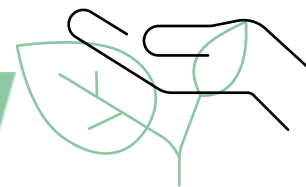


Paris, 19 October 2023

Consolidated annual results 2022–2023



TERACT showed good resilience:

- **Continued work on building a committed retail model**
- **Good cash generation despite the macroeconomic environment**

Group net income impacted by a non-current and non-cash technical listing service charge of €91.4 million as part of the combination of InVivo Retail and the 2MX Organic SPAC.

TERACT (Euronext Paris: TRACT, ISIN: FR001400BMH7) is publishing its consolidated results for the financial year ended 30 June 2023¹ as approved by the Board of Directors at its meeting of 18 October 2023.

Moez-Alexandre Zouari, Chief Executive Officer of TERACT, stated: “The results for the past year show that TERACT held up well despite persistent macroeconomic pressures. The Group was able to continue generating cash without compromising its ability to invest for its development. With uncertainty around price and cost inflation expected to continue in 2023–2024, TERACT is targeting growth in its business volume primarily through the development of the growing bakery-snacks market and an acceleration of the franchise model and its own-brands in the Garden Centre segment. The Group remains open to alliances and acquisitions that make good business sense, where the market positioning would be relevant and complement the downstream activity of InVivo group by which it is backed.”

Guillaume Darrasse, Deputy Chief Executive Officer of TERACT, stated: “In 2023–2024, TERACT will continue to implement the operational plans put in place last year, involving strict management of inventories and costs, the efficient execution of which has enabled it to reduce the impact of inflationary pressures on its results. Additionally, it will forge ahead with the development of its own-brands with the goal of achieving 24% of revenue this year, thus responding effectively to the purchasing power constraints of our customers.”

¹The consolidated financial statements have been audited. The auditor's report will be issued after approval of the management report and finalisation of the procedures for filing the Universal Registration Document.

Foreword on the key figures

TERACT's 2022-2023 consolidated financial statements have been exceptionally impacted by a listing expense as a result of the combination of InVivo Retail with the 2MX Organic SPAC.

This listing expense was recognised as a non-cash listing service charge, of €91.4 million, which was classified under "Other operating income and expenses".

Key figures in 2022-2023

Breakdown of revenue by segment

(in €m)	30/06/2023 12 months ²	30/06/2022 12 months ³	Change	
			Reported	Like-for-like ⁴
Revenue	902.1	813.7	10.9 %	- 1.9 %
Garden Centre/Pet Retail	808.6	794.9	1.7 %	- 1.8 %
Food Retail	93.5	18.8	X5	NC

Financial indicators

(in €m)	30/06/2023 12 months	30/06/2022 9 months ⁵
Revenue	902.1	648.9
Adjusted EBITDA⁶	67.5	68.9
As a % of revenue	7.5 %	10.6 %
Current operating income	2.1	26.3
Group net income	(106.6)	12.0
Free cash flow⁷	56.8⁸	16.2

² Additional information on the length of the 2022-2023 financial year is provided in the press release dated 6 June 2023.

³ For the purpose of comparability of this indicator, revenue is reconstituted over 12 months. As a reminder, TERACT's consolidated financial statements for the 2021-2022 financial year covered a period of nine months (1 October 2021 to 30 June 2022) due to the change in closing date for InVivo Retail which was applied in 2022.

The Bio&Co food stores were also restated over 12 months (acquisition by InVivo Retail on 1 June 2022).

⁴ Constant scope restating all changes in the scope of consolidation.

⁵ TERACT's consolidated financial statements for the 2021-2022 financial year covered a period of nine months (1 October 2021 to 30 June 2022) due to the change in closing date for InVivo Retail which was applied in 2022.

⁶ Defined as current operating income plus the elimination of expenses (or income) related to depreciation/ amortisation or impairment (or reversals of depreciation/amortisation or impairment) of fixed assets.

⁷ Based on net cash flow from operating activities, plus disposals and deductions of property, plant and equipment and intangible assets and after the deduction of acquisition of in property, plant and equipment and intangible assets.

⁸ Restated for the outflow of non-recurring expenses related to the combination transaction in the amount of €11 million.

Analysis of the 2022–2023 consolidated results

Revenue for the 2022–2023 financial year came to **€902.1 million**, an increase of +10.9% in reported data and a decrease of -1.9% like-for-like over 12 months versus 2021–2022.

