496**	**55.64**	**2,536,248**	**40.12**	**5,060,496**	**55.80**	**2,549,492**	**40.33**	**5,081,740**	**56.10**
Other shareholders	3,641,240	57.60	3,914,156	42.84	3,662,418	57.93	3,884,926	42.84	3,465,119	54.81	3,977,186	43.90
Treasury shares	138,618	2.19	138,618	1.52	123,440	1.95	123,440	1.36	307,495	4.86	0	0
Total	**6,322,106**	**100**	**9,137,270**	**100**	**6,322,106**	**100**	**9,068,862**	**100**	**6,322,106**	**100**	**9,058,926**	**100**

(1) Including the legal ownership of 70,000 Groupe LDLC shares, each with a double voting right attached, it being specified that the voting rights attached to said shares are held by the beneficial owner, namely Suzanne Villemonte de la Clergerie, for all General Meetings and, consequently, are not taken into account in the calculation of Laurent Villemonte de la Clergerie's theoretical voting rights.
(2) Including the legal ownership of 70,000 Groupe LDLC shares, each with a double voting right attached, it being specified that the voting rights attached to said shares are held by the beneficial owner, namely Suzanne Villemonte de la Clergerie, for all General Meetings and, consequently, are not taken into account in the calculation of Olivier Villemonte de la Clergerie's theoretical voting rights.
(3) Including the legal ownership of 70,000 Groupe LDLC shares, each with a double voting right attached, it being specified that the voting rights attached to said shares are held by the beneficial owner, namely Suzanne Villemonte de la Clergerie, for all General Meetings and, consequently, are not taken into account in the calculation of Caroline Villemonte de la Clergerie's theoretical voting rights.
(4) Including, for the calculation of voting rights, beneficial ownership of 210,000 double-voting Groupe LDLC shares whose voting rights are held by the beneficial owner, namely Suzanne Villemonte de la Clergerie, for all general meetings and, consequently, are not taken into account in the calculation of her equity interest.
(5) There is no action in concert between the members of the De la Clergerie family.
(6) Including the 5,000 Groupe LDLC shares, representing an equal number of voting rights held by the PTITFOX COMPANY, which are under the exclusive control of Laurent Villemonte de la Clergerie within the meaning of Article L.233-3 of the French Commercial Code and linked to him pursuant to Article L.233-9, I (2) of the French Commercial Code.
(7) Including the 6,000 Groupe LDLC shares, representing an equal number of voting rights held by WOLGARATH, which are under the exclusive control of Olivier Villemonte de la Clergerie within the meaning of Article L.233-3 of the French Commercial Code and linked to him pursuant to Article L.233-9, I (2) of the French Commercial Code.

To the Company's knowledge, there are no other shareholders that hold, directly or indirectly, alone or in concert, more than 5% of the share capital or voting rights.

16.2. DISCLOSURES REGARDING THE CROSSING OF THRESHOLDS PUBLISHED SINCE 31 MARCH 2022

AMF document no. 222C1588 dated 22 June 2022. In a letter received on 22 June 2022, Olivier Villemonte de la Clergerie stated that, on 16 June 2022, he had exceeded the threshold of 10% of the Groupe LDLC share capital, directly or indirectly via Wolgarath, a single-person simplified joint-stock company (French SASU), and directly or indirectly held 621,744 Groupe LDLC shares representing 1,097,244 voting rights, i.e. 10.07% of share capital and 12.32% of the Company's voting rights. The crossing of this threshold stems from a decline in the total number of Groupe LDLC shares following the cancellation of treasury shares.

AMF document no. 222C1587 dated 22 June 2022. In a letter received on 22 June 2022, Caroline Villemonte de la Clergerie stated that, on 16 June 2022, she had exceeded the threshold of 10% of the Groupe LDLC share capital and held 628,579 Groupe LDLC shares representing 1,117,158 voting rights, i.e. 10.18% of share capital and 12.54% of the Company's voting rights. The crossing of this threshold stems from a decline in the total number of Groupe LDLC shares following the cancellation of treasury shares.

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.

Furthermore, you are reminded that:

- the members of the De la Clergerie family are not acting in concert, are not bound by a shareholder agreement or other binding agreement (including a pre-emptive right agreement) and freely exercise their voting rights, thereby (i) avoiding over-representation of the interests of these shareholders and (ii) maintaining a heterogeneous capital structure;
- each member of the Management Board and Supervisory Board fully exercises his or her freedom of judgement and is ready to object or abstain if necessary;
- the internal regulations of the Supervisory Board include (i) an article on preventing conflicts of interest that seeks to prevent any situation that gives rise or could give rise to a conflict between the Company's interests and the direct or indirect personal interests of the Supervisory Board member in question, and (ii) an article on the Supervisory Board members' duty of loyalty requiring each member, among other things, to exercise their judgement in the interests of the Company;
- the Company abides by recommendations 1, 2 and 14 of the September 2021 version of the MiddleNext corporate governance code;
- the Company is subject to the regulated agreement control procedure referred to in Articles L.225-86 et seq. of the French Commercial Code.

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 2022, the Company's share capital comprised 6,322,106 shares. Market capitalisation at 31 March 2022 amounted to €202,623,497.30.

Trading volumes during the financial year were as follows:

Month	Volume	Average price	High	Low	Amounts (€m)
April 2021	210,173	53.84	58.90	52.00	11.48
May 2021	305,612	57.25	62.00	52.50	17.52
June 2021	500,719	59.05	61.00	53.20	29.79
July 2021	536,558	66.76	71.30	60.40	35.38
August 2021	205,345	64.22	65.90	61.70	13.18
September 2021	294,999	61.01	68.60	55.30	17.94
October 2021	363,930	52.85	56.60	50.00	19.29
November 2021	444,359	52.20	56.20	47.70	23.04
December 2021	714,563	50.52	58.20	43.25	35.38
January 2022	615,394	51.48	57.20	40.50	30.85
February 2022	909,643	37.66	44.10	29.45	33.42
March 2022	726,726	33.07	36.70	27.10	23.39

During the financial year ended, the Groupe LDLC share reached a high of €71.30 and a low of €27.10.

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 2022 are mentioned in the statutory auditors' special report presented below (Section 17.2 of this Universal Registration Document).

In application of Article 19 of Regulation (EU) 2017/1129 dated 14 June 2017, the following information is incorporated by reference into this Universal Registration Document:

- the statutory auditors' special report on regulated agreements and commitments for the year ended 31 March 2020 presented on page 124 of the 2019/2020 Universal Registration Document filed on 23 July 2020 under number D.20-0699;
- the statutory auditors' special report on regulated agreements and commitments for the year ended 31 March 2021 presented on page 124 of the 2020/2021 Universal Registration Document filed on 12 July 2021 under number D.21-0698.

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 16 June 2022 following its annual review of agreements described under Article L.225-86 of the French Commercial Code, carried out in accordance with Article L.225-88-1 of the French Commercial Code.

On 16 June 2022, the Supervisory Board noted that no previous agreement falling under the scope of Articles L.225-86 et seq. of the French Commercial Code was underway during the financial year ended 31 March 2022.

We remind you that, on 28 April 2022, the Supervisory Board reviewed the licence agreement for the LDLC-PRO brand owned by the Company, entered into with F-LOC on 3 September 2018, previously approved by the Supervisory Board on 30 March 2018 then by the Ordinary General Meeting of 27 September 2019 (Resolution 5). Since 30 June 2022, the Company holds a 100% equity stake in LDLC Pro Lease (formerly F-LOC). As a result, the Supervisory Board noted that this agreement no longer fell under the scope of Articles L.225-86 et seq of the French Commercial Code as it is now an agreement between two companies, one of which is wholly-owned by the other pursuant to Article L.225-87 of the French Commercial Code.

17.2. STATUTORY AUDITORS’ SPECIAL REPORT ON REGULATED AGREEMENTS

(Annual General Meeting held to approve financial statements for the year ended 31 March, 2022)

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 regulated agreements.

It is our responsibility to report to you, based on the information provided to us, on the main terms and conditions of the agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-58 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

When applicable, it is also our responsibility to provide you with the information required by Article R.225-58 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We have carried out the procedures we considered necessary for this task in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes). These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements submitted for the approval of the Annual General Meeting

Agreements authorized and entered into during the year

In accordance with Article L.225-86 of the French Commercial Code, we were informed that no agreements were entered into during the year and submitted to the authorisation by the Supervisory Board.

Agreements already approved by the Annual General Meeting

Agreements approved in prior years with continuing effect during the year

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

With LDLC Pro Lease (Previously F-LOC):

Persons concerned:

- Mr. Laurent Villemonte de la Clergerie, Chairman of the Management Board (directoire) with a 25% stake in LDLC PRO LEASE.

- Olivier Villemonte de la Clergerie, CEO of your Company and Chairman of LDLC Pro Lease with a 75% shareholding.

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 184 456 287. 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 LDLC PRO LEASE. The main terms and conditions of this non-exclusive operating licence are as follows:

- the license is granted on a non-exclusive basis;
- the license is valid in mainland and French overseas;
- LDLC Pro Lease 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 March 31, 2022, this agreement gave rise to the recognition of income for an amount of €34 099,19 (excluding taxes).

As F-LOC (now LDLC PRO LEASE) is 100% owned by the Company since June 30, 2021 and chaired by the Company since July 1, 2021, the Supervisory Board tooks unanimously note at its meeting on April, 28 2022 that since 30 June 2021, the said agreement no longer falls within the scope of Article L.225-86 of the French Commercial Code pursuant to Article L.225-87 of the said Code.

Agreements approved during the year

We also have been informed of the execution, during the past year, of the following agreement, already approved by the general meeting on September 24, 2021, on the basis of the statutory auditors' special report of June 17, 2021.

Acquisition by your Company of all shares held by Mr. Laurent Villemonte de la Clergerie and Mr.Olivier Villemonte de la Clergerie in the capital of LDLC Pro Lease (previously F-LOC).

Persons concerned:

- Mr. Laurent Villemonte de la Clergerie, Chairman of the Management Board (Directoire)
- Mr. Olivier Villemonte de la Clergerie, Chief Executive Officer.

Nature and purpose: These agreements were concluded in the form of two transaction orders on June 30, 2021.

- Transaction order concerning the acquisition of 25,000 shares of LDLC PRO LEASE concluded between Mr Laurent Villemonte de la Clergerie and your company ;
- Transaction order concerning 75,000 shares of LDLC PRO LEASE concluded between Mr Olivier Villemonte de la Clergerie and your company.

Terms and conditions:

- acquisition of the 25,000 shares in F-LOC held by Laurent Villemonte de la Clergerie for a total price of €25,000 (excluding fees);
- acquisition of 75,000 shares in F-LOC held by Oliver Villemonte de la Clergerie for a total price of €75,000 (excluding fees).

Lyon, June 16, 2022

The Statutory Auditors

Cap Office	Rémi Charnay
Mazars	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 2022

1. Consolidated financial statements for the year ended 31 March 2022

All data presented below is stated in euro thousands, unless otherwise stated.

1.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	31/03/2022	31/03/2021
Net intangible assets	(3.3)	51,437	53,448
- Goodwill	(3.2)	29,245	28,110
Net property, plant and equipment	(3.4)	15,179	11,297
Net financial assets	(3.5)	5,665	4,851
Investment in equity affiliates		0	0
Non-current assets		72,281	69,595
Inventories	(3.6)	101,813	105,435
Trade receivables	(3.7)	23,318	31,797
Other receivables and accrued income	(3.8)	25,698	21,145
Cash equivalents	(3.9)	3,411	1,379
Cash and cash equivalents	(3.10)	40,685	49,882
Current assets		194,925	209,637
Total assets		**267,206**	**279,233**

Equity and liabilities

	Note	31/03/2022	31/03/2021
Share capital	(1.3)	1,138	1,138
Additional paid-in capital	(1.3)	21,053	21,053
Consolidated reserves	(1.3)	70,115	40,337
Treasury shares	(1.3)	(6,891)	(53)
Interim dividend	(1.3)	(4,848)	(3,093)
Net income	(1.3)	36,104	42,213
Total shareholders' equity, Group share		116,671	101,594
Minority interests	(1.3)	0	0
Non-controlling interests		0	0
Total shareholders' equity		116,671	101,594
Provisions for risks and contingencies	(3.12)	6,135	5,226
Total provisions		6,135	5,226
Loans and borrowings	(3.13)	21,328	19,978
Trade payables	(3.16)	81,254	100,654
Other liabilities and accruals	(3.17)	41,819	51,780
Total liabilities		144,400	172,412
Total equity and liabilities		**267,206**	**279,233**

1.2. CONSOLIDATED INCOME STATEMENT

		FY ended 31 March	
	Note	**2022**	**2021**
Revenues	(4.1)	684,896	724,065
Other operating income		410	620
Cost of goods sold		(531,048)	(561,834)
Gross margin		**154,259**	**162,851**
Other purchases and external costs		(33,205)	(32,568)
Miscellaneous taxes		(3,548)	(3,563)
Staff costs	(4.2)	(58,094)	(55,102)
Net depreciation, amortisation and provisions	(4.3)	(7,465)	(7,315)
Other income and expenses		(986)	(1,616)
Operating earnings (EBIT) before goodwill amortisation and impairment		**50,961**	**62,686**
Goodwill amortisation and impairment		0	0
Operating earnings (EBIT) after goodwill amortisation and impairment		**50,961**	**62,686**
Financial income	(4.4)	146	78
Financial expense	(4.4)	(251)	(454)
Non-recurring income	(4.5)	307	551
Non-recurring expenses	(4.5)	(355)	(590)
Income tax	(4.6)	(14,705)	(20,058)
Net income of consolidated companies		**36,104**	**42,213**
Share of profit/(loss) in equity-accounted companies	(4.6)	0	0
Consolidated net income		**36,104**	**42,213**
Minority interests		0	0
Net income, Group share		**36,104**	**42,213**
Total net income attributable to:			
- owners of the Company		**36,104**	**42,213**
- minority interests			
- non-controlling interests			
Earnings per share: income attributable to owners of the Company			
- Earnings per share (€)		5.86	6.68
- Diluted earnings per share (€)		5.86	6.68

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 2020	**1,138**	**21,053**	**40,292**	**(25)**	**62,457**	**0**	**62,457**
Net income for the year ended 31 March 2021			42,213		42,213		42,213
Changes in treasury shares			45	(28)	17		17
Capital increase and additional paid-in capital					0		0
Dividends paid					0		0
Interim dividend for FY 2020/2021 [(a)]			(3,093)		(3,093)		(3,093)
Other					0		0
Change of net deferred income tax method					0		0
Non-controlling interests					0		0
Shareholders' equity at 31 March 2021	**1,138**	**21,053**	**79,457**	**(53)**	**101,594**	**0**	**101,594**
Net income for the year ended 31 March 2022			36,104		36,104		36,104
Changes in treasury shares			(112)	(6,838)	(6,950)		(6,950)
Capital increase and additional paid-in capital					0		0
Dividends paid [(b)]			(9,229)		(9,229)		(9,229)
Interim dividend for FY 2021/2022 [(c)]			(4,848)		(4,848)		(4,848)
Other					0		0
Change in consolidation scope					0		0
Non-controlling interests					0		0
Shareholders' equity at 31 March 2022	**1,138**	**21,053**	**101,371**	**(6,891)**	**116,671**	**0**	**116,671**

(a) On 25 February 2021 Groupe LDLC paid out an ordinary interim dividend of €0.50 per share in respect of the 2020/2021 financial year.

(b) At the Annual General Meeting held on 24 September 2021, Groupe LDLC shareholders approved the proposed dividend payment of €2 per share in respect of the 2020/2021 financial year. Given the payment of an interim dividend of €0.50 per share on 25 February 2021, the dividend balance of €1.50 per share was paid on 7 October 2021.

(a) On 25 February 2022 Groupe LDLC paid out an ordinary interim dividend of €0.80 per share in respect of the 2021/2022 financial year.

1.4. CONSOLIDATED CASH FLOW STATEMENT

	FY ended 31 March	
	2022	**2021**
Net income from continuing operations	36,104	42,213
Elimination of non-cash income and expenses (a)	8,040	7,698
Tax expense (current and deferred) (b)	14,705	20,058
Gains/losses on disposal of assets	33	(71)
Sub-total (gross operating cash flow before tax)	**58,882**	**69,898**
Tax paid	(15,535)	(20,843)
Change in working capital (c)	(21,092)	1,946
Net cash flow from operating activities	**22,255**	**51,002**
Income from disposal of non-current assets, after tax	10	109
Acquisition of non-current assets (d)	(8,755)	(8,350)
Reduction in financial assets (d)	218	174
Change in consolidation scope	(726)	0
Net cash flow from investing activities	**(9,252)**	**(8,068)**
Treasury share transactions	(6,950)	17
Other effects	0	0
Increase in minority interests	0	0
New borrowings (e)	12,000	18,000
Repayment of borrowings (e)	(10,914)	(26,077)
Change in other borrowings (e)	(80)	(97)
Dividends paid to minority shareholders	0	0
Dividends paid	(9,229)	0
Interim dividend	(4,848)	(3,093)
Net cash flow from financing activities	**(20,021)**	**(11,250)**
(Decrease)/increase in cash, cash equivalents and bank overdrafts	**(7,019)**	**31,684**
Opening cash, cash equivalents and bank overdrafts	51,033	19,349
Closing cash, cash equivalents and bank overdrafts	44,015	51,033

(a) Corresponds to net operating and financial depreciation, amortisation and provisions totalling €8,283,000.
(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 31/03/2021	Cash flow change	Other changes	At 31/03/2022
Loans	19,512	1,095	403	21,009
Finance lease liabilities	9	(9)	0	0
Total financial liabilities	**19,520**	**1,086**	**403**	**21,009**

	At 31/03/2022	At 31/03/2022
Loans	(10,905)	(26,015)
Finance leases	(9)	(62)
Total repayment of borrowings	**(10,914)**	**(26,077)**

1.5. CHANGE IN WORKING CAPITAL

	At 31/03/2022	At 31/03/2021
Inventories	3,684	(38,239)
Trade receivables	8,623	(7,292)
Other receivables	(4,379)	(6,507)
Trade payables	(19,674)	39,384
Other payables	(9,345)	14,601
Total	**(21,092)**	**1,946**

2. Notes to the consolidated financial statements for the year ended 31 March 2022

(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 CS21035-69578, Limonest CEDEX, 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 2022 have been prepared in accordance with French statutory and regulatory provisions pursuant to regulation ANC 2020-01 of the French accounting regulation committee (*Comité de la Réglementation Comptable*, CRC), regarding the consolidated financial statements of commercial enterprises.

The financial statements for the year ended 31 March 2022 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 2022 on 16 June 2022.

2.1. HIGHLIGHTS

On 29 June 2021, Hardware.fr transferred all its assets and liabilities to the parent company (Groupe LDLC) in accordance with the procedure set out in Article 1844-5, paragraph 3 of the French Civil Code.

On 30 June 2021, Groupe LDLC fully prepaid the €23 million and €10 million loans taken out to partly finance the Materiel.net, Olys and Synopsis acquisitions, in a total amount of €6,353,000. Full prepayment of these loans implies the waiver of the €13.5 million revolving credit facility by Groupe LDLC and the cancellation of the covenant ratios and capital expenditure limits associated with the loans.

On 30 June 2021, the LDLC Group acquired the entire share capital of F-LOC for a total of €100,000. F-LOC was renamed LDLC Pro Lease on the same date.

On 8 July 2021, LDLC Boutiques acquired the entire share capital of Hexa-Tech, a member of the Group's franchise chain, for a total of €655,000.

On 30 November 2021, Olys purchased 560 shares in MyMultimedia at a price of €400,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

During the year, merger transactions were carried out pursuant to the provisions of Articles L.236-1 et seq. and R.236-1 et seq. of the French Commercial Code and, in particular, under the simplified merger procedure between sister companies for ADB Orgeval and under the simplified merger procedure for Hexa-Tech and MyMultimedia:

- On 30 June 2021, ADB Boutiques decided to merge ADB Orgeval by absorption;
- On 31 August 2021, LDLC Boutiques decided to merge Hexa-Tech by absorption;
- On 31 January 2022, Olys decided to merge MyMultimedia by absorption.

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

On 25 November 2021, the Group took over its new logistics warehouse, which will allow it to expand its existing 21,000 m² logistics capacity in the Lyon region, which no longer met the requirements of the Group's fully multi-channel organisational system. This new warehouse with a surface area of around 28,000 m^2 will enable the Group to cope with the expansion of its operations and the development of its store network over the coming years. The warehouse is expected to start operating after summer 2022.

On 29 November 2021, the LDLC Group announced the detection of a cyber security incident in its IT systems resulting in unauthorised access to company data. The incident has had no impact on the Group's business activities. It was analysed in detail by the Group's experts and security partners, who immediately took the necessary steps to strengthen existing protective measures, minimise any consequences and identify the origin of the incident. While some personal data could be read, no sensitive data relating to customers of the Group's e-commerce websites was compromised.

Under the share buyback plan authorised by the Ordinary and Extraordinary General Meeting of 24 September 2021, during the year ended 31 March 2022 Groupe LDLC purchased 150,330 shares destined for cancellation, for a total amount of €6,596,000.

To unify its branding and maximise leverage of LDLC store brand recognition, the Group decided to rename the BIMP stores held by Olys "LDLC APR (Apple Premium Reseller)" effective 31 March 2022.

L'Armoire de Bébé, which sells childcare products, continues to grow and opened five new stores during the year, bringing the total number of brand stores to seven at 31 March 2022.

At 31 March 2022, LDLC Boutiques had ten stores following the acquisition of a store belonging to the Group franchise chain and the opening of two new stores during the year.

As part of the development plan for the future OL Vallée Arena, on 6 December 2021 the LDLC Group announced the signing of an agreement on the naming of the future OL Groupe event hall in Décines. This agreement is effective from the start of construction in early 2022 and for a period of eight years following the commissioning of the multi-purpose show venue.

Deeply involved in sponsorship and support for defenders of the environment, on 29 March 2022 the LDLC Group announced the creation of its own foundation hosted by Fondation de France. This foundation is intended to work in two areas of general interest, the "environment" and "education and the family".

The Group has no stores in the area of conflict between Russia and Ukraine.

2.2. ACCOUNTING POLICIES

2.2.1. Basis of preparation

Pursuant to French CRC regulation 2020-01 of 9 October 2020 applicable to annual reporting periods beginning on or after 1 January 2021, the Group's consolidated financial statements for the year ended 31 March 2022 were prepared in accordance with the accounting principles and statutory and regulatory provisions established by law and the French Commercial Code as at the closing date of these financial statements and which were mandatory on said date.

The consolidated financial statements were prepared in accordance with the principle of prudence and the basic assumptions of going concern and independence of financial years, in accordance with the general rules regarding the preparation and presentation of financial statements.

The impact of the application of new French regulation 2020-01 on the Group financial statements is non-material. The subsidiaries present the comparative year in their summary financial statements in the format required under the new regulation.

The consolidated financial statements were prepared on the basis of uniform accounting policies within the Group and on a historical cost basis, subject to the exception relating to revaluation rules (see Note 2.2.5).

2.2.2. Estimates and judgements

In the preparation and presentation of the financial statements, Group management is frequently required to exercise its judgement in order to value or estimate certain items in the financial statements (such as provisions, deferred tax and the valuations used for impairment testing). The probability of future events occurring is also assessed. These valuations or estimates are reviewed at each year-end, and in accordance with the actual occurrence of events, in order to adjust the assumptions initially applied where necessary.

During the financial year, the LDLC Group did not observe any changes in the level of uncertainty relating to these estimates and assumptions, with the exception of the volatility of the discount rate used to calculate social security liabilities.

These estimates are made on the basis of the going concern assumption and are considered by management to be the most appropriate and achievable within the Group's context and based on available feedback.

The main estimates and assumptions used by the Group are described in detail in each specific section of the notes to the financial statements, in particular:

Estimate		**Nature of the estimate**
Notes 2.2.5 and 3.2	Goodwill impairment tests	Allocation of goodwill to a single 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 2.2.6 and 3.3	Research and development costs	Development project capitalisation conditions Project lifetime assumptions (calculation of amortisation)
Notes 2.2.12 and 3.6	Inventories	Expected inventory run-off for the calculation of impairment
Notes 2.2.18, 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

2.2.3. Consolidation scope and criteria

Companies under the exclusive control of Groupe LDLC are fully consolidated. ANC regulation 2020-01 defines exclusive control as the power to govern a company's financial and operating policies in order to obtain benefits from its activities.

At 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 except NLCL, whose closing date 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.

2.2.4. Conversion of financial statements and operations denominated in foreign currencies

2.2.4.1. Functional and presentation currency of the financial statements

The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency.

The balance sheets of companies whose functional currency is not the euro are converted into euros at the closing exchange rate, while their cash flow and income statements are converted at the average exchange rate for the period, pursuant to the method set out in Article 272-18 of ANC regulation 2020-01.

2.2.4.2. Transactions and balances in foreign currencies

Transactions denominated in foreign currencies are converted into euros using the applicable exchange rates as at the transaction dates. Exchange gains and losses arising from the conversion, at the rates applicable at the closing date, of monetary assets and liabilities denominated in foreign currencies are recorded in financial income/expense at the end of the period.

2.2.5. Business combinations and related goodwill

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 Article 231-2 of ANC regulation 2020-01.

At the acquisition date, any positive difference between the acquisition price and the Group share of the identifiable net assets of the acquired company is recognised as goodwill.

The share purchase price corresponds to the 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, it 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 “Goodwill amortisation and impairment” just below the line item “Operating earnings (EBIT) before goodwill amortisation and impairment”. Impairment of goodwill is not reversible.

2.2.6. Research and development costs

In accordance with ANC regulation 2015-06, research and development expenses are recorded as expenses for the year in which they are incurred.

In application of the aforementioned regulation, the Group recognises development expenses as assets where the project meets all of the following capitalisation conditions:

- technical and commercial feasibility of completing the asset for sale or use;
- intention to complete and use or sell the asset;
- ability to use or sell the asset;
- capacity of the asset to generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete and use or sell the asset;
- ability to measure the attributable expenditure reliably over its development.

These development expenses are amortised over the estimated lifetime of the projects concerned.

Development expenses that do not meet the capitalisation conditions are recognised as expenses.

2.2.7. Intangible assets

Costs relating to the purchase of software licences are recorded under assets on the basis of costs incurred to acquire and deploy the software concerned. These costs are amortised over the estimated useful life of the software applications (three years).

Costs associated with the development and maintenance of the software are expensed as incurred.

Costs directly associated with the production of identifiable software and websites that are unique in nature and controlled by the Group are recognised as expenses for the year or under non-current assets, depending on whether the related project qualifies for recognition as an asset. Costs directly associated with production include payroll costs for software and website developers, 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 amortisation periods applied are as follows:

Type of asset	Amortisation period
Software	3 years
Trademarks	10 years
Contracts	20 years
Other intangible assets	3-8 years

2.2.8. Property, plant and equipment

Property, plant and equipment are recognised at cost less any accumulated depreciation and impairment. Cost includes all costs directly attributable to the acquisition of the assets concerned and their transfer to their place of operation.

Interest on borrowings is not included in the cost of assets, but is recorded as an expense for the year in which the loans were contracted.

Maintenance and repair costs are recorded as expenses for the period.

Property, plant and equipment are not subject to revaluation.

These assets are depreciated as of their date of commissioning using the straight-line method, in accordance with the estimated useful life.

The principal depreciation periods applied are as follows:

Type of asset	Depreciation period
Buildings	15-25 years
Fixtures and fittings	8-10 years
Equipment	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.

