SMCP

sandro · maje · claudie pierlot · fursac

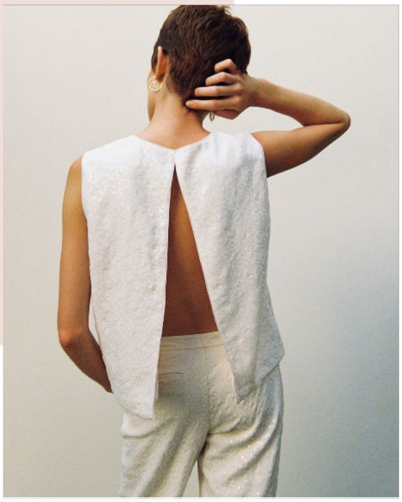
**SMCP S.A.**
Société anonyme (a joint-stock company) with a capital of € 83,917,383
Registered office: 49, rue Étienne Marcel, 75001 Paris, France
Paris Companies Register no. 819 816 943

# 2024

## INTERIM FINANCIAL REPORT

### For the six-month period ended June 30, 2024






*This Interim Financial Report is available*

*on SMCP's website at : www.smcp.com*

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# 1 STATEMENT OF THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

## 1.1. Person responsible for the 2024 interim financial report

Isabelle Guichot, Chief Executive Officer of SMCP S.A.

## 1.2. Declaration by the person responsible for the 2024 interim financial report

“I certify that, to my knowledge, the condensed interim consolidated financial statements, presented in the interim financial report as of June 30, 2024, have been prepared in accordance with applicable accounting standards and provide a faithful representation of the assets, liabilities, financial position and results of SMCP and of all companies within its scope of consolidation, and that the attached interim management report presents a faithful representation of the significant events that occurred in the first six months of the fiscal year, their impact on the condensed interim consolidated financial statements, and the main related party transactions, and it describes the major risks and uncertainties for the remaining six months of the year.”

Paris, July 29th, 2024 - Chief Executive Officer

Isabelle Guichot

# 2 INTERIM MANAGEMENT REPORT

## 2.1.1 Introduction

Unless otherwise stated:

- All references herein to the "Group," the "Company" or "SMCP," refer to the Company and its consolidated subsidiaries

- All references herein to the "EMEA" region comprise the Group's activities in European countries excluding France (mainly the United Kingdom, Spain, Germany, Switzerland, Italy) as well as the Middle East (including the United Arab Emirates)

- All references to the "America" zone comprise activities in the United States, Canada and Mexico

- All references to the "APAC" zone comprise activities in Asia-Pacific (mainly Mainland China, Hong Kong SAR, Macau SAR, South Korea, Singapore, Thailand, Malaysia and Australia)

- All references herein to "Consolidated financial statements", "Notes to the consolidated financial statements" refer to the condensed interim consolidated financial statements for the period ended June 30, 2024

- Amounts are stated in millions of euros and rounded to the first digit after the decimal point. As a result, the sum of rounded amounts may present immaterial discrepancies relative to the reported total. Also, ratios and differences are calculated based on the underlying amounts as opposed to the rounded amounts

SMCP reports on financial indicators that are not defined by IFRS, both internally (among indicators used by the chief operating decision-makers) and externally:

- Number of points of sale;
- Like-for-like[1] sales growth;
- Organic[2] sales growth;
- Adjusted EBITDA[3] and adjusted EBITDA margin;
- Adjusted EBIT[4] and adjusted EBIT margin;
- "Management" gross margin and Retail margin;
- Operational free cash-flow after tax;
- Net financial debt.

[1] On a comparable store basis and at constant exchange rates
[2] At constant scope (consolidation) and exchange rates
[3] EBITDA before charges related to LTIP
[4] EBIT before charges related to LTIP

### 2.2 First semester 2024 business review and outlook

#### 2.2.1 Key figures as of June 30, 2024

| | H1 2023 | H1 2024 | *Evolution (regarding Sales, evolution as reported)* |
|---|---|---|---|
| Points of sale | 1,658 | 1,701 | +43 POS |
| **Sales (€m)** | **609.8** | **585.3** | -4.0% |
| Adjusted EBITDA (€m) | 115.7 | 98.5 | -14.9% |
| **Adjusted EBIT (€m)** | **36.3** | **18.8** | -48.5% |
| **Net income Group Share (€m)** | **14.0** | **(27.7)** | -€41.7m |
| EPS (€)[1] | 0.19 | (0.37) | -€0.56 |
| Diluted EPS (€)[2] | 0.18 | (0.37) | -€0.55 |
| **FCF (€m)** | **(8,7)** | **(8.8)** | -1.7% |

As dilution effect cannot improve earning per share, EPS after dilution is at the same level as EPS before dilution as of June 30, 2024.

#### 2.2.2 Consolidated net income review

##### 2.2.2.1 Consolidated sales

Over the first half of 2024, consolidated revenue reached €585 million, down -3.6% organically compared to H1 2023. The currency impact is negative (-0.4%). Like-for-like network sales are decreasing by -5.5%. While the Group recorded a +6% organic growth in America and a good resilience in Europe with sales nearly stable (-1% in France and +1% organic in EMEA) on a high basis of comparison in H1 2023, sales have been impacted by continuous slow consumption in China (APAC sales -20% organic vs H1 2023), where the Group has decided to start a network optimization. Excluding China, Sandro and Maje recorded a positive organic growth in the first semester.

The network optimization led to 29 net closings in the semester, mainly in Asia and for Claudie Pierlot, to reach 1,701 POS.

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[1]*Net Income Group Share divided by the average number of ordinary shares as of June 30th, 2024, minus existing treasury shares held by the Group*

[2]*Net Income Group Share divided by the average number of common shares as of June 30th, 2024, minus the treasury shares held by the company, plus the common shares that may be issued in the future. This includes the conversion of the Class G preferred shares (2,735,739 shares) and the performance bonus shares – LTIP (123,749 shares) which are prorated according to the performance criteria reached as of June 30th, 2024*

## Consolidated sales by geographical area and by brand as of June 30, 2024

| *€m (except %)* | **H1 2023** | **H1 2024** | *Organic sales change* | *Change in reported data* |
|---|---|---|---|---|
| **By region** | | | | |
| France | 203.9 | **202.5** | -0.7% | -0.7% |
| EMEA | 189.1 | **191.8** | +0.8% | +1.4% |
| America | 80.3 | **84.8** | +5.8% | +5.6% |
| APAC | 136.5 | **106.2** | -19.9% | -22.2% |
| **By brand** | | | | |
| Sandro | 295.9 | **292.3** | -0.7% | -1.1% |
| Maje | 228.5 | **218.8** | -3.7% | -4.2% |
| Other brands | 85.9 | **74.1** | -13.8% | -13.7% |
| **TOTAL** | **609.8** | **585.3** | **-3.6%** | **-4.0%** |

## Sales by region

In **France**, sales reached €202m, nearly stable (-1%) compared to H1 2023. The trend is significantly improving in the second quarter (+6% vs Q2 2023) with increased consumption in stores both in Paris and in other regions, particularly for Sandro and Maje. Both brands outperformed market indices[1] in the second quarter. B&M performed very well, while the continued strategy of discount rate reduction limits digital growth. The network is increasing, with four net openings during the semester.

In **EMEA,** sales reached €192m, an organic increase of +1% compared to H1 2023, which was a high basis of comparison (+9% vs H1 2022). The second quarter's performance is in line with the first quarter's trend, driven by increasing traffic and a strict full-price strategy. Like-for-like performance in B&M is positive in nearly all retail markets. Retail partners signed a positive performance during the semester, notably in the Middle East. The network recorded nine net closings during the semester (mostly Claudie Pierlot).

In **America**, sales reached €85m, an organic increase of 6% compared to H1 2023 despite a volatile environment. In a very promotional context, the Group maintained a strict policy (+2 points improvement of discount rate). In the US, positive like-for-like performance is driven by B&M, especially in corners, and by an outstanding success of Sandro Spring-Summer collection. In Mexico, sales recorded a strong performance throughout the semester. The network is increasing with six net openings during the semester.

In **APAC**, sales reached €106m, an organic decrease of -20% vs H1 2023. In China, sales continue to be strongly impacted by the persistent traffic decline and the network optimization, in line with the strategy of the Group. The network is decreasing with 30 stores closed during the semester in China. The Group is working on its action plan to renew with sales growth in the country, by working on brands desirability and retail excellence in B&M. In the rest of the region, sales remain resilient in several markets (Singapore, Vietnam, Malaysia and Thailand).

[1] *Retail Int. and IFM*

### 2.2.2.2 Adjusted EBITDA and adjusted EBITDA margin

**Adjusted EBITDA** reached €98.5m in H1 2024 (adjusted EBITDA margin of 17% of revenue), compared with €116m in H1 2023. The decrease is mostly explained by a volume effect from lower sales in 2024 compared to 2023. Management gross margin ratio (74.3%) increases compared to H1 2023 (73.1%), supported by a strict full-price strategy. Total **Opex** (store costs [1] and general and administrative expenses) are nearly stable vs H1 2023, excluding one-off costs linked to China network optimisation. Such stability of Opex results from inflation (notably the 2024 impact of 2023 increases in salaries and rents) balanced by cost reduction plans.

#### 2.2.2.2.1 Adjusted EBITDA by brand

| *(In €m)* | **H1 2023** | **H1 2024** |
|---|---|---|
| **Adjusted EBITDA** | **115.7** | **98.5** |
| Sandro | 62.0 | 58.8 |
| Maje | 48.6 | 42.8 |
| Other brands | 5.1 | (3.1) |
| **Adjusted EBITDA margin** | ***19.0%*** | ***16.8%*** |
| Sandro | *21.0%* | *20.1%* |
| Maje | *21.3%* | *19.6%* |
| Other brands | *5.9%* | *(4.2%)* |

### 2.2.2.3 Amortization, depreciation, and provisions

**Depreciation, amortization, provisions** amounted to -€80m in H1 2024, nearly stable vs H1 2023 (-€79m). Excluding IFRS 16, depreciation and amortization represent 4.2% of sales in H1 2024, in line with H1 2023 (4.0%).