The consolidated annual revenue for the 2022–2023 financial year of the Garden Centre/Pet Retail business, which includes the Jardiland, Gamm Vert (and Frais d'ICI range), Delbard, Jardineries du Terroir and Noa brands, came to €808.6 million. This represents an increase of +1.7% in reported data and a decrease of -1.8% like-for-like, of which -1.1% in the second half of the year, marked by ongoing macroeconomic pressures. In this highly inflationary environment that also put pressure on purchasing power, TERACT decided to forge ahead and step up the development of its exclusive brands. The penetration rate of its own-brands has thus improved by five points compared with 30 June 2022 (20.6% of the revenue of integrated stores at 30 June 2023).

The e-commerce websites (Gammvert.fr and Jardiland.com) saw further growth during the second half of the year, benefiting from the ongoing rollout of the digital plan.

The consolidated annual revenue of the Food Retail business, which includes the Bio&Co (consolidated over 12 months), Boulangerie Louise (consolidated over 7 months) and Grand Marché La Marnière (consolidated over 7 months) banners, reached €93.5 million. The period was impacted by the integration of Boulangerie Louise and Grand Marché la Marnière and their teams, and by the ongoing overhaul of Boulangerie Louise's offering with a particular focus on snack products.

Adjusted EBITDA came to **€67.5 million** in 2022–2023. It was impacted in particular by an increase in inflation across all cost items which did not slow down at the end of the fiscal year. The increase in energy costs was partly offset by the energy savings plan initiated by the Group in September 2022. This notably included the launch of a new platform for the management of electricity consumption, which helped to reduce the latter by 30% versus the previous year. Costs relating to the successful integration of the newly acquired companies and their teams, a priority goal for the Group, and the significant rise in purchasing costs, which were not passed on to selling prices immediately and then only in a limited manner to help preserve purchasing power, also impacted EBITDA. The latter was also impacted by closing effects linked in particular to IFRS consolidation, which explains the difference in relation to the EBITDA estimate of €75–85 million communicated at the end of July⁹.

Consequently, **the adjusted EBITDA margin rate** is 7.5%.

Current operating income came to **€2.1 million** at 30 June 2023.

There was an **operating loss** of **€90.6 million** after factoring in non-current expenses of €92.7 million, mainly attributable to the recognition in 2022–2023 of a non-cash listing service charge of €91.4 million in the context of the combination of InVivo Retail with the 2MX Organic SPAC.

⁹ https://www.teract.com/wp-content/uploads/2023/07/TERACT_CP_CA-S2-et-FY-2022-23_20230727_EN.pdf

TERACT made a **Group net loss** of **€106.6 million** at 30 June 2023, primarily incorporating the aforementioned impact of the listing expense as part of the combination of InVivo Retail with the 2MX Organic SPAC of €91.4 million (a non-cash listing service charge), a net financial loss of €17.6 million and a tax expense of €2.3 million. The net income from discontinued operations of €3.2 million corresponds to a rotation policy applicable to non-strategic assets.

Financial structure in 2022–2023

Free cash-flow

(in €m)	30/06/2023 12 months	30/06/2022 9 months
Net cash flow from activities	87.9 ¹⁰	32.4
Acquisition of property, plant and equipment and intangible assets	(33.4)	(25.2)
Disposals and deductions of property, plant and equipment and intangible assets	2.3	9.0
Free cash flow	56.8	16.2

The Group's **free cash flow** in 2022–2023 was **€56.8 million**. TERACT chose to focus its financial priorities on recurring cash generation. On the one hand, it maintained sound cost management and, on the other, introduced efficient management of existing inventories. At €33.4 million, investment in operating activities was preserved as part of a rigorous selection process. The difference with the free cash flow estimate of €60–65 million communicated at the end of July¹¹ is due to the aforementioned lag in relation to EBITDA.

Net debt

(in €m)	30/06/2023	30/06/2022
Medium- and long-term debt	468.8	377.8
Of which debt in relation to InVivo Group, the parent company of TERACT	222.8	160.0
Of which rental liabilities (IFRS 16)	225.0	216.4
Net cash	21.4	25.1
Net debt	447.4	352.7

The Group had **net debt** of **€447.4 million** at 30 June 2023 (of which €222.8 million with its parent company InVivo Group and €225 million in rental liabilities). The change is mainly attributable to the development of the Food Retail activity and in particular the acquisition over the year of two companies (Boulangerie Louise and Grand Marché La Marnière) and their impact in terms of rental payments.

¹⁰ Restated for the outflow of non-recurring expenses related to the combination transaction in the amount of €11 million.