2.2.9. Lease agreements

2.2.9.1. Finance leases

A lease agreement is considered a finance lease if it transfers to the Group substantially all of the risks and rewards attached to the ownership of the leased asset.

At the beginning of the lease term, finance leases are recognised as assets and liabilities on the balance sheet in equal amounts, at the fair value of the leased asset or, if lower, the discounted value of the minimum payments for the lease in question as at the beginning of the lease term.

Payments made under the lease are broken down between interest expense and repayment of outstanding debt.

The depreciation policy for assets acquired under finance lease is similar to the policy applied for property, plant and equipment acquired directly by the Company (see Note 2.2.8 on Property, Plant & Equipment).

2.2.9.2. Operating leases

Operating leases constitute lease agreements under which a significant portion of the risks and rewards attached to the ownership of the leased asset is effectively retained by the lessor. Payments made under agreements of this kind are recognised according to the straight-line method over the term of the agreement.

2.2.10. Borrowings

Borrowings are recognised at historical cost (see Note 3.13).

Transaction costs correspond to the costs directly attributable to the acquisition or the issue of a loan.

2.2.11. Financial instruments

On 28 June 2021, the sole outstanding swap agreement was terminated (see Note 3.14).

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).

For the same reason, optimisation does not give rise to any additional risk. Accordingly, changes in the fair value of the option are not recognised on the balance sheet and, therefore, unrealised gains and losses are not recognised.

2.2.12. Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The method for determining the cost is identical for inventories of similar nature and use within the same entity. Inventories are valued according to the FIFO method.

Inventories include all costs of purchase and other costs incurred in bringing the inventories to their present location and condition, such as variable logistics and transport costs. Advantages obtained from suppliers that are recognised as a deduction from the purchase cost of the goods sold are deducted from inventory value.

The Group may be required to record inventory impairment:
- on the basis of expected run-off;
- if the selling price is lower than the realisable value;
- if items are damaged or become partly or completely obsolete.

The net realisable value is the estimated selling price in the ordinary course of business, less costs to sell.

2.2.13. Trade and other receivables

Trade and other receivables are recorded at their nominal value.

Impairment is recognised where an indication of 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.

2.2.14. Factoring

For several years, the Group has assigned receivables under recourse factoring agreements and, since the financial year ended 31 March 2017, under non-recourse agreements.

Assigned receivables are deconsolidated.

2.2.15. Cash and cash equivalents

"Cash and cash equivalents" includes cash, current accounts and other highly liquid short-term investments with initial maturities of no more than three months. Bank overdrafts appear under current liabilities on the balance sheet, under loans and other borrowings.

Foreign currency bank transactions are valued at the transaction date. At the end of each month, the accounts are revalued at the closing rate. The counter-entry for this revaluation is a currency gain or loss account in the income statement.

The cash flow statement is prepared using the indirect method and presents cash flow from operating, investing and financing activities under separate sections. Cash flows generated by the acquisition or loss of controlling interests in subsidiaries are allocated to net cash flow from investing activities under "Change in consolidation scope".

2.2.16. Treasury shares

Groupe LDLC treasury shares are categorised according to the purpose assigned to them in the individual accounts.

Treasury shares categorised as long-term investments in the individual accounts are recognised as a deduction from equity at their acquisition cost in the consolidated financial statements (ANC regulation 2020-01, Article 252-3). Accordingly, the impact of all related transactions recorded in the individual accounts 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 these shares continue to be recognised as non-recurring income/expense as in the individual accounts, as well as provisions under financial income/expense.

In effect, the Group purchases its own shares in order to cover its obligations under the bonus share plans referred to in Note 4.2.

In application of Article 624 of the French chart of accounts:
- a provision for 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.

2.2.17. Earnings per share

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

The Group had no potentially dilutive ordinary shares outstanding during the period. Diluted earnings per share is therefore identical to basic earnings per share.

When earnings per share is negative, diluted earnings per share is identical to this figure.

2.2.18. Income tax

The "Income tax" item in the consolidated income statement corresponds to tax payable in respect of the financial year ended and to changes in deferred tax.

2.2.18.1. Current tax

Current tax assets and liabilities correspond to the tax receivables and liabilities due in less than 12 months.

2.2.18.2. Deferred tax

The Group recognises deferred tax using the liability method for all temporary differences between the tax base of the assets and liabilities and their carrying amount recorded on the consolidated balance sheet, excluding goodwill.

Net deferred tax balances are determined based on the tax position of each company or the total earnings of all companies in the tax group. A deferred tax asset or liability is valued at the tax rate expected to apply during the year in which the asset is realised or the liability settled, on the basis of tax rates adopted at the balance sheet date. Net deferred tax assets are only recognised if the company or tax group is reasonably certain that it will recover them over subsequent years; assets corresponding to tax loss carryforwards are recorded on the balance sheet.

The recognition of deferred tax relating to tax losses or loss carryforwards is limited to those that are likely to be recovered.

2.2.19. Provisions

2.2.19.1. Long-term employee benefits

The Group assesses the long-term employee benefits awarded to staff in accordance with ANC recommendation 2013-02. These benefits exclusively relate to retirement bonuses for active employees.

Pursuant to the option offered by the preferential method, since 1 April 2019 the Group has applied the "corridor" method for recognising actuarial gains and losses, given the impossibility of reconstructing a historical corridor:
- the expense representing changes in pension commitments is recognised in 'Operating earnings (EBIT) before goodwill amortisation and impairment';
- the impacts of changes to actuarial assumptions are recorded in net financial income once their cumulative amount not recognised at the end of the previous financial year exceeds 10% of the present value of the long-term benefit obligation at the closing date. The recognition of this portion of the actuarial gains and losses is spread over the expected remaining working life of the members of staff receiving these benefits.

The Company has no plan assets in place to finance this commitment.

The actuarial assumptions used to calculate retirement bonuses and the amount of unrecognised actuarial gains and losses are described in Note 3.12.

2.2.19.2. 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.

2.2.20. 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.

2.2.21. Operating earnings (EBIT) before goodwill amortisation and impairment

Operating earnings (EBIT) before goodwill amortisation and impairment equals total income from ordinary operations less total expenses related to ordinary operations. This is an important indicator enabling the Group's performance to be measured.

In application of the general principle of substance over appearance specific to consolidated financial statements, the Group has opted to retain the IFRS treatment that involves reclassifying research tax credit as an operating subsidy for capitalised development expenses.

2.2.22. Non-recurring income/(expense)

Items linked to a major event occurring during the financial year which is exceptional and infrequent in nature are recognised under non-recurring income and expenses (for further detail see Note 4.5).

2.3. GROUP CONSOLIDATION SCOPE

The consolidation scope and consolidation methods applied are as follows:

Subsidiaries	Business	% interest	Date acquired	Consolidation method
Nemeio	Wholesale trader of all computer hardware and software, plus all related services	100%	04/2001	Full consolidation
DLP Connect	Installation of cable networks and access control, CCTV and telecommunications systems	80%	01/2004	Full consolidation
LDLC Distribution	Creation and development of a distribution network for the sale of all equipment and services, as well as the granting of all franchising or licensing rights	100%	01/2013	Full consolidation
Anikop	Design, development and sale of software and provision of IT services, maintenance; secondary activity in CUSTOMER SERVICE for goods sold, training	95%	12/2006	Full consolidation
Ecole LDLC	Higher education	100%	11/2014	Full consolidation
Domimo 2	Acquisition, use and development of land	100%	03/2016	Full consolidation

Subsidiaries	Business	% interest	Date acquired	Consolidation method
LDLC Event	Organisation and management of events, particularly in the e-sports sector	72.30%	05/2016	Full consolidation
ADB Boutiques	Retail store sale of personal equipment and childcare products	100%	03/2017	Full consolidation
LDLC7	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
LDLC9	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
Bluescreen	Professional client IT management based on three pillars: remote monitoring, on-site service delivery, IT equipment repair centre, retail of all IT hardware and software	80%	03/2018	Full consolidation
LDLC11	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
LDLC Invest (formerly LDLC12)	Acquisition of any interests in any business, company or group whose purpose is all research and development activities, and all industrial, commercial, agricultural, investment, real estate or financial activities	100%	03/2018	Full consolidation
LDLC13	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2018	Full consolidation
OLYS	Trade, representation in any form whatsoever of computer hardware and all derived products, telephone and network equipment and multimedia	100%	01/2018	Full consolidation
LDLC Boutiques	Retail sale of all IT hardware and software and all multimedia and digital products	100%	03/2016	Full consolidation
LDLC VR Studio	Operation, including management, of all business assets intended for the practice of indoor leisure and sporting activities, the development and marketing of video games, eat-in or take-out catering	100%	12/2019	Full consolidation
LDLC Pro Lease	Lease of computer and telecommunications hardware and software, lease of all industrial equipment, sale of second hand computer and telecommunications hardware, trading	100%	07/2021	Full consolidation

During the year ended:

- on 29 June 2021, all assets and liabilities of Hardware.fr were transferred to Groupe LDLC (the impact on the consolidated financial statements is presented in Note 3.1);
- on 30 June 2021, ADB Boutiques merged ADB Orgeval by absorption under the simplified merger procedure applicable to sister companies;
- on 30 June 2021, Groupe LDLC purchased the entire share capital of LDLC Pro Lease (the impact on the consolidated financial statements is presented in Note 3.1);
- on 2 July 2021, LDLC12 was renamed LDLC Invest and changed its business activity;
- on 8 July 2021, LDLC Boutiques purchased the entire share capital of Hexa-Tech and, on 31 August 2021, merged the company by absorption under the simplified merger procedure (the impact on the consolidated financial statements is presented in Notes 3.1 and 3.2.8);
- Groupe LDLC increased its equity stake in LDLC Event from 69% at 31 March 2021 to 72.30% at 26 July 2021 (the impact on the consolidated financial statements is presented in Note 3.2.7);
- Olys increased its equity stake in MyMultimedia from 60% at 31 March 2021 to 100% at 30 November 2021. On 31 January 2022, Olys merged MyMultimedia by absorption under the simplified merger procedure (the impact on the consolidated financial statements is presented in Notes 3.1 and 3.2.9).

Groupe LDLC holds minority interests in Immo Fi, Presse Non-Stop, Phox, NLCL, Time for the Planet and CG Développement; as the financial statements of these companies are not material, they were not consolidated at 31 March 2022. 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 2022, there were no foreign exchange futures contracts outstanding.

The proportion of goods paid for in USD is around 29% 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 hedge the risk affecting floating-rate borrowings, the Group has entered into swap contracts (see Note 3.14). At 31 March 2022, there were no swaps outstanding.

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 €40,685,000 at 31 March 2022;
- plus, at 31 March 2022:
- loans and credit facilities totalling €21,009,000;
- 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 ANC regulation 2020-01 and its method of calculation may vary from company to company, please note that EBITDA corresponds to the sum of operating earnings (EBIT) before goodwill amortisation and impairment and net operating depreciation, amortisation and provisions.

Advanced additive method (€000)

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Net income	36,104	42,213
Net depreciation, amortisation and provisions	(7,465)	(7,315)
Goodwill amortisation and impairment	0	0
Other financial income and expenses	(105)	(376)
Other non-recurring operating income and expenses	(47)	(39)
Tax expense	(14,705)	(20,058)
EBITDA	**58,426**	**70,002**

Simplified additive method (€000)

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Operating earnings (EBIT) before goodwill amortisation and impairment	50,961	62,686
Operating depreciation and amortisation	(7,465)	(7,315)
EBITDA	**58,426**	**70,002**

Figures stated in brackets have a positive impact on the EBITDA calculation.

Groupe LDLC's business activity - the sale of computer hardware and provision of related services - targets both professionals and individual customers. No single customer accounts for more than 5% of the Group's sales in terms of revenues.

2.6. POST BALANCE SHEET EVENTS

On 27 April 2022, Groupe LDLC purchased an additional 800,000 shares in Time for the Planet at a price of €800,000.

On 5 May 2022, Groupe LDLC purchased 150 shares in Anikop at a price of €200,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

A €5 million loan was taken out in June 2022 for a seven-year term to finance Group working capital requirements.

To the Company's knowledge, no other event likely to have a material impact on its full-year consolidated financial statements has occurred since 31 March 2022.

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 2022.

The consolidated income statement includes the income statements of companies acquired or created during the financial year as of the acquisition or creation date, with the exception of Hexa-Tech, acquired on 8 July 2021, for which the financial statements for the period ended 31 March 2021 have been consolidated in view of the proximity of the acquisition date to 31 March 2021 and the non-material nature of three months' income statement within the Group consolidation scope.

The income statement includes the income statements of companies sold during the financial year up until the disposal date.

Given the universal transfer of Hardware.fr's assets and liabilities on 29 June 2021, the consolidated income statement includes this company's income statement until 28 June 2021 inclusive.

The amounts shown under "Change in scope" in the following tables correspond to Hexa-Tech.

3.2. GOODWILL

Gross values	31/03/2021	Acquisitions	Change in scope	Disposals	31/03/2022
Materiel.net group	20,084	0	0	0	20,084
Olys group	7,058	0	0	0	7,058
LDLC VR Studio	89	0	0	0	89
Avitech	236	0	0	0	236
Anikop	620	0	0	0	620
I-Artificielle	24	0	0	0	24
LDLC Event	0	222	0	0	222
Hexa-Tech	0	513	0	0	513
MyMultimedia	0	400	0	0	400
Total	**28,110**	**1,135**	**0**	**0**	**29,245**

Depreciation, amortisation and impairment	31/03/2021	Charges	Change in scope	Write-backs	31/03/2022
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
Anikop	0	0	0	0	0
I-Artificielle	0	0	0	0	0
LDLC Event	0	0	0	0	0
Hexa-Tech	0	0	0	0	0
MyMultimedia	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

In accordance with ANC regulation 2020-01 (see accounting principles in Note 2.2.5 to the 2021/2022 consolidated financial statements):

- goodwill is recognised on the basis of the difference between the price paid by the Group and its share of the net assets of the acquired company;
- purchasing costs are included in the share purchase price at their amount net of tax.

3.2.1 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.

3.2.2 Olys group goodwill

The "Olys group" goodwill amounting to €7,058,000 results from the January 2018 acquisition of Olys and its subsidiaries.

3.2.3 LDLC VR Studio goodwill

"LDLC VR Studio" goodwill amounting to €89,000 follows the acquisition of the entire share capital of that company on 18 December 2019.

3.2.4 Avitech goodwill

"Avitech" goodwill amounting to €236,000 follows the acquisition of the entire share capital of that company on 5 February 2020.

3.2.5 Anikop goodwill

"Anikop" goodwill amounting to €620,000 comes from the purchase of an additional 450 shares in the company by Groupe LDLC on 30 June 2020, bringing its equity stake in Anikop to 95%.

3.2.6 I-Artificielle goodwill

"I-Artificielle" goodwill amounting to €24,000 comes from the purchase of an additional 1,960 shares by Olys on 30 September 2020, as a result of which Olys became the sole shareholder of the company holding a 100% equity stake as of said date.

3.2.7 LDLC Event goodwill

"LDLC Event" goodwill amounting to €222,000 comes from the purchase of an additional 909 shares in the company by Groupe LDLC on 26 July 2021, bringing its equity stake to 72.30%.

(€000)	**26/07/2021 Carrying amount**
Company shareholders' equity	(2,252.8)
Value of LDLC Event shares	(21.0)
Consolidation adjustments	599.7
Minority interests	-
Total consolidated shareholders' equity	**(1,674.1)**
Net assets	**(1,674.1)**
Additional equity stake acquired	3%
Group share	**(50.2)**
LDLC Event shares acquisition value	222.0
LDLC Event shares purchasing costs	-
LDLC Event shares acquisition cost	**222.0**
Goodwill	**222.0**
Consideration transferred	**272.2**

3.2.8 Hexa-Tech goodwill

"Hexa-Tech" goodwill amounting to €513,000 follows the acquisition of the entire share capital of that company by LDLC Boutiques on 8 July 2021. On 31 August 2021, LDLC Boutiques merged Hexa-Tech by absorption.

(€000)	**08/07/2021 Carrying amount**
Company shareholders' equity	142.2
Value of Hexa-Tech shares	-
Consolidation adjustments	-
Minority interests	-
Total consolidated shareholders' equity	**142.2**
Net assets	**142.2**
Additional equity stake acquired	100%
Group share	**142.2**
Hexa-Tech shares acquisition value	655.0
Hexa-Tech shares purchasing costs	-
Hexa-Tech shares acquisition cost	**655.0**
Goodwill	**512.8**
Consideration transferred	**512.8**

3.2.9. MyMultimedia goodwill

"MyMultimedia" goodwill amounting to €400,000 follows the acquisition of a 40% equity stake in that company by Olys on 30 November 2021.

On 31 January 2022, Olys merged MyMultimedia by absorption.

(€000)	30/11/2021 Carrying amount
Company shareholders' equity	124.0
Value of MyMultimedia shares	(90.0)
Consolidation adjustments	-
Minority interests	-
Total consolidated shareholders' equity	**34.0**
Net assets	**34.0**
Additional equity stake acquired	100%
Group share	**34.0**
MyMultimedia shares acquisition value	400.0
MyMultimedia shares purchasing costs	-
MyMultimedia shares acquisition cost	**400.0**
Goodwill	**400.0**
Consideration transferred	**366.0**

3.2.10. Impairment testing

The Group has not identified any indication of goodwill impairment.

Cash flows were valued based on budgets and four-year plans prepared using growth and profit forecasts in line with the past performance of the Group and its markets. The 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 2022, the discount rate determined using market data was 9.9% for the Groupe LDLC CGU.

Following the goodwill valuation, no impairment was recorded as at 31 March 2022.

Sensitivity tests

The Group analysed the sensitivity of impairment test results, based on different EBITDA margin assumptions used to calculate the terminal value and discount rate.

Sensitivity tests were carried out on the basis of the adopted business plan, including changes that could be reasonably expected to occur (-100 bps for the EBITDA/revenues margin, +100 bps for the discount rate). These sensitivity tests did not reveal a scenario where the recoverable value fell below the carrying amount of the assets tested.

3.3. INTANGIBLE ASSETS

Intangible assets break down as follows:

Gross values	31/03/2021	Acquisitions	Change in scope	Reclassification	Disposals/ retirement	31/03/2022
Materiel.net trademark	8,300					8,300
Apple contract	11,584					11,584
TopAchat trademark	4,069					4,069
R&D projects	996					996
IT projects	6,885					6,885
Software and other intangible assets	2,054	43	10	(7)	390	1,710
Leasehold rights	1,501	95				1,596
Intangible assets in progress	2,002	681		(16)		2,668
Total	**37,391**	**820**	**10**	**(24)**	**390**	**37,807**

Amortisation and impairment	31/03/2021	Charges	Change in scope	Reclassification	Write-backs	Impairment	31/03/2022
Materiel.net trademark	4,150	830					4,980
Apple contract	1,738	579					2,317
TopAchat trademark	506	507					1,013
R&D projects	443	332					774
IT projects	2,665	1,377					4,042
Software and other intangible assets	1,361	245	3		382		1,228
Leasehold rights	1,190	71					1,260
Total	**12,053**	**3,941**	**3**	**0**	**382**	**0**	**15,615**

The Materiel.net trademark valued at €8.3 million is amortised over 10 years. There are four years remaining on the trademark's amortisation schedule, until 31 March 2026, and its net book value amounted to €3,320,000 at 31 March 2022.

The intangible asset comprising the advantageous contract valued at €11,584,000 between Groupe LDLC and the Apple supplier is amortised over 20 years (ending 31 March 2038). Net book value at 31 March 2022 amounted to €9,267,000.

On 10 April 2020, the LDLC Group acquired the TopAchat business. The Group estimated the acquisition date fair value of the assets acquired and liabilities assumed, leading to the recognition of a trademark valued at €4,069,000.

The trademark was valued by an independent appraiser and a lifetime of eight years was assigned to the asset. The Group decided to amortise the trademark over this period, of which there are six years remaining until 9 April 2028. At 31 March 2022, the net book value stood at €3,055,000.

Intangible assets in progress mainly comprise R&D project expenses totalling €657,000.

Capitalised R&D project development costs are deducted from "Other purchases and external costs" on the income statement. At 31 March 2022, such development costs amounted to €657,000 and mainly comprised external costs (€504,000) and staff costs (€153,000).

Amortisation of in-house projects completed during prior years totalled €1,709,000 at 31 March 2022.

3.4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment break down as follows:

Gross values	31/03/2021	Acquisitions	Change in scope	Reclassification	Disposals/ retirement	31/03/2022
Buildings	1,198					1,198
Fixtures and fittings	19,057	2,417	208	852	166	22,367
Equipment	7,253	30		194	4	7,473
Vehicles and delivery equipment	155	0			20	135
Office equipment and furniture	8,307	392	47	122	123	8,745
PP&E in progress	1,157	4,072		(1,157)		4,072
Total	**37,126**	**6,911**	**254**	**11**	**313**	**43,989**

Depreciation and impairment	31/03/2021	Charges	Change in scope	Write-backs	Impairment	31/03/2022
Buildings	1,057	75				1,133
Fixtures and fittings	12,779	1,470	56	157		14,148
Equipment	5,607	675		4		6,278
Vehicles and delivery equipment	130	15		19		126
Office equipment and furniture	6,257	969	17	116		7,126
Total	**25,829**	**3,204**	**73**	**296**	**0**	**28,810**

At 31 March 2022, non-current assets commissioned during the year for the five new L'Armoire de Bébé stores opened during the year amounted to €1,885,000, of which assets amounting to €357,000 were completed during the year ended 31 March 2021. These investments consisted of fixtures and fittings totalling €1,846,000 and furniture and computer hardware totalling €39,000.

A total of €363,000 was invested over the year in the two new LDLC stores opened on 31 March 2022, including fixtures and fittings totalling €308,000 and furniture and computer hardware totalling €55,000.

The renovation work at the Grandchamps-des-Fontaines logistics warehouse led to acquisitions of fixtures and fittings at a cost of €134,000.

Fit-out works, equipment and furniture for the LDLC VR Studio premises were commissioned during the year following the public opening of its virtual reality room on 9 June 2021 and amounted to €624,000, €606,000 of which was acquired during the year ended 31 March 2021.

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

At 31 March 2022, new property, plant and equipment in progress accounted for 59% of new acquisitions of property, plant and equipment during the year.

3.5. EQUITY INTERESTS AND OTHER FINANCIAL ASSETS

Net value	31/03/2021	Reclassification	Acquisitions	Change in scope	Disposals	Impairment	31/03/2022
Presse Non-Stop shares	13						13
Other shares	39		500		4		535
Immo Fi 1 shares	348				90		258
NLCL shares	1,500						1,500
CG Développement shares	400						400
Time for the Planet shares	200						200
Deposits and guarantees	1,887		524	9	25		2,395
Guarantee fund	464				99		365
Loans	0						0
Total	**4,851**	**0**	**1,024**	**9**	**218**	**0**	**5,665**

On 21 March 2022, Immo Fi 1 completed a share capital reduction, which accounts for the €90,000 disposal.

The takeover of the new logistics warehouse on 25 November 2021 gave rise to payment of a €362,000 security deposit.

Following the full repayment of one of the loans, a €99,000 repayment (including interest) was made to a guarantee fund.

3.6. INVENTORIES

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
	Gross value	**Impairment**	**Net value**	**Gross value**	**Impairment**	**Net value**
Goods for resale	103,331	1,654	101,677	107,371	1,976	105,395
Total goods inventories	103,331	1,654	101,677	107,371	1,976	105,395
Other supplies	53	0	53	24	0	24
Work in progress	83	0	83	16	0	16
Total inventories and WIP	103,467	1,654	101,813	107,410	1,976	105,435

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:

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
	Gross	**Imp.**	**Net**	**Gross**	**Imp.**	**Net**
Trade receivables overdue	**4,268**	**1,335**	**2,932**	10,998	1,842	9,157
Trade receivables not yet due	20,386		20,386	22,640		22,640
Trade receivables	**24,654**	**1,335**	**23,318**	**33,639**	**1,842**	**31,797**

At 31 March 2022, the Group had assigned €2.7 million in trade receivables to Eurofactor. At 31 March 2021, assigned receivables amounted to €3.5 million.

The decrease in gross trade receivables is in line with the decline in business over the last month of the financial year.

3.8. OTHER RECEIVABLES AND ACCRUED INCOME

This item breaks down as follows:

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
	Gross	Imp.	Net	Gross	Imp.	Net
Advances and down payments	1,353		1,353	1,470		1,470
Supplier credit received and receivable	6,785	58	6,727	5,399	59	5,340
Government (income tax, VAT, etc.)	4,983		4,983	2,053		2,053
Government - income receivable	29		29	55		55
Deferred tax assets	1,246		1,246	1,144		1,144
Accrued income receivable	247		247	83		83
Eurofactor current account	915		915	428		428
Eurofactor retainer	223		223	226		226
Current accounts	475		475	151		151
Other receivables	58		58	209		209
Prepaid expenses - goods	5,528		5,528	6,548		6,548
Other	58		58	238		238
Prepaid expenses	3,856		3,856	3,200		3,200
Total	**25,756**	**58**	**25,698**	**21,204**	**59**	**21,145**

All other receivables and accruals are due or will be settled in less than one year.

Other receivables include €1,138,000 relating to the Eurofactor current account and retainer.

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

At 31 March 2022, the “Government” item mainly comprises a €2,444,000 tax receivable in respect of income tax advance payments. The income tax payable at 31 March 2021 is shown under “Other liabilities and accruals” (see Note 3.17).

“Prepaid expenses - goods” relates to invoices for goods delivered after the financial year-end.

“Supplier credit received and receivable” mainly comprises credit notes related to purchased goods and deferred discounts.

Following the application of new ANC regulation 2020-01, unrealised foreign exchange losses are now recognised as such under assets in the consolidated financial statements in accordance with the accounting rules defined in the chart of accounts.

At 31 March 2022, these items were recorded under “Other” and amounted to €46,000.

3.9. CASH EQUIVALENTS

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
Values	**Gross**	**Imp.**	**Net**	**Gross**	**Prov.**	**Net**
Short-term investments	**3,411**	**0**	**3,411**	**1,379**	**0**	**1,379**
Total	**3,411**	**0**	**3,411**	**1,379**	**0**	**1,379**

Short-term investments consist solely of 148,481 Groupe LDLC treasury shares, compared to 122,406 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.

3.10. CASH AND CASH EQUIVALENTS

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Cash and cash equivalents	40,685	49,882
Total	**40,685**	**49,882**

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

3.11. SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

√ **Shareholder breakdown at 31 March 2022**

At 31 March 2022, 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 2022:

Shareholders	Number of shares	% share capital	% voting rights
Laurent de la Clergerie	1,221,746	19.32%	25.37%
Caroline de la Clergerie	628,579	9.94%	12.33%
Olivier de la Clergerie	621,744	9.83%	12.11%
Suzanne de la Clergerie	77,423	1.22%	6.28%

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 2020	**6,322,106**	**138,618**	**135,906**
New shares			
Treasury shares purchased/(sold)		(1,678)	
Bonus share plans		(13,500)	(13,500)
Total at 31 March 2021	6,322,106	123,440	122,406
New shares			
Treasury shares purchased (for cancellation)		150,330	
Treasury shares purchased/(sold)		47,225	39,575
Bonus share plans		(13,500)	(13,500)
Total at 31 March 2022	**6,322,106**	**307,495**	**148,481**

√ **Earnings per share**

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

The Group had no potentially dilutive ordinary shares outstanding during the period. Diluted earnings per share is therefore identical to basic earnings per share.

When earnings per share is negative, diluted earnings per share is identical to this figure.