### 2.2.2.4 Adjusted EBIT and adjusted EBIT margin

**Adjusted EBIT** reached €19m in H1 2024 compared with €36m in H1 2023. Adjusted EBIT margin is 3.2% in H1 2024 (6% in H1 2023).

[1] *Excluding IFRS 16*

### 2.2.2.5 Change from adjusted EBIT to net income Group share

| *(In €m) – IFRS* | **H1 2023** | **H1 2024** |
|---|---|---|
| **Adjusted EBIT** | **36.3** | **18.8** |
| Long-Term Incentive Plan (LTIP) | (3.5) | (0.9) |
| EBIT | 32.8 | 17.8 |
| Other non-recurring income and expenses | (0.9) | (30.4) |
| **Operating profit** | **31.9** | **12.6** |
| Cost of net financial debt | (12.4) | (16.5) |
| Other financial income and expenses | (0.3) | (1.2) |
| **Financial result** | **(12.7)** | **(17.7)** |
| Profit before tax | 19.2 | (30.3) |
| Income tax | (5.2) | 2.6 |
| **Net profit for the period** | **14.0** | **(27.7)** |
| Of which Group share | 14.0 | (27.7) |
| Of which Share of non-controlling interests | - | - |

### 2.2.2.6 Long-Term Incentive Plans (LTIP)

In the first half of 2024, SMCP recorded an expense of -€1million related to the long-term incentive plans (vs -€3.5m in H1 2023).

### 2.2.2.7 Other non-recurring income and expenses

Other non-current expenses reached -€30m, increasing compared to H1 2023 (-€0.9m); they include the booking of impairment (with no impact on cash) of stores and goodwill (Claudie Pierlot).

### 2.2.2.8 Financial result

Financial expenses are increasing at -€18m in H1 2024 vs -€13M in H1 2023 (including -€7m of interests on rental debt vs -€5m in 2023). Interest expenses on financial debt increase (-€9m in H1 2024 vs -€7m in H1 2023), due to the increase in market interest rates.

### 2.2.2.9 Profit before tax and income tax

In H1 2024, profit before tax amounted to -€30 million compared to €19 million in H1 2023.

Due to a negative profit before tax in H1 2024, **Income tax** amounted to a credit of €3 million vs an expense of -€5 million in H1 2023.

### 2.2.2.10 Net income – Group share

**Net income - Group share is at -**€28m (€14m in H1 2023).

### 2.2.2.11 From Net income – Group share to EPS

| | H1 2023 | H1 2024 |
|---|---|---|
| **Net profit - Group share (€ million)** | **14.0** | **(27.7)** |
| **Average number of shares** | | |
| Before dilution[1] | 75,202,313 | 75,151,807 |
| After dilution[2] | 78,536,750 | 78,011,295 |
| **EPS (in euros)** | | |
| Before dilution[1] | **0,19** | **(0.37)** |
| After dilution[1] | **0,18** | **(0.37)** |

As dilution effect cannot improve earning per share, EPS after dilution is at the same level as EPS before dilution as of June 30, 2024.

## 2.2.3 Free cash-flow

Despite EBIT decrease, the Group maintained the same level of free-cash-flow as in 2023 (a consumption of €9 million), thanks to:

- A lower increase of working capital resulting from a strict control over its inventories (level as of June 30th, 2024 is 7% below end of 2023)
- A decrease of income tax payments.

Capex investments were stable at 24 million euros (same level as in H1 2023), representing 4% of sales in H1 2024, in line with Group's strategy.

| *In € million* | H1 2023 | H1 2024 |
|---|---|---|
| **Cash from operations before changes in working capital** | **120.1** | **101.6** |
| Change in working capital | (14.0) | (4.5) |
| Income tax | (13.3) | (3.7) |
| **Net cash flow from operating activities** | **92.9** | **93.4** |
| Capex | (23.7) | (24.1) |
| Reimbursement rent lease | (67.5) | (66.2) |
| Interest & Other Financial | (9.9) | (12.4) |
| Other & FX | (0.5) | 0.3 |
| **Free cash flow** | **(8.7)** | **(8.8)** |

[1] *Average number of common shares in H1 2024 minus existing treasury shares held by the company.*
[2] *Average number of common shares in H1 2024, minus the treasury shares held by the company, plus the common shares that may be issued in the future. They include the conversion of the Class G preferred shares (2,735,739 common shares) and the long-term incentive plan shares – LTIP (123,749 shares) which are prorated according to the performance criteria reached as of June 30, 2024.*

### 2.2.4 Net Financial Debt

| *(In € million)* | **As of December 31, 2023** | **As of June 30, 2024** |
|---|---|---|
| Non-current financial debt & other financial liabilities | (224) | (161) |
| Bank overdrafts and short-term borrowings and debt | (113) | (169) |
| Cash and cash equivalents | 51 | 37 |
| **Net financial debt** | **(286)** | **(293)** |
| Adjusted EBITDA excl. IFRS 16 over the last 12 months | *112* | *96* |
| **Net financial debt / adjusted EBITDA[1]** | **2.55x** | **3,05x** |

**Net financial debt** stood at €293 million as of June 30th, 2024, a slight increase vs end of 2023 (286 million of euros), but a decrease vs June 30th, 2023 (306 million euros). €43m of reimbursements were performed during the semester (Term Loan A and State guaranteed loans), in line with contractual schedules.

Net debt/EBITDA ratio stands at 3.05x. The gap vs contractual level of 2.5x was waived at 3.4x by the pool of banks on June 28th, 2024, which authorized a covenant up to 3.4x for the test as of June 30, 2024.

The Group has an important level of liquidity, including a RCF of 200 million euros of which a part of 169 million euros is undrawn at end of June 2024.

### 2.2.5 Outlook

In an environment that remains complex and uncertain, on macro-economic, political and geopolitical sides, SMCP continues to focus on executing the action plan aimed at returning to profitable growth. Network adjustment, started in H1 in particular in China and the strategic repositioning of Claudie Pierlot, will continue in the second semester. SMCP will accelerate the retail partners activity, with the first openings in India and the pursuit of South-East Asia development in the second semester 2024. Action plans aimed at increased cost control are all initiated and ongoing. Some (optimization of indirect purchases and personnel costs) will start to bear fruit as early as 2024, with an amplified effect in 2025 and 2026; others have been initiated but with a more gradual positive effect that will materialize starting in 2025 (optimization of product purchase costs).

The target of 25m€ positive impact on EBIT by 2026 is confirmed.

### 2.2.6 Subsequent events

SMCP has been informed that on July 12, 2024, the English High Court, upon request from GLAS SAS (London Branch) as trustee of the exchangeable bonds issued by European TopSoho S.à r.l. ("ETS"), has ruled that the transfer of a 15.9% stake of the Company's share capital from ETS to Dynamic Treasure Group Ltd ("DTG") in 2021 was invalid. The Judge issued consequently on July 18, 2024 an order requiring, subject to potential legal recourses, the return by DTG of the 15.9% stake to ETS, which is currently under liquidation in Luxembourg, by July 26, 2024 at the latest.

### 2.2.7 Main risks and uncertainties

The main risks and uncertainties to which SMCP believes it is exposed in 2024 are specified in section 2 "Risk factors and Internal Control" of the 2023 Universal Registration Document.

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[1] *Adjusted EBITDA calculated on a rolling 12-month basis and excluding the impacts of IFRS 16*

# 3 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## 3.1 Consolidated income statement

| | | 1st semester 2023 | 1st semester 2024 |
|---|---|---|---|
| | | *in €m* | *in €m* |
| **Sales** | **3.10.1** | **609.8** | **585.3** |
| Cost of sales | 3.10.2 | (225.5) | (215.8) |
| **Gross margin** | | **384.3** | **369.5** |
| Other operating income and expenses | | (126.1) | (127.8) |
| Personnel costs | | (142.5) | (143.3) |
| Depreciation, amortization, and impairment | | (79.4) | (79.7) |
| Share-based Long-Term Incentive Plan | | (3.5) | (0.9) |
| **Current operating income** | | **32.8** | **17.8** |
| Other non-current income and expenses | 3.10.3 | (0.9) | (30.4) |
| **Operating profit** | | **31.9** | **(12.6)** |
| Financial income and expenses | | (0.3) | (1.2) |
| Cost of net debt | | (12.4) | (16.5) |
| **Financial income** | **3.10.4** | **(12.7)** | **(17.7)** |
| **Profit/(loss) before tax** | | **19.2** | **(30.3)** |
| Income tax expense | 3.10.5 | (5.2) | 2.6 |
| **Net profit for the period** | | **14.0** | **(27.7)** |
| Attributable to owners of the Company | | 14.0 | **(27.7)** |
| Attributable to non-controlling interests | | - | - |
| **Net profit/(loss) attributable to owners of the Company** | | **14.0** | **(27.7)** |
| **Basic Group share of net earnings per share (EUR)** | **3.10.6** | **0.19** | **(0.37)** |
| **Diluted Group share of net earnings per share (EUR)** | **3.10.6** | **0.18** | **(0.37)** |

*Foreign currency items in the consolidated income statement and consolidated statement of comprehensive income are translated at the average exchange rate for each period presented (see note 3.7.2.2 – "Rates applicable for the period").*