¹¹ https://www.teract.com/wp-content/uploads/2023/07/TERACT_CP_CA-S2-et-FY-2022-23_20230727_EN.pdf

Outlook

Commitments and outlook concerning CSR

In line with its commitments, in 2023, TERACT will submit a proposal to its Shareholders' Meeting for a change of status to "société à mission", with its purpose being "To help make the benefits of nature accessible to all". This will entail the Group building and providing access to an offering of products and services that are healthy and responsible, applying operating practices that promote well-being and the environment and mobilising its employees and stakeholders in the regions in order to achieve the Group's societal ambition and meet new consumption expectations. To this end, it will implement and commit to a series of operational objectives that it will also track. The Group's main CSR objectives over the coming years are as follows¹²:

Between now and 2025:

- 50% of managers to be hired through internal promotion (14.7% in 2022-2023)
- 50% less workplace accidents compared with 2020
- 90% of exclusive own-brand plant-based products of French origin (excluding greenhouse) (83% in 2022-2023) and 50% of plant products from sector commitments (43% in 2022-2023)
- 80% of exclusive own-brands with a positive impact (54.4% in 2022-2023)

By 2030:

- 10% less water consumption compared with 2022-2023
- 100% of stores accredited an animal welfare label (35% in 2022-2023)
- 70% of waste sorted and recycled (59% in 2022-2023)
- -46% reduction in greenhouse gas emissions versus 2019-2020 (scopes 1 and 2) (47.6% reduction in 2022-2023). The target has therefore already been achieved for the Garden Centre/Pet Retail scope thanks to the effectiveness of TERACT's multi-annual energy savings and efficiency plan.

Operating and financial outlook

Amid persistent macroeconomic pressures in the second half of 2023 (first half of TERACT's 2023-2024 financial year) and uncertainty as to how the situation will evolve in the first half of 2024 (second half of TERACT's 2023-2024 financial year), the Group is maintaining a prudent approach in order to limit the effects of inflation and reduced purchasing power while also improving the seasonal aspect of its business model in order to generate growth.

New store openings, particularly in the bakery/snacks line (around ten to be opened between now and June 2024), will enable to bolster revenue in a sector that continues to offer high margins and a strong growth outlook and in which the potential for greater regional coverage is strong.

TERACT will also continue to roll out its own Garden Centre brands, for which it targets an increase in the penetration rate of 2 to 3 percentage points to 24% of the revenue of integrated stores in 2023-2024. The company will also continue to ensure effective management and optimisation of its store network while pursuing the development of its franchise model. This will be underpinned by an attractive omnichannel model that is a leader in the sector in France, as part of an overhaul of the e-commerce websites and a focus on stores put back at the core of the digital strategy, through the repayment of the revenue

¹² The scope of indicators for 2022-2023 does not include the entities integrated since 1 December 2022, i.e. Boulangerie Louise and Grand Marché La Marnière. It will be expanded for the 2023-2024 financial year.

concerned. The strict cost management policy, particularly in relation to energy, will be maintained while the integration of companies acquired during the year is being completed.

Taking into account these elements, and barring any further deterioration in the environment, TERACT estimates it will generate revenue in 2023-2024 of €900-950 million.

The ongoing work to control costs and inventories should continue to have a positive impact on free cash flow generation while maintaining a capex level enabling to effectively pursue the company's development.

In line with the projects undertaken over the past year, TERACT remains open to alliances that make good business sense and which would generate growth, improve the margin and integrate effectively with the upstream/downstream activities of InVivo.

Appendix

1. Store network

	30/06/2022	30/06/2023
Garden Centre/Pet Retail	1,581	1,576
Jardiland	175	172
Integrated stores	110	105
Franchises/Affiliates	65	67
Gamm vert (including Frais d'ici range)	1,158	1,153
Integrated stores	98	98
Franchises/Affiliates	1,060	1,055
Delbard and Jardineries du Terroir	245	248
Franchises/Affiliates	245	248
Noa	3	3
Integrated stores	3	3
Food Retail	7	138
Boulangerie Louise		128
Integrated stores		119
Franchises/Affiliates		9
Grand Marché La Marnière		3
Integrated stores		3
Bio&Co	7	7
Integrated stores	7	7
Group	1,588	1,714

2. Sales volume¹³

(in €m)	30/06/2023 12 months	30/06/2022 12 months ¹⁴	Change	
			Reported	Like-for-like ¹⁵
Estimated annual gross sales under banner excluding VAT	2,483.4	2,389.6	3.9 %	0.9 %
Garden Centre/Pet Retail	2,388.4	2,370.8	0.7 %	0.9 %
Food Retail	95.0	18.8	X5	NC

Unaudited figures

¹³ Sales volume and revenue from the brands include the revenue generated by the integrates stores and by the franchised/affiliated stores.