Earnings per share (€000 unless otherwise stated)	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Numerator		
Net income attributable to owners of the company	36,104	42,213
Net income used to calculate diluted earnings per share	36,104	42,213
Denominator		
Weighted average number of ordinary shares used to calculate basic earnings per share	6,163,092	6,321,072
Impact of dilutive ordinary shares		
Weighted average number of ordinary shares used to calculate diluted earnings per share	6,163,092	6,321,072
Earnings per share (€)	**5.86**	**6.68**
Diluted earnings per share (€)	**5.86**	**6.68**

3.12. PROVISIONS FOR RISKS AND CONTINGENCIES

Provisions for risks and contingencies break down as follows:

	01/04/2021 - 31/03/2022					01/04/2020 - 31/03/2021				
	Provisions b/fwd	Prov. rec. during FY	Prov. used during FY	Prov. not used/wrbk during FY	Total	Provisions b/fwd	Prov. rec. during FY	Prov. used during FY	Prov. not used/wrbk during FY	Total
Customer warranties	111	101	(111)		101	95	111	(95)		111
Retirement benefits	4,388	664	(19)	(422)	4,611	3,667	733		(13)	4,388
Employment disputes	70	136	(69)		137	8	69	(6)	(1)	70
Rent & rental charges	0	930	0		930	428		(315)	(112)	0
Bonus share plans	528	110	(349)		288	413	576	(383)	(78)	528
Employee provisions	0				0	400		(353)	(47)	0
Other provisions	130	69	(56)	(74)	69	87	56	(13)	0	130
Total	**5,226**	**2,010**	**(605)**	**(496)**	**6,135**	**5,097**	**1,545**	**(1,165)**	**(251)**	**5,226**

As at 31 March 2022 the Company is not aware of any circumstances that could require the recording of provisions for risks and contingencies other than the following:

Retirement benefits

The Group applies recommendation 2013-02 of 7 November 2013 issued by the Autorité des Normes Comptables (French Accounting Standards Authority).

The main assumptions used to calculate the provision for retirement benefits as at 31 March 2022 are as follows:

Assumptions used	At 31/03/2022	At 31/03/2021
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	1.77%	0.74%
Average remaining service	12-25 years	13-23 years
Demographic assumptions		
Retirement age	60-67 years	60-67 years
Mortality tables	Insee 2021	Insee 2019
Staff turnover	Rate decreasing with age and depending on the actual number of departures from the Company.	Rate decreasing with age and depending on the actual number of departures from the Company.

Actuarial gains and losses offset at 31 March 2022 through application of the “corridor” method amounted to €644,000.

√ **Applicable collective bargaining agreements:**

- Distance selling undertakings - IDCC 2198;
- Retail, stationery, office supply, office/IT equipment and book sellers – IDCC 1539;
- Non-contractual private tuition – IDCC 2691;
- Construction sector managers – IDCC 2420;
- Consulting firms – IDCC 1486;
- Non-food retail – IDCC 1517;
- Hotels, cafés, restaurants – IDCC 1979.

Bonus share plans

There are a number of outstanding bonus share plans: These awards are spread over the vesting period (see Note 4.2).

The €288,000 provision for contingencies recorded at 31 March 2022 is intended to cover the probable outflow of resources for each of the 2020 plans, in accordance with the likelihood that the presence condition will be met and in proportion to services rendered.

The counter-entry to this provision is recorded under staff costs.

During the year ended 31 March 2022, 13,500 shares were vested.

Changes in logistics structure

In view of the plan to expand the Group’s logistics structure in the Lyon region to around 28,000 m^2, a €909,000 provision was recorded at 31 March 2022.

This provision covers expenses relating to the cessation of use of part of the former warehouses, from the expected date these premises are vacated until the expiry of the leases.

3.13. LOANS AND BORROWINGS

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Loans	0	255
Finance lease liabilities	0	0
Due in > 5 years	**0**	**255**
Loans	5,574	2,397
Finance lease liabilities	0	0
Due in 3-5 years	**5,574**	**2,397**
Loans	9,425	6,329
Finance lease liabilities	0	5
Due in 1-3 years	**9,425**	**6,334**
Total long-term borrowings	**14,999**	**8,986**
Loans	5,998	10,516
Accrued interest on loans	12	14
Finance lease liabilities	0	3
Due in < 1 year	**6,010**	**10,534**
Total short-term borrowings	**6,010**	**10,534**
Long and short-term borrowings	**21,009**	**19,520**
Guarantee deposits received	0	0
Bank overdrafts	80	227
Current accounts	238	230
Dividends payable	0	0
Total borrowings	**21,328**	**19,978**

Long-term loans

On 30 June 2021, the LDLC Group fully prepaid the €23 million and €10 million loans taken out to partly finance the Materiel.net, Olys and Synopsis acquisitions, in a total amount of €6,353,000. Full prepayment of these loans implies the waiver of the €13.5 million revolving credit facility by the LDLC Group and the cancellation of the covenant ratios and capital expenditure limits associated with the loans.

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

To finance alterations, fit-out work and new logistics software for the new warehouse, in March 2022 the Group took out two €3.5 million loans.

Short-term loans

New loans bear interest for an indefinite term based on the following rates, depending on the bank issuing the loan:

√ from Euribor 3m (floored) + 0.7% to Euribor 3m (floored) + 1.5%

Overdraft authorisations granted to the Group amounted to €25.15 million at 31 March 2022.

3.14. FINANCIAL INSTRUMENTS

This item breaks down as follows:

(€)

Subscription date	Date of maturity	Type of contract	Hedged notional amount	MTM	Impact on earnings for the period
31/03/2018	30/06/2021	Swap	0	0	(15)
Total			**0**	**0**	**(15)**

In March 2018, Groupe LDLC entered into an interest rate swap intended to hedge interest rate risk related to the €10 million loan taken out following the Olys and Synopsis acquisitions. This swap was terminated on 28 June 2021 following the full prepayment of the loan. At 31 March 2022, there were no swaps outstanding.

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, which were as follows at 31 March 2021:

	Repayment schedule at 31/03/2021		
	< 1 year	1-5 years	> 5 years
Other borrowings	6,353	0	0
Floating-rate financial liabilities	**6,353**	**0**	**0**

The Group had no outstanding floating-rate borrowings at 31 March 2022.

Interest rate risk sensitivity tests

At 31 March 2022, no sensitivity tests were carried out given that the Group had no outstanding floating-rate borrowings.

3.16. TRADE PAYABLES

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Trade payables	51,365	70,084
Supplier L/C & prom. notes payable	25,583	27,333
Supplier invoices not received	4,305	3,236
Total	**81,254**	**100,654**

All trade and related payables are due in less than one year.

3.17. OTHER LIABILITIES AND ACCRUALS

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Advances and down payments received on orders	4,782	9,612
Payable to employees	12,167	12,058
Payable to social security organisations	5,048	4,922
Payable to the government (income tax, VAT, etc.)	10,079	13,881
Deferred tax liabilities	1,302	2,030
Other customer credit and credit to be granted	1,760	1,825
Other payables	217	352
Deferred income	6,466	7,100
Total	**41,819**	**51,780**

All other payables are due in less than one year.

The decrease in advances and down payments received on orders, which amounted to €4,782,000 at 31 March 2022 compared to €9,612,000 the previous year, is mainly due to the decline in business during the fourth quarter.

The decrease in government payables at 31 March 2022 is mainly due to the recognition of a €5,728,000 income tax payable at 31 March 2021, whereas a €2,444,000 tax receivable was recognised under "Other receivables and accruals" at 31 March 2022 in respect of income tax advance payments (see Note 3.8).

At 31 March 2022, a deferred tax liability was recognised in an amount of €857,000 in relation to the Materiel.net brand and €2,393,000 in relation to the Apple contract, compared to €1,072,000 and €2,543,000 respectively at 31 March 2021.

Following the acquisition of the TopAchat business on 10 April 2020, a €792,000 deferred tax liability was recognised at 31 March 2022 on the intangible asset corresponding to the TopAchat trademark, compared to €923,000 at 31 March 2021.

Following the application of new ANC regulation 2020-01, unrealised foreign exchange gains are now recognised as such under liabilities in the consolidated financial statements in accordance with the accounting rules defined in the French chart of accounts.

At 31 March 2022, these items were recorded under "Other payables" and amounted to €43,000.

"Deferred income" mainly corresponds to income from customer warranty contracts spread over the term of the contract (€2,611,000) and the average restatement of the last two days of revenues in September (€3,454,000).

3.18. RELATED PARTIES

This item breaks down as follows:

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
	Equity interests			Equity interests		
	Gross	Imp.	Net	Gross	Imp.	Net
Financial assets	2,917	(39)	2,877	2,507	(39)	2,467
Trade receivables	38	0	38	9	0	9
Other receivables	475	0	475	151	0	151
Accrued income and prepaid expenses	0	0	0	0	0	0
Total assets	**3,429**	**(39)**	**3,390**	**2,667**	**(39)**	**2,627**
Borrowings	0	0	0	0	0	0
Trade payables	(284)	0	(284)	(142)	0	(142)
Other payables	(238)	0	(238)	(230)	0	(230)
Accrued expenses and deferred income	0	0	0	0	0	0
Total equity and liabilities	**(522)**	**0**	**(522)**	**(372)**	**0**	**(372)**

Financial assets mainly comprise shares in NLCL (€1.5 million), CG Développement (€400,000) and Time for the Planet (€200,000). The impairment charges were recognised on Phox and Presse Non-Stop shares.

Other receivables mainly comprise the NLCL (€150,000) and CG Développement (€300,000) current accounts.

Trade payables mainly comprise Phox payables in an amount of €112,000.

Other payables relate to the shareholder loan current account between Groupe LDLC and Immo Fi (€238,000).

4. Notes to the income statement

4.1. REVENUE BREAKDOWN

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
	France	Export	Total	France	Export	Total
Sales of goods	578,467	77,194	655,660	618,134	74,337	692,471
Sales of services*	24,420	4,816	29,236	25,544	6,050	31,594
Total	**602,887**	**82,010**	**684,896**	**643,678**	**80,387**	**724,065**

** Sales of services mainly comprise shipping costs.*

During the year ended 31 March 2022, 88% of revenues were generated in France, compared to 89% the previous year.

4.2. STAFF COSTS AND HEADCOUNT

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Wages and salaries	37,396	35,311
Social security contributions and staff costs	16,509	15,757
Employee profit-sharing	4,188	4,034
Total	**58,094**	**55,102**
Average headcount	1,058	1,028
Non-managerial staff	694	657
Managerial staff	315	320
Temporary workers	49	52

The increase in staff costs is mainly due to the increase in headcount and pay rises awarded for the year.

The takeover of one Group franchise store and the opening of two new LDLC Boutiques stores and five new ADB Boutiques stores accounted for 23 new employees in total at 31 March 2022.

Information on bonus share plans

Outstanding	**22/07/2020**
Date granted	
Total number of bonus shares granted	20,000
Vesting date	6,000 shares on 22/07/2022
	6,000 shares on 22/07/2023
	8,000 shares on 22/07/2024
Lock-in period	1 year

Bonus shares granted

The benefits awarded in the form of bonus share allocations are measured at the initial share value on the date of allocation to the plans and recognised as a counter-entry to a provision for expenses. These staff costs are amortised on a straight line basis over the vesting period (see Note 2.2.16 on accounting policies).

- 20,000 existing Groupe LDLC shares were allotted on 22 July 2020, to be vested after a vesting period of 2 to 4 years and thereafter subject to a one-year lock-in period.

This bonus share plan is subject to a condition of presence in the Company but is not subject to any performance criteria.

A provision for staff costs is recorded and is intended to cover the probable outflow of resources for each tranche of the 2020 plans, in accordance with the likelihood that the presence condition will be met and in proportion to services rendered. The counter-entry to this provision is recorded under staff costs (see Note 3.12).

During the year ended 31 March 2022, 13,500 shares were vested.

4.3. NET DEPRECIATION, AMORTISATION AND PROVISIONS

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Net depr./amort. of non-current assets	(7,142)	(7,316)
Net provisions for retirement benefits	(234)	(709)
Net provisions for inventory impairment	322	(84)
Net provisions for impairment of receivables	507	916
Net provisions for customer warranties	9	(16)
Other charges/write-backs	(927)	(106)
Total net depreciation, amortisation and provisions	**(7,465)**	**(7,315)**

Figures presented as (-) denote expenses.

Despite the investments made during the year ended 31 March 2022, net depreciation/amortisation charges on non-current assets decreased slightly.

The main acquisitions recorded during the year relate to alterations, fit-out works and new logistics software for the new logistics warehouse. At 31 March 2022, operations at this new warehouse had not begun, which explains the classification of these investments as non-current assets in progress, with no impact on “Depreciation/amortisation of non-current assets”.

The decrease in provisions for retirement benefits is mainly due to the increase in the discount rate (see Note 3.12).

The decrease in the net write-back of provisions for receivables is mainly due to the decrease in write-backs of Olys trade receivables, which amounted to €312,000 at 31 March 2022, compared to a €1.6 million provision net of write-backs at 31 March 2021. A corresponding €118,000 bad debt expense in respect of Olys trade receivables was recognised under “Other income and expenses” for the year ended 31 March 2022 compared to €892,000 the previous year.

In view of the plan to expand the Group’s logistics structure in the Lyon region, a €909,000 provision was recorded under “Other charges/write-backs”. This provision covers expenses relating to the cessation of use of part of the former warehouses, from the expected date these premises are vacated until the expiry of the leases (see Note 3.12).

In accordance with the application of the new ANC regulation on the consolidated financial statements applicable to financial years beginning on or after 1 January 2021, the treatment of translation adjustments is aligned with the French chart of accounts. The net charge to currency translation adjustments for the year ended 31 March 2022 amounted to €46,000, recorded under “Other charges/write-backs”.

4.4. NET FINANCIAL INCOME/(EXPENSE)

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Write-back of provisions for impairment of financial assets	11	0
Other financial income	135	78
Financial income	**146**	**78**
Interest on borrowings	(206)	(401)
Interest paid to banks	(19)	(11)
Current account interest	0	(1)
Financing commissions	(31)	(26)
Provisions for impairment of financial assets	0	(11)
Other financial expenses	5	(5)
Financial expense	**(251)**	**(454)**
Net financial income/(expense)	**(105)**	**(376)**

This item breaks down as follows:

The corridor method (see accounting policies, Note 2.2.19.1):

- allows the reporting entity not to recognise actuarial gains and losses that do not exceed 10% of the commitment amount or, if higher, of the fair value of plan assets at the start of the period;
- requires the entity to recognise under income the excess amount spread over the average expected remaining duration of activity of company plan beneficiaries.

Actuarial gains and losses at 31 March 2022 amounted to €(655,000). The total portion exceeding 10% of the commitment amount or, if higher, of the fair value of plan assets at the start of the period totalled €(11,000). This year's portion of the excess amount has been recognised under "Write-back of provisions for impairment of financial assets" in an amount of €11,000.

Other financial income mainly comprises revenues from other equity interests totalling €75,000 and foreign exchange gains totalling €51,000.

The decrease in interest on borrowings is mainly due to Group deleveraging following the June 2021 full prepayment of the €23 million and €10 million loans (see Note 3.13).

4.5. NON-RECURRING INCOME/(EXPENSE)

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Income from disposal of non-current assets	10	109
Non-rec. write-backs on provisions	250	235
Other non-recurring income	47	207
Total non-recurring income	**307**	**551**
Net book value of fixed assets sold	(44)	(38)
Non-recurring expenses (purchase of treasury shares)	(250)	(235)
Non-recurring write-downs and provisions	(26)	(229)
Other non-recurring expenses	(35)	(88)
Total non-recurring expenses	**(355)**	**(590)**
Total	**(47)**	**(39)**

The vesting of bonus shares accounts for non-recurring provision write-backs and non-recurring share buyback expenses totalling €250,000 in 2021/2022 versus €235,000 the previous year.

The non-recurring depreciation charge corresponds to additional depreciation of retired assets.

Other non-recurring income in 2020/2021 mainly comprised a €160,000 provision write-back by Groupe LDLC España relating to negotiations on the termination of the lease on the Madrid premises and the revision of severance payments awarded to the company’s employees.

4.6. INCOME TAX

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Net income, Group share	36,104	42,213
Current tax income/(expense)	(15,496)	(21,886)
Deferred tax income/(expense)	791	1,828
Net income from equity associates	0	0
Earnings before tax	50,809	62,271
Theoretical tax rate	28.41%	32.02%
Theoretical tax expense	(14,434)	(19,941)
Permanent differences	(191)	60
Classification of CIR research tax credit	0	10
Tax credits	244	155
Income tax outside tax group	0	(3)
Impact of change in tax rate (b)	(197)	(343)
Tax losses capitalised in prior periods	(127)	(12)
Non-capitalised tax losses	0	17
Effective tax expense	(14,705)	(20,058)

The income tax rate applicable in France is the 27.50% base rate for tax group companies plus social security contributions of 3.3%, giving a total rate of 28.41%. The 2019 French Finance Act provided for a progressive decrease in the current corporate income tax rate to 25% by 2022.

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.

4.7. TAX CONSOLIDATION AGREEMENT

The tax group headed by Groupe LDLC consists of subsidiaries Nemeio, LDLC Distribution, LDLC Boutiques, L'Ecole LDLC, ADB Boutiques, Domimo 2, LDLC7, LDLC9, LDLC11, LDLC Invest, LDLC13, Olys and LDLC VR Studio.

Effective 1 April 2021, ADB Orgeval was removed from the tax group following its merger, as well as Hardware.fr following the universal transfer of this subsidiary's assets and liabilities.

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 €395,000 for the year ended 31 March 2022.

5. Other notes

5.1. COMPENSATION AND BENEFITS AWARDED TO MEMBERS OF THE EXECUTIVE BODIES

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Short-term benefits		
Fixed compensation	608	591
Variable compensation	967	129
Total compensation granted to executive directors	**1,574**	**719**

5.2. OFF BALANCE SHEET COMMITMENTS

5.2.1. Commitments given

- √ Groupe LDLC is acting as surety for LDLC Boutiques for the amount of €39,000 to cover the commercial lease signed on 31/08/2017 between the lessor, SCI Immocrous, and LDLC Boutiques (formerly LDLC Lille V2).
- √ Signing of a 10-year partnership agreement with ASVEL in September 2018. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.
- √ Signing of a 4-year partnership agreement with Lyon ASVEL Féminin in August 2019. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.
- √ Signing of an 8-year naming contract with Olympique Lyonnais in December 2021 following the commissioning of the multi-purpose show venue. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.
- √ Pledge of the 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. The release of the pledge was ongoing at 31 March 2022.
- √ 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. The release of the pledge was ongoing at 31 March 2022.
- √ Pledge of the business assets of the Olys establishment located at 150 allée des Fresnes, 69760 Limonest, to Crédit Coopératif as security for a €500,000 loan.
- √ Pledge of the business assets of the Olys establishment located 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 €125,000 loan. The release of the pledge was ongoing at 31 March 2022.
- √ 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. The release of the pledge was ongoing at 31 March 2022.

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 CHF 55,000 in Swiss VAT owed by Groupe LDLC to the Swiss Federal Tax Administration, Value Added Tax Division. Guarantee applicable for an indefinite term.

- BNP Paribas is acting as surety for Groupe LDLC to cover payment of CHF 13,020 in customs duties and customs VAT owed by Groupe LDLC to the Swiss Federal Customs Administration. Guarantee applicable for an indefinite term.
- In January 2015, Groupe LDLC entered into a master agreement with Caisse d'Epargne regarding transactions in financial futures. There were no agreements in force at 31 March 2022.
- In January 2015, Groupe LDLC signed a master futures agreement with Crédit Agricole for purchasing USD. There were no agreements in force at 31 March 2022.
- 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. €648,000 at 31 March 2022. A €45,000 holdback was retained by lender BPI as a cash pledge.
- Groupe LDLC benefits from a guarantee under the *Fonds National de Garantie* (FNG) fund ("Croissance Industrie 2" loan), in respect of the €1.1 million loan taken out with BPI, covering 80% of the principal, i.e. €836,000 at 31 March 2022. A €55,000 holdback was retained by lender BPI as a cash pledge.
- Groupe LDLC benefits from a guarantee under the Fonds *National de Garantie* (FNG) fund ("equity reinforcement"), in respect of the €5.3 million loan taken out with BPI, covering 50% of the principal, i.e. €1,855,000 at 31 March 2022. A €265,000 holdback was retained by lender BPI as a cash pledge.
- Groupe LDLC benefits from an EU guarantee via the European fund for strategic investments (EFSI), in respect of the €5 million loan taken out with BPI, covering 60% of the principal, i.e. €3 million at 31 March 2022.
- Crédit Agricole has issued a €16,000 guarantee to LDLC Boutiques to cover rental payments owed to SAFAR for a store located in Paris.

5.2.3. Commitments relating to the Company's operations

At 31 March 2022, the Group had no finance lease commitments.

Operating lease

The table below presents all commitments made under operating lease agreements and corresponding to non-cancellable rental payments for stores, logistics platforms and other premises (administrative and head office).

The payment schedule breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Due in < 1 year	7,542	7,040
Due in 1-5 years	17,021	24,939
Due in > 5 years	8,655	16,013
Discounted value of future rent	**33,218**	**47,992**

6. Statutory auditors' fees

	Cap Office				Mazars			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
	FY ended 31/03/21	FY ended 31/03/22	FY ended 31/03/21	FY ended 31/03/22	FY ended 31/03/21	FY ended 31/03/22	FY ended 31/03/21	FY ended 31/03/22
AUDIT								
Statutory audits, certification, review of Company and consolidated financial statements								
Issuer	67	72	40%	41%	67	72	100%	100%
Fully consolidated subsidiaries	98	103	60%	59%	0	0	0%	0%
Audit sub-total	**165**	**176**	**100%**	**100%**	**67**	**72**	**100%**	**100%**
Other services								
Non-audit services - Issuer	18	17	100%	100%	33	34	100%	100%
Non-audit services - Fully consolidated subsidiaries								
Other services sub-total	**18**	**17**	**100%**	**100%**	**33**	**34**	**100%**	**100%**
Total	**183**	**192**			**99**	**106**		

Non-audit services comprised the following:
- report by the independent third-party body on the social and environmental information;
- limited review of the interim accounts;
- translation of reports;
- report on the payment of interim dividends.

	Other				Total			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
	FY ended 31/03/21	FY ended 31/03/22	FY ended 31/03/21	FY ended 31/03/22	FY ended 31/03/21	FY ended 31/03/22	FY ended 31/03/21	FY ended 31/03/22
	0	0	0%	0%	133	145	57%	58%
	3	3	100%	100%	102	107	43%	42%
	3	**3**	**100%**	**100%**	**235**	**251**	**100%**	**100%**
					51	50	100%	100%
					51	**50**	**100%**	**100%**
	3	3			286	302		

18.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 March 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at March 31, 2022, and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for opinion

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (code de commerce) and the French Code of ethics (code de déontologie) for statutory auditors for the period from 1st of April, 2021 to the date of our report.

Emphasis of Matter

We draw attention to the following matter described in Note 2.2.1 "Accounting standards" to the consolidated financial statements relating to the new regulation ANC 2020-01 and its impact on the consolidated financial statements. Our opinion is not modified in respect of this matter.

Justification of assessments

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

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

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

Goodwill included in the balance sheet as of March 31, 2022, for a net amount of K€ 29 245, was subject to impairment tests according to the methods described in Notes 2.2.5 "Business combinations and related goodwill" and 3.2.10 "Impairment testing" to the consolidated financial statements. Our work consisted in assessing the elements taken into consideration to estimate the recoverable value of this goodwill and the consistency of the assumptions used when applying the discounted cash flow method. As part of our assessments, we ensured the reasonableness of these estimates

Inventories are depreciated according to the methods described in Notes 2.2.12 and 3.6 "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 Management Board (Directoire).

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

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Responsibilities of Management and Those Charged with Governance for the 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, June 16, 2022

The Statutory Auditors

Cap Office	Rémi Charnay
Mazars	Séverine Hervet

18.3. COMPANY FINANCIAL STATEMENTS (FRENCH GAAP) FOR THE YEAR ENDED 31 MARCH 2022

1. Groupe LDLC financial statements for the year ended 31 March 2022

All data presented below is stated in euro thousands, unless otherwise stated.

1.1. BALANCE SHEET

		31 March	
Balance sheet - Assets	**Note**	**2021**	**2021**
Net intangible assets	(2.3.1)	23,952	26,262
Net property, plant and equipment	(2.3.2)	8,960	6,004
Net financial assets	(2.3.3)	31,192	26,901
Non-current assets		**64,104**	**59,167**
Inventories and WIP	(2.3.4)	95,897	100,459
Trade receivables	(2.3.5)	23,806	29,401
Other receivables	(2.3.6)	37,736	25,416
Cash and cash equivalents	(2.3.7)	37,724	45,929
Current assets		**195,162**	**201,205**
Accrued income and prepaid expenses	(2.3.8)	8,349	9,007
Total assets		**267,616**	**269,379**

		31 March	
Balance sheet - Equity & liabilities	**Note**	**2021**	**2021**
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)	68,719	29,082
Retained earnings	(1.3)	254	0
Interim dividend	(1.3)	(4,848)	(3,093)
Net income for the year	(1.3)	38,071	52,213
Regulated provisions		430	356
Total shareholders' equity		**124,929**	**100,862**
Provisions for risks and contingencies	(2.3.9)	5,256	5,199
Borrowings	(2.3.10)	27,179	27,883
Trade payables	(2.3.11)	75,026	92,497
Tax and social security liabilities	(2.3.12)	23,333	26,746
Other payables	(2.3.13)	5,833	10,069
Accrued expenses and deferred income	(2.3.14)	6,059	6,122
Total equity and liabilities		**267,616**	**269,379**

1.2. INCOME STATEMENT

		FY ended 31 March	
	Note	**2022**	**2021**
Sales of goods	(2.3.18)	620,725	633,980
Sales of services	(2.3.18)	19,395	23,547
Purchase of goods		(506,765)	(517,070)
Gross margin		**133,355**	**140,457**
Other income		1,394	2,257
Other purchases and external costs		(25,907)	(26,044)
Miscellaneous taxes		(2,948)	(3,048)
Staff costs	(2.3.20)	(38,846)	(36,208)
Net depreciation, amortisation and provisions	(2.3.21)	(4,725)	(6,515)
Other expenses		(4,350)	(3,348)
EBIT		**57,974**	**67,550**
Financial income	(2.3.22)	287	12,561
Financial expense	(2.3.22)	(322)	(2,150)
Net financial income/(expense)		**(35)**	**10,411**
Earnings before tax and non-recurring items		**57,939**	**77,961**
Non-recurring income/(expense)	(2.3.23)	**(268)**	**(46)**
Employee profit-sharing		(4,188)	(4,034)
Income tax	(2.3.24)	(15,412)	(21,668)
Net income		**38,071**	**52,213**

1.3. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Add. paid-in capital	Legal reserve	Undis-trib. res.	Other reserves	Retained earnings	Reg. prov.	Dividends paid	Net income for the year	Total share-holders equity
Shareholders' equity at 31 March 2020	**1,138**	**21,053**	**114**	**0**	**28,838**	**0**	**268**	**0**	**244**	**51,654**
Appropriation of previous year's					244				(244)	0
Dividends allotted/FY ended 31/03/2020										0
Accelerated depreciation/amortisation							89			89
Interim dividends allotted/FY ended 31/03/2021 (a)								(3,093)		(3,093)
Net income for the year ended 31/03/2021									52,213	52,213
Shareholders' equity at 31 March 2021	**1,138**	**21,053**	**114**	**0**	**29,082**	**0**	**356**	**(3,093)**	**52,213**	**100,862**
Appropriation of previous year's earnings					39,636			12,576	(52,213)	0
Dividends allotted/FY ended 31/03/2021 (b)						254		(9,483)		(9,229)
Accelerated depreciation/amortisation							73			73
Interim dividends allotted/FY ended 31/03/2022 (c)								(4,848)		(4,848)
Net income for the year ended 31/03/2022									38,071	38,071
Shareholders' equity at 31 March 2022	**1,138**	**21,053**	**114**	**0**	**68,719**	**254**	**430**	**(4,848)**	**38,071**	**124,929**

(a) On 25 February 2021 Groupe LDLC paid out an ordinary interim dividend of €0.50 per share in respect of the 2020/2021 financial year.
(b) At the Annual General Meeting held on 24 September 2021, Groupe LDLC shareholders approved the proposed dividend payment of €2 per share in respect of the 2020/2021 financial year. Given the payment of an interim dividend of €0.50 per share on 25 February 2021, the dividend balance of €1.50 per share was paid on 7 October 2021.
(c) On 25 February 2022 Groupe LDLC paid out an ordinary interim dividend of €0.80 per share in respect of the 2021/2022 financial year.