## 3.2 Consolidated statement of comprehensive income

| | 1st semester 2022<br>*in €m* | 1st semester 2023<br>*in €m* |
|---|---|---|
| **Net profit/(loss) for the period** | **14.0** | **(27.7)** |
| Revaluation of the net liability for defined benefit plans | - | 0.3 |
| **Total other comprehensive income/(loss) that may not be reclassified to profit or loss** | **-** | **0.3** |
| Gains/(losses) on derivative financial instruments (cash flow hedges), net of tax | (1.2) | (0.2) |
| Gains/(losses) on exchange differences on translation of foreign operations | (1.6) | 1.2 |
| **Total other comprehensive income/(loss) that may be reclassified to profit or loss** | **(2.8)** | **1.0** |
| **Total other comprehensive income/(loss)** | **(2.8)** | **1.3** |
| **Total comprehensive income/(loss)** | **11.2** | **(26.3)** |

*Foreign currency items in the consolidated income statement and consolidated statement of comprehensive income are translated at the average exchange rate for each period presented (see note 3.7.2.2 – "Rates applicable for the period").*

## 3.3 Consolidated statement of financial position

### 3.3.1 Assets

| | Notes | 12/31/2023<br>*in €m*<br>**Net** | 6/30/2024<br>*in €m*<br>**Net** |
|---|---|---|---|
| Goodwill | 3.11.1.1 | 626.7 | 604.3 |
| Trademarks | 3.11.1.2 | 663.0 | 663.0 |
| Right of use | 3.11.4.1 | 445.4 | 440.8 |
| Other intangible assets | 3.11.1.2 | 12.0 | 11.2 |
| Property, plant and equipment | 3.11.3 | 83.1 | 79.1 |
| Non-current financial assets | | 18.5 | 18.5 |
| Deferred tax assets | | 32.0 | 26.5 |
| **Non-current assets** | | **1,880.7** | **1,843.4** |
| Inventories | 3.11.5 | 281.8 | 262.5 |
| Trade receivables | 3.11.6 | 68.2 | 62.7 |
| Other receivables | 3.11.7 | 69.2 | 64.6 |
| Cash and cash equivalents | | 50.9 | 37.2 |
| **Current assets** | | **470.1** | **427.0** |
| **Total Assets** | | **2,350.8** | **2,270.4** |

### 3.3.2 Equity and liabilities

| | Notes | 12/31/2023<br>*in €m*<br>**Net** | 6/30/2024<br>*in €m*<br>**Net** |
|---|---|---|---|
| Share capital | 3.11.8 | 83.9 | 83.9 |
| Share premium | | 949.5 | 949.5 |
| Reserves | | 151.7 | 126.5 |
| Self-control action | | (5.0) | (3.3) |
| **Equity attributable to owners of the Company** | | **1,180.1** | **1,156.6** |
| **Total equity** | | **1,180.1** | **1,156.6** |
| Non-current lease liabilities | 3.11.4.2 | 305.7 | 319.5 |
| Non-current financial debt | 3.11.10 | 223.5 | 160.0 |
| Other non-current liabilities | 3.11.11 | 0.1 | 0.6 |
| Non-current provisions | 3.11.11 | 0.7 | 0.7 |
| Net employee defined benefit liabilities | 3.11.11 | 4.9 | 4.9 |
| Deferred tax liabilities | | 166.9 | 165.4 |
| **Non-current liabilities** | | **701.8** | **651.1** |
| Trade and other payables | | 161.9 | 134.4 |
| Current lease liabilities | 3.11.4.2 | 106.6 | 95.9 |
| Bank overdrafts and short-term borrowings and debt | 3.11.10 | 113.6 | 169.1 |
| Short-term provisions | 3.11.11 | 1.3 | 3.6 |
| Other liabilities | 3.11.12 | 85.5 | 59.7 |
| **Current liabilities** | | **468.9** | **462.7** |
| **Total equity and liabilities** | | **2,350.8** | **2,270.4** |

## 3.4 Consolidated statement of cash flows

| | 1st semester 2023 *in €m* | 1st semester 2024 *in €m* |
|---|---|---|
| **Profit/(loss) before tax** | **19.2** | **(30.3)** |
| Depreciation, amortization and impairment | 79.4 | 79.7 |
| Financial income | 0.9 | 17.7 |
| Other incomes and expenses without counterpart in cash | 12.7 | 34.5 |
| **Cash from operations before changes in working capital [1]** | **115.7** | **101.6** |
| (Increase)/decrease in trade and other receivables and prepayments | (18.8) | 8.1 |
| (Increase)/decrease in net inventories after depreciations | 13.6 | 20.7 |
| Increase /(decrease) in trade and other payables | (6.2) | (33.3) |
| **Change in working capital** | **(11.4)** | **(4.5)** |
| Reimbursed (paid) income tax | (13.3) | (3.7) |
| **Net cash flow from operating activities** | **91.0** | **93.4** |
| Purchases of property, plant and equipment and intangible assets | (23.7) | (25.7) |
| Sales of property, plant, equipment and intangible assets | - | 1.4 |
| Purchases of financial instruments | (1.8) | (1.3) |
| Proceeds from sales of financial instruments | 1.5 | 1.4 |
| Purchases of subsidiaries net of cash acquired | (6.1) | - |
| **Net cash flow used in investing activities** | **(30.1)** | **(24.1)** |
| Share repurchased program | (2.4) | - |
| Issuance of long-term financial borrowings | - | 6.2 |
| Net reimbursement of short-term financial borrowings[2] | (74.1) | (43.9) |
| Reimbursement of lease liabilities | (59.8) | (66.2) |
| Other financial income and expenses | 0.6 | (0.7) |
| Interest paid | (6.8) | (11.7) |
| **Net cash flow from financing activities** | **(142.5)** | **(116.3)** |
| Net foreign exchange difference | (0.5) | 0.3 |
| **Change in net cash and cash equivalents** | **(87.8)** | **(46.6)** |
| Cash and cash equivalents at the beginning of the period | 73.3 | 50.9 |
| Bank credit balances at the beginning of the period | (2.0) | (17.2) |
| **Net cash and cash equivalents at the beginning of the period** | **(71.3)** | **33.7** |
| Cash and cash equivalents at the end of the period | 33.8 | 37.2 |
| Bank credit balances at the beginning/end of the period | (50.3) | (49.9) |
| **Net cash and cash equivalents at the end of the period** | **(16.5)** | **(12.8)** |

[1] *Recurring operating income before depreciation, amortization, impairment and before the share-based Long-Term Incentive Plan*

[2] *Includes mainly, in 2023, the €55 million reimbursement of TLA, €14 million reimbursement of state-guaranteed loan 1 and €5.3 million reimbursement of state-guaranteed loan 2 ; in 2024, the €10 million reimbursement of TLA, €28 million reimbursement of state-guaranteed loan 1 and €5.3 million reimbursement of state-guaranteed loan 2*

## 3.5 Consolidated statement of changes in equity

| *In €m* | Number of OS | Share capital (Note 3.11 8) | Share premium | Treasury shares | Reserves and retained earnings | Revaluation of defined benefit liabilities | Translation adjustment | Future cash flow hedges | Net profit attributable to owners of the Company | **Total Group share** | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as of January 1st, 2024** | **76,288,530** | **83.9** | **949.5** | **(5.0)** | **140.2** | **1.4** | **(0.9)** | **(0.2)** | **11.2** | **1,180.1** | **1,180.1** |
| Net profit as of June 30, 2024 | - | - | - | - | - | - | - | - | (27.7) | (27.7) | (27.7) |
| Exchange differences arising from the translation of foreign operations | | | | | | 0.3 | | | | 0.3 | 0.3 |
| Gains/(losses) on exchange differences on translation of foreign operations | - | - | - | - | - | - | 1.2 | | | 1.2 | 1.2 |
| Gains/(losses) on derivative financial instruments (cash flow hedges), net of tax | | | | | | | | (0.2) | | (0.2) | (0.2) |
| **Other comprehensive income/(loss)** | **-** | **-** | **-** | **-** | **-** | 0.3 | 1.2 | (0.2) | | **1.3** | **1.3** |
| **Total comprehensive income/(loss)** | **-** | **-** | **-** | **-** | **-** | 0.3 | 1.2 | (0.2) | (27.7) | **(26.3)** | **(26.3)** |
| Appropriation of 2023 net result | - | - | - | - | 11.2 | - | - | - | (11.2) | - | - |
| Conversion of class G preferred shares | | | | | | | | | | | - |
| Share-based Long-Term Incentive Plan | | | | | | | | | | | |
| Purchase of treasury shares | | | | 1.7 | 1.0 | | | | | 2.8 | 2.8 |
| **Total transactions with owners** | | | | **1.7** | **12.2** | | | | **(11.2)** | **2.8** | **2.8** |
| **Balance as of June 30, 2024** | **76,288,530** | **83.9** | **949.5** | **(3.3)** | **152.4** | **1.7** | **0.3** | **(0.4)** | **(27.7)** | **1,156.6** | **1,156.6** |
| | | | | | | | | | | | |
| **Balance as of January 1st, 2023** | **75,535,338** | **83.9** | **949.6** | **(7.7)** | **91.3** | **1.6** | **1.1** | **1.0** | **51.3** | **1,172.1** | **1,172.1** |
| Net profit as of June 30, 2023 | - | - | - | - | - | - | - | - | 14.0 | 14.0 | 14.0 |
| Exchange differences arising from the translation of foreign operations | | | | | | | (1.6) | | | (1.6) | (1.6) |
| Gains/(losses) on exchange differences on translation of foreign operations | - | - | - | - | - | - | | (1.2) | | (1.2) | (1.2) |
| **Other comprehensive income/(loss)** | **-** | **-** | **-** | **-** | **-** | **-** | **(1.6)** | **(1.2)** | | **(2.8)** | **(2.8)** |
| **Total comprehensive income/(loss)** | **-** | **-** | **-** | **-** | **-** | | **(1.6)** | **(1.2)** | **14.0** | **11.2** | **11.2** |
| Appropriation of 2021 net result | - | - | - | - | 51.3 | - | - | - | (51.3) | - | - |
| Conversion of class G preferred shares | 55,849 | | | | | | | | | | - |
| Share-based Long-Term Incentive Plan | | | | | | | | | | | |
| Purchase of treasury shares | | | | 4.8 | 3.6 | | | | | 8.4 | 8.4 |
| **Total transactions with owners** | **753, 192** | | | **4.8** | **54.9** | | | | **(51.3)** | **8.4** | **8.4** |
| **Balance as of June 30, 2023** | **75,591,187** | **83.9** | **949.5** | **(2.9)** | **146.2** | **1.7** | **(0.6)** | **(0.2)** | **14.0** | **1,191.6** | **1,191.6** |

## 3.6 GENERAL INFORMATION

### 3.6.1 Presentation of the Group

The consolidated group ("the Group") includes parent company SMCP S.A. and its subsidiaries. The Company's registered office is located at 49 rue Étienne Marcel, 75001 Paris, France. It has been listed on Euronext Paris since October 2017.