¹⁴ For the purpose of comparability of this indicator, revenue is reconstituted over 12 months. TERACT's consolidated financial statements for the 2021-2022 financial year covered a period of nine months (1 October 2021 to 30 June 2022) due to the change in closing date for InVivo Retail which was applied in 2022.

¹⁵ Constant scope restating all changes in the scope of consolidation. Excluding affiliates.

3. Reconciliation of non-IFRS financial indicators

Adjusted EBITDA

(in €m)	30/06/2023 12 months	30/06/2022 9 months
Current operating income	2.1	26.3
Elimination of expenses (or income) related to depreciation/ amortisation or impairment (or reversals of depreciation/amortisation or impairment) of fixed assets	65.4	42.6
Adjusted EBITDA	67.5	68.9

4. Consolidated income statement

Consolidated income statement (in €m)	30/06/2023	30/06/2022
	12-month period	9-month period
Revenue excluding tax	902.1	648.9
Total revenue	902.1	648.9
Purchase	(520.6)	(373.2)
Payroll costs	(183.5)	(117.3)
Taxes and duties	(13.3)	(10.3)
Other operating expenses	(120.3)	(82.3)
Depreciation, amortisation and impairment net of reversals	(62.3)	(39.6)
Current operating income	2.1	26.3
Other operating income and expenses	(92.7)	(2.2)
Operating income	(90.6)	24.1
Financial income/(loss)	(17.6)	(11.7)
Earnings before tax and net income of equity affiliates	(108.2)	12.5
Income tax	(2.3)	(0.6)
Share of net income/(loss) of equity affiliates	0.3	0.6
Net income from discontinued operations	3.2	-
Consolidated net income/(loss)	(106.9)	12.5
Share of non-controlling interests	0.3	(0.5)
Group net income	(106.6)	12.0

5. Consolidated statement of financial position

Assets (in €m)	30/06/2023	30/06/2022
	12-month period	9-month period
Goodwill	267.8	112.3
Other intangible assets	133.4	88.3
Property, plant and equipment	124.9	103.2
Right-of-use assets	207.1	209.0
Investments in associates and joint ventures	12.1	10.3
Other non-current assets	7.4	5.7
Deferred tax assets	21.3	15.1
Non-current assets	774.1	543.8
Inventories	169.7	165.0
Trade receivables	143.4	155.8
Other current assets	56.3	50.9
Current tax liabilities	4.0	8.4
Cash and cash equivalents	22.8	25.3
Assets held for sale	13.4	8.6
Current assets	409.6	414.0
Total assets	1,183.8	957.8
Liabilities (in €m)	30/06/2023	30/06/2022
	12-month period	9-month period
Share capital	0.7	0.7
Paid-in capital, treasury shares, other reserves and profits	329.0	252.6
Shareholders' equity attributable to the Group	329.7	253.3
Non-controlling interests	9.3	3.1
Shareholders' equity	339.1	256.4
Provisions for retirement plans and similar non-current commitments	9.5	9.7
Other non-current provisions	7.2	9.3
Non-current gross financial debt	73.9	71.8
Non-current rental liabilities	190.5	189.9
Non-current liabilities related to commitments to purchase non-controlling interests	9.9	-
Deferred tax liabilities	7.1	0.5
Non-current liabilities	298.2	281.1
Other current provisions	-	-
Trade payables	233.7	216.6
Current gross financial debt	169.8	89.8
Current rental liabilities	34.5	26.6
Tax liabilities due	1.7	2.3
Other current liabilities	99.9	83.7
Cash liabilities	1.4	0.2
Liabilities related to assets held for sale	5.5	1.0
Current liabilities	546.6	420.2
Total liabilities and shareholders' equity	1,183.8	957.8