✓ **Shareholder breakdown at 31 March 2022**

At 31 March 2022, 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 2020	**6,322,106**	**138,618**	**135,906**
New shares			
Treasury shares purchased/(sold)		(1,678)	
Bonus share plans		(13,500)	(13,500)
Total at 31 March 2021	6,322,106	123,440	122,406
New shares			
Treasury shares purchased (for cancellation)		150,330	
Treasury shares purchased/(sold)		47,225	39,575
Bonus share plans		(13,500)	(13,500)
Total at 31 March 2022	**6,322,106**	**307,495**	**148,481**

2. Notes to the Company financial statements for the year ended 31 March 2022

(Amounts in €000 unless otherwise stated)

The following notes form an integral part of the Company financial statements for the period from 1 April 2021 to 31 March 2022, which have been approved by the Company's Management Board.

2.1. HIGHLIGHTS OF THE YEAR

On 29 June 2021, Hardware.fr transferred all its assets and liabilities to the parent company (Groupe LDLC) in accordance with the procedure set out in Article 1844-5, paragraph 3 of the French Civil Code.

On 30 June 2021, Groupe LDLC fully prepaid the €23 million and €10 million loans taken out to partly finance the Materiel.net, Olys and Synopsis acquisitions, in a total amount of €6,353,000. Full prepayment of these loans implies the waiver of the €13.5 million revolving credit facility by Groupe LDLC and the cancellation of the covenant ratios and capital expenditure limits associated with the loans.

On 30 June 2021, the LDLC Group acquired the entire share capital of F-LOC for a total of €100,000. F-LOC was renamed LDLC Pro Lease on the same date.

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

On 25 November 2021, Groupe LDLC took over its new logistics warehouse, which will allow it to expand its existing 21,000 m² logistics capacity in the Lyon region, which no longer met the requirements of the Group's fully multi-channel organisational system. This new warehouse with a surface area of around 28,000 m² will enable the Group to cope with the expansion of its operations and the development of its store network over the coming years. The warehouse is expected to start operating after summer 2022.

On 29 November 2021, the LDLC Group announced the detection of a cyber security incident in its IT systems resulting in unauthorised access to company data. The incident has had no impact on the Group's business activities. It was analysed in detail by the Group's experts and security partners, who immediately took the necessary steps to strengthen existing protective measures, minimise any consequences and identify the origin of the incident. While some personal data could be read, no sensitive data relating to customers of the Group's e-commerce websites was compromised.

Under the share buyback plan authorised by the Ordinary and Extraordinary General Meeting of 24 September 2021, during the year ended 31 March 2022 Groupe LDLC purchased 150,330 shares destined for cancellation, for a total amount of €6,596,000.

As part of the development plan for the future OL Vallée Arena, on 6 December 2021 the LDLC Group announced the signing of an agreement on the naming of the future OL Groupe event hall in Décines. This agreement is effective from the start of construction in early 2022 and for a period of eight years following the commissioning of the multi-purpose show venue.

Deeply involved in sponsorship and support for defenders of the environment, on 29 March 2022 the LDLC Group announced the creation of its own foundation hosted by Fondation de France. This foundation is intended to work in two areas of general interest, the "environment" and "education and the family".

The Group has no stores in the area of conflict between Russia and Ukraine.

2.2. ACCOUNTING POLICIES

The Company financial statements have been prepared in accordance with the French chart of accounts (Plan Comptable Général) 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;
- accrual basis of accounting;

and generally accepted rules for preparing and presenting the annual financial statements.

The basic method used to measure the items recorded in the accounts is the historical cost method.

The principal methods applied are as follows:

2.2.1. Intangible assets

Intangible assets are stated at cost on the balance sheet. They mainly consist of software licences, leasehold rights, merger deficits, trademarks, IT project development costs and R&D costs.

They are amortised on a straight-line basis as of commissioning, except for software for which amortisation begins on the acquisition date.

Groupe LDLC has opted to amortise leasehold rights over the remaining term of the lease.

The following amortisation periods are applied:

Software	3 years
Materiel.net trademark	10 years
TopAchat trademark	8 years
Other intangible assets	3-8 years

2.2.2. Research and development costs

Research and development costs are recognised under non-current assets or expenses for the period in which they are incurred, depending on whether the related project qualifies for recognition as an asset.

The cumulative capitalisation conditions to be met are as follows:
- technical and commercial feasibility of completing the asset for sale or use;
- intention to complete and use or sell the asset;
- ability to use or sell the asset;
- capacity of the asset to generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete and use or sell the asset;
- ability to measure the attributable expenditure reliably over its development.

2.2.3. Property, plant and equipment

Property, plant and equipment are measured at purchase cost including purchasing fees and, where applicable, assembly costs if the hardware is purchased by the Company for its own use. They mainly consist of fixtures and fittings, equipment, computer hardware and furniture.

Depreciation is calculated on a straight line basis according to the estimated useful life once the asset is ready for commissioning.

The following depreciation periods are applied:

Fixtures and fittings	8-10 years
Equipment	5-8 years
Technical facilities	8-10 years
Office equipment and hardware	3 years
Furniture	5 years

2.2.4. Financial assets

Financial assets are recorded at cost.

The Company has opted to include acquisition expenses such as transfer taxes, fees, commissions, registration fees and other costs, as specified in French National Accountancy Council (CNC) emergency committee 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 market price over the last month of the financial year, except for shares destined to be cancelled in accordance with French National Accountancy Council emergency committee (CU CNC) opinion no. 98 D.

2.2.5. 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.

2.2.6. Trade receivables

Trade and related receivables are recorded at their nominal value.

They are written down on an individual basis in accordance with their age and expectation of recovery.

2.2.7. Cash and cash equivalents

Cash and cash equivalents include immediately available cash and treasury shares purchased to cover bonus share plans.

Foreign currency bank transactions are valued at the transaction date. At the end of each month, the accounts are revalued at the closing rate. The matching entry for this revaluation is a currency gain or loss account.

In accordance with the CNC opinion of 6 November 2008, treasury shares assigned to current plans are not written down in accordance with changes in the share price.

2.2.8. Provisions for risks and contingencies

Provisions for risks and contingencies are recognised in accordance with the CRC 2000-06 “Regulation on liabilities”.

Provisions are recorded in order to provide for a probable outflow of resources in favour of a third party without any corresponding consideration accruing to the Company. Depending on the type of provision concerned, they are estimated on the basis of the most likely assumptions or by using statistical methods.

2.2.9. Transactions in foreign currencies

First-time application of ANC regulation 2015-05 on financial futures and hedging transactions applicable to financial years beginning on or after 1 January 2017 led to the transfer of currency gains and losses on commercial transactions to financial income and expense.

Income and expenses in foreign currencies are recognised at their equivalent value in euros as at the date of the transaction.

Foreign currency receivables and payables are carried on the balance sheet at their equivalent value in euros as calculated using the closing rate.

The differences arising from the remeasurement of foreign currency receivables and payables at the closing rate are recorded as translation differences on the balance sheet. A provision for risks is recorded to cover unrealised currency losses.

2.2.10. Revenues

In the income statement, revenues from the sale of products are presented under "Sales of goods" and from the related services under "Sales of services".

Sales of products are recognised under "Sales of goods" when the following criteria have been satisfied:
- the main risks and rewards of ownership have been transferred to the buyer and the amount of revenue and costs associated with the transaction can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Company.

Sales of goods to professionals and consumers presented in the income statement, excluding sales to stores and subsidiaries, are restated taking into account the average effect of the last two days of sales, given that the Company considers that the risks and rewards of ownership have not yet been transferred to the buyer during this time in view of the average delivery periods recorded by carriers.

Revenues from the sale of services are recognised once the services have been rendered.

2.2.11. Related party transactions

Transactions with related parties are entered into under arm's length terms and are therefore not concerned by ANC regulations 2010-02 and 2010-03.

2.2.12. Post balance sheet events

On 27 April 2022, Groupe LDLC purchased an additional 800,000 shares in Time for the Planet at a price of €800,000.

On 5 May 2022, Groupe LDLC purchased 150 shares in Anikop at a price of €200,000, thereby becoming the company's sole shareholder holding a 100% equity stake.

A €5 million loan was taken out in June 2022 for a seven-year term to finance Group working capital requirements.

To the Company's knowledge, no event likely to have a material impact on the Company financial statements has occurred since 31 March 2022.

2.3. ADDITIONAL BALANCE SHEET AND INCOME STATEMENT INFORMATION

2.3.1. Intangible assets

Intangible assets break down as follows:

Gross values	31/03/2021	Acquisitions	Reclassification	Change in scope	Disposals/ retirement	31/03/2022
Software and other intangible assets	9,422	206	3	3	352	9,282
Leasehold rights	540					540
Intangible assets in progress	1,989	681	(3)			2,668
Domisys merger deficit	11,945					11,945
Materiel.net trademark	6,640					6,640
TopAchat trademark	2,898					2,898
Total	33,433	888	0	3	352	33,972

Amortisation and impairment	31/03/2021	Charges	Write-backs	31/03/2022
Software and other intangible assets	4,078	1,930	340	5,668
Leasehold rights	250	67		317
Materiel.net trademark	2,490	830		3,320
TopAchat trademark	353	362		715
Total	7,171	3,189	340	10,020

Intangible assets mainly consist of software, leasehold rights, trademarks, merger deficits, IT project development costs and R&D project costs.

The increase in intangible assets is mainly due to:
- capitalised R&D project costs (€657,000). Capitalised R&D project development costs are deducted from "Other purchases and external costs" on the income statement. Development costs capitalised at 31 March 2022 mainly comprised external costs (€504,000) and staff costs (€153,000).
- a €177,000 merger deficit related to the universal transfer of Hardware.fr's assets and liabilities to its parent company, Groupe LDLC (see Note 2.1).

The main additions under "Software and other intangible assets" are derived from in-house projects completed in previous years (€1,709,000).

2.3.2. Property, plant and equipment

Property, plant and equipment break down as follows:

Gross values	31/03/2021	Acquisitions	Reclassification	Change in scope	Disposals/retirement	31/03/2022
Fixtures and fittings	13,414	346	9		195	13,574
Equipment	7,018	19	194			7,230
Vehicles and delivery equipment	34					34
Office equipment and furniture	4,739	207	23	0	47	4,923
PP&E in progress	226	3,879	(226)			3,879
Total	**25,432**	**4,450**	**0**	**0**	**242**	**29,641**

Depreciation and impairment	31/03/2021	Charges	Write-backs	31/03/2022
Fixtures and fittings	9,639	769	187	10,222
Equipment	6,143	190		6,333
Vehicles and delivery equipment	24	9		32
Office equipment and furniture	3,621	518	46	4,093
Total	**19,428**	**1,485**	**233**	**20,681**

The main acquisitions related to fixtures and fittings concern the renovation of the Grandchamps-des-Fontaines logistics warehouse (€134,000).

The main acquisitions of property, plant and equipment in progress relate to alterations, fit-out work and new logistics software for the new warehouse (€3,653,000) and the replacement of telephone equipment (€218,000).

2.3.3. Financial assets

Financial assets break down as follows:

	31/03/2021 gross value	Acquisitions	Reclassi fication	Disposals/ retirement	31/03/2022 gross value	Impair ment	31/03/2022 net value
Hardware.fr shares	3,033			(3,033)	0		0
Nemeio shares	8				8	(8)	0
DLP Connect shares	24				24		24
Anikop shares	644				644		644
LDLC Distribution shares	100				100		100
Ecole LDLC shares	500				500		500
LDLC Boutiques shares	515				515		515
LDLC Event shares	21	222			243		243
ADB Boutiques shares	30		30		60		60
Domimo 2 shares	1,908				1,908		1,908
NLCL shares	1,500				1,500		1,500
Other shares	1				1		1
Olys shares	15,347				15,347		15,347
LDLC7 shares	30				30		30
Bluescreen shares	24				24		24
LDLC9 shares	30				30		30
ADB Orgeval shares	30		(30)		0		0
LDLC11 shares	30				30		30
LDLC Invest shares (formerly LDLC12)	30				30		30
LDLC13 shares	30				30		30
LDLC VR Studio shares	20				20		20
LDLC Pro Lease shares	0	100			100		100
CG Développement shares	400				400		400
Phox shares	2				2	(2)	0
Immo Fi 1 shares	348			(90)	258		258
Presse Non-Stop shares	51				51	(38)	13
Time for the Planet shares	200				200		200
Treasury shares - liquidity account	53	7,595		(7,354)	294	(15)	279
Treasury shares for cancellation	0	6,596			6,596		6,596
Deposits and guarantees	1,577	380		(12)	1,945		1,945
Accrued interest on deposits and guarantees	12			(12)	0		0
Guarantee fund	453			(88)	365		365
Total	**26,949**	**14,894**	**0**	**(10,589)**	**31,254**	**(62)**	**31,192**

On 29 June 2021, Hardware.fr was wound up without liquidation by application of Article 1844-5, paragraph 3 of the French Civil Code. The company's assets and liabilities were accordingly transferred to Groupe LDLC, as a result of which shares amounting to €3,033,000 were removed from the balance sheet (see Note 2.1).

On 30 June 2021 a merger was carried out pursuant to the provisions of Articles L.236-1 et seq. and R.236-1 et seq. of the French Commercial Code under the simplified merger procedure applicable to sister companies. ADB Boutiques decided to merge ADB Orgeval by absorption, thereby bringing the various business activities under a single umbrella and raising the value of ADB Boutiques shares to €60,000.

On 30 June 2021, Groupe LDLC acquired the entire share capital of F-LOC for a total of €100,000. F-LOC was renamed LDLC Pro Lease on the same date.

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

On 21 March 2022, Immo Fi 1 completed a share capital reduction, which accounts for the €90,000 disposal.

During the year, LDLC12 was renamed LDLC Invest.

Groupe LDLC holds 8,684 treasury shares purchased under the liquidity contract and 150,330 shares purchased for cancellation under the share buyback plan authorised by the Ordinary and Extraordinary General Meeting of 24 September 2021. At 31 March 2022, these shares had a market value of €278,000 and €4,818,000 respectively.

The treasury shares purchased under the liquidity contract were valued at €279,000 at 31 March 2022 in accordance with the average share price over the last month of the financial year, giving rise to a €15,000 provision.

The treasury shares purchased for cancellation under the buyback agreement would have resulted in the recognition of a €1,759,000 provision if valued at the average price over the last month of the financial year.

The takeover of the new logistics warehouse on 25 November 2021 gave rise to payment of a €362,000 security deposit.

Olys impairment testing

Cash flows were valued based on budgets and four-year plans prepared using growth and profit forecasts in line with the past performance of Olys and its markets. The 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 Groupe LDLC. At 31 March 2022, the discount rate determined using market data was 9.9% for Olys.

Following a review of the share value, no impairment was recorded at 31 March 2022.

Sensitivity tests

Groupe LDLC analysed the sensitivity of impairment test results, based on different EBITDA margin assumptions used to calculate the terminal value and discount rate.

Sensitivity tests were carried out on the basis of the adopted business plan, including changes that could be reasonably expected to occur (-50 bps for the EBITDA/revenues margin, +50 bps for the discount rate). The results of sensitivity testing are as follows:

- appreciation/(devaluation) – headroom in €m
- EBITDA/revenues margin -50 bps 2.7
- discount rate +50 bps 1.4

2.3.4. Inventories and WIP

Inventories and work-in-progress break down as follows:

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Goods inventories	97,308	1,411	95,897	101,943	1,484	100,459
Total goods inventories	**97,308**	**1,411**	**95,897**	**101,943**	**1,484**	**100,459**

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.

2.3.5. Trade receivables

This item breaks down as follows:

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
	Gross	Imp.	Net	Gross	Imp.	Net
Trade receivables	24,924	1,118	23,806	30,692	1,291	29,401
Total	24,924	1,118	23,806	30,692	1,291	29,401

All trade receivables are due in less than one year.

The decrease in gross trade receivables is in line with the decline in business over the last month of the financial year.

2.3.6. Other receivables

This item breaks down as follows:

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021
	Gross	Imp.	Net	Net
Advances and down payments	1,222	58	1,164	1,321
Supplier credit received and receivable	6,363		6,363	4,864
Government (income tax, VAT, etc.)	3,773		3,773	1,244
Government - income receivable	0		0	0
Accrued income receivable	227		227	471
Eurofactor current account and retainer	988		988	654
Current accounts - subsidiaries	25,209		25,209	16,679
Other	12		12	184
Total	37,794	58	37,736	25,416

All other receivables are due in less than one year.

Other receivables include €988,000 relating to the Eurofactor current account and retainer.

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

At 31 March 2022, the “Government” item mainly comprises a €2,382,000 tax receivable in respect of income tax advance payments. The income tax payable at 31 March 2021 was stated under “Tax and social security liabilities”.

“Supplier credit received and receivable” mainly comprises credit notes related to purchased goods and deferred discounts.

The “Current account - subsidiaries” item mainly represents current account loans and advances to the following subsidiaries:

- Olys (€10,548,000);
- ADB Boutiques (€4,839,000);
- LDLC Event (€3,794,000);
- LDLC VR Studio (€1,968,000);
- LDLC Boutiques (€1,254,000).
- DLP Connect (€964,000);
- LDLC Invest (€500,000);
- Bluescreen (€407,000);
- Anikop (€367,000).

2.3.7. Cash and cash equivalents

Provisions for risks and contingencies break down as follows:

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
Values	**Gross**	**Prov.**	**Net**	**Gross**	**Prov.**	**Net**
Cash	**34,314**	**0**	**34,314**	**44,550**	**0**	**44,550**
Short-term investments	**3,411**	**0**	**3,411**	**1,379**	**0**	**1,379**
Total	**37,724**	**0**	**37,724**	**45,929**	**0**	**45,929**

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

Short-term investments consist solely of 148,481 Groupe LDLC treasury shares, compared to 122,406 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.

2.3.8. Accrued income and prepaid expenses

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Invoices for goods delivered after the closing date	5,196	5,967
Prepaid expenses/property rent and rental charges	1,151	1,152
Sundry prepaid operating expenses	1,957	1,506
Sundry prepaid financial expenses	0	0
Total accrued income and prepaid expenses	**8,303**	**8,625**
Unrealised foreign currency losses	46	382
Total	**8,349**	**9,007**

2.3.9. Provisions for risks and contingencies

Provisions for risks and contingencies break down as follows:

	01/04/2021 - 31/03/2022					01/04/2020 - 31/03/2021				
	Provisions b/fwd	Prov. rec. during FY	Prov. used during FY	Prov. not used/ wr bk during FY	Total	Provisions b/fwd	Prov. rec. during FY	Prov. used during FY	Prov. not used/ wr bk during FY	Total
Retirement benefits	4,067		(19)	(284)	3,764	2,894	1,173			4,067
Bonus share plans	528	110	(349)		288	682	375	(383)	(146)	528
Other provisions	534	159	(534)		159	170	534	(170)		534
Provision for negative net pos. of Groupe LDLC España	0				0	740		(740)		0
Employee provisions	70	136	(69)		137	8	69	(6)	(1)	70
Rent & rental charges	**0**	**909**			**909**	**0**				**0**
Total	**5,199**	**1,314**	**(972)**	**(284)**	**5,256**	**4,494**	**2,151**	**(1,299)**	**(148)**	**5,199**

As at 31 March 2022 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 2022 are as follows:

Assumptions used	At 31/03/2022	At 31/03/2021
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	1.77%	0.74%
Average remaining service	20-21 years	19-21 years
Demographic assumptions		
Retirement age	60-67 years	60-67 years
Mortality tables	Insee 2021	Insee 2019
Staff turnover	Rate decreasing with age and depending on the actual number of departures from the Company.	Rate decreasing with age and depending on the actual number of departures from the Company.

Applicable collective bargaining agreement: “Distance selling undertakings” - IDCC 2198

Bonus share plans

There are a number of outstanding bonus share plans:

- 20,000 existing Groupe LDLC shares were allotted on 22 July 2020, to be vested after a vesting period of two to four years and thereafter subject to a one-year lock-in period.

The €288,000 provision for contingencies recorded at 31 March 2022 is intended to cover the probable outflow of resources for each of the 2020 plans, in accordance with the likelihood that the presence condition will be met and in proportion to services rendered.

The counter-entry to this provision is recorded under staff costs.

During the year ended 31 March 2022, 13,500 shares were vested.

Information on bonus share plans

Outstanding	**22/07/2020**
Date granted	
Total number of bonus shares granted	20,000
Vesting date	6,000 shares on 22/07/2022
	6,000 shares on 22/07/2023
	8,000 shares on 22/07/2024
Lock-in period	1 year

Other provisions

The significant decrease in "Other provisions" at 31 March 2022 mainly concerns the provision for unrealised losses, which amounted to €46,000 compared to €382,000 the previous year.

Changes in logistics structure

In view of the plan to expand the Group's logistics structure in the Lyon region to around 28,000 m^2, a €909,000 provision was recorded at 31 March 2022.

This provision covers expenses relating to the cessation of use of part of the former warehouses, from the expected date these premises are vacated until the expiry of the leases.

2.3.10. Borrowings

This item breaks down as follows:

	01/04/2021 - 31/03/2022				01/04/2020 - 31/03/2021			
	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	20,575	5,670	14,905		18,647	10,071	8,320	255
Bank overdrafts and accrued interest	85	85			230	230		
Immofi current account	238	238			230	230		
Accrued interest - shareholders	0	0			0	0		
Ecole LDLC current a/c	902	902			883	883		
Hardware current a/c	0	0			2,721	2,721		
LDLC Distribution current a/c	183	183			0	0		
Domimo 2 current a/c	5,196	5,196			5,173	5,173		
Total	**27,179**	**12,274**	**14,905**	**0**	**27,883**	**19,308**	**8,320**	**255**

Bank overdrafts

New loans bear interest for an indefinite term based on the following rates, depending on the bank issuing the loan:

- √ from Euribor 3m (floored) + 0.7% to Euribor 3m (floored) + 1.5%

Overdraft authorisations granted to Groupe LDLC amounted to €25 million at 31 March 2022.

Loans

On 30 June 2021, Groupe LDLC fully prepaid the €23 million and €10 million loans taken out to partly finance the Materiel.net, Olys and Synopsis acquisitions, in a total amount of €6,353,000. Full prepayment of these loans implies the waiver of the €13.5 million revolving credit facility by Groupe LDLC and the cancellation of the covenant ratios and capital expenditure limits associated with the loans.

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

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

Current accounts

The Hardware.fr current account was cleared via the universal transfer of this subsidiary’s assets and liabilities on 29 June 2021.

2.3.11. Trade payables

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Trade payables	46,845	62,680
Supplier L/C & prom. notes payable	25,583	27,333
Supplier invoices not received	2,598	2,483
Total	**75,026**	**92,497**

All trade and related payables are due in less than one year.

2.3.12. Tax and social security liabilities

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Payable to employees	10,382	10,182
Payable to social security organisations	3,990	3,686
Payable to the government (income tax, VAT, etc.)	8,962	12,878
Total	**23,333**	**26,746**

The decrease in government payables at 31 March 2022 is mainly due to the recognition of a €5,824,000 income tax payable at 31 March 2021, whereas a €2,382,000 tax receivable was recognised under "Other receivables" at 31 March 2022 in respect of the balances on income tax advance payments (see Note 2.3.6).

All tax and social security liabilities are due in less than one year.

2.3.13. Other payables

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Customer down payments received on orders	4,079	8,395
Other customer credit, discounts & rebates to be granted	1,712	1,659
Other	41	15
Total	**5,833**	**10,069**

All other payables are due in less than one year.

The decrease in other payables is mainly due to the reduction in customer advances from €8,395,000 at 31 March 2021 to €4,079,000 at 31 March 2022, mainly due to the fourth quarter decline in business.

2.3.14. Accrued expenses and deferred income

This item mainly corresponds to deferred income in the amount of €6,016,000, including €2,559,000 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 (€3,454,000).

2.3.15. Accrued expenses payable

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Bank loans and borrowings	12	13
Cash - accrued interest payable	73	215
Trade payables	2,598	2,483
Tax and social security liabilities	13,281	13,011
Other payables	472	496
Total	**16,435**	**16,219**

Employee profit-sharing and the related social security charge amounted to €5,026,000 under "Tax and social security liabilities" at 31 March 2022, compared to €4,841,000 at 31 March 2021.

2.3.16. Research and development costs

External R&D expenses for the year ended 31 March 2022 totalled €587,000, of which €504,000 met the criteria for capitalisation and was accordingly capitalised for the period (see Note 2.2.2).

2.3.17. Accrued income receivable

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Customer invoices to be issued	479	1,653
Other income receivable	227	471
Supplier receivables	5,779	4,507
Government - income receivable	0	0
Total	6,485	6,632

The decrease in "Customer invoices to be issued" is mainly due to costs incurred during the fourth quarter and not charged back to the subsidiaries at 31 March 2021, representing a total of €479,000 at 31 March 2022 versus €1,648,000 at 31 March 2021.

The increase in "Supplier receivables" is mainly due to the increase in the provision for credit notes receivable, which stood at €5,779,000 at 31 March 2022 compared to €4,507,000 at 31 March 2021.

2.3.18. Breakdown of net revenues

	01/04/2021 - 31/03/2022			01/04/2020 - 31/03/2021		
	France	Export	Total	France	Export	Total
Sales of goods	547,497	73,229	620,725	566,042	67,939	633,980
Sales of services *	15,064	4,331	19,395	18,430	5,117	23,547
Total	562,561	77,559	640,120	584,472	73,056	657,528

** Sales of services mainly comprise shipping costs invoiced for goods sold.*

2.3.19. Expense transfers

This item breaks down as follows:

	Mainly impacted income statement item	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Transfer of goods expenses	Purchase of goods	410	620
Intercompany chargebacks	Other purchases and external costs	2,224	1,671
Transfer of employee charges	Other income	177	487
Transfer of insurance charges	Other income	242	84
Total		3,053	2,861

"Intercompany chargebacks" amounting to €2,224,000 mainly comprise cost chargebacks to subsidiaries.

2.3.20. Staff costs and average headcount

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Wages and salaries	26,410	24,747
Social security contributions and staff costs	12,436	11,461
Total		**36,208**
Average headcount	729	716
Non-managerial staff	472	458
Managerial staff	209	209
Temporary workers	48	50

The increase in staff costs is mainly due to the slight increase in headcount and pay rises awarded for the year.