SMCP is an international retailer of ready-to-wear and accessories. The Group markets its collections through a network of physical points of sale and websites. The Group is structured around four highly recognised brands, each with its own identity and dedicated design teams and workshops: Sandro (Women and Men), Maje, Claudie Pierlot and Fursac. These four complementary brands enable the Group to better penetrate its markets by targeting different customer profiles with appropriate product ranges, while sharing a single global platform and a single optimised distribution chain.

The Group's collections are made up of high-quality clothing and accessories for women and men, in a more affordable price segment than that of luxury brands. The Group manages the design, marketing and sale of the products for its four brands, thus meeting the needs of a wide audience, mainly between the ages of 15 and 45. The Group believes that its Parisian anchoring is a natural source of inspiration and the cornerstone for the positioning of its brands.

The Group's creative approach is focused on capturing fashion trends and consumer aspirations and interpreting them by creating and developing affordable and very appealing apparel and accessories, while maintaining a strong attention to detail and craftsmanship, providing luxury, high value-added products.

At the end of June 2024, the Group is present in 46 countries through 1,701 points of sale (of which 764 Sandro, 628 Maje, 226 Claudie Pierlot and 83 Fursac), including 1,341 directly operated (free-standing stores, concessions, affiliates, outlets and websites) of which 579 Sandro, 479 Maje, 201 Claudie Pierlot and 82 Fursac, and 360 operated by partners. The Group is working on its action plan to optimize the network in China by closing less profitable stores. Compared to the end of 2023, the network decreased by 29 units.

### 3.6.2 Significant events

***Consequences of macro-economic environment***

Following the trends observed in 2023, consumption remains soft in some of the areas where the Group operates, and in particular in China, leading to a limited traffic in the malls where the Group's brands have points of sales.

In Europe and America, consumption environment remains volatile, and hard to predict. While the two biggest brands of SMCP, Sandro and Maje, continue to enjoy good performance, Claudie Pierlot revenue is decreasing in 2024.

Given those factors, the Group has initiated an action plan to renew with profitable growth and aimed at both developing business and managing costs.

In this context, the Group has decided to adjust its network of directly operated stores, leading to the closure of 30 points of sales in the first semester 2024 in China (Sandro, Maje et Claudie Pierlot) and 6 points of sales in Europe (Claudie Pierlot). H1 P&L includes the impact of such closures, mostly accounted for in EBIT (including the lines personnel costs and depreciation/amortization).

## 3.7 ACCOUNTING PRINCIPLES AND METHODS

### 3.7.1 Basis of preparation

The Group's consolidated interim financial statements cover a business period of six months, from January 1 to June 30, 2024, and were approved by the Board of Directors on July 25st, 2024. They should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2023 and the consolidated interim financial statements as of June 30, 2023 for a comparative analysis. All amounts are expressed in millions of euros unless stated otherwise.

### 3.7.2 Accounting principles and methods

The condensed consolidated interim financial statements for the period ended June 30,2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting and the international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and in force on June 30,2024. These standards and interpretations are applied consistently to the periods presented. The condensed consolidated interim financial statements have been prepared according to the same accounting policies as those used to prepare the annual financial statements for the period ended December 2023, subject to the following clarifications:

- **Seasonality of sales and changes in inventories**

The Group's business is sensitive to seasonal effects that have an impact on:

- its stock levels:
  - the Group presents two annual collections, the "Fall/Winter" and the "Spring/Summer" collections, which are available from June and December/January respectively, leading to a generally higher level of inventory volume in April and in October/November due to the receipt of products before the merchandising in stores of these two collections,
  - Inventory write-down rules were reviewed by management to take account of the sell through of inventories during the period and the information available at the closing date. This review has refined the method used to write down inventories, making the net value of inventories and the Group's net worth more relevant.

- income and margin levels:
  - the Group's sales volume is higher in the first weeks of the January and June/July sale periods, although they have a lower margin due to discounts,
  - the volume of sales is also lower in the first quarter (February is a month with fewer days) and in the third quarter (August is a month of holidays),
  - the Christmas and fourth quarter margins are historically stronger given lower discounts over this period.

- **Calculation of tax at the end of the interim period**

At the end of each interim period, income tax expense or income is determined according to the principles defined in IAS 34. The tax is calculated based on the best possible estimate for each taxable entity, of the expected average annual tax rate for the full year, reprocessed for the tax effects generated by the non-recurring items recorded in the period in which they occurred. This estimated tax rate is 33.16%.

- **Valuation of non-current assets at the end of the interim period**

In presence of impairment indicators related to non-current assets, the Group carries out an assessment to determine whether the recoverable amount is sufficient.
The Group tests the carrying value of non-current assets with indefinite useful life annually. At the end of each interim period, when indicators of impairment are identified (significant deterioration in the legal or economic environment, significant decline in asset performance, etc.), the Group conducts the assessment of such non-current assets. An impairment indicator was identified over the period on the Claudie Pierlot and Fursac brands, as well as in China. The impairment tests carried out led the Group to record impairment losses for the half-year (note 3.11.2).

- **Post-employment benefits**

The market indices have changed by around +0.45% since 12/31/2023, and actuarial assumptions have been revised accordingly, with OCI impact.
The expense recognized as of June 30, 2024, for post-employment benefits corresponds to the amount calculated for 2023 fiscal year prorated over six months.

### 3.7.2.1 New standards and interpretations

***Pillar 2***

On 8 October 2021, the OECD/G20 Inclusive Framework approved a two-pillar solution to reform the international tax system and respond to the tax challenges arising from the digitalisation of the economy. The first pillar ("Pillar One") aims to introduce new rules to reallocate certain amounts of taxable income to market jurisdictions, while the second pillar ("Pillar Two") aims to introduce a minimum effective tax rate of 15%.
Although the Group does not fall within the scope of Pillar One, it meets the threshold criteria for the application of Pillar Two. The SMCP Group monitors the implementation of these rules in the national legislation of the jurisdictions in which the Group operates. Based on the texts available to date on Pillar 2, the estimated impact on 2024 annual income tax expense should not be significant.

### 3.7.2.2 Exchange rates applicable for the period

Expenses, proceeds, and cash flows for each of the two interim periods were converted using the average rate of the semester. Assets and liabilities were converted at the closing rate in effect on 6/30/2024. The table below shows the main exchange rates applied to the operations:

| | | **12/31/2023** | **6/30/2023** | **6/30/2024** | |
|---|---|---|---|---|---|
| | | **Closing** | **Average** | **Closing** | **Average** |
| | | | *6 months* | | *6 months* |
| EURO | EUR/EUR | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| SWISS FRANC | EUR/CHF | 0.9260 | 0.9856 | 0.9634 | 0.9615 |
| POUND STERLING | EUR/GBP | 0.8691 | 0.8764 | 0.8464 | 0.8546 |
| US DOLLAR | EUR/USD | 1.105 | 1.0807 | 1.0705 | 1.0813 |
| CANADIAN DOLLAR | EUR/CAD | 1.4642 | 1.4565 | 1.4670 | 1.4685 |
| CHINESE YUAN | EUR/CNY | 7.8725 | 7.5017 | 7.8209 | 7.8175 |
| HONG KONG DOLLAR | EUR/HKD | 8.6314 | 8.4709 | 8.3594 | 8.4540 |
| SINGAPORE DOLLAR | EUR/SGD | 1.4591 | 1.4440 | 1.4513 | 1.4561 |
| DANISH CROWN | EUR/DKK | 7.4529 | 7.4462 | 7.4575 | 7.4580 |
| NORWEGIAN CROWN | EUR/NOK | 11.2405 | 11.3195 | 11.3965 | 11.4926 |
| SWEDISH CROWN | EUR/SEK | 11.0960 | 11.3329 | 11.3595 | 11.3914 |
| MACAO PATACA | EUR/MOP | 8.8795 | 8.7238 | 8.6166 | 8.7055 |
| TAIWAN DOLLAR | EUR/TWD | 33.8417 | 33.0512 | 34.7093 | 34.4941 |
| JAPANESE YEN | EUR/JPY | 156.3300 | 145.7600 | 171.9400 | 164.4600 |
| MALAYSIA RINGGIT | EUR/MYR | 5.0775 | 4.8188 | 5.0501 | 5.1107 |
| AUSTRALIAN DOLLAR | EUR/AUD | 1.6263 | 1.5989 | 1.6079 | 1.6422 |
| NZ DOLLAR | EUR/NZD | 1.7504 | 1.7318 | 1.7601 | 1.7752 |

## 3.8 BUSINESS COMBINATION

The Group acquired its partner IFB located in Australia and New Zealand on January 23, 2023, to the extent of 100%. This company was previously owned by its founder. The cash consideration paid amounted to 6.9 €m.

A residual goodwill of 5.4 €m was definitively allocated on December 31, 2023, notably representing the potential for business development in this area through physical stores, digital channels, and across all four SMCP brands. The estimated residual goodwill at the end of the half-year closing on June 30, 2023, amounted to 5.1 €m (note 3.11.1.1)

In accordance with IFRS 3, "Business Combinations," the identifiable acquired assets and assumed liabilities of these two companies were recognized at their fair value as of the acquisition date.