6. Consolidated statement of cash flows

Table of consolidated cash flows (in €m)	30/06/2023	30/06/2022
	12-month period	9-month period
Net income from operations	(110.1)	12.5
Net income from discontinued operations	3.2	-
Consolidated net income/(loss)	(106.9)	12.5
Net income of equity affiliates	(0.3)	(0.6)
Dividends received from equity affiliates	0.1	-
<i>Elimination of income and expenses with no impact on cash</i>		
Depreciation, amortisation and provisions	67.4	45.3
Reversals of depreciation, amortisation and provisions	(5.1)	(5.7)
Gains/(losses) on fair value adjustments	0.3	-
Capital gains/losses on the sale of fixed assets	0.6	(2.4)
Listing expense	91.4	-
Other income and expense with no impact on cash	(0.2)	(1.2)
Net cost of financial debt	8.2	5.1
Net financial interest paid on lease contracts	8.8	6.5
Net tax expense	2.3	0.6
Cash flow	66.6	60.1
Taxes paid	(5.7)	(4.5)
Change in working capital requirement related to operating activities	16.0	(23.2)
Inventory and work in progress	1.9	(25.7)
Trade receivables and related accounts	17.8	3.4
Trade payables and related accounts	(7.0)	0.5
Social security and tax liabilities	5.6	0.9
Other miscellaneous loans and receivables	(2.3)	(2.3)
Net cash flow from activities	76.9	32.4
Acquisition of fixed assets	(35.1)	(25.6)
Intangible assets	(21.5)	(12.3)
Property, plant and equipment	(11.9)	(12.9)
Financial fixed assets	(1.7)	(0.4)
Sale and reduction of fixed assets	302.9	10.1
Intangible assets	0.2	4.0
Property, plant and equipment	2.1	5.0
Financial fixed assets	0.6	1.1
Release of escrow account	300.0	-
Changes in scope	(153.4)	(38.4)
Net cash flow from (recorded under) investment activities	114.4	(53.9)
Capital increases (decreases)	12.0	100.0
Dividends paid to non-controlling interests of consolidated companies	(0.2)	(0.3)
Net sale (purchase) of treasury shares	0.4	-
Investment subsidies received	-	-
Increase in financial debt	63.2	71.8
Repayment of financial debt	(6.6)	(88.6)
Non-subscription of associates	(210.1)	-
Repayment of rental liabilities	(35.4)	(22.6)
Net financial interest paid	(16.9)	(11.6)
Change in other financing flows	(1.2)	0.2
Net cash flow from (recorded under) financing activities	(194.8)	48.9
Change in cash	(3.5)	27.4
Opening cash	25.1	(2.1)
Of which net opening cash from operating activities	25.1	(2.1)
Of which net opening cash from activities held for sale	-	-
Closing cash	21.5	25.1
Of which net opening cash from operating activities	21.5	25.1
Of which net opening cash from activities held for sale	-	-

7. Provisional agenda of forthcoming events and financial publications

For the financial year ended 30 June 2023

Date	Event
15 December 2023	Annual General Meeting

For the financial year ended 30 June 2024

Date	Event
15 February 2024 (before market)	H1 revenue
26 March 2024 (before market)	H1 results
30 July 2024 (before market)	Annual revenue
17 October 2024 (before market)	Annual results

These dates are indicative and are subject to change.

Disclaimer

This press release may contain forward-looking statements.

Forward-looking statements are defined as opposed to historical facts and include, but are not limited to, all expectations regarding:

- *Future events such as trends, plans, expectations or objectives;*
- *Future business, such as the results, financial condition, performance or strategy of TERACT.*

Forward-looking statements are based on the expectations and assumptions anticipated by TERACT's management as of the date of this release and are only valid as of the date they are made. Investors and/or shareholders of TERACT are warned not to place undue reliance on these forward-looking statements, which are, by their nature, subject to risks and uncertainties that may or may not be identified and are beyond the control of TERACT. These risks include, among others, those set forth in the "Risk Factors" section of the Prospectus registered with the Autorité des Marchés Financiers on 30 June 2022 under visa no. 22-248 and available at www.teract.com (under the heading "Investors/Regulatory Information"). As a result, actual results or performance may differ materially from those expressed or implied by such forward-looking statements.

TERACT does not undertake any obligation to update such forward-looking statements, except as required by law and regulation. All forward-looking statements made by or on behalf of TERACT are qualified by this cautionary statement.

About TERACT:

Since 29 July 2022, TERACT has combined the distribution activities of the InVivo Group (formerly InVivo Retail) and those of the former SPAC 2MX Organic.

TERACT is a major responsible distribution player in the garden centre and pet retail and food distribution growth markets. Our ambition is to create a unique network of brands combining tradition and modernity, agricultural know-how and innovation, in-store and digital experiences. TERACT addresses the demand for a new generation of consumption which is synonymous with quality, sustainability and traceability. TERACT regroups the Garden Centre/Pet Retail brands Jardiland, Gamm vert, Delbard, Jardineries du Terroir and Noa as well as the Food Retail brands Boulangerie Louise, Grand Marché La Marnière, Frais d'Ici and Bio&Co. TERACT's majority shareholder is InVivo, one of the leading agricultural and agri-food groups in Europe. TERACT is listed on the professional segment of Euronext Paris (ticker code: TRACT, ISIN: FR001400BMH7). Further information is available at www.teract.com.

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