2.3.21. Net depreciation, amortisation and provisions

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Net depr./amort. of non-current assets	(4,675)	(4,857)
Net inventory impairment (charges)/write-backs	73	(8)
Net charges for trade rec. impairment	173	(50)
Net charges for impairment of supplier rec.	1	(0)
Net provisions for warranties	10	(16)
Net provisions for retirement benefits	303	(1,173)
Net provisions for employee risks and contingencies	(66)	(62)
Other charges/write-backs	(544)	(349)
Total net depreciation, amortisation and provisions	**(4,725)**	**(6,515)**

Despite the investments made during the year ended 31 March 2022, net depreciation/amortisation charges on non-current assets slightly decreased.

The main acquisitions recorded during the year relate to alterations, fit-out works and new logistics software for the new warehouse. At 31 March 2022, operations at this new warehouse had not begun, which explains the classification of these investments as non-current assets in progress, with no impact on "Depreciation/amortisation of non-current assets".

The decrease in provisions for retirement benefits is primarily related to the increase in the discount rate (see Note 2.3.9).

In view of the plan to expand the Group's logistics structure in the Lyon region, a €909,000 provision was recorded under "Other charges/write-backs". This provision covers expenses relating to the cessation of use of part of the former warehouses, from the expected date these premises are vacated until the expiry of the leases (see Note 2.3.9).

2.3.22. Net financial income/(expense)

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Net surplus on transfer/cessation Domimo 3 and CAMPUS 2017	0	7,266
Current account income	208	173
Currency gains	51	(32)
Financial provision write-backs	0	5,151
Other financial income	28	4
Total financial income	**287**	**12,561**
Financial depr./amort. and provision charges	15	659
Interest on borrowings	195	389
Current account expenses	69	158
Interest paid to banks	17	3
Financing commissions	31	26
Currency losses	(5)	5
Other financial expenses	0	911
Total financial expenses	**322**	**2,150**
Net financial income/(expense)	**(35)**	**10,411**

The decrease in interest on borrowings is mainly due to Group deleveraging following the June 2021 full prepayment of the €23 million and €10 million loans (see Note 2.3.10).

A €3.5 million provision write-back on Olys shares had been recorded at 31 March 2021. For the year ended 31 March 2021, the cessation of business by Groupe LDLC España explains the write-back of the entire provision for impairment of its current account in an amount of €911,000, including a €659,000 provision charge recorded in 2020/2021, and the write-back of the €740,000 provision recorded in 2019/2020 to cover the risk of offsetting losses in the amount of this subsidiary's negative equity.

Other financial expenses totalling €911,000 for the year ended 31 March 2021 arose from the waiver of the Groupe LDLC España shareholder loan current account.

2.3.23. Non-recurring income/(expense)

This item breaks down as follows:

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Non-rec. income from fixed asset disposals	0	6
Non-rec. income from disposal of fin. assets	0	45
Gains on purchase of treasury shares	167	98
Non-rec. write-backs on provisions	250	5,485
Write-back of accel. depr./amort.	0	13
Other non-recurring income	1	1
Total non-recurring income	**418**	**5,648**
Non-rec. expenses on fixed asset disposals	0	6
Non-rec. exp. on disposal of fin. assets	0	5,250
Losses on purchase of treasury shares	569	271
Non-rec. depr./amort.	20	48
Accelerated depr./amort.	73	101
Other non-recurring expenses	23	18
Total non-recurring expenses	**686**	**5,694**
Net non-recurring income/(expense)	**(268)**	**(46)**

The vesting of bonus shares accounts for non-recurring provision write-backs and losses on purchase of treasury shares totalling €250,000 in 2021/2022 versus €235,000 the previous year.

The non-recurring depreciation charge corresponds to additional depreciation of retired assets.

The increase in losses on purchase of treasury shares was mainly due to the fall in the share price over the fourth quarter of the year ended 31 March 2022.

At 31 March 2021, the cessation of business by Groupe LDLC España explained the amounts recorded under non-recurring provision write-backs and non-recurring expenses on disposal of financial assets related to the removal of this subsidiary's shares from the balance sheet in an amount of €5,250,000.

2.3.24. Income tax

Income tax is calculated as follows:

	01/04/2021 - 31/03/2022				
	Earnings before tax	**Corporate income tax at 27.5%**	**Soc. sec. contrib. at 3.3%**	**Impact of tax consolidation and tax credits (charity donations, research, apprenticeships)**	**Earnings after tax**
EBIT	57,974	(15,324)	(478)	311	42,483
Net financial income/(expense)	(35)	10			(25)
Net non-recurring income/(expense)	(268)	69			(199)
Employee profit-sharing	(4,188)				(4,188)
Total	**53,483**	**(15,245)**	**(478)**	**311**	**38,071**

Negative tax figures shown in brackets indicate tax expenses.

2.3.25. Future tax (increases) and reductions

The following figures indicate future reductions or increases in the tax base.

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Customer warranty provision	100	111
Organic	222	250
Retirement benefit provision	(303)	1,173
Equity investment provision	0	0
Provisions for warehouse rent/rental charges	909	0
Employee profit-sharing	4,188	4,034
Total	**5,116**	**5,568**

2.3.26. Table - List of subsidiaries and equity interests

	Share capital	Equity other than share capital (including FY 2021/2022 net	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	FY 2021/2022 revenues excl. VAT	FY 2021/2022 net income/(loss)	Dividends received by Company during the year
Subsidiaries held > 50%										
ADB Boutiques	30	(1,907)	100%	60	60	4,839		3,367	(813)	0
Anikop	30	(545)	95%	644	644	367		2,730	133	0
Bluescreen	30	(460)	80%	24	24	407		243	(132)	0
DLP Connect	30	(550)	80%	24	24	964		1,849	89	0
Domimo 2	50	4,902	100%	1,908	1,908	(5,196)		0	12	0
LDLC Boutiques	30	1,001	100%	515	515	1,254		13,342	538	0
LDLC Distribution	100	(692)	100%	100	100	(183)		4,749	316	0
LDLC Event AB	30	(2,966)	72%	243	243	3,794		1,327	(929)	0
LDLC Invest	30	(16)	100%	30	30	500		0	(4)	0
LDLC VR Studio	692	(2,002)	100%	20	20	1,968		65	(532)	0
LDLC Pro Lease	100	30	100%	100	100	27		2,079	33	0
Ecole LDLC	500	315	100%	500	500	(902)		287	(10)	0
LDLC7	30	(14)	100%	30	30	0		0	(1)	0
LDLC9	30	(13)	100%	30	30	0		0	(1)	0
LDLC11	30	(13)	100%	30	30	0		0	(1)	0
LDLC13	30	(13)	100%	30	30	0		0	(1)	0
Nemeio	8	(108)	100%	8	0	64		0	(25)	0
Olys	954	(5,802)	100%	15,347	15,347	10,548		67,706	420	50
Subsidiaries held < 50%										
NLCL	167	366	10%	1,500	1,500	150		3,837	(56)	0
CG Développement	5	569	20%	400	400	300		2,279	74	0

Given the universal transfer of Hardware.fr's assets and liabilities on 29 June 2021, this subsidiary is no longer included in this table. The figures for NLCL apply to its last financial year ended 31 December 2021.

2.3.27. Tax consolidation agreement

The tax group headed by Groupe LDLC consists of subsidiaries Nemeio, LDLC Distribution, LDLC Boutiques, L'Ecole LDLC, ADB Boutiques, Domimo 2, LDLC7, LDLC9, LDLC11, LDLC Invest, LDLC13, Olys and LDLC VR Studio.

Effective 1 April 2021, ADB Orgeval was removed from the tax group following its merger, as well as Hardware.fr following the universal transfer of this subsidiary's assets and liabilities.

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 €395,000 for the year ended 31 March 2022.

2.3.28. Compensation of corporate officers

	01/04/2021 - 31/03/2022	01/04/2020 - 31/03/2021
Management Board members	1,493	574
Supervisory Board members	38	38

2.3.29. Off balance sheet commitments

Commitments given

√ Groupe LDLC is acting as surety for LDLC Boutiques for the amount of €39,000 to cover the commercial lease signed on 31/08/2017 between the lessor, SCI Immocrous, and LDLC Boutiques (formerly LDLC Lille V2).

√ Signing of a 10-year partnership agreement with ASVEL in September 2018. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.

√ Signing of a 4-year partnership agreement with Lyon ASVEL Féminin in August 2019. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.

√ Signing of an 8-year naming contract with Olympique Lyonnais in December 2021 following the commissioning of the multi-purpose show venue. In accordance with the confidentiality clause, the amount of the commitment cannot be disclosed.

Commitments received

√ BNP Paribas is acting as surety for Groupe LDLC to cover €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 CHF 55,000 in Swiss VAT owed by Groupe LDLC to the Swiss Federal Tax Administration, Value Added Tax Division. Guarantee applicable for an indefinite term.

√ BNP Paribas is acting as joint and several surety for Groupe LDLC to cover payment of CHF 13,020 in customs duties and customs VAT owed by Groupe LDLC to the Swiss Federal Customs Administration. Guarantee applicable for an indefinite term.

√ In January 2015, Groupe LDLC entered into a master agreement with Caisse d'Epargne regarding transactions in financial futures. There were no agreements in force at 31 March 2022.

√ In January 2015, Groupe LDLC signed a master futures agreement with Crédit Agricole for purchasing USD. There were no agreements in force at 31 March 2022.

√ 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. €648,000 at 31 March 2022. A €45,000 holdback was retained by lender BPI as a cash pledge.

- √ Groupe LDLC benefits from a guarantee under the *Fonds National de Garantie* (FNG) fund ("Croissance Industrie 2" loan), in respect of the €1.1 million loan taken out with BPI, covering 80% of the principal, i.e. €836,000 at 31 March 2022. A €55,000 holdback was retained by lender BPI as a cash pledge.
- √ Groupe LDLC benefits from a guarantee under the Fonds National de Garantie (FNG) fund ("equity reinforcement"), in respect of the €5.3 million loan taken out with BPI, covering 50% of the principal, i.e. €1,855,000 at 31 March 2022. A €265,000 holdback was retained by lender BPI as a cash pledge.
- √ Groupe LDLC benefits from an EU guarantee via the European fund for strategic investments (EFSI), in respect of the €5 million loan taken out with BPI, covering 60% of the principal, i.e. €3 million at 31 March 2022.

2.4. OTHER INFORMATION

Consolidation

Groupe LDLC, SIRET business registration number 403 554 181 00178, presents the consolidated financial statements for the Group of which it is the parent company. Groupe LDLC's registered office is located at 2 rue des Erables, 69760 Limonest, France.

18.4. RAPPORT STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 March 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of March 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for opinion

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (code de commerce) and the French Code of ethics (code de déontologie) for statutory auditors for the period from 1st of April, 2021 to the date of our report.

Justification of assessments

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

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

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

Inventories of your company are depreciated as described in Notes 2.2.5 and 2.3.4 to the financial statements. As part of our evaluation of the accounting principles followed by your company, we assessed the appropriateness of the accounting methods used and their correct application.

The equity securities included in the balance sheet as of March 31, 2022, for a net amount of K€31 192, are valued at their acquisition price and depreciated on the basis of their value in use according to the methods described in Notes 2.2.4 and 2.3.3 to the financial statements. Our work consisted of assessing the data and assumptions on which these estimates are based, of reviewing the calculations made by your company and examining the procedures for approval of these estimates by management. As part of our assessments, we ensured the reasonableness of these estimates.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Management Board (Directoire) and in the other documents with respect to the financial position and the financial statements provided to shareholders.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D. 441-6 of the French Commercial Code (Code de commerce) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Article L.225-37-4 of the French Commercial Code.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Management Board (Directoire).

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Lyon, June 16, 2022

The Statutory Auditors

Cap Office	Rémi Charnay
Mazars	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 2022.

18.7. DIVIDEND POLICY

18.7.1. Dividends and reserves distributed by the Company over the past three financial years

In accordance with Article 243 *bis* of the French Tax Code, below we have provided information on the dividends paid over the last three financial years and the amounts of income eligible and ineligible for the 40% tax allowance:

	Dividends distributed (including interim dividends and excluding treasury shares)	**Distributed amount eligible for the allowance provided for by Article 158 3 2 of the French Tax Code**	**Distributed amount not eligible for the allowance provided for by Article 158 3 2 of the French Tax Code**
Financial year ended 31 March 2021	€12,322,445.50	€12,322,445.50	None
Financial year ended 31 March 2020	None	None	None
Financial year ended 31 March 2019	None	None	None

18.7.2. Dividend policy

The Company has no specific dividend policy in place.

18.8. PROPOSED APPROPRIATION OF EARNINGS FOR THE YEAR ENDED 31 MARCH 2022

On 16 June 2022, the Company's Management Board, having noted that the profit for the year ended 31 March 2022 amounted to €38,071,177.39 and that the credit balance of the retained earnings account for the same year amounted to €253,863.00, together representing a total distributable profit of €38,325,040.39 within the meaning of Article L.232-11, paragraph 1 of the French Commercial Code, unanimously decided to propose to the Annual Ordinary General Meeting of 23 September 2022 that said distributable profit be allocated as follows:

	Allocation	Source
Net profit for the year ended 31 March 2022		€38,071,177.39
Retained earnings at 31 March 2022		€253,863.00
Total distributable profit:		**€38,325,040.39**
Total gross dividend per share:	**€2**	
including the gross interim dividend paid on 25 February 2022 pursuant to the Management Board's decision dated 1 December 2021: representing a total interim dividend (excluding treasury shares) paid on 25 February 2022 in the amount of:	€0.80 €4,848,306.40	
including the balance of the gross dividend in an amount of: representing a theoretical maximum global amount (excluding interim dividend) based on 6,171,776 shares comprising the Company's share capital at 16 June 2022 of:	€1.20 €7,406,131.20	
With the entire balance being allocated to "Other reserves"	€26,070,602.79	

Subject to approval by the Annual General Meeting of shareholders to be held on 30 September 2022, the Management Board will set the date and terms of the distribution of the remaining dividend for the year ended 31 March 2022, subject to statutory and regulatory conditions.

Accordingly, subject to approval by the General Meeting on this proposal and the Management Board's decision, the balance of the gross dividend per share in the amount of €1.20 would be paid in accordance with the following schedule:

- ex-dividend date: 5 October 2022;
- payment date: 7 October 2022.

As required by law, the Company shall receive no dividends on the treasury shares it holds; the amounts corresponding to the unpaid remaining dividend will be allocated to "Retained earnings" and the total remaining dividend amount will be adjusted accordingly.

18.9. PROPOSAL TO AWARD A LOYALTY DIVIDEND TO REGISTERED SHAREHOLDERS AND CORRESPONDING AMENDMENT TO ARTICLE 22 “DETERMINATION AND APPROPRIATION OF EARNINGS” OF THE COMPANY’S ARTICLES OF ASSOCIATION

In order to retain and stabilise the Company’s shareholder structure and encourage long-term equity investment by its shareholders, on 16 June 2022 the Management Board decided to propose to the General Meeting to be held on 30 September 2022 that a loyalty dividend be awarded for shares held continuously for at least two years, subject to the conditions of Article L.232-14 of the French Commercial Code, and to amend accordingly Article 22 “Determination and appropriation of earnings” of the Company’s articles of association, by adding a new paragraph 22.2 worded as follows:

“Article 22. Determination and appropriation of earnings

[…]

22.2Any shareholder who, at the end of a financial year, proves that their shares have been held in registered form for at least two years, and that they are still in registered form on the date the dividend is paid in respect of said financial year, shall be entitled to a dividend bonus attributable to the registered shares, equal to 10% of the dividend paid on other shares, including where the dividend is paid in the form of new shares. The dividend thus increased shall, where applicable, be rounded down to the nearest euro cent.

Likewise, any shareholder who can prove, at the end of a financial year, that their shares have been held in registered form for at least two years, and that they are still in registered form at the completion date of a capital increase by capitalisation of reserves, retained earnings or additional paid-in capital resulting in the distribution of bonus shares, shall benefit from a 10% increase in the number of bonus shares allotted to said shareholder. If said increase gives rise to fractional shares, the number of shares allotted shall be rounded down to the nearest whole number.

The new shares thus issued shall be fungible with the existing shares from which they are derived for the purposes of calculating the entitlement to the loyalty dividend and additional share allotments.

The provisions of this paragraph 22.2 have been adopted by the General Meeting of shareholders held on 30 September 2022, voting under the quorum and majority conditions applicable to Extraordinary General Meetings pursuant to Articles L.232-14 and L.225-96 of the French Commercial Code, and shall apply, for the first time, to the payment of any dividend distributed in respect of the second financial year following the amendment of the articles of association and thereafter to all subsequent financial years.

[…]”

18.10. 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 €214,650.98 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 €60,976.98 (rate of 28.408% 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.

18.11. 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 2022, of outstanding trade receivables and payables by due date.

	Article D.441-6,I-1: Invoices received, overdue but not yet paid at the balance sheet date for the financial year						**Article D.441-6,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	425					4,217	803					9,949
Total amount of invoices concerned *(note: incl. VAT)*	3,514,589.20	6,329,871.61	1,856,284.61	103,004.08	432,375.79	8,721,536.09	3,946,664.74	2,000,799.25	622,857.08	191,285.61	337,139.69	3,152,081.63
Percentage of total purchases for the year *(note: incl. VAT)*	0.6%	1.0%	0.3%	0.0%	0.1%	1.4%						
Percentage of full-year revenues *(note: incl. VAT)*							0.5%	0.3%	0.1%	0.0%	0.0%	0.4%
(B) Invoices excluded from (A) relating to payables and receivables under dispute or not recognised												
Number of invoices excluded	1						867					
Total amount of excluded invoices *(note: incl. VAT)*	91						1,286,819.10					
(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					

18.12. TABLE OF COMPANY RESULTS FOR THE PAST 5 YEARS

Closing date Length of reporting period (months)	31/03/2022 12	31/03/2021 12	31/03/2020 12	31/03/2019 12	31/03/2018 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	640,120,047	657,527,597	420,654,389	436,471,148	447,204,138
Earnings before tax, profit-sharing, depr./amort. and provisions	62,254,186	74,589,449	17,329,401	1,431,728	5,416,465
Income tax	15,411,670	21,668,066	1,603,756	(783,255)	251,728
Employee profit-sharing	4,188,128	4,034,460	778,082	29	-
Depreciation, amortisation and provisions	4,583,211	(3,325,691)	14,703,384	3,505,700	1,083,789
Net income/(loss)	38,071,177	52,212,613	244,179	(1,290,746)	4,080,948
Distributed earnings (1) (2) (3)	12,644,212	12,644,212	0	0	0
Earnings per share					
EPS after tax and profit-sharing, before depr./amort. and provisions	6.75	7.73	2.36	0.35	0.82
EPS after tax, profit-sharing, depr./amort. and provisions	6.02	8.26	0.04	(0.20)	0.65
Dividend allotted (2) (4)	2	2	0	0	0
Human resources					
Average headcount	729	716	671	763	485
Payroll expenses	26,409,744	24,746,869	21,971,560	24,145,395	16,322,354
Employment benefits paid (social security, welfare actions, etc.)	12,435,858	11,461,063	9,646,553	9,741,502	8,713,159

(1) including dividends attached to treasury shares held as at the payment date
(2) subject to the approval of the Annual General Meeting on 30 September 2022
(3) including a €4,848,306.40 interim dividend paid on 25 February 2022 in respect of the year ended 31 March 2022
(4) including a €0.80 per share interim dividend paid on 25 February 2022 (excluding treasury shares) in respect of the year ended 31 March 2022

18.13. 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.

18.14. MATERIAL CHANGE IN GROUP FINANCIAL POSITION

The Company financial statements for the year ended 31 March 2022 were approved by the Management Board on 16 June 2022 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 2022, 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 2021 and 31 March 2022.

However, on 16 June 2022, the Management Board exercised the authorisation granted by the Ordinary and Extraordinary General Meeting on 25 September 2020 in its ninth resolution and decided to reduce the Company's share capital via the cancellation of treasury shares purchased under a share buyback plan under the procedure provided for by the last paragraph of Article L.22-10-62 of the French Commercial Code. The Company's share capital was therefore reduced from €1,137,979.08 to €1,110,919.68 following the cancellation of 150,330 treasury shares with a par value of €0.18 each. The Company's articles of association were updated accordingly. This decision was publicised in accordance with legal requirements.

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: 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 24 September 2021 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): €200

Maximum amount of funds that may be committed to the share buyback plan: €20,000,000

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 2022:

Number of shares purchased during the year ended	337,482
Average share purchase price during the year ended	€48.81
Trading fees excl. VAT	€26,635.54
Number of shares sold during the year	139,927
Average share sale price during the year ended	€51.47
Number of shares cancelled during the year ended	None
Number of shares used during the year ended (treasury shares awarded under bonus share plans (1))	13,500
Number of treasury shares registered in the Company's name at 31 March 2022 (2)	307,495
Treasury shares held at 31 March 2022 (% of share capital)	4.86%
Net book value of treasury shares at 31 March 2022 (purchase price value)	€10,301,417.44
Par value of treasury shares at 31 March 2022	€55,349.10
Market value of treasury shares at 31 March 2022 (share price of €32.05 at this date)	€9,855,214.75

(1) In accordance with Article L.225-197-4 of the French Commercial Code, every year the Ordinary General Meeting is informed of transactions carried out pursuant to Articles L.225-197-1 to L.225-197-3 of said code via a special report, which is presented in Chapter 24 of this 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 €1,883.78 excl. VAT for the financial year ended 31 March 2022.

The breakdown of treasury shares by purpose at 31 March 2022 is as follows:

Purpose of buyback	**Number of shares**
To guarantee the liquidity of the Company shares pursuant to a liquidity contract entered into with an investment services provider in compliance with a code of ethics approved by the AMF and with market practices authorised by the AMF	8,684
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	148,481
Cancellation of all or some of the shares acquired via a share capital reduction	150,330
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	**307,495**

19.1.4. Securities conferring entitlement to a portion of the share capital

The Company has not issued any convertible or exchangeable securities or warrants.

During the year ended 31 March 2022, the Company did not grant bonus shares to Company employees referred to in Articles L.225-197-1 et seq. of the French Commercial Code.

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 27 September 2019, 25 September 2020 and 24 September 2021 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.

On 16 June 2022, the Management Board exercised the authorisation granted by the Ordinary and Extraordinary General Meeting on 25 September 2020 in its ninth resolution and decided to reduce the Company’s share capital via the cancellation of treasury shares purchased under a share buyback plan as provided for in Article L.22-10-62 of the French Commercial Code. The Company’s share capital was therefore reduced from €1,137,979.08 to €1,110,919.68 following the cancellation of 150,330 treasury shares, and now comprises 6,171,776 shares with a par value of €0.18 each.

The following table shows a summary of the change in share capital:

Date of transaction	Type of transaction	Initial number of shares comprising the share capital	Number of shares cancelled	Nominal amount (€)	Difference between share acquisition value and par value (€)	Total number of shares outstandin g	Total nominal amount of share capital (€)	Par value (€)
16/06/2022	Reduction in share capital via the cancellation of treasury shares	6,322,106	150,300	€27,059.40	€6,569,371.59	6,171,776	€1,110,919.68	€0.18

19.1.7.2. Portion of the share capital pledged as collateral

To the Company's knowledge, its share capital was subject to the following pledges on the date this Universal Registration Document was filed:

Name of directly registered shareholder	Beneficiary	Start date of pledge	Expiry date of pledge	Condition for release of pledge	Number of issuer shares pledged	% of issuer share capital pledged at 31 March 2022
Laurent Villemonte de la Clergerie	Banque Rothschild Martin Maurel	28/03/2014	Indefinite	Repayment of short-term bank loans	28,030	0.44
Laurent Villemonte de la Clergerie	Banque Rothschild Martin Maurel	24/11/2017	Indefinite	Repayment of short-term bank loans	309,470	4.89
Laurent Villemonte de la Clergerie	Banque Palatine	09/06/2017	09/06/2037	Loan repayment	95,000	1.50
Laurent Villemonte de la Clergerie	Banque Palatine	06/03/2018	12/06/2037	Loan repayment	75,000	1.19
Olivier Villemonte de la Clergerie	Banque Palatine	12/12/2016	12/12/2031	Loan repayment	38,000	0.60
Olivier Villemonte de la Clergerie	Banque Rothschild Martin Maurel	04/02/2022	Indefinite	Repayment of short-term bank loans	98,000	1.55
Caroline Villemonte de la Clergerie	Banque Crédit Agricole Centre Est	27/12/2016	05/01/2029	Loan repayment	15,124	0.24
Marc Prieur	Banque Rothschild Martin Maurel	18/06/2015	20/07/2023	Loan repayment	53,864	0.85
Marc Prieur	Banque Rothschild Martin Maurel	24/05/2018	20/07/2023	Loan repayment	30,000	0.47

19.2. MEMORANDUM AND ARTICLES OF ASSOCIATION

The updated memorandum and Articles of Association of the company registered in the Lyon Trade and Companies Register under number 403 554 181 may be freely consulted at the Lyon Commercial Court Registry.

19.2.1. Company objects (Article 2 of the articles of association)

The Company's objects are:
- direct, online and mail order sale and sale via franchise networks of all computer hardware and software and all services that may be related thereto;
- as a secondary activity, direct, online and mail order sale of all products related to the home, garden, pets, childcare, leisure activities, education, culture, games and, more broadly, the environment and personal well-being;
- and, more broadly, all industrial, commercial, financial, investment or real-estate transactions that may be directly or indirectly related to the Company's objects or that may facilitate the expansion or development thereof.

19.2.2. Provisions, including those of the Articles of Association, designed to postpone or prevent a change of control

√ Crossing of thresholds (Article 12 of the articles of association)

Any natural person or legal entity, acting alone or in concert, who holds, in any manner whatsoever, whether directly or indirectly, a number of shares representing a fraction equal to five (5%) of the share capital or voting rights, or any multiple of this percentage, must report to the Company the information referred to in Article L.233-7 (I) of the French Commercial Code (in particular the total number of shares or voting rights held by the party concerned or equivalent pursuant to Article L.233-9 of the French Commercial Code), at the latest before the end of trading on the fourth trading day following the day on which the participation threshold is crossed, by registered letter with acknowledgement of receipt, or by any other equivalent means for persons residing outside 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 Company's share capital or voting rights, the shares exceeding the amount that has not been duly reported are stripped of their voting rights for any General Meetings held before the expiry of a period of two years following the date on which they are duly reported. Under the same conditions, the voting rights attached to said shares that were not duly disclosed may not be exercised or assigned by the non-compliant shareholder.

Adherence to the statutory obligation to report the crossing of a threshold does not, under any circumstances, exempt any natural person or legal entity from fulfilling statutory and regulatory reporting obligations (including those of the AMF General Regulation and the market rules in force).

√ 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.

19.2.3. Other provisions of the articles of association

√ Identifiable bearer shares (Article 10.3 of the articles of association)

In order to identify holders of bearer shares, the Company or its representative shall be entitled, in accordance with applicable statutory and regulatory conditions, to request information regarding the holders of such shares and of securities immediately or subsequently conferring the right to vote at the Company's General Meetings, at any time and at the Company's own expense, either from the central depository that manages the share issuance account or directly from one or more intermediaries as referred to in Article L.211-3 of the French Monetary and Financial Code.

√ **Rights to dividends and profits (Articles 12.1 and 23 of the articles of association)**

Each share confers entitlement to a proportional share, in accordance with the fraction of share capital that it represents, in the Company's profits, assets and liquidation surplus.

Following approval of the annual financial statements and confirmation of the existence of distributable amounts, the General Meeting shall determine, where applicable, the proportionate share attributable to the shareholders in the form of dividends.