## 3.9 SEGMENT INFORMATION

According to IFRS 8 – Segment Reporting, an operating segment is a component of an entity that engages in business activities from which it may earn sales and incur expenses, including sales and expenses relating to transactions with other components of the same entity; and:

- whose operating results are reviewed regularly by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- for which separate financial information is available.

### 3.9.1 Group Operating Segments

SMCP's activities are managed through three separate operating segments within the meaning of IFRS 8, corresponding to the four brands, each with its own customer base:

- Sandro
- Maje
- Other brands (including Claudie Pierlot & Fursac)

Each brand has its own identity with dedicated creative teams and plays a key role in the Group's strategy. They are directed and managed by separate management teams with their own financial information.

The main operational decision-maker is the Executive Committee (COMEX) of SMCP S.A. which reviews the activities and performance of each of the four brands on a monthly basis.

The Claudie Pierlot and Fursac brands are grouped together in the same sector for the following reasons:

- their geographic coverage is very similar, with most of their business conducted in France and Europe (>90% of Retail Revenue in 2023),
- their logistics resources have been pooled;
- their long-term Gross margin ratio and EBITDA margin are similar;
- their respective weight is not significant at the SMCP Group level (Claudie Pierlot and Fursac jointly accounted for 14% of Group revenue in 2023).

### 3.9.2 Financial information by operating segment

The tables below set out the Group's financial information by operating segment as of June 30, 2024 and June 30, 2023:

| | Sandro | Maje | Other brands | Holdings | 1st semester 2024 |
|---|---|---|---|---|---|
| | *in €m* | *in €m* | *in €m* | *in €m* | *in €m* |
| Sales | 292.3 | 218.8 | 74.1 | - | 585.3 |
| Adjusted EBITDA (1) | 58.3 | 43.2 | (3.0) | - | 98.5 |
| Adjusted EBITDA excluding IFRS 16 (2) | 27.9 | 18.6 | (11.0) | - | 35.5 |
| Depreciation, amortization, and impairment | (40.2) | (29.5) | (10.0) | - | (79.7) |
| **Adjusted EBIT (3)** | **18.1** | **13.7** | **(13.0)** | **-** | **18.8** |
| Goodwill | 338.7 | 239.7 | 25.9 | - | 604.3 |
| Right of use | 201.0 | 145.0 | 59.2 | 35.6 | 440.8 |
| Intangible assets | 322.0 | 228.0 | 118.5 | 5.7 | 674.2 |
| Property, plant and equipment | 34.0 | 25.3 | 12.1 | 7.7 | 79.1 |
| Capital expenditure (4) | 12.3 | 8.9 | 3.0 | 1.2 | 25.4 |

*(1) Adjusted EBITDA is an indicator not defined by IFRS and is defined by the Group as current operating income less depreciation, amortization and provisions and the free share allocation plan.*
*(2) Adjusted EBITDA excluding IFRS 16 is an indicator not defined by IFRS and corresponds to adjusted EBITDA restated for fixed rents.*
*(3) Adjusted EBIT is an indicator not defined by IFRS and is defined by the Group as current operating income less the free share allocation plan.*
*(4) Capital expenditure breaks down as follows: (see note 3.4. Consolidated cash flow statement) and excluding rights of use:*
*Purchases of property, plant and equipment: €14.3m at June 30, 2023 and €16.7m at June 30, 2024;*
*Purchases of intangible assets: €3.0m as of June 30, 2023, and €3.2m as of June 30, 2024;*
*Purchases of financial instruments: €1.8 million at June 30, 2023 and €1.3 million at June 30, 2024;*
*Change in payables to suppliers of fixed assets: 6.3 m€ at June 30, 2023 and 4.2 m€ at June 30, 2024.*

| | Sandro | Maje | Other brands | Holdings | 1st semester 2023 |
|---|---|---|---|---|---|
| | *in €m* | *in €m* | *in €m* | *in €m* | *in €m* |
| Sales | 295.5 | 228.5 | 85.8 | - | 609.8 |
| Adjusted EBITDA (1) | 61.9 | 48.5 | 5.3 | - | 115.7 |
| Adjusted EBITDA excluding IFRS 16 (2) | 28.8 | 24.4 | (2.8) | - | 50.4 |
| Depreciation, amortization, and impairment | (40.5) | (29.0) | (9.9) | - | (79.4) |
| **Adjusted EBIT (3)** | **21.4** | **19.5** | **(4.8)** | **-** | **36.3** |
| Goodwill | 338.7 | 239.0 | 53.6 | - | 631.3 |
| Right of use | 201.4 | 136.8 | 65.3 | 41.4 | 444.9 |
| Intangible assets | 322.3 | 228.4 | 118.5 | 2.9 | 672.1 |
| Property, plant and equipment | 29.6 | 22.0 | 15.1 | 9.7 | 76.3 |
| Capital expenditure (4) | 10.4 | 6.8 | 3.8 | 4.4 | 25.4 |

Operating expenses of holding companies are rebilled to the brands pro rata to sales, plus a mark-up.

### 3.9.3 Key performance indicators

| | 1st semester 2023 | 1st semester 2024 |
|---|---|---|
| | *in €m* | *in €m* |
| **Recurring operating income** | **32.8** | **17.8** |
| Share-based Long-Term Incentive Plan | 3.5 | 0.9 |
| **Adjusted EBIT** | **36.3** | **18.7** |
| Depreciation, amortization, and impairment | 79.4 | 79.7 |
| **Adjusted EBITDA** | **115.7** | **98.5** |
| IFRS 16 impact | (65.3) | (63.0) |
| **Adjusted EBTDA excluding IFRS 16** | **50.4** | **35.5** |

Among the key performance indicators followed by the Board of Directors, Adjusted EBITDA is not defined by IFRS but is defined by the Group as the recurring operating income before depreciation, amortization, impairment, and impact of share-based Long-Term Incentive Plan. Adjusted EBIT is defined as the recurring operating income before the impact of share-based Long-Term Incentive Plan.

### 3.9.4 Financial information by geographic segment

The table below sets out sales and assets by geographic region of delivery. To be noted that wholesale sales and online sales are allocated based on the customer's country of residence.

| | France | EMEA | America | APAC | 6/30/2024 |
|---|---|---|---|---|---|
| | *in €m* | *in €m* | *in €m* | *in €m* | *in €m* |
| **Net sales** | 202.5 | 191.8 | 84.8 | 106.2 | **585.3** |
| **Non-current assets** | 1,543.4 | 124.1 | 94.9 | 81.0 | **1,843.4** |

| | France | EMEA | America | APAC | 6/30/2023 |
|---|---|---|---|---|---|
| | *in €m* | *in €m* | *in €m* | *in €m* | *in €m* |
| **Net sales** | 203.9 | 189.1 | 80.3 | 136.5 | **609.8** |
| **Non-current assets** | 1,585.0 | 139.8 | 61.0 | 93.6 | **1,879.5** |

## 3.10 NOTES TO THE INCOME STATEMENT

### 3.10.1 Sales

| | 1st semester 2023 | 1st semester 2024 |
|---|---|---|
| | *in €m* | *in €m* |
| Sales of goods | 609.8 | 585.3 |
| **Sales** | **609.8** | **585.3** |

The table below shows the Group's sales by distribution channel over the two periods presented:

| | 1st semester 2023 | 1st semester 2024 |
|---|---|---|
| | *in €m* | *in €m* |
| Retail | 554.3 | 531.5 |
| *- Directly operated stores* | *183.0* | *173.9* |
| *- Concessions ("corners")* | *172.7* | *177.4* |
| *- Outlets* | *76.9* | *69.5* |
| *- Affiliates* | *13.2* | *12.9* |
| *- Online* | *108.5* | *97.8* |
| Partnered retail sales | 55.5 | 53.8 |
| **Sales** | **609.8** | **585.3** |

### 3.10.2 Cost of sales

Cost of sales includes:

- Consumption of raw materials and products plus sub-contracting costs and ancillary costs (customs duties, etc.);
- Fees paid to affiliates, department stores and local partners, and to third-party websites.

| | 1st semester 2023 | 1st semester 2024 |
|---|---|---|
| | *in €m* | *in €m* |
| Raw materials consumed | (37.2) | (33.4) |
| Finished products consumed | (82.5) | (81.9) |
| Subcontracting and ancillary expenses | (41.6) | (35.4) |
| Commissions | (62.3) | (64.8) |
| Net foreign exchange gain/(loss) on operating items | (1.9) | 0.2) |
| **Cost of sales** | **(225.5)** | **(215.8)** |

### 3.10.3 Other non-current income and expenses

| *(in €m)* | 1st semester 2023 | 1st semester 2024 |
|---|---|---|
| Other income | 0.5 | 0.1 |
| Other expenses | (1.4) | (30.5) |
| **Other non-current income and expenses** | **(0.9)** | **(30.4)** |

Other income and expenses include the following items :

| *(in €m)* | 1st semester 2023 | 1st semester 2024 |
|---|---|---|
| Impairment of goodwill (1) | - | (22.4) |
| Impairment of right-of-use and other fixed assets (2) | - | (7.5) |
| Others (3) | (0.9) | (0.5) |
| **Other non-current income and expenses** | **(0.9)** | **(30.4)** |

(1) As of June 30, 2024, the Group performed impairment tests on its indefinite-lived assets, resulting in the recognition of a -€22.4 million impairment related to Claudie Pierlot.

(2) As of June 30, 2024, the Group also conducted impairment tests on its right-of-use assets, resulting in the recognition of a -€7.5 million impairment.

(3) As of June 30, 2024, the Group decided to discontinue its network for Claudie Pierlot in China, resulting in an impact of -€0.4 million.

As of June 30, 2023, other non-recurring operating income and expenses represented a net charge of €0.9 million, mainly related to costs associated with shareholder evolution support.