The conditions for payment of dividends approved by the General Meeting shall be set by the General Meeting or, otherwise, by the Management Board. The payment of dividends in cash must take place within a maximum of nine months following the balance sheet date. This period can be prolonged by a Court decision.

When the balance sheet prepared during or at the end of the financial year and certified by a statutory auditor shows that, since the end of the previous financial year, the Company has generated a profit, after recognition of requisite depreciation, amortisation and provisions and less, if applicable, any previous losses and amounts transferred to reserves, in accordance with the law and the articles of association, taking retained earnings into account, interim dividends may be distributed before the financial statements for the year have been approved. The amount of interim dividends may not exceed the amount of the profit as defined in this paragraph. They shall be distributed in accordance with statutory and regulatory terms and conditions.

The General Meeting called to approve the financial statements for the year has the option to grant each shareholder, in respect of all or part of a dividend or interim dividend payment, a choice between payment of the dividend or interim dividend in cash or in shares.

The offer of payment in shares, the price and the conditions for issuing the shares, as well as the request for payment in shares and conditions for completing the share issue, shall be governed by statutory and regulatory provisions.

√ **Rules establishing reserves or sinking funds (Article 22 of the articles of association)**

If the financial statements for the year as approved by the General Meeting show earnings available for distribution, as defined by law, the General Meeting shall decide whether to allocate them to one or more reserve accounts for which it manages the appropriation or use, to allocate them to retained earnings or to distribute them in the form of dividends.

As required by law, a deduction of at least one twentieth is made from the net profits for each financial year (less any prior losses) to form a reserve fund called the "legal reserve". This deduction is no longer required when the legal reserve reaches one tenth of the share capital.

Subject to the shareholders' approval at the Annual General Meeting to be held on 30 September 2022, the following paragraph 22.2 shall be added to the current Article 22 of the articles of association ("Determination and appropriation of earnings"):

"Article 22. Determination and appropriation of earnings

[…]

22.2 Any shareholder who, at the end of a financial year, proves that their shares have been registered for at least two years and that they are still registered at the date of payment of the dividend for the given financial year, shall benefit from a mark-up on the dividend for the registered shares, amounting to 10% of the dividend paid for other shares, including in the case of dividend payment in the form of new shares. The dividend plus mark-up shall be rounded down to the nearest euro cent if necessary.

Similarly, any shareholder with shares proven to have been registered for at least two years at the end of a financial year and whose these shares are still registered at the final date of a capital increase by capitalisation of retained earnings, reserves or additional paid-in capital, by distributing bonus shares, shall benefit from a 10% mark-up on the number of bonus shares to be received, rounded down to the nearest round number in the case of a fractional share.

The subsequent shares shall be ranked with the existing shares from which they are created to calculate the rights to the marked-up dividend and allocations.

The provisions of this paragraph were adopted by the General Meeting of shareholders held on 30 September 2022, in accordance with the quorum and majority conditions required for an Extraordinary General Meeting pursuant to articles L.232-14 and L.225-96 of the French Commercial Code. The Company shall apply these provisions for the first time regarding the payment of the dividend for the second year ended following the amendment of the articles of association and for all subsequent financial years.

[…]"

The paragraph numbering for Article 22 shall be changed accordingly. The rest of Article 22 shall remain unchanged.

√ **Right to liquidation surplus (Article 25 of the articles of association)**

The Company shall be wound up and liquidated in accordance with statutory and regulatory scenarios and conditions.

Any amounts of shareholders' equity remaining after redemption of the par value of the shares shall be apportioned between the shareholders in proportion to their interest in the share capital.

CHAPTER 20. MATERIAL AGREEMENTS

We have listed below (i) material agreements to which the Company or any other Group member is party, other than those entered into during the normal course of business, covering the two years immediately preceding the publication of this Universal Registration Document and (ii) all other agreements to which the Company or any other Group member is party, other than those entered into during the normal course of business, whereunder any Group member assumes a material obligation or commitment with regard to the whole Group.

20.1. 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 2010.

We hereby remind you that the loan agreement was terminated on 30 June 2021 following a full voluntary prepayment amounting to €6,385,475.97 (principal and interest), without incurring any penalties or other additional costs related to the voluntary prepayment. The prepayment required the Company to waive the €13.5 million revolving credit facility associated with the loan agreement (see Note 3.13 of the 2020/2021 consolidated financial statements).

Lastly, the early termination of the loan agreement on 30 June 2021 also entailed full release of the security interests and guarantees granted to the lenders in respect of this loan at the same date.

20.2. 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).

20.3. 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).

20.4. 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).

20.5. NAMING CONTRACT WITH OLYMPIQUE LYONNAIS DATED 6 DECEMBER 2021

OL Groupe and Groupe LDLC have entered into an agreement on the naming of OL Groupe's future events hall in Décines, as part of the development plan for the future Arena at OL Vallée. This agreement is effective from the start of construction in early 2022 and for a period of eight years following the commissioning of the multi-purpose show venue.

A European benchmark in terms of technology and the environment, this infrastructure will become France's largest events Arena outside of Paris. Bolstered by the latest innovations in terms of user access and experience, LDLC Arena is set to host 100 to 120 events each year.

LDLC Arena's calendar is already largely filled in, mainly thanks to the official trade agreement of 15 October 2021 with Live Nation, a leading worldwide concert and event promoter, allowing it to showcase a wide range of international performers in this new infrastructure driven by OL Groupe.

Basketball matches for the Euroleague (of which LDLC ASVEL became a permanent member in June 2021), large-scale seminars and job fairs, along with sports competitions (particularly e-sports) will be organised within the new facility and will provide strong yet varied business.

This partnership further strengthens the relationship between the LDLC Group and Olympique Lyonnais thanks to professional basketball (LDLC ASVEL) and e-sports (Team LDLC OL) (see press release dated 6 December 2021).

CHAPTER 21. AVAILABLE DOCUMENTS

During the period of validity of this Universal Registration Document, the following documents may be viewed on the Company website (www.groupe-ldlc.com):

- the latest version of the Company's articles of association;
- the latest version of the Supervisory Board's internal regulations; and
- all reports, letters and other documents, appraisals and statements prepared by experts at the Company's request, parts of which are included in this Universal Registration Document.

CHAPTER 22. STATEMENT OF NON-FINANCIAL PERFORMANCE

The Groupe LDLC share is listed on Euronext Growth, a controlled market that is not regulated as defined by EU directives. However, the LDLC Group is first and foremost a family business determined to contribute towards global issues and tackle the challenges of sustainable development through pragmatic thinking.

This chapter includes the information comprising the Group's consolidated statement of non-financial performance, in accordance with the provisions of Articles L.225-102-1 and R.225-105 et seq. of the French Commercial Code, by which the Company is governed given that, at 31 March 2022, the Company exceeded the thresholds set out in Article R.225-104 of the French Commercial Code for companies not listed on a regulated market.

At the date of this document, the Company is not subject to any of the new requirements for non-financial companies subject to the Non-Financial Reporting Directive (NFRD, Dir. 2014/95/EU), including those provided for by the Taxonomy Regulation (Reg. 2020/852/EU) pursuant to Article 8 of said Regulation, which only applies to public-interest entities exceeding certain thresholds (Art. 19a or 29a, Dir. 2014/95/EU by reference from Article 8, Reg. 2020/852/EU).

The Company actively monitors expected changes to the statement of non-financial performance resulting from the proposed Corporate Sustainability Reporting Directive (CSRD) published on 21 April 2021.

22.1. BUSINESS MODEL

Since its foundation in 1996, the LDLC Group has established itself as one of the pioneers of e-commerce in France.

While its business was initially focused on high-tech retail, the Group has diversified into complementary areas (IT, gaming and media) and related markets including childcare and, more recently, education. The Group business model is based on retail.

Through a chain of 62 LDLC stores at 31 March 2022, the Group provides advice directly to consumers, in addition to a whole range of hands-on services such as repair, back-up and maintenance.

The LDLC Group offering can be divided into three segments: individual consumers (BtoC), professionals (BtoB) and related businesses. The Group operates mainly in France and also in nearby countries such as Belgium, Luxembourg, Switzerland, Spain, Italy and England.

The LDLC Group assigns the utmost importance to the measures it takes in terms of non-financial performance and will continue, as it has done for many years now, to improve these measures and extend their scope as far as possible.

In this regard, in 2021 Group subsidiary Anikop launched a "TOUMAÏ by LUCIE" certification process to certify its CSR maturity.

22.1.1. LDLC Group business activities

See Chapter 5 of the URD.

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.

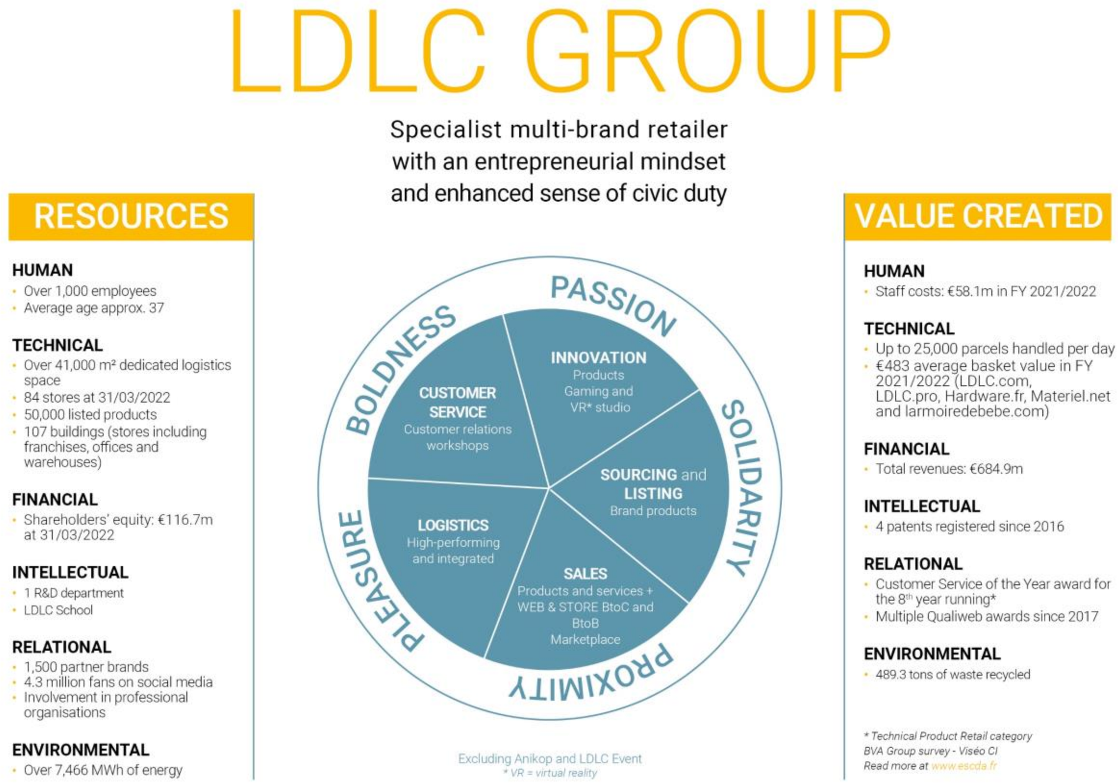
In 2021, Viséo Customer Insights, organiser of the Customer Service of the Year awards in France, tested the quality and responsiveness of the LDLC Group's customer service department. On the basis of 160 points of contact via email, phone, Internet and social media, for which LDLC obtained an excellent rating of 19.24/20, the brand came first in the Technical Product Retail category for the eighth year running. Accordingly, the Group's drive towards improving customer relations was once again rewarded, in the form of the 2022 Customer Service of the Year award(1). Its BtoC division employs 60 advisers committed to serving customers both before and after purchase.

(1) Technical Product Retail category - BVA Group survey - Viséo CI. Read more at www.escda.fr.

Due to the pandemic, the organisation of specialised events for professionals had to be suspended and the Group was unable to take part in professional trade fairs and business forums, which were also cancelled. These meetings have been gradually resumed since early 2022. Annual negotiations with suppliers are an opportunity to pass on customer expectations and brainstorm new solutions. The after-work sessions enabling colleagues to get together and hold informal discussions became increasingly rare due to the pandemic. 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 accordance with his desire to listen to his employees, over the last five years Chairman Laurent de la Clergerie has held meetings with staff at the main Group locations. Employees are free to discuss any issues they wish to and no subject is taboo. These meetings could not be held in 2020.



22.1.3. Value chain

Group strategy is based on eight key drivers aimed at creating value over the long term:

- depth of range and brand in order to attract the widest possible customer base;
- meticulously selected own brand products;
- an efficient integrated logistics platform;
- an omnichannel retail model: a pioneer in the development of e-commerce, the Group has expanded its sales outlets via an extensive store chain made up of brand stores and franchises;
- customer service: customer relations have been one of the Group's most distinguishing features since its inception. The Group has obtained the "Customer Service of the Year" award for eight years running and, in 2021, LDLC.pro came second in the FEVAD 2021 "Prix des Internautes" awards, BtoB category;
- in-house R&D department;
- LDLC brand awareness and trust capital coupled with strong fan engagement on social media;
- pleasant employee working conditions in an outstanding setting.

22.2. METHODOLOGY

In 2019, a working group representing the legal, HR, payroll and QHSE departments and senior management reviewed the appropriateness of the categories of information listed in Article 1 (III) of French presidential order **2017-1180 of 19 July 2017** and the topics listed in Article 2 (II) of implementing decree **2017-1265 of 9 August 2017**, as applicable to the LDLC Group's business activities. The group's discussions also covered the business model, main stakeholders, products and services and the legislative and regulatory environment.

As a result of its work, the group was able to identify the main non-financial risks and priorities the Group faces in relation to its business activities, whether they involve an impact on image or reputation or whether the impact is human, operational, financial or environmental.

On the basis of this classification and the discussions held, the working group selected the most relevant and material risks and priorities for the purposes of preparing this statement and consulted all relevant Group personnel for this purpose.

Every year, the project manager in charge of the statement of non-financial performance approaches the various contributors, as well as Group management, in order to review non-financial risks and issues affecting the LDLC Group.

In 2021, the Group carried out a risk analysis and ranked risks in order of their probability of occurrence and impact on the LDLC Group. Following this assessment, the working group decided to confirm the previous year's list for FY 2021/2022.

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.

For the 2021/2022 financial year, "measures aimed at promoting physical and sporting activities" under French Act no. 2022-296 of 2 March 2022 aimed at encouraging the practice of sport in France were highlighted.

These measures are described in the following sections:
- 22.3.2 Quality of life at work
  - Relaxation, sport, concierge service: a wealth of services provided to employees
- 22.3.3.1 Inclusion and disability
  - Action
- 22.5.2 Promote regional economic growth
  - Supporting cultural initiatives and the local economy
  - Supporting education

Reasons for exclusion of specific information:

The Group's business activity consists of the trading and retail of products. Its operations primarily include the reception, storage, packaging and shipping of manufactured goods, assembly of computer components and all services related to online selling. Therefore, the Group is not directly engaged in any industrial activity involving the processing or transformation of materials or production. Generally speaking, there are no night-time operations on Group sites and Group operations are conducted inside its buildings.

The premises occupied by the Group consist of office buildings, sales outlets and warehouses situated in urban areas or existing logistics hubs. All Group facilities are located in France.

For the foregoing reasons, out of the information areas listed in Article R.225-105 (II) of the French Commercial Code (human resources, social and environmental information), as well as those listed in Article L.225-102-1 (III) of the same Code, the Group has not identified any specific risks or priorities in relation to its business activities or operations with regard to the following subjects:
- elimination of food waste;
- prevention of food insecurity, defence of animal well-being and a responsible, fair and sustainable food system.

In each part of this statement, for the sake of clarity, data for the current financial year is presented first, followed by previous relevant information regarding the subject under consideration.

22.3. RESPECT FOR PERSONAL DIGNITY/HUMAN CAPITAL

Given the nature of the Group's business activities, human resources issues are a key focus of its CSR policy.

The main non-financial priorities in terms of human resources have been subsumed under the following four headings, to which 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. For this purpose, a risk prevention engagement letter has been drafted in partnership with CARSAT Rhône-Alpes.

The LDLC Group's mission is to support its staff both individually and collectively in order to enhance their skills and performance in line with the Company's overall strategy; people are the focal point of all decisions.

In order to keep track of occupational risks, the Company has introduced health and safety indicators in order to obtain a quantitative assessment of the importance of issues related to working conditions and professional exposure.

The main purpose is to provide all stakeholders with summary information on improvements in our understanding of occupational risks and the measures taken to mitigate those risks.

We are committed to annually increasing the proportion of material and critical risks handled so as to reduce the frequency and severity of accidents exposing employees to major risks.

The policy draws on a document known as the "single risk assessment document" (DUER), which identifies sensitive issues affecting each facility so that action plans can be drawn up in accordance with specific features and requirements identified. This document is revised once a year in consultation with the social and economic committee.

Again this year, in response to the COVID-19 health crisis, risk assessment documentation drawn up by the Group's establishments was frequently updated during the year, given that employee health continues to be a priority during this period in which our business activities have been able to continue despite the April 2021 lockdown and numerous measures recommended by the government.

Preventing physical, physiological and psychological risks

Since late 2020, systematic analysis of industrial accidents has been conducted at the Saint-Quentin-Fallavier warehouse in cooperation with the members of the establishment social and economic committee (CSEE). The purpose of the exercise is to design and implement short, medium and long-term measures to ensure that accidents do not recur.

In addition, in 2021 the Saint-Quentin-Fallavier warehouse was involved in CARSAT's national TMS-PRO programme, which helped us to structure our approach to preventing musculoskeletal disorders (MSD). As a result, the MVT "Mieux Vivre son Travail" (Live Better at Work) programme was created. After a year-long process, tangible measures have enabled the Group to improve conditions for preparing large orders. In addition, this programme is fully incorporated into discussions on the processes to be implemented in the future warehouse.

Warehouse staff are provided with personal protective equipment (PPE) in order to prevent injuries. In addition, preventive measures are taken in anticipation of potential risks in order to limit the need to wear PPE. For example, in 2020 we went further than merely providing a ventilation solution to chemical risk in containers. We introduced systematic measurement of chemical risk and we are currently setting up a ventilation system whenever necessary prior to unloading. This process has been repeated since then. As a result, the Group has not recorded a single occupational sickness to date.

As a further preventive measure, in 2018 employees were trained in "physical behaviour at work". This training is provided by a professional training organisation specialising in gestures and postures within human physiology. Employees can thus improve their understanding of the human body in addition to increasing their awareness.

The operation was repeated at the Nantes logistics facility in 2021. Initially rolled out at the logistics facilities, these preventive measures have been extended to Limonest and Nantes, where a guide to correct workstation posture has been drawn up in consultation with the company doctor and members of the social and economic committee. The guide includes stretching exercises that can be performed at the workstation. In 2021, this guide was revised to include teleworking issues.

Since 2017, the 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. Unfortunately, in 2020 the COVID-19 health crisis put a stop to these surveys,

Meanwhile, Saint-Quentin employees have permanent access to a social and psychological counsellor, who may also be contacted by phone by head office and store employees. Olys employees have also made occasional use of these services.

Improving workspace ergonomics

During the 2020 lockdown, we allowed all employees eligible for teleworking who so wished to take home the equipment they needed to perform their duties: office chair, monitor, etc. Every effort was made to maintain workstation ergonomics at home. All of these measures were maintained in 2021 and were clarified in the new Group-wide agreement on teleworking.

Measures taken at the logistics facilities focus on reducing manual load handling by means of handling equipment such as high-lift electric pallet transporters. Electrically operated sit-stand workstations have been installed. Late 2018, 23 workstations were replaced in the customer service department and new double screens were installed. Furniture purchases for 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 several adjustable height workstations have been acquired in order to make work more comfortable for taller or shorter employees. Seats have been replaced with swivel chairs with car-style bucket seats and a wide range of adjustment options (seating positions, back rests, head rest, etc.). 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 industrial 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 or employee taking it in turns to lead the session.

In addition, free massages by an osteopath are provided by appointment at all logistics facilities and at head office, as well as seated massages in the Limonest Campus relaxation room. In March 2020, these services were placed on standby due to the pandemic. They were gradually resumed in 2021.

Results

	2018	**2019**	**2020**	**2021**
Number of lost-time industrial accidents	18	24	19	**11**

KPI

Frequency and severity rates:

	Logistics				Office				Stores				Subsidiaries*			
	2018	2019	2020	**2021**	2018	2019	2020	**2021**	2018	2019	2020	**2021**	2018	2019	2020	**2021**
Frequency rate (FR)	27.3	32.47	38.37	**22.8**	1.8	2.9	0	**0**	0	12.54	9.12	**5.26**	33.3	25.04	0	**0**
Severity rate (SR)	1.09	0.29	0.74	**0.74**	0.03	0.04	0	**0**	0	0.66	0.1	**0.06**	0.1	0.29	0	**0**
														* Excluding Spain and VR Studio	* Excluding VR Studio	

22.3.2. Quality of life at work

The Group occupational health and safety policy is implemented within a wider perspective including quality of life at work and employee well-being.

In keeping with Groupe LDLC's human values, people are at the very epicentre of its development strategy. The Company is constantly seeking to improve employee working conditions, in the knowledge that performance depends on collective, constructive and innovative relationships and real attentiveness to its employees in order to combine well-being at work with collective performance.

Work-life balance

For several years now, Group staff policy has been guided by a desire to ensure genuine well-being at work among all employees whilst maintaining the Company's economic competitiveness.

Well-being at work is a global concept encompassing an overall feeling of satisfaction and fulfilment in and through work.

Well-being places an emphasis on personal and collective perception of the situations and restrictions affecting the work environment. For each employee, the perception of these realities has physical, psychological, emotional and psychosocial consequences and is reflected by a certain level of efficiency for the Group.

As such, management is convinced that this staff policy based on well-being at work will develop a Group-wide conception of efficiency and performance that promotes employee health, enhances motivation and involvement in work and contributes towards professional fulfilment whilst improving the working atmosphere within teams.

Convinced of the merits of this policy, in 2020 management decided to take a further step forward by introducing a four-day week for all employees (managers and non-managers alike) to be rolled out in 2021. Negotiations with staff representatives were held in the last quarter of 2020 for this purpose. As a result, from January 2021 employees have worked four days a week rather than five, thereby enjoying an extra day off.

In connection with this change, management also decided to reduce the working week from 35 to 32 hours spread over four days for non-executive employees.

After one year of operation, this innovative scheme has proved its worth in raising permanent staff loyalty to an unprecedented level.

Groupe LDLC	2020	2021
Headcount at 31 December	695	699
Permanent workforce during the year	567	641

The four-day/32-hour agreement has strengthened employee loyalty and satisfaction.

Building on this experience, we copied the model by signing a similar agreement at LDLC Boutiques and LDLC Distribution, to be rolled out in early January 2022.

The scheme will be extended to other companies in 2022.

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.

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.

On 1 December 2021, Groupe LDLC, Olys and LDLC Distribution jointly signed a Group teleworking agreement.

The agreement provides for two indeterminate days of mandatory presence at the workplace to allow those eligible for teleworking to achieve a satisfactory work-life balance.

Recognition of quality of life at work in the LDLC Group

In the same vein, Anikop took a further step forward this year by introducing an unrestricted leave policy. The principle is that each employee is free to take as many days off as he or she wishes. This measure, which applies only to the subsidiary's thirty or so employees, follows on from the company's conversion to a liberated management structure four years ago. The new system is regulated by a moral charter drawn up by the employees themselves.

Anikop has already earned a strong reputation for quality of life at work, having obtained the TechAtWork®, HappyIndexAtWork® and AgileAtWork awards twice, in 2019 and 2020, and the TechAtWork® and HappyIndexAtWork® awards in 2021.

This year, Anikop once again renewed its HappyIndexAtWork certification for 2022.

In March 2021, Groupe LDLC joined the community of companies voted a Great Place to Work. Valid for a year, this certification is the highest level of recognition for the quality of a company's working environment. In 2021, 82% of employees questioned confirmed that their company was a great place to work. More generally, 71% of the responses to the questionnaire were positive. These two statistics are above the average scores recorded by companies of similar size.

In 2022, Groupe LDLC renewed its Great Place to Work certification. This year, 89% of employees stated that LDLC was a great company to work for (up 7 percentage points from 2021) and posted a satisfaction rate of 78% (up 7 percentage points from 2021, an improvement "never seen before" in the certification process).

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 and at Grandchamps in 2019.

An amusement arcade has been installed on the ground floor of the new Orizon building to help staff relax.

Unfortunately, the pandemic put an end to the use of these amenities, as the vast majority of Limonest employees were placed under teleworking arrangements. Likewise, Ma Conciergerie services were severely disrupted due to health restrictions but were nevertheless maintained in minimal format for warehouse employees.

We hope that 2022 will be remembered as the year in which things got "back to normal".

Fostering staff cohesion

The Group encourages informal meetings and friendly exchanges among and between teams, whose average age is relatively young (37.04 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 and Grandchamps in 2019.

Many initiatives are organised at the instigation of LDLC Group employees, including an indoor football team, badminton and squash tournament, jogging and trail running. For example, several departments compete for the LDLC football Challenge Cup, for which Anikop developed a specific application.

However, these friendly encounters had to be cancelled from March 2020 due to the pandemic.

KPIs

- Absenteeism rate of **3.51%*** (versus 3.49% in 2020/2021)
- Staff turnover rate of **11%** (versus 17.00% in 2020/2021)

	2018	2019	2020	**2021**
Absenteeism	NC	3.36	3.49	**3.51**
Staff turnover	23%	15.51%	17%	**11%**

** Absenteeism rate including absence due to the COVID-19 pandemic: 4.12% (versus 6.63 last year)*

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 the careers of persons with disabilities in the long run. Every year, employees with disabilities inform the Company of their disability and receive assistance in obtaining recognised disabled worker status. In this way, workstations can be adapted as required.

In 2018 the Group appointed a Disability Officer 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.

A new manager awareness campaign is under review for September 2022 in consultation with a member of the MEDEF employer federation.

In 2017, Saint-Quentin-Fallavier introduced seated massages administered by visually impaired practitioners, followed by Nantes and Limonest in 2018. These sessions were cancelled in March 2020 due to the COVID-19 health crisis, but were resumed in October 2021 at Saint-Quentin-Fallavier and a schedule has been drawn up for 2022.

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.

In 2019, all Anikop staff received training in sign language in order to raise their awareness.

In 2021, the LDLC Group sponsored the "Lyon Basket Fauteuil" association, allowing it to purchase three new competition wheelchairs designed for basketball. The Group also sponsored table tennis star Florian Merrien who took part in the Tokyo 2021 Summer Paralympic Games. In addition, as principal access facilitator for the 2021 Blend Web Mix conference event, the LDLC Group helped make the event truly accessible to persons with disabilities (reduced rates, special team tasked with assisting people at the event, adapting spaces as required, etc.).

In January 2022, our communications department published an interview with one of our employees with disabilities, who talked about the issue of workstation adaptation and the support he has received since joining the Company.

Action

Just before summer 2021, LDLC started sponsoring Florian Merrien, a para table tennis player who took part in the Tokyo Paralympic Games.

On the sports front, an initial milestone was crossed in March 2021 when the Group signed a partnership between LDLC OL, the French e-sports club attached to Olympique Lyonnais football club, and Handicap International, the NGO that helps disadvantaged sectors of the population and persons with disabilities. This partnership was renewed in 2022 with the aim of organising a series of events and initiatives designed to foster awareness of disability among e-sports players and stakeholders. The first event took place on 20 March in the form of a streamed gaming tournament between influencers and players with disabilities, with the idea of placing them all on an equal footing. To achieve this, players without disabilities were given a motor or sensory handicap as the game progressed.