### 3.10.4 Financial income and expenses

| | 1st semester 2023 | 1st semester 2024 |
|---|---|---|
| | *in €m* | *in €m* |
| Interest expenses on borrowings | (12.4) | (16.5) |
| *- RCF & NEU CP* | *(1.2)* | *(2.1)* |
| *- Term Loan* | *(3.6)* | *(3.1)* |
| *-BPI* | | *(0.1)* |
| *- State-guaranteed loan* | *(2.5)* | *(3.1)* |
| *- interest on lease debt* | *(5.1)* | *(7.3)* |
| *- Others* | - | *(0.8)* |
| Net exchange gain/ (loss) | (0.3) | (0.3) |
| Other financial expenses | | (0.9) |
| **Financial income** | **(12.7)** | **(17.7)** |

### 3.10.5 Income tax

#### 3.10.5.1 Income tax

Income tax includes the current tax expense for the period and deferred taxes arising on temporary differences:

For the period ended 30 June 2024, the reconciliation between the theoretical tax charge and the effective tax charge is mainly due to:

- Other taxes based on income and added value (including CVAE in France, IRAP in Italy, Trade Tax in Germany and State Tax in the United States);

- Differences in tax rates of foreign subsidiaries.

The effective tax rate used at 30 June is based on a projection of the estimated effective rate for the financial year. As a result, at 30 June 2024 the Group's effective tax rate was 33.16%, down 6.42 points compared with the first half of 2023, mainly due to the reduction of the CVAE tax rate, the increase of the impact of differences in tax rates with foreign subsidiaries and the absence of any impact from the non-deductibility of part of the expense relating to the allocation of bonus shares.

For the six-month period ended on June 30, 2023, reconciliation between the theoretical tax expense and the income tax expense as recorded in the P&L was explained by the same factors (CVAE and LTI Plans).

#### 3.10.5.2 Deferred tax position

Deferred taxes liabilities relating to the trademarks and leasehold rights in France were calculated based on a tax rate of 25.83% applicable from 2023.

Other deferred taxes have been recognized at the tax rate applicable in each tax jurisdiction, i.e. 25.83% for France.

### 3.10.6 Earnings per share

Earnings per share is calculated as follows:

| | 1st semester 2023 | 1st semester 2024 |
|---|---|---|
| **Net profit (group share) in €m** | **14.0** | **(27.7)** |
| Numbers of shares - before dilution * | 75,202,313 | 75,151,807 |
| Numbers of shares - after dilution | 78,536,750 | 78,011,295 |
| **Earnings per share (€)** | **0.19** | **(0.37)** |
| **Diluted earnings/(loss) per share (€)** | **0.18** | (0.37) |

The diluted earnings per share cannot have an accretive effect; therefore, it is identical to the earnings per share as of June 30, 2024.

## 3.11 NOTES TO THE STATEMENT OF FINANCIAL POSITION

### 3.11.1 Goodwill and intangible assets

#### 3.11.1.1 Goodwill

When a newly acquired company is recognized for the first time, goodwill represents the difference between (i) the sum of the consideration transferred, measured at fair value, and the amount recognized for the entire non-controlling interest in the company acquired and (ii) identifiable assets and the acquired company's liabilities assumed at the acquisition date. If the difference is negative, it is immediately recognized in the income statement.

The net value of goodwill as of June 30, 2024 totalled € 604.3 million.

| *in €m* | **1/01/2024** | **Change in scope of consolidation(1)** | **Impairment** | **Translation adjustment** | **6/30/2024** |
|---|---|---|---|---|---|
| Goodwill - gross value | 688.6 | | - | - | 688.6 |
| Impairment | (61.9) | - | (22.4) | - | (84.3) |
| **Goodwill - net value** | **626.7** | | (22,4) | - | 604.3 |

*Note 3.11.2.2. Goodwill valuation*

As a reminder, the net value of goodwill as of June 30, 2023 was as follows:

| *in €m* | **1/01/2023** | **Change in scope of consolidation(1)** | **Impairment** | **Translation adjustment** | **6/30/2023** |
|---|---|---|---|---|---|
| Goodwill - gross value | 683.2 | 5.1 | - | - | 688.2 |
| Impairment | (56.9) | - | - | - | (56.9) |
| **Goodwill - net value** | **626.3** | **5.1** | **-** | **-** | **631.3** |

*(1) Acquisition of Australia & New-Zealand partner*

### 3.11.1.2 Intangible assets

The table below illustrates changes over the period presented:

| *in €m* | **1/01/2024** | **Acquisitions** | **Disposals** | **Depreciation & amortization** | **Other** | **6/30/2024** |
|---|---|---|---|---|---|---|
| Trademarks | 663.0 | | | | | 663.0 |
| Leasehold rights | 2.8 | 0.5 | | | (2.0) | 1.3 |
| Other intangible assets | 56.6 | 2.6 | - | | 1.7 | 60.9 |
| **Intangible assets** | **722.4** | **3.1** | **-** | | **(0.3)** | **725.2** |
| Amort. /Impairment of intangible assets | (47.4) | | - | (3.4) | (0.2) | (51.0) |
| **Amort. /Impairment of intangible assets** | **(47.4)** | | **-** | **(3.4)** | **(0.2)** | **(51.0)** |
| **Net value of intangible assets** | **675.0** | **3.1** | **-** | **(3.4)** | **(0.5)** | **674.2** |

| *in €m* | **1/01/2023** | **Acquisitions** | **Disposals** | **Depreciation & amortization** | **Other** | **6/30/2023** |
|---|---|---|---|---|---|---|
| Trademarks | 663.0 | | | | | 663.0 |
| Leasehold rights | 2.6 | 0.1 | | | (1.7) | 1.0 |
| Other intangible assets | 49.6 | 2.1 | (0.1) | | 1.3 | 52.9 |
| **Intangible assets** | **715.2** | **2.2** | **(0.1)** | | **(0.4)** | **716.9** |
| Amort. /Impairment of intangible assets | (40.8) | | 0.1 | (4.4) | 0.3 | (44.8) |
| **Amort. /Impairment of intangible assets** | **(40.8)** | | **0.1** | **(4.4)** | **0.3** | **(44.8)** |
| **Net value of intangible assets** | **674.4** | **2.2** | **-** | **(4.4)** | **(0.1)** | **672.1** |

### 3.11.2 Valuation of intangible assets with an indefinite useful life

#### 3.11.2.1 Points of sales valuation

The Group defines its wholly owned sales as CGUs, i.e., the smallest grouping of assets (including rights of use, property, plant and equipment and intangible assets) that can individually generate cash flows.

A targeted review of points of sales losing value was performed, with an impact of 7.4 million euro of impairment recognized as of June 30, 2024.

#### 3.11.2.2 Goodwill valuation

An impairment test is performed every semester for each brand presenting an impairment indication, and at least once a year for each brand.

As part of the preparation of its annual strategic plan, the Group has reviewed the business outlook for its various segments. This strategic plan serves as the basis for the impairment test performed on each of the Group's CGU tested.

It compares the net carrying amount of the CGU combination, comprising the brand name, the portion of goodwill allocated, rights of use, other non-current assets and working capital, with the higher of the fair value net of exit costs and the value in use of the CGU combination.

The Group has verified that rising interest rates have no impact on the conclusion of impairment tests. The discount rates used by the Group are at the lower end of the range.

An impairment indicator was identified for the CGU combination of Claudie Pierlot and Fursac, which was consequently tested on June 30, 2024. Following this test, the Group recognized a partial impairment of Claudie Pierlot's goodwill amounting to 22.4 million euros.

The amount of assets as well as the potential impacts of changes in the after-tax discount rate or the perpetual growth rate are detailed below :

| | | | Amount of impairment that would be recognized in the event of : | |
|---|---|---|---|---|
| *(in €m)* | **Carrying amount of goodwill and brands (net of DTA) as of 06/30/2024** | **Carrying amount of the assets of the concerned CGUs as of 06/30/2024** | **Increase of 0.5 pt in the after-tax discount rate** | **Decrease of 0.5 ot in the perpetual growth rate** |
| Claudie Pierlot | 59.3 | 91.1 | (7.2) | (3.9) |
| Fursac | 53.2 | 64.4 | (5.2) | (2.9) |

### 3.11.3 Property, plant and equipment

The table below illustrates changes over the period presented:

| *in €m* | 1/01/2024 | Change in scope | Acquisitions | Disposals | Depreciation & amortization | Translation adjustment | Other | 6/30/2024 |
|---|---|---|---|---|---|---|---|---|
| Technical fittings, equipment and industrial tools | **3.9** | | | | | | | **3.9** |
| Property, plant and equipment in progress | 6.5 | 2.0 | | | | | (4.5) | 4.0 |
| Advances and down payments on property, plant and equipment | 1.0 | 0.4 | | | | | (1.1) | 0.3 |
| Other property, plant and equipment | 285.5 | 14.3 | (8.8) | | | 2.5 | 3.7 | 297.2 |
| **Property, plant and equipment** | **296.9** | **16.7** | **(8.8)** | | | **2.5** | **(1.9)** | **305.4** |
| Amort. /Impairment of technical fittings, equipment and industrial tools | (3.5) | | | (0.1) | | | | (3.6) |
| Amort. /Impairment of other property, plant and equipment | (210.3) | | 8.7 | (19.6) | (0.5) | (1.9) | 0.9 | (222.7) |
| **Amort. /Impairment of property, plant and equipment** | **(213.8)** | | **8.7** | **(19.7)** | **(0.5)** | **(1.9)** | **0.9** | **(226.3)** |
| **Net value of property, plant and equipment** | **83.1** | **16.7** | **(0.1)** | **(19.7)** | **(0.5)** | **0.6** | **(1.0)** | **79.1** |

| *in €m* | 1/01/2023 | Change in scope | Acquisitions | Disposals | Depreciation & amortization | Translation adjustment | Other | 6/30/2023 |
|---|---|---|---|---|---|---|---|---|
| Technical fittings, equipment and industrial tools | 3.8 | | | | | | | 3.8 |
| Property, plant and equipment in progress | 7.0 | | 1.4 | | | (0.1) | (4.4) | 3.9 |
| Advances and down payments on property, plant and equipment | 0.1 | | 0.2 | | | | (0.3) | - |
| Other property, plant and equipment | 262.7 | 3.7 | 12.6 | (2.1) | | (5.1) | 3.4 | 275.2 |
| **Property, plant and equipment** | **273.6** | **3.7** | **14.2** | **(2.1)** | | (5.2) | **(1.4)** | **282.9** |
| Amort. /Impairment of technical fittings, equipment and industrial tools | (3.3) | | | | (0.1) | | | (3.4) |
| Amort. /Impairment of other property, plant and equipment | (187.8) | (2.8) | | 2.1 | (18.7) | 3.9 | 0.1 | (203.2) |
| **Amort. /Impairment of property, plant and equipment** | **(191.1)** | **(2.8)** | | **2.1** | **(18.8)** | **3.9** | **0.1** | **(206.6)** |
| **Net value of property, plant and equipment** | **82.5** | **0.9** | **14.2** | **-** | **(18.8)** | **(1.3)** | **(1.3)** | **76.3** |