In 2018, partnerships were set up with Sport2Job and Cook&Job.

Under this partnership, in September 2018 the "Fox Team" comprising employees from Saint-Quentin and head office and three persons with disabilities 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 races and para-table tennis.

In October 2018, as part of the Cook&Job event, the LDLC Fox Team took part in a culinary challenge with persons with disabilities at a ground-breaking culinary incubator known as La Commune.

Both of these one-day events provided participants with an opportunity to share fun moments, interact with persons with disabilities 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.

The events were followed by the communications department and reported via the enterprise social network.

Safeguarding employment: in-company and external initiatives

Workstation adaptation continued in 2020 and 2021 despite the health crisis. Particularly in the case of one TopAchat employee with disabilities (company consolidated at 11 April 2020).

In addition, one subsidiary employee declared unfit for work by the company doctor and officially recognised as having a disability was redeployed within Groupe LDLC.

Workstations (desk, chair, mouse, etc.) were also duplicated at the home for teleworking employees.

One Saint-Quentin-Fallavier logistics employee declared unfit for work in October 2019 was able to resume her position in February 2020. For three months she was supported by the Disability Officer and QHSE manager, who first transferred her to another department until her medical condition improved, liaising regularly with the company doctor to review her aptitude for work. She was confirmed fit for work 3 February 2020.

In 2019, at the Grandchamps facility, the Disability Officer met a sample of employees with disabilities at their request to get to know them better and identify potential workstation adaptations for review. A meeting with CAP Emploi was organised.

In 2020 an employee recognised as having a disability under French RQTH certification was transferred to a different post at Grandchamps-des-Fontaines. During talks with the Disability Officer, the employee expressed his wish to stop working in the store and switch to a sales position.

In May 2018, the LDLC Group set up the “Inclusive Company Light Trophy” awards.

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. One candidate was identified and was able to carry out a two-month internship as a member of the logistics team.

KPIs

Since May 2021, the mandatory disabled employment declaration (DOETH) has been included in the simplified social security return (DSN) instead of the February declaration made in previous years.

Accordingly, the data presented in this document is for 2020.

	2018	2019	2020
Percentage of employees with disabilities in the applicable workforce	3.78	3.72	**3.46**
AGEFIPH contribution by applicable workforce	€40.03	€60.42	**€84.09**

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.

For three years now, two Group companies have been required to publish their gender equality index.

In 2021, Olys obtained a score of 91/100 and Groupe LDLC 89/100. Our corporate culture is reflected in our commitments to gender equality by improving the work-life balance and encouraging promotion to positions of higher responsibility.

Equal pay for men and women

In June 2020 during the annual mandatory bargaining procedure, Groupe LDLC management proposed introducing a “new minimum wage” 15% above the French statutory hourly minimum wage (SMIC) for all Groupe LDLC employees with at least four months of service in the Company.

During the 2021 procedure, Groupe LDLC management confirmed this scheme by setting a new minimum gross monthly salary 25% higher than the applicable SMIC rate at 1 January 2021, i.e. €1,944, after four months’ service.

Under the same scheme, long-service awards were also increased by 10%.

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:

	2018	2019	2020	2021
MANAGER	**46,106.08**	**43,577.19**	**43,890.88**	**44,348.59**
Women	43,704.02	39,724.65	40,748.53	41,562.26
Men	47,181.85	45,283.31	45,115.17	45,487.89
SUPERVISOR	**28,103.41**	**27,949.06**	**28,001.96**	**29,213.96**
Women	25,491.71	28,542.19	29,415.10	30,483.88
Men	29,310.70	27,773.94	27,580.73	28,838.50
EMPLOYEE	**20,153.74**	**21,690.98**	**22,115.77**	**23,656.11**
Women	18,900.09	21,412.74	22,405.24	23,562.22
Men	20,826.91	21,804.97	22,017.47	23,690.56
Total	**29,513.73**	**29,469.17**	**29,688.19**	**30,787.03**

Training (organisation and special arrangements)

Access to occupational training is a key factor for ensuring gender equality in the development of employees' skills and the furthering of their careers.

The HR department makes the utmost effort to arrange local training courses to minimise travel and overnight stays and make sure that training is carried out during working hours as 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.
- Appraisal interview on return from child-raising leave: An individual training appraisal is offered to all employees returning from at least 12 months' child-raising leave. This privileged moment between employee and line manager is also an opportunity for the manager to identify training and development needs so that the employee can resume activity under optimal conditions.

Equal opportunities in hiring and recruitment

To ensure correct gender balance at the Company, LDLC adheres to the principle of equal opportunities in all of its hiring procedures. Accordingly, candidates are assessed solely on the basis of their skills, professional experience, training and qualifications.

In-company and external hiring procedures are identical and applied in the same way, irrespective of any considerations related to gender, family status or pregnancy: the Company offers each candidate an equal opportunity regardless of their personal circumstances.

Promotion

The LDLC Group asserts the principle that diversity presupposes that men and women are capable of pursuing the same career paths, enjoying the same prospects of promotion and gaining access to positions of responsibility. Nowadays, women on maternity leave still risk having their careers curtailed for this reason.

Groupe LDLC would like to shift mentalities in order to offer women the possibility of promotion towards higher positions and levels of responsibility.

Accordingly, whenever a woman with promotion potential is identified by management, even if she takes maternity leave, Groupe LDLC undertakes to keep her file "active".

Balance between work and family duties

In 2020 during the annual mandatory bargaining procedure at Groupe LDLC, management suggested initiating talks during the last four months of the year with a view to modifying working hours and switching all managers and employees to a four-day 32-hour week from 25 January 2021.

This arrangement would enable part-time employees, mostly women, to resume full-time work on a four-day basis while continuing to enjoy their weekly day off, besides helping reduce wage discrepancies due to personal organisation.

Each mother or father of a child under three was given priority to take Wednesday off under the four-day week scheme.

For many years now, Groupe LDLC has been committed to making allowance for employees' family obligations in the organisation of their working time, while taking into consideration the organisational needs of their department:

- part-time employment: all requests by men and women to work part time are reviewed by line managers and the HR department in accordance with the Company's organisational requirements. Employees are notified of management's decision, including the reasons for that decision, no later than six weeks following their request;
- return from maternity leave: with regard to professional appraisals, maternity leave is treated as effective working time. Therefore, the fact that an employee takes maternity leave for only part of the year cannot serve as an excuse not to conduct the professional appraisal to which they are entitled in respect of that year. Accordingly, women returning from maternity, adoption or child-raising leave may request a career interview with the HR department. If necessary, they may be offered training in accordance with their career plans.

Prevention of sexism and sexual violence

The employer undertakes to organise at least one awareness and training session for employees and interns at the establishments every three years. The employer also undertakes to take account of sexism and sexual violence in the risk assessment process.

In September 2019, the LDLC Group and each Group company social and economic committee appointed their own sexual harassment officer.

KPI

- Women make up **30%** of the ten highest earners

2018	2019	2020	2021
30%	20%	30%	30%

The French law of 2 August 2021 redefined sexual harassment and the provisions that came into force on 31 March 2022 radically changed the definition of sexual harassment within the meaning of the French Labour Code.

The law adds three paragraphs to Article L.1153-1 of the French Labour Code derived from the French Criminal Code with specific application to the world of work. The aim is to further clarify cases of sexual harassment, which is now established when the employee experiences it rather than when it is imposed by the offending party(ies).

Employees concerned may contact the Group sexual harassment officer and a system has been set up to review complaints.

22.3.4. Employee upskilling

As a fast-growing Group, the LDLC Group is deeply committed to enhancing employees' skills and furthering their professional development. Training is provided to help employees pursue their careers at the Group through internal promotion, but also to foster their personal development by providing them with skills that will serve them throughout their careers. The aim is to provide training to as many people as possible.

Our employee upskilling policy is based on an offer of occupational training provided by a carefully screened selection of high-quality providers in whom we have complete trust with regard to educational content and methodology. Training ensures employees’ ongoing professional development, helps to safeguard their careers and ensures the transfer of new knowledge.

The skills development plan is drawn up in accordance with specific professional objectives, staff skills in light of their job targets as well as Group ambitions and strategy.

To ensure the skills development plan is effective, it must be tailored to individual needs with strong commitment from the employees receiving training: training courses must be relevant to the tasks they perform.

The plan will be based on a collaborative approach geared towards providing both individual and collective guidance.

Late 2018, the LDLC Group introduced a volunteer scheme to encourage employees to take the initiative in their personal development.

As part of its transformation drive, the Group is encouraging more flexible and horizontal means of coordination that foster the service mindset and help staff to learn to work together, manage their interactions and gain independence by helping to build their own work framework. These practices are designed to encourage each individual to improve their understanding of their emotional, cognitive and intellectual modus operandi in order to build a more harmonious and efficient relationship with themselves, other people and their work. These practices form part of a managerial project, as they link individual objectives (increase well-being) with corporate objectives (be more efficient).

The LDLC Group has defined five key priorities:
- develop and strengthen job skills;
- shift managerial practices towards a collaborative model designed to leverage collective intelligence;
- develop BtoB and retail skills in a customer-centric system;
- provide in-field support to the sales force in order to harmonise operations;
- guarantee the safety of property and persons.

The LDLC Group is working on building an annual development plan tailored to employees, to changes in the Company and its jobs and to the need to preserve jobs, while taking into account the changing requirements of occupational training.

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.

Collaborative management: a driver of commitment, innovation and performance

The value created by collective endeavour is greater than the sum of a group’s constituent talents. Teams able to work together can achieve spectacular results in terms of responsiveness, skills development and innovation.

We have trained a team of “facilitators” to support and structure discussion in a teamwork context and encourage respectful dialogue conducive to the sharing of ideas. Their mission is to reduce obstacles and constraints, summarise different points of view and foster a positive spirit of enterprise.

These facilitators are not group leaders or managers but are responsible for directing discussion via particular processes so that all participants remain focussed and oriented towards the same objective.

Furthermore, when leading meetings, the facilitators make sure that the needs of all participants are satisfied and that everyone has the chance to speak. They help build trust between parties and foster their awareness of the issues at hand. They are the guarantors of active participation and mutual respect. Through their assistance and status as an intermediary, they make things more accessible.

Furthermore, we have introduced sessions for volunteer employees aimed at developing leadership mindset, attitude and self-assurance. A good leader listens, respects and imparts responsibility to the team, offering each member the means to fulfil their skills potential.

In fact, leadership is required at all levels of organisation. Leadership does not always depend on reporting lines, as it is the group that intuitively decides to follow a leader. In a company, therefore, the leader is not always a manager, just as the manager is not always regarded as a leader.

It is by stimulating voluntary commitment to defined targets that the leader achieves his or her goals. The modern concept of leadership is inevitably associated with the democratic exercise of power over free individuals vested with human and social rights.

In the professional world, it is often essential to combine creativity, commitment and a results-driven mindset.

Lastly, three in-company coaches have received training in professional coaching techniques and have joined the "horizontal guidance" team within the structure. The aim is provide teams with individual and collective guidance on professional issues in order to allow each person to make progress with their objectives.

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. It is therefore necessary to develop BtoB skills in order to provide maximum support for transformation and ensure permanent adaptation to it.

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 2021, this system was rolled out across the Olys BIMP store chain in order to help standardise the Group's retail operations.

In addition, in 2021 all LDLC stores were merged into a single entity called "LDLC Boutiques". The Group seeks to strike a balance between the number of brand stores and the number of franchises. As such, providing support and training for newly opened stores is very important.

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, including first aid courses and preparation to obtain vehicle operating permits, were largely postponed due to the health crisis but have been rescheduled from 2021 to make up for the delays.

KPIs

	2019	2020	2021
% of employees receiving training	45%	62%	25%
% of employees who completed a personal development course	4%	3.13%	8.49%
Average training time per year	22h	6h22m	13h38m

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.

However, aware of the action required on the part of both companies and individuals to combat climate change, Laurent and Olivier de la Clergerie have invested both personally and on behalf of the LDLC Group in the Time for the Planet charity. In March 2021, Groupe LDLC became a major shareholder in Time for the Planet by injecting €200,000 into this worthy civic initiative!

"As the bridge between e-commerce and the environment is not easy to see, we need to surround ourselves with project initiators who will help us in the future to find a better balance between economic considerations and protecting the planet," LDLC Group founding chairman Laurent de la Clergerie said in 2021.

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 scheme is fully in keeping with the obligation to sort five waste flows at source and is not affected by the new French "7-flow" decree, which extends the obligation to mineral and plaster waste. The general services and HQSE departments have taken charge of the scheme and help the various Group centres, subsidiaries and stores to deal with their waste.

The Group's waste policy and initiatives are presented to employees via the welcome kit and during their induction. Waste sorting and recycling procedures are displayed on posters located around each site.

Waste reduction and recycling

As a product distributor and retailer, the LDLC Group has a duty to contribute financially and/or directly towards managing the relevant product life cycles. Six categories of EPR (Extended Producer Responsibility) are relevant to the Group: electrical and electronic equipment, packaging, batteries, graphic papers, furniture and textiles. The Group uses approved environmental organisations (Ecologic, Adelphe, Screlec, Citeo, Ecomobilier and Refashion) to achieve this goal and helps finance the end-of-life management of the products it sells. In addition, information on the proper management of used products is made available to customers prior to their purchase, on the website for online purchases and via in-store displays.

Waste electrical and electronic equipment (WEEE) is mainly derived from defective product returns and collected end-of-life products. In 2021/2022, the LDLC Group collected 27 tonnes of WEEE, more than in the previous year, and sent it to a recycling firm for final treatment. This figure is included in the calculation of the waste recycling rate.

In 2021, the four brand store chains (LDLC, Materiel.net, BIMP and L'Armoire de Bébé) conducted a campaign to install WEEE containers supplied by Ecologic in their stores, thereby facilitating collection and treatment of this waste.

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 also started to reuse polystyrene from incoming parcels as cushioning for outgoing parcels in 2019.

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.

In 2020/2021, the volume of head office waste fell sharply (down 23%) due to teleworking. The volume decreased further in 2021/2022 (by 16%), partly due to the combined effect of teleworking and the introduction of the four-day week in January 2021.

Promoting the circular economy

In 2021, Groupe LDLC developed its initiatives in this area.

Just over 250 kg of equipment which would normally be disposed of as WEEE was sold to a firm specialising in the purchase, refurbishment and resale of computer hardware. In addition, 400 kg of storage crates were donated to the Don en Nature agency.

Group operations generated 697 tonnes of waste during the 2021/2022 financial year.	***2020/2021: 800t*** ***2019/2020: 438t***

Type of waste	**Group volume (tonnes)**	**Group volume (tonnes) 2020/2021**	**Group volume (tonnes) 2019/2020**
Paper, cardboard and shrink wrap	375.35	383.0	257.9
Wooden pallets	86.35	130.2	37.2
Non-hazardous waste	207.83	267.7	123.4
Special waste = liquids generated from maintenance of logistics chains	0	0	0.3
Waste electrical and electronic equipment (WEEE)	27.33	19.3	18.69
Other	0.23	0.2	0.8
Total	697.09	800.4	438.3

Waste tonnage fell 15% due to the decline in the Group's business in 2021/2022 (revenues down 5.4%).

KPI

- **70.19%** overall LDLC Group recycling rate (% of waste recycled compared to total waste evacuated)

2019-2020	2020-2021	**2021-2022**
71.79%	66.55%	**70.19%**

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 three Olys/BIMP buildings, while the Lyon store and Besançon BtoB facility heating systems and the Grandchamps-des-Fontaines and new warehouse sprinkler systems are all oil-powered.

Following the mandatory energy audit carried out in 2019 and the abolition of regulated prices effective 31 December 2020, we decided to review all of our electricity supply contracts. All "blue rate" facilities were renegotiated and assigned to a single supplier.

Total energy consumption for the year was 7,466 MWh versus 6,541 MWh the previous year.

Energy consumption	**Group consumption (kWh)**	**Group volume (tonnes) 2020/2021**	**Group volume (tonnes) 2019/2020**
Electricity	4,345,011	4,239,192	4,514,272
Gas	2,990,797	2,169,529	2,944,146
Domestic heating oil	130,846	132,970	72,635
Total	**7,466,654**	**6,541,690**	**7,531,053**

Premises designed to reduce energy consumption

Although the new LDLC Group headquarters is not HQE certified, it was designed for acoustic efficiency and low energy consumption. For example, all windows have double or triple glazing. The south façade has been specially treated for heat insulation and windows are fitted with blinds on all façades except the north façade, on which the number of windows has been minimised in order to keep out the cold. The head office and branches are fitted with LED lighting and presence detectors to reduce electricity consumption. Apart from in the passageways, there are no ceiling lights: offices are lit by presence detector lamps, thus avoiding the whole space being lit up if only one person is working there. The heat pump system is also expected to generate energy savings.

The Orizon building in Limonest built as an annex to the head office in 2018 obtained BREEAM certification in October 2020 with a rating of “VERY GOOD”.

Policy regarding the “tertiary decree”

The so-called French tertiary decree in force since 1 October 2019 requires companies to achieve energy savings in office buildings with a surface area of over 1,000 m². In keeping with the intentions behind the law, we have sought to introduce energy saving schemes in cooperation with building owners.

As such, in 2020 the owner of the Saint-Quentin-Fallavier warehouse launched a relamping campaign designed to convert the entire warehouse to LED lighting.

More generally, the general services department has hired an external service provider to support the process, which is divided into four stages: identification of relevant rented buildings (around 15), consumption analysis, determination of benchmark years and establishment of a provisional schedule of initiatives to achieve the energy saving targets. In 2021, the general services department started recording data on the OPERAT portal set up by ADEME.

Greenhouse gas emissions

Group locations are not subject to the EU emissions trading system and only Groupe LDLC is required to produce a greenhouse gas emissions report, pursuant to Article 75 of the French Grenelle II Act.

In 2020, Groupe LDLC enlisted the services of an external service provider to conduct its Bilan Carbone® carbon audit for 2019. Only Scopes 1 and 2 were covered by this initial assessment. Groupe LDLC emissions within these scopes amounted to 1,117 tCO_2eq, of which 76% was derived from energy consumption (electricity, gas and oil) and 24% from travel using company vehicles.

Groupe LDLC is aiming at the trajectory set by France’s national low-carbon strategy (Stratégie Nationale Bas-Carbone or SNBC), which is targeting carbon neutrality by 2050 in the tertiary sector with an interim target of a 5% reduction in GHG emissions by 2024 across Scopes 1 and 2 of the regulatory Bilan Carbone® audit scope.

Group greenhouse gas emissions are as follows: 1,032 tCO_2eq*	***2020/2021: 814 tCO_2eq***
	2019/2020: 999 tCO_2eq

** Group greenhouse gas emissions exclude travel using company vehicles but include Groupe LDLC subsidiaries. They are calculated over the financial year as opposed to the Bilan Carbone® which spans the calendar year.*

Promoting eco-friendly transport among employees

Since 2020, shared transport issues have been placed on the back burner in view of the pandemic.

Two electric cars are now available during working hours at the Limonest headquarters. The aim is to allow employees who get to work via public transport or car sharing to pop out of the Campus if need be.

As a further step in the right direction, 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, It also helps limit employees’ environmental impact.

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. Most 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

- **42.27** kWh of electricity consumed per m²
- **72.63** kWh of energy (gas, domestic heating oil and electricity) per m²

	2019-2020	2020-2021	**2021-2022**
kWh electricity per m²	63.42	57.9	**42.27**
kWh energy per m²	105.8	89.27	**72.63**

The reduction in the KPIs is due to the inclusion of surface area without the corresponding consumption figures (new store integrated in February/March 2022 and, above all, the new warehouse).

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 also offers customers an extended warranty over and above the manufacturer's warranty, including for products sold under special offers which carry a 6-month commercial warranty. All of the foregoing arrangements ensure that the Group has complete trust in the products it sells via its websites and stores.

Lastly, the LDLC Group encourages its customers to leave reviews on the website, following a procedure for collecting, moderating and publishing reviews that is totally separate from product and service advertising and sales on the websites.

- **Zero** liability insurance claims incurred in 2021/2022, as in the previous two financial years.

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 (Limonest) and LDLC School are located;
- Saint-Quentin-Fallavier (Isère), where the Group's first logistics warehouse is situated;
- Grandchamps-des-Fontaines (Loire-Atlantique), the historical base of Materiel.net, where a logistics warehouse is located;
- Gennevilliers (Paris region).

In addition, the Group store chain, which markets the LDLC, Materiel.net, BIMP and L'Armoire de Bébé brands, covers a large number of towns and cities in France. The Group's development strategy, particularly with regard to the LDLC store network, is geared to strengthening its local presence over the coming years. 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. The 2020 conference had to be postponed to June 2021.

In late 2021, LDLC supported born-again yachtsman Jean Marre in his bid to win the Mini Transat, a 4,050-nautical mile solo race on the world's smallest racing vessels measuring only 6.5 m: "a sporting and entrepreneurial project" in the adventurer's own words.

Supporting cultural initiatives

In 2020, in response to the unprecedented situation, the Group took its partnership with the Nuits de Fourvière festival a further step forward by providing financial support to four leading lights of the Lyon cultural scene. The Group donated €50,000 each to the Théâtre des Célestins, Lyon Opera, Nuits de Fourvière festival and the Auditorium concert hall that is home to the Lyon National Orchestra. This sponsorship initiative involves a donation of global support concluded for one year. It was renewed in 2022.

"Art is essential for Lyon. In the present context, it is essential that we support the sectors of the economy that will take a long time to recover from the present crisis. At a standstill for months on end, the world of culture needs support from companies like Groupe LDLC which have been lucky enough to pull through. By making these donations, we are doing our bit to serve this worthy cause. Like everyone else, we can't wait to see artists perform again on stage and give them a standing ovation", Laurent de la Clergerie, founding chairman of the LDLC Group, said last year.

In late 2021, Groupe LDLC supported the Festival Lumière, a major event in the Lyon cultural calendar devoted to the cinema. In December 2021, OL Groupe and the LDLC Group announced an agreement on the naming of the future OL Vallée event hall in Décines-Charpieu. Construction of LDLC Arena began in 2022. The LDLC Group's expertise in uses and new technologies combined with that of Olympique Lyonnais in the world of sports and entertainment will ensure the Arena a glowing reputation across the whole of Europe.

LDLC Group founding chairman Laurent de la Clergerie made the following comments on this landmark project:
"Our commitment to the Lyon region is strong. For many years, we have supported the well-being of each individual, as well as culture and entertainment in all their forms. Partnering with a facility of this stature is a great source of pride for us. We're sure of one thing: the LDLC Arena will be the setting for all the emotions and excitement you could possibly hope for... we can't wait to see it happen!"

For several years now, the Group has been setting up partnerships and charity initiatives, some of which are instigated by employees. The "DoubleTonDon" operation was launched in 2021. The principle is simple: employees donate €20 to a charity and Groupe LDLC matches their donation! The result: nearly €7,000 donated to around 30 charities.

These initiatives help to boost Groupe 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.

Supporting the local economy through sport

Having sponsored the Villeurbanne ASVEL basketball club since 2012, the LDLC Group took a step forward by establishing a naming partnership with the club in 2018 whereby the men's team was renamed LDLC ASVEL for a duration of ten years.

This partnership was the brainchild of two businessmen, Laurent de La Clergerie and Tony Parker, who share the same outlook on life. Besides his sporting and business goals, Tony Parker is involved in a number of community projects such as the Tony Parker Adéquat Academy.

In 2019, the LDLC Group stepped up its support for Lyon basketball by signing a similar agreement with the women's team, which was renamed LDLC ASVEL Féminin for a four-year period.

Also in 2019, the two entrepreneurs joined forces once again to include e-sports in the Academy's activities by creating a Team LDLC training centre. Young adepts receive e-sports training administered by Team LDLC as well as lessons in the Acadomia private high school forming part of the Academy.

As an extension to this initiative, in early 2020 LDLC Event, which operates Team LDLC for the LDLC Group, and Olympique Lyonnais set up a joint LDLC OL team in order to strengthen the team's leadership on the French and international e-sports scene.

In March 2020, Solaari, the French brand for connected lightsabers made and sold by the LDLC Group, signed a three-year partnership deal with the French Fencing Federation (FFE) and its Lightsaber Academy (ASL). The common goal of these two entities is to extend the national and international reach of this new sport.

Supporting education

In August 2021, the partnership between Télémaque and Groupe LDLC was expanded to the city of Nantes.

Télémaque is a charity committed to fighting social determinism by encouraging motivated young people through a dual mentor system: a company tutor and an educational supervisor at school.

Since 2018, Groupe LDLC has sought to place equal opportunities at the heart of its initiatives and has committed to a scheme to support young people from priority urban areas in and around Lyon. Under the scheme, every employee can support a middle school pupil wishing to complete their studies despite the challenges posed by their social background.

Since November 2020, in keeping with its commitment to developing budding talent in the video game and e-sports industry, Materiel.net has been helping Gaming Campus, the first European campus devoted to providing training in all video game industry professions, to set up an innovative distance learning scheme. Using fast and reliable equipment supplied by Materiel.net, Gaming Campus is developing its distance learning capabilities in order to comply with new health standards and the exacting requirements of its innovative, totally project-oriented educational philosophy. Five briefing rooms have been redesigned to provide a high standard of distance learning or face-to-face training.

In 2015, Group 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.

At 31 March 2022, the school had 24 students excluding current internships.

In 2021, the Sustainable Development Goals were the theme for the students' Product Project. The project follows a sequence involving all four of the school's teaching disciplines: the Corporate Environment, Marketing & Communication, Technologies & Practices, Prospects & Realities.

In previous years, students were asked to find innovative applications for a specifically defined technology (e-paper, augmented reality, etc.). This time, the approach is different: first, students chose various causes and solutions to be invented from among the Sustainable Development Goals (SDGs) defined by the United Nations. Then, they harnessed digital technologies to develop solutions and proofs of concept.

Creation of the Groupe LDLC Foundation

FONDATION GROUPE LDLC

Although Laurent and Olivier de la Clergerie had already mulled over this idea for several years, in the end it was an employee initiative that brought it to fruition. Accordingly, in 2020 the Groupe LDLC Foundation was created under the aegis of Fondation de France.

It is a collaborative project in which employees have been consulted at every stage of the process. The foundation covers the issues to education, protection of children and families and protection of the environment.

To date, seven projects have been supported by the Groupe LDLC Foundation. The foundation aims to provide total funding of €200,000 spread over five years between various projects.

In early 2022, the foundation's environmental expert organised a series of workshops at Group head office entitled "The Climate Fresco", a perfect opportunity for foundation members to understand all the causal chains leading to global warming.

It is yet another means for the LDLC Group to support education and local initiatives in France.

KPIs

+ 9% increase in the number of LDLC stores in France, up from 57 last year to 62

40% of LDLC School students graduating in September 2021 found employment straightaway

	2018/2019	2019/2020	2020/2021	2021/2022
Stores	38%	22%	12%	**9%**
Graduates in employment	50%	66%	32%	**25%**

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.

The Olys/BIMP merger is currently nearing completion and systems are being streamlined and standardised.

A portion of their operating system has been abandoned in favour of the LDLC Group system and the external infrastructure manager used by the Olys/BIMP IT department is gradually reducing its sphere of intervention in favour of Group IT department infrastructure.

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.

The March 2021 incident at the OVH facility in Strasbourg impacted the Olys/BIMP subsidiary’s business. Temporary backup solutions were swiftly implemented using the structures of the LDLC Group IT department and operating efficiency was retrieved within a week thanks to the commitment shown by all employees. The switching of Olys/BIMP infrastructure to LDLC Group management allowed the Group to reduce its dependence on OVH.

November 2021 cyber security incident

In November 2021, the LDLC Group detected a cyber security incident in its IT systems resulting in unauthorised access to company data. The incident had no impact on the Group’s business activities.

The incident was analysed in depth and the necessary steps were taken to shore up existing protective measures. IT system security has been considerably tightened. Measures such as amending the password policy and introducing use of a two-factor authentication VPN network were set up very quickly. The IT department noted positive cooperation among employees in setting up these arrangements and continues to publish regular awareness posts on Yammer, the Company’s social media network, and monitor systems more closely.

KPI

100% software availability enabling critical operations to be managed from 01/04/2021 to 31/03/2022

2019-2020	2020-2021	**2021-2022**
96.72%	100%	**100%**

22.6.2. Anti-corruption

In 2021, an awareness campaign was conducted using a document which members of the procurement, sales, general services and accounts departments could download from a platform, read and confirm that they had read and understood. Further annual awareness campaigns will be conducted using the same system.

For several decades now France has been introducing reforms aimed at promoting transparency and ethical conduct. As a distributor and retailer, the Group acts as an intermediary between top hardware brands and customers, be they private individuals, professionals or government agencies.

Given its relative size on the market, the Group has little influence on how its suppliers assume their social responsibility regarding issues such as protection of the environment and defence of human rights. Nonetheless the Group, which operates primarily in France, strives to share its values and ethical principles with all employees, including buyers in particular.

Group management warrants that all of the Group's business activities are conducted in compliance with applicable legislation. The Group holds the same expectations towards its suppliers and service providers as its customers hold towards the Group. With this in mind, the Group seeks to inform its employees, especially those involved in procurement, of the dangers of corruption.

The compliance department is responsible for introducing and developing the Group code of conduct regarding business relationships. In order to prevent corruption, the Group has structured its procurement operations so as to minimise the risks involving suppliers and service providers. Products are generally purchased in Europe via intermediaries and wholesalers. Direct imports only account for a small proportion of our goods purchases.

The procurement department is centralised at the Limonest head office and organised as follows:

- "Strategic" procurement (such as LDLC brand products or products whose prices may vary considerably from day to day) is kept separate from "trade" procurement and placed under the direct responsibility of Laurent Villemonte de la Clergerie, for non-EU purchasing, and the Chief Procurement Officer for EU purchases;
- Responsibility for trade procurement from intermediaries and wholesalers lies with the Chief Procurement Officer. Product managers and buyers are allocated capped lines of credit and individual buyer margins are monitored daily so that any anomalies can be quickly identified;
- "General" procurement is not organised at present given the limited amounts involved.

Breakdown of purchases per region:

Region	**Purchases (%) 2021/2022**	**Purchases (%) 2020/2021**	**Purchases (%) 2019/2020**	**Purchases (%) 2018/2019**
European Union	82.45%	87.12%	77%	86.09%
Non-EU	17.55%	12.88%	23%	13.91%

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 are organised every year in the departments deemed most at risk, such as procurement. Other departments such as sales and general services, as well as all positions deemed relevant by the compliance department, were included in these initiatives. Awareness documentation will be updated in 2022 and new campaigns will be scheduled. The compliance department is to review the inclusion of other departments and positions in the awareness initiatives.

KPI	2019-2020	2020-2021	**2021-2022**
% of buyers briefed on the Sapin II Act*	76.5%	90%	**75%**

** Since 2020/2021, the KPI has covered all exposed persons within the Groupe LDLC scope.*

22.6.3. GDPR compliance (General Data Protection Regulation)

The entry into force of the General Data Protection Regulation (GDPR) has compelled European companies to bring their personal data collection and processing into compliance with the regulation. As France already had its own data protection law, 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.

A GDPR section has been added to the LDLC Group intranet site, accessible to all employees. This section contains all documents useful for understanding the GDPR, CNIL guides and other documents, which are periodically updated

Meetings between the Group officer, the DPO and departmental officers were resumed in 2021 after having been suspended in 2020 due to the pandemic. Normally, these meetings are organised mainly in order to monitor processing, but also to incorporate the principle of data protection into all projects. In 2022, over three months, former officers received GDPR-related information security awareness training in the form of a weekly questionnaire. Groupe LDLC has drafted a data protection appendix for all of its contracts and a supplemental agreement for subcontractors.

During 2019, Groupe LDLC changed its DPO, keeping an external DPO. Bluescreen, however, appointed an internal DPO in 2021.

In 2021, a further awareness campaign was conducted for departmental officers via an online system in view of the pandemic. The campaign reached out to individual officers who then circulated the awareness document among the members of their department.

KPI

	2019-2020	2020-2021	**2021-2022**
% of data protection officers who attended a GDPR awareness session	95%	100%	**100%**

Awareness sessions take place every two years.

22.7. CROSS-REFERENCE TABLE WITH SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Commitments/Initiatives	SDG	Relevant section
Ensuring employee safety: • Preventing physical, physiological and psychological risks • Improving workspace ergonomics • Reducing risk via muscle warm-up and massage • Improving workspace ergonomics	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	**22.3.1.**
Quality of life at work: • Work-life balance • Recognition of quality of life at work in the LDLC Group • The working environment • Relaxation, sport, concierge service: a wealth of services provided to employees • Fostering staff cohesion	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	**22.3.2.**
Anti-discrimination: **Disability and inclusion** • Raising awareness • Action • Safeguarding employment **Equal opportunities** • Equal pay for men and women • Training (organisation and special arrangements) • Equal opportunities in hiring and recruitment • Promotion • Balance between work and family duties • Prevention of sexism and sexual violence	10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	**22.3.3.** 22.3.3.1 22.3.3.2
Employee upskilling: • 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 • Premises designed to reduce energy consumption • Policy regarding the "tertiary decree" **Greenhouse gas emissions** • Promoting eco-friendly transport among employees • Reducing CO2 emissions from transport	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**22.4.** 22.4.1. 22.4.2.
Regional impact: **Consumer safety** **Promote regional economic growth** • Supporting enterprise • Supporting cultural initiatives and the local economy • Supporting education • Creation of the Groupe LDLC Foundation	17 PARTNERSHIPS FOR THE GOALS 10 REDUCED INEQUALITIES 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	**22.5.** 22.5.1. 22.5.2.
Ethical awareness and training: • Anti-corruption • GDPR compliance (General Data Protection Regulation)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**22.6.3.**

22.8. NOTE ON METHODOLOGY

The information presented in the statement of non-financial performance in this report has been drawn up in respect of the financial year ended 31 March 2022.

Reporting scope

The consolidation scope comprises the Group subsidiaries that are fully consolidated for the purposes of the Group financial statements, i.e. the subsidiaries that are exclusively controlled by the Group, whether directly or indirectly. We would point out that certain financially consolidated Group subsidiaries were not included in the statement of non-financial performance, as some of these companies do not conduct any operations. This applies in particular to Domimo 2, Nemeio, LDLC7, LDLC9, LDLC11, LDLC Invest, LDLC13 and LDLC Pro Lease.

Financially consolidated subsidiaries not included in the statement accounted for 0.20% of consolidated revenues for the 2021/2022 financial year. The statement of non-financial performance therefore covers 99.80% of revenues. The aforementioned companies have no employees.

Reporting period

Unless otherwise stated, reported figures relate to the financial year beginning on 1 April 2021 and ending on 31 March 2022.

Certain KPIs are based on the calendar year from 1 January to 31 December. These include:
- AGEFIPH contribution by applicable workforce
- percentage of employees with disabilities in the applicable workforce
- average number of training hours per employee
- percentage of employees receiving training
- percentage of employees who completed a personal development course
- percentage of women among the ten highest earners
- absenteeism rate
- staff turnover rate
- accident frequency rate
- accident severity rate

Notes on specific indicators

Headcount

Headcount data provided under the business model is expressed in number of employees and includes all persons paid by and working for the Company at the closing date (31 March 2022), excluding trainees and temporary workers.

Frequency and severity rates

The industrial accident frequency rate equals the number of lost-time industrial accidents per million hours worked: no. of lost-time industrial accidents x 1,000,000/no. of hours worked.

The industrial accident severity rate equals the number of working days lost due to industrial accidents per 1,000 hours worked: no. of days lost due to industrial accidents x 1,000/no. of hours worked.

Only lost-time industrial accidents occurring during the year are counted; travel accidents resulting in lost time are not included. Accidents incurred by trainees and temporary employees are also excluded. Hours of absence are deducted from the number of hours worked, while overtime hours are added to this number.

Absenteeism

The only absences taken into account are, on working days: illness, industrial or travel accidents, unpaid absences, unjustified absences, absences pending justification and therapeutic part-time work.

Staff turnover

Only permanent employees are taken into account. Persons transferred during the year are included in the data for the company in which they were present on 1 January the previous year. Departures following transfer are only recognised when definitive.

Disability

Since May 2021, data has been included in the DSN simplified social security return and no longer based on a declaration in February. Accordingly, the data now used for KPIs is taken from the DSN.

Number of training hours

Calculated training hours include training provided under the company training plan, training provided to employees in respect of their statutory training entitlement (CPF) and professional qualification periods. External, in-house, e-learning and face-to-face training is included. The Group does not provide training to temporary employees or to trainees on work-study placements.

The Company intends to strengthen its data collection and internal control system for the "Number of training hours per employee" indicator by reorganising collection of the information required to check this indicator among the relevant teams. A new system is currently being tested at the time of publication.

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 car fleet is only taken into account in the calculations made for the purposes of the Groupe LDLC parent company Bilan Carbone® audit.

IT system incidents

The software is not used by Olys/BIMP. In 2019/2020, the software availability rate was given for a randomly selected week during the year, with the goal of using this KPI over a longer period, which has been done.

Sapin II

The calculation base has been expanded following more detailed identification of the scope of employees requiring awareness training. Despite the apparent decrease in the KPI, the increase in the number of employees receiving awareness training in 2021/2022 should be noted.

KPI scoreboards may be obtained on request from the LDLC Group QHSE department.

CHAPITRE 23. REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE MANAGEMENT REPORT

For the year ended March 31, 2022

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 conducted work designed to provide a reasoned opinion expressing a moderate level of assurance on the historical information (recognized or extrapolated) in the consolidated statement of non-financial performance, prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the year ended March 31, 2022 (hereinafter respectively the "Information" and the "Statement"), included in the management report pursuant to the provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (Code de commerce).

Conclusion

Based on the procedures performed, 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 calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, the following comments are offered

The collection and internal control system for the indicator "Number of training hours per employee" still needs to be made reliable.

Preparation of the non-financial performance declaration

The absence of a generally accepted and commonly used reference framework or established practices on which to base the evaluation and measurement of data allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

As a result, data should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of information

Data may be subject to inherent uncertainty in the state of scientific or economic knowledge and in the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used for preparing it and are presented in the statement.

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information ;
- preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators ;
- implementing the internal control procedures which it deems necessary to ensure that the Information are not resulting from fraud or error.

The Statement has been prepared in accordance with the entity's Guidelines as mention above.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on :
- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code ;
- the fairness of the historical information (observed or extrapolated) provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to deliver an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.
However, it is not our responsibility to comment on :
- the entity's compliance with other applicable legal and regulatory requirements, in particular; the French duty of care law and anti-corruption and tax avoidance legislation ;
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional doctrine

The work described below was performed in accordance with the provisions of Articles A.225-1 and seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and with ISAE 30001[1] .

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Means and resources

Our work was carried out by a team of 4 people between January and May 2022 over a total period of three weeks.

We called upon our specialists in sustainable development and social responsibility to assist us in the performance of our work. We conducted eight interviews with the persons responsible for the preparation of the Declaration, representing in particular the Legal, Human Resources, Payroll and Quality Health Safety Environment Departments.

Nature and scope of our work

We planned and performed our work taking into account the risk of material misstatement of the Information.

We believe that the procedures we have performed, in the exercise of our professional judgment, allow us to provide a moderate level of assurance :
- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated ;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate ;

we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III ;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code ;

we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks ;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1.

[1] ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

• we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement ;
• we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information ;
for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data ;
- tests of details, using sampling or other techniques of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities[2] and covers between 41% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests ;

• we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes (CNCC) ; a higher level of assurance would have required more extensive audit work.

The independent third-party organization

Mazars

Lyon, June 16, 2022

Séverine Hervet	Paul-Armel Junne
Partner	*Partner, Technical Director*

[2] Groupe LDLC SA

Appendix 1 : List of information that we considered to be most important

Qualitative information (measures and outcomes) relating to the main risks

Measures implemented in terms of:

- Safety of employees;
- Search for a life quality at work;
- Fight against discrimination;
- Skills development of the teams;
- Responsible waste management;
- Control of energy consumption;
- Consumer safety;
- Participation in the economic development of the territories;
- Fight against corruption;
- Compliance with the general data protection regulations;
- Computer incidents.

Key performance indicators and other quantitative result

- Total headcount as at 31 December 2021;
- Frequency and severity rate of the Logistics, Shops, Subsidiaries and Offices activities;
- Number of unjustified absences per employee;
- Turnover rate;
- Proportion of employees with disabilities N-1;
- AGEFIPH contribution (disability allowance) per disabled employee N-1;
- Proportion of women among the top ten highest-earning employees;
- Training hours per employee;
- Proportion of employees who have taken a training course, including on personal development;
- Percentage of recovered waste;
- Electricity and energy consumption per square meter of surface area;
- Number of tCO_2eq Groupe excluding travel with business vehicles;
- Number of "security" claims on liability insurance;
- Change in the number of stores compared to the previous year;
- Proportion of graduates from the LDLC School that found a job after the course;
- Proportion of buyers that received awareness-raising on the Sapin II law;
- Proportion of GDPR champions that attended the GDPR awareness-raising course in N or N-1;
- Availability rate of the Company’s software allowing to manage the activity of the company.

CHAPITRE 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 30 September 2016 and 27 September 2019 to allot Company bonus shares pursuant to Articles L.225-197-1 et seq. of the French Commercial Code.

1. Share allotments carried out in accordance with Articles L.225-197-1 to L.225-197-3 of the French Commercial Code

Under the terms and conditions of Resolution 19 adopted by the General Meeting of 30 September 2016 and 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 allot existing or future Company bonus shares in one or more instalments, to all or some of the employees and/or corporate officers of the Company and the companies defined in Article L.225-197-2 of the French Commercial Code.

Under the foregoing authorisations, at its meetings held on 29 June 2017, 13 November 2017, 23 February 2018 and 22 July 2020, the Management Board unanimously decided to grant existing Company bonus shares under the following terms.

Date of General Meeting	**30/09/2016**	**30/09/2016**	**30/09/2016**	**27/09/2019**
Date of Management Board meeting	**29/06/2017**	**13/11/2017**	**23/02/2018**	**22/07/2020**
Total number of bonus shares granted (to):	10,000	2,000	70,000	20,000
Vesting date	(1)	13/11/2019 (3)	(4)	(7)
End of lock-in period	(2)	14/11/2021	(5)	(8)
Number of shares vested at 31 March 2022	3,000	2,000	35,000	0
Total number of shares cancelled or expired	7,000	None	35,000	None
Bonus shares outstanding at year-end	None	None	None	20,000
Share value (closing price on allotment date)	€28.49	€19.55	€17.94	€27.20
Value of shares (€) according to the method applied to the 2021/2022 consolidated financial statements (6)	1,640.00 (6)	None	(43,000.00) (6)	150,931.67

(1) Bonus shares shall vest only after a vesting period defined as follows by the Management Board:
- *Tranche 1 (1,000 shares): 2 years, expiring midnight 29 June 2019,*
- *Tranche 2 (1,000 shares): 3 years, expiring midnight 29 June 2020,*
- *Tranche 3 (2,000 shares): 4 years, expiring midnight 29 June 2021,*
- *Tranche 4 (3,000 shares): 5 years, expiring midnight 29 June 2022,*
- *Tranche 5 (3,000 shares): 6 years, expiring midnight 29 June 2023.*

Bonus shares shall only vest provided that the beneficiary is still employed by LDLC Distribution on the vesting date. However, the Management Board decided to waive the presence condition (i.e. that the beneficiary must still be an employee of the Company) on the tranche 3 vesting date in respect of half of the shares to be vested, i.e. 1,000 shares.

In accordance with a resolution of the 30 September 2016 General Meeting, shares will vest before the end of the vesting period if the beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

In accordance with Article L.225-197-3 of the French Commercial Code, if the beneficiary dies, his or her heirs may request vesting of the shares within six months of his or her death. There are no lock-in requirements in respect of these shares.

(2) The beneficiary has committed to a two-year lock-in period beginning on the vesting date of each bonus share tranche, as follows:
- *Tranche 1: 2 years, expiring midnight 30 June 2021,*
- *Tranche 2: 2 years, expiring midnight 30 June 2022,*
- *Tranche 3: 2 years, expiring midnight 30 June 2023,*
- *Tranche 4: 2 years, expiring midnight 30 June 2024,*
- *Tranche 5: 2 years, expiring midnight 30 June 2025.*

(3) Bonus shares shall only vest provided that the beneficiary is still employed by the Company or a related company, as defined by Article L.225-197-2 of the French Commercial Code, on the vesting date.

(4) Bonus shares shall vest only after a vesting period defined as follows:
- *Tranche 1 (10,000 shares): 2 years, expiring at 11.59 pm on 23 February 2020,*
- *Tranche 2 (12,500 shares): 3 years, expiring at 11.59 pm on 23 February 2021,*
- *Tranche 3 (12,500 shares): 4 years, expiring at 11.59 pm on 23 February 2022.*

Shares will only vest provided that the beneficiary fulfils the following conditions, as applicable:
- *Tranche 1 bonus shares shall only vest provided that, as at the tranche 1 vesting date, the beneficiary has been continuously employed by Olys, a related company as defined by Article L.225-197-2 of the French Commercial Code, or by the Company since 23 February 2018 and is still an employee at said vesting date,*
- *Tranche 2 bonus shares shall only vest provided that, as at the tranche 2 vesting date, the beneficiary has been continuously employed by Olys, a related company as defined by Article L.225-197-2 of the French Commercial Code, or by the Company since 23 February 2018 and is still an employee at said vesting date, and*
- *Tranche 3 bonus shares shall only vest provided that, as at the tranche 3 vesting date, the beneficiary has been continuously employed by Olys, a related company as defined by Article L.225-197-2 of the French Commercial Code, or by the Company since 23 February 2018 and is still an employee at said vesting date.*

The Management Board decided to waive the presence condition applicable to one beneficiary (i.e. that the beneficiary must still be an employee of the Company) on the tranche 2 and 3 vesting dates in respect of the remaining 25,000 bonus shares to be vested.

In accordance with Article L.225-197-1 of the French Commercial Code and a resolution of the 30 September 2016 General Meeting, bonus shares will vest before the end of the vesting period if the beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

In accordance with Article L.225-197-3 of the French Commercial Code, if the beneficiary dies, his or her heirs may request vesting of the bonus shares within six months of the death. There are no lock-in requirements in respect of these shares.

(5) Bonus shares are subject to the following one-year lock-in periods starting on the vesting date:
- *Tranche 1: zero hour 24 February 2020 to zero hour 24 February 2021,*
- *Tranche 2: zero hour 24 February 2021 to zero hour 24 February 2022, and*
- *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.

(6) For further information, see Notes 3.12 and 4.2 to the consolidated financial statements in Section 18.1.

(7) Bonus shares shall vest only after a vesting period defined as follows:
- *Tranche 1 (3,000 shares): 2 years, expiring at 11.59 pm on 22 July 2022,*
- *Tranche 2 (3,000 shares): 3 years, expiring at 11.59 pm on 22 July 2023,*
- *Tranche 3 (4,000 shares): 4 years, expiring at 11.59 pm on 22 July 2024.*

Bonus shares shall only vest provided that, at each tranche vesting date, the beneficiary has continuously held the status of employee or corporate officer of the Company and/or a related company as defined by Article L.225-197-2 of the French Commercial Code since 22 July 2020 and still holds such status at the applicable vesting date.

However, in accordance with Article L.225-197-1 of the French Commercial Code and a resolution of the 27 September 2019 Extraordinary General Meeting, bonus shares will vest before the end of the vesting period if the beneficiary suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

In accordance with Article L.225-197-3 of the French Commercial Code, if the beneficiary dies, his or her heirs may request vesting of the bonus shares within six months of the death. There are no lock-in requirements in respect of these shares.

(8) Bonus shares are subject to the following one-year lock-in periods starting on the vesting date:
- *Tranche 1: zero hour 23 July 2022 to 11.59 pm 23 July 2023,*
- *Tranche 2: zero hour 23 July 2023 to 11.59 pm 23 July 2024,*
- *Tranche 3: zero hour 23 July 2024 to 11.59 pm 23 July 2025.*

However, the bonus shares may be freely sold or transferred before the end of the lock-in period if the beneficiary dies or suffers 2nd or 3rd degree disability as defined by Article L.341-4 of the French Social Security Code.

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.

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 companies 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

Nous vous indiquons qu'aucune action n'a été attribuée gratuitement définitivement (expiration de la période d'acquisition) à chacun de ces mandataires par la société et par celles qui lui sont liées dans les conditions prévues à l'article L.225-197-2 du Code de Commerce ainsi que par les sociétés contrôlées au sens de l'article L.233-16 du Code de Commerce durant l'année et à raison des mandats et fonctions exercés dans la société.

4. 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 companies 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.

During the year (vesting period ongoing), 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 allotted 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 number and value of bonus shares having vested during the year, following expiry of the 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	Vesting date	Number of employees concerned	Number of shares vested	Share value (closing price on vesting date)
Groupe LDLC	29/06/2017	30/06/2022	1	1,000	€28.49
Groupe LDLC	23/02/2018	24/02/2022	1	12,500	€17.94
				13,500	

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.225-115-4 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 2022 amounted to €2,452,915.

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 MARCH 31, 2022

(Annual general Meeting held to approve the financial statements for the year ended March 31, 2022)

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 March 31, 2022 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 March 31, 2022. Our audit was conducted in accordance with professional standards applicable in France, and was planned and performed for the purpose of forming an opinion on the annual financial statements taken as a whole and not on any individual component of the accounts used to determine the total amount of remuneration paid to the highest-paid employees. Accordingly, our audit tests and samples were not carried out with this objective and we do not express any opinion on any components of the accounts taken individually.

We have carried out the procedures we considered necessary for this task in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes). These procedures, which constitute neither an audit nor a review, consisted in performing the necessary reconciliations between the total amount of remuneration paid to the highest-paid employees and the accounting records and verifying that it is consistent with the data used to prepare the annual financial statements for the year ended March 31, 2022.

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 €2 452 915, and the books of account used as the basis for preparation of the annual financial statements for the year ended March 31, 2022.

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, June 16, 2022

The Statutory Auditors

Cap Office — Rémi Charnay

Mazars — 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 2022 was €368,352.

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 March 31, 2022

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 March 31, 2022.

This information was prepared under the Chief Executive Officer's responsibility.

Our role is to certify this information.

In the context of our duties as Statutory Auditors, we have audited the annual financial statements of your company for the year ended March 31, 2022. The purpose of our audit, carried out in accordance with professional standards applicable in France, was to express an opinion on the annual financial statements as a whole, and not on the specific items of those financial statements used to determine the total amount of payments made pursuant to paragraphs 1 and 5 of Article 238 bis of the French General Taxation Code. Consequently, we did not carry out our audit tests and sampling for that purpose and we express no opinion on those items in isolation.

We have carried out the procedures we considered necessary for this task in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes). Those procedures, which constitute neither an audit nor a limited review, involve making the necessary reconciliations between the total amount of payments made pursuant to paragraphs 1 and 5 of Article 238 bis of the French General Taxation Code and the accounts from which the figure was calculated, and checking that it is consistent with the information used to prepare the annual financial statements for the year ended March 31, 2022.

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 ten thousand eight hundred and nineteen euros (€368 352), and the books of account used as the basis for preparation of the annual financial statements for the year ended March 31, 2022.

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, June 16, 2022

The Statutory Auditors

Cap Office	Rémi Charnay
Mazars	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 Universal Registration Document (Annexes 1 and 2 to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019).
- √ Information comprising the Annual Report (Article 4.2.1, Euronext Growth market rules).
- √ Information comprising the Management Report (Articles L.225-100 et seq., French Commercial Code).

Universal Registration Document cross-reference table

Annex 1 section, Commission Delegated Regulation (EU) 2019/980 of 14 March 2019		Universal Registration Document	Page
16.2	Existence of different voting rights	16.3	123
16.3	Control of the issuer	16.4	123
16.4	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control	16.5	124
17	**Related party transactions**	**17**	**125**
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	**18**	**128**
18.1	Historical financial information	18.1 18.3	128, 171
18.2	Interim and other financial information	n/a	-
18.3	Auditing of historical annual financial information	18.2 18.4	168, 195
18.4	Pro forma financial information	18.5	198
18.5	Dividend policy	18.7	198
18.6	Judicial and arbitration proceedings	18.13	203
18.7	Significant change in the issuer's financial position	18.14	203
19.	**Additional information**	**19**	**204**
19.1	Share capital	19.1	204
19.2	Memorandum and articles of association	19.2	208
20.	**Material agreements**	**20**	**210**
21.	**Available documents**	**21**	**212**

Annual Report cross-reference table

Management Report cross-reference table

Annual Management Report		Universal Registration Document	Page
1	Company financial position and business during the financial year ended	5 & 18	39, 128
2	Analysis of financial statements and earnings	7, 8 & 18	55, 71, 128
3	Appropriation of earnings	18.8	199
4	Non tax-deductible expenses	18.9	200
5	Dividends paid	18.7.1	198
6	Main risks and uncertainties facing the Company / Company's use of financial instruments	3	30
7	Trade receivables and payables aging balance	18.11	201
8	Research and development activities	7.6	70
9	Forecast changes and outlook	5 & 10	39, 82
10	Material post-balance sheet events	7.7 & 10	70, 82
11	Employee share ownership at financial year-end	15.3	121
12	Corporate governance	14.5	105
13	General information on corporate officers	12 & 14.5	90, 105
14	Compensation, retirement benefits and other annuities paid to corporate officers	13 & 14.5	93, 105
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	102
16	Revenues of subsidiaries and controlled companies	6 & 7.5	52, 64
17	Significant interests acquired in companies registered in France, takeovers of such companies or disposal of such interests	6.3	53
18	Information on share capital breakdown and treasury shares – Share buyback plan	16 & 19.1.3	122, 204
19	Changes in the share capital during the financial year	19.1.1	204
20	Share performance – Share price risk	16 & 3	122, 30
21	Delegations of power or authority to perform capital increases	14.5	105
22	Table of results of the past five years	18.12	202
23	Supervisory Board report on corporate governance	14.5	105
24	Statutory auditors' report on the Supervisory Board report on corporate governance	14.6 & 18.4	119, 195
25	Statement of non-financial performance	22	213
26	Independent third-party body report on the statement of non-financial performance	23	240
27	Special report on allotment of bonus shares (Article L.225-197-4, French Commercial Code)	24	244

2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | **2021/2022** | •••

2 rue des Erables
CS21035
69578 Limonest cedex
FRANCE
Tel. +33 (0)4 72 52 37 77
Fax +33 (0)4 72 52 37 78
groupe-ldlc.com

the ultimate_ **high-tech experience**

Photos: Trafalgar Maison de Portraits & Romain Chambodut, Véronique Védrenne, Infinity Nine Media/Alexia Leduc, Populous, LDLC Group, D.R.

www.ACTUS.fr