### 3.11.4 Lease agreements

#### 3.11.4.1 Rights of use

Rights of use break down as follows:

| *in €m* | 12/31/2023 | 6/30/2024 | | |
|---|---|---|---|---|
| | Net | Gross | Amortization, depreciation, and impairment | Net |
| Stores | 319,7 | 752.3 | (433.2) | 319.1 |
| Offices and warehouses | 39,0 | 90.4 | (54.8) | 35.6 |
| **Capitalized fixed rents** | **358,7** | **842.7** | **(488.0)** | **354.7** |
| Leasehold rights | 86,7 | 124.5 | (38.4) | 86.1 |
| **Right of use** | **445,4** | **967.2** | **(526.4)** | **440.8** |

The change in the net balance of rights of use during the half year can be explained by the following elements:

| *Gross value in €m* | Capitalized discounted fixed lease payments | | | Leasehold rights | Total |
|---|---|---|---|---|---|
| | Stores | Offices and warehouses | Total | | |
| January 1st, 2024 | **711.5** | **88.2** | **799.7** | **124.2** | **923.9** |
| Arrangement of new leases | 62.7 | 2.1 | **64.8** | - | 64.8 |
| Expirations and early terminations | (39.8) | (0.3) | **(40.1)** | (0.5) | (40.6) |
| Other (foreign exchange difference) | 17.9 | 0.4 | **18.3** | 0.8 | 19.1 |
| **As of June 30, 2024** | **752.3** | **90.4** | **842.7** | **124.5** | **967.2** |

| *Amortization, depreciation and impairment in €m* | Capitalized discounted fixed lease payments | | | Leasehold rights | Total |
|---|---|---|---|---|---|
| | Stores | Offices and warehouses | Total | | |
| January 1st, 2024 | **(391.9)** | **(49.1)** | **(441.0)** | **(37.5)** | **(478.5)** |
| Amortization and impairment | (49.1) | (5.7) | (54.8) | (0.9) | (55.7) |
| Depreciation | (7.5) | - | (7.5) | - | (7.5) |
| Expirations and early terminations | 30.8 | 0.3 | 31.1 | 0.2 | 31.3 |
| Other (exchange rate) | (15.5) | (0.3) | (15.8) | (0.2) | (16.0) |
| **As of June 30, 2024** | **(433.2)** | **(54.8)** | **(488.0)** | **(38.4)** | **(526.4)** |
| **Net value as of June 30, 2024** | **319.1** | **35.6** | **354.7** | **86.1** | **440.8** |

| *Gross value in m€* | Capitalized discounted fixed lease payments | | | Leasehold rights | Total |
|---|---|---|---|---|---|
| | **Stores** | **Offices and warehouses** | **Total** | | |
| January 1st, 2023 | 647.9 | 85.8 | **733.7** | 129.4 | 863.1 |
| Changes in scope | 18.0 | 0.4 | **18.4** | - | 18.4 |
| Arrangement of new leases | 41.8 | 3.0 | **44.8** | 0.8 | 45.6 |
| Expirations and early terminations | (19.1) | (2.1) | **(21.2)** | (3.2) | (24.4) |
| Other (foreign exchange difference) | (6.7) | (0.4) | **(7.1)** | 0.4 | (6.7) |
| **As of June 30, 2023** | **681.9** | **86.7** | **768.6** | **127.4** | **896.0** |

| *Amortization, depreciation, and impairment in m€* | Capitalized discounted fixed lease payments | | | Leasehold rights | Total |
|---|---|---|---|---|---|
| | **Stores** | **Offices and warehouses** | **Total** | | |
| January 1st, 2023 | (347.5) | (38.6) | (386.1) | (22.8) | (408.9) |
| Amortization and impairment | (59.9) | (5.5) | (65.4) | (0.8) | (66.2) |
| Depreciation | - | - | - | (0.2) | (0.2) |
| Expirations and early terminations | 16.6 | - | 16.6 | 3.4 | 20.0 |
| Other (exchange rate) | 4.3 | 0.1 | 4.4 | (0.2) | 4.2 |
| **As of June 30, 2023** | **(386.5)** | **(44.0)** | **(430.5)** | **(20.6)** | **(451.1)** |
| **Net value as of June 30, 2023** | **295.4** | **42.7** | **338.1** | **106.8** | **444.9** |

Lease arrangements mainly concern store rentals, and incidentally, administrative and storage buildings.

### 3.11.4.2 Lease liabilities

Lease liabilities break down as follows:

| *in €m* | 12/31/2023 | 6/30/2024 |
|---|---|---|
| Lease liabilities - more than 5 years | 75.5 | 85.0 |
| Lease liabilities - between 1 and 5 years | 230.2 | 234.5 |
| Lease liabilities - less than one year | 106.6 | 95.9 |
| **Total** | **412.3** | 415.4 |

The change in lease liabilities during the half year can be explained by the following items:

| *in €m* | Stores | Offices and warehouses | Total |
|---|---|---|---|
| **January 1st, 2024** | **370.4** | **41.9** | **412.3** |
| Arrangement of new leases | 69.8 | 2.1 | 71.9 |
| Reimbursement of the nominal | (50.3) | (5.8) | (56.1) |
| Changes in incurred interests | 0.3 | - | 0.3 |
| Termination of lease | (9.2) | - | (9.2) |
| Other | (4.0) | 0.2 | (3.8) |
| **As of June 30, 2024** | **377.0** | **38.4** | **415.4** |

| *in €m* | Stores | Offices and warehouses | Total |
|---|---|---|---|
| **January 1st, 2023** | 353.0 | 49.9 | 402.9 |
| Arrangement of new leases | 39.9 | 3.0 | 42.9 |
| Reimbursement of the nominal | (53.2) | (5.3) | (58.5) |
| Changes in incurred interests | 0.1 | - | 0.1 |
| Termination of lease | (3.3) | (2.1) | (5.4) |
| Other (incl. FX) | 7.9 | 0.3 | 8.3 |
| **As of June 30, 2023** | **344.4** | **45.9** | **390.3** |

The amount of fixed rent paid in H1 2024 is €65.4 million. It was €64.4 million in H1 2023.

The residual rent expense shown in the income statement under operating income and expenses breaks down as follows:

| *en m€* | **1st semester 2023** | **1st semester 2024** |
|---|---|---|
| Variable lease payments or rents on low-value assets | (2.9) | (5.0) |
| Rental charges | (6.7) | (7.6) |
| **Total** | **(9.6)** | **(12.6)** |

### 3.11.5 Inventories

| *in €m* | Gross value | Impairment | 6/30/2024<br>Net value |
|---|---|---|---|
| Raw materials and other supplies | 37.5 | (5.2) | 32.3 |
| Finished products | 248.4 | (18.2) | 230.2 |
| **Total inventories** | **285.9** | **(23.4)** | **262.5** |

| *in €m* | Gross value | Impairment | 6/30/2023<br>Net value |
|---|---|---|---|
| Raw materials and other supplies | 44.9 | (6.8) | 38.1 |
| Finished products | 260.1 | (20.1) | 240.0 |
| **Total inventories** | **305.0** | **(26.9)** | **278.1** |

### 3.11.6 Trade receivables

| *in €m* | 1/01/2024 | Changes in gross value | Impairment | Reversals | Translation adjustment | Change in scope of consolidation | 6/30/2024 |
|---|---|---|---|---|---|---|---|
| Trade receivables | 68.9 | (4.4) | | | 0.3 | | **64.7** |
| Depreciation | **(0.7)** | | (1.6) | 0.3 | | | **(2.0)** |
| **Trade receivables, net** | **68.2** | **(4.4)** | **(1.6)** | **0.3** | **0.3** | **-** | **62.7** |

| *in €m* | 1/01/2023 | Changes in gross value | Impairment | Reversals | Translation adjustment | Change in scope of consolidation | 6/30/2023 |
|---|---|---|---|---|---|---|---|
| Trade receivables | **63.1** | 3.3 | | | (0.7) | 0.5 | **66.2** |
| Provisions for impairment | (0.2) | | (0.5) | | | | **(0.7)** |
| **Trade receivables, net** | **62.9** | **3.3** | **(0.5)** | | **(0.7)** | **0.5** | **65.5** |

Amounts owed by department stores are invoiced at the end of the month, for a payment in the course of the next month.

The receivables from local partners are paid between 30 and 45 days. A bank guarantee is set up where necessary.

The proportion of overdue trade receivables was 9% at June 30, 2024.

### 3.11.7 Other receivables

On June 30, 2024, other receivables totalled € 64.6 million and included prepaid expenses for € 26.5 million, advance payments to suppliers for € 16.7 million, tax receivables for € 7.8 million, particularly VAT recoverable by the Group from the tax authorities in the countries in which it operates and € 8.4 million of income tax receivables, mainly in France and Italy.

### 3.11.8 Share capital

The total value of the shares issued by the parent company is recognized within equity, as these instruments represent its share capital.

As of June 30, 2024, the Company's fully subscribed and paid-up share capital amounted to € 83,917,383. It is divided into 76,288,530 shares as follows:

- 75,591,187 fully paid-up ordinary shares with a value of € 1.10,
- 697,343 class "G" shares (the "ADP G", which are preference shares withing the meaning of Articles L.228-11 et seq of the French Commercial Code and have a value of € 1.10).

### 3.11.9 Consolidated net debt

The Group calculates on a quarterly basis its consolidated net financial debt, which constitutes an important indicator of its performance, as follows.

| *in m€* | **12/31/2023** | **06/30/2024** |
|---|---|---|
| Cash and cash equivalent | 50.9 | 37.2 |
| Current bank overdrafts | (17.2) | (49.9) |
| **Cash and cash equivalents net of current bank overdrafts** | **33.7** | (12.8) |
| Short-term borrowings and debt | (95.7) | (120.1) |
| Bank borrowings | (221.3) | (158.2) |
| Deposits and sureties received | (2.7) | (3.0) |
| Accrued interest on borrowings | (0.3) | 1.5 |
| **Consolidated net debt** | **(286.3)** | (292.5) |

The Non-IFRS leverage clause (net financial debt/EBITDA ratio) was amended in June 2024, limiting this ratio to 3.4x at June 30, 2024. This clause was respected at the close of the first half, with leverage of 3.05x.

During the first half of 2024, the Group repaid 10 million euros under the amortizable term loan (whose outstanding principal now stands at 90 million euros), and 28 and 4.7 million euros under the two state-guaranteed loans (whose outstanding principal now stands at 84 and 43 million euros respectively).

### 3.11.10 Current and non-current provisions

The table below illustrates changes over the period presented:

| *in €m* | **1/01/2024** | **Additions** | **Reversals (utilized provisions)** | **Reversals (surplus provisions)** | **Other comprehensive income** | **6/30/2024** |
|---|---|---|---|---|---|---|
| | | - | - | - | - | - |
| Provisions for risk and charges | 0.7 | | | | | 0.7 |
| Provisions for pension liabilities | 4.9 | 0.5 | (0.2) | (0.3) | | 4.9 |
| **Total non-current provisions** | **5.6** | **0.5** | **(0.2)** | (0.3) | | **5.6** |
| | | | | | | |
| Provisions for contingencies | 1.3 | 2.3 | (0.0) | | | 3.6 |
| **Total current provisions** | **1.3** | **2.3** | | | | **3.6** |

| *in €m* | **1/01/2023** | **Additions** | **Reversals (utilized provisions)** | **Reversals (surplus provisions)** | **Other comprehensive income** | **6/30/2023** |
|---|---|---|---|---|---|---|
| Provisions for risk and charges | 0.7 | | | (0.2) | | 0.5 |
| Provisions for pension liabilities | 4.2 | 0.5 | (0.1) | | | 4.6 |
| **Total non-current provisions** | **4.9** | **0.5** | **(0.1)** | **(0.2)** | | **5.1** |
| | | | | | | |
| Provisions for contingencies | 1.6 | 0.7 | (0.7) | | | 1.6 |
| **Total current provisions** | **1.6** | **0.7** | **(0.7)** | | | **1.6** |

Provisions for disputes include provisions for labor-related and supplier-related risks and a provision for restructuring and end of lease in China for some POS.

### 3.11.11 Fair value of financial assets and liabilities

Net book value and fair value of financial assets and liabilities are summarized in the table below:

| | Notes | | Fair value hierarchy | 31/12/2023 *en m€* Net book value | 31/12/2023 *en m€* Fair value | 30/06/2024 *en m€* Net book value | 30/06/2024 *en m€* Fair value |
|---|---|---|---|---|---|---|---|
| Loans and receivables | | Amortized cost | (1) | 18.5 | 18.5 | 18.5 | 18.5 |
| **Non-current financial assets** | | | | **18.5** | **18.5** | **18.5** | **18.5** |
| **Trade receivables** | **3.11.6** | Amortized cost | **(1)** | **68.2** | **68.2** | **62.7** | **62.7** |
| **Derivative instruments eligible for hedge accounting** | | FV OCI/ FV P&L | **(2)** | **0.6** | **0.6** | **0.2** | **0.2** |
| **Cash and cash equivalents** | **3.11.9** | Amortized cost | **(1)** | **50.9** | **50.9** | **37.2** | **37.2** |
| Term Loan | | Amortized cost | (1) | 90.0 | 90.0 | 75.0 | 75.0 |
| State-guaranteed loan | | Amortized cost | (1) | 126.7 | 126.7 | 80.0 | 80.0 |
| Other loans | | Amortized cost | (1) | 4.4 | 4.4 | 3.1 | 3.1 |
| Deposits and sureties received | | Amortized cost | (1) | 0.1 | 0.1 | 0.6 | 0.6 |
| Accrued interest on borrowings | | Amortized cost | (1) | 2.3 | 2.3 | 1.8 | 1.8 |
| **Non-current financial debt** | **3.11.9** | | | **223.6** | **223.6** | **160.5** | **160.5** |
| **Trade and other payables** | | Amortized cost | **(1)** | **161.9** | **161.9** | **134.4** | **134.4** |
| Bank overdraft | | Amortized cost | (1) | 17.2 | 17.2 | 49.9 | 49.9 |
| Term Loan | | Amortized cost | (1) | 8.6 | 10.0 | 13.5 | 14.9 |
| RCF | | Amortized cost | (1) | 25.0 | 25.0 | 31.0 | 31.0 |
| State-guaranteed loan | | Amortized cost | (1) | 34.5 | 33.3 | 48.1 | 47.0 |
| Other loans | | Amortized cost | (1) | 2.7 | 2.7 | 1.0 | 1.0 |
| NEU CP | | Amortized cost | (1) | 25.0 | 25.0 | 25.0 | 25.0 |
| Other financials debt | | Amortized cost | (1) | 0.6 | 0.6 | 0.6 | 0.6 |
| **Bank overdrafts and short-term borrowings and debt** | **3.11.9** | | | **113.6** | **113.5** | **169.1** | **168.6** |
| **Derivative instruments eligible for hedge accounting** | | FV OCI/ FV P&L | **(2)** | **0.6** | **0.6** | **1.1** | **1.1** |

FV : Fair Value

OCI : Other Comprehensive Income

(1) Fair value is not provided since the net book value represents a reasonable estimate of their fair value.

(2) Refers to forward contracts or options for the hedging of future foreign currency-denominated cash flows. The application of IFRS 9 has widened the scope of financial instruments eligible for hedge accounting. Below are the Group's accounting rules for hedge accounting under IAS 39 and then IFRS 9:

| Hedge type | Type of impact of IFRS 9 |
|---|---|
| CFH total (Cash flow Hedge) | Other comprehensive income |
| FVH total (Faire Value | P&L impacts |
| Trading | P&L impacts |

On June 30, 2023, the fair value of derivative instruments was estimated based on their market value (using Level 2 of the fair value hierarchy according to IFRS 13, by reference to recent transactions between knowledgeable, willing parties in an arm's length transaction)

### 3.11.12 Other liabilities

Other liabilities amounted to € 59.7 million on June 30, 2024, and were mainly composed of taxes, duties and other payroll-related liabilities for € 49.0 million, and advances and prepayments from customers for € 13.4 million.

### 3.11.13 Liquidity risk

Taking into account the cash at hand or available, the Group is satisfied with its liquidity position (including the RCF for a total amount of € 200.0 million, of which € 169 million undrawn), which is in line with its needs.

### 3.11.14 Capital markets risk management

The Group is exposed to the same risk and uncertainty as set out in note 6.17 "Financial instruments and market risk management" of Consolidated financial statements on December 31, 2023.

The fair values of derivatives on June 30, 2024 is as follows:

| *in €m* | **Positive Fair Value** | **Negative Fair Value** | **Net Fair Value** |
|---|---|---|---|
| Terms | 0.1 | (0.8) | **(0.7)** |
| Options | 0.1 | (0.3) | **(0.1)** |
| **Total** | **0.2** | **(1.1)** | **(0.8)** |

The fair value of derivatives was as follows on December 31, 2023:

| *in €m* | **Positive Fair Value** | **Negative Fair Value** | **Net Fair Value** |
|---|---|---|---|
| Terms | 0.5 | (0.5) | **0.0** |
| Options | 0.1 | (0.1) | **(0.1)** |
| **Total** | **0.6** | **(0.6)** | **(0.1)** |

## 3.12 OTHER INFORMATION

### 3.12.1 Off-balance sheet commitments

Commitments and contractual obligations received or given are of the same nature as the ones described in the Group's consolidated financial statements at year-end 2023.

### 3.12.2 Headcount

The following table illustrates the breakdown of headcount by geographical area:

| Operational employees | 6/30/2023 | 6/30/2024 |
|---|---|---|
| France | 2,770 | 2,732 |
| Europe (except France) | 1,798 | 1,780 |
| America | 631 | 662 |
| Asia | 1,589 | 1,575 |
| **Total headcount** | **6,788** | **6,749** |

### 3.12.3 Transactions with associated companies and related parties

The Group's transactions with related parties are mainly linked to:

- compensation and similar benefits granted to members of the Board of Directors or to executive officers;
- transactions with members of the Board of Directors or with executive officers.

Related party transactions are carried out on a market price basis.
During the first half of 2024, there was no significant change.

### 3.12.4 Scope of consolidation

The scope of consolidation as of June 30, 2024, is presented in the table below:

| Société | | 12/31/2023 | 06/30/2024 | |
|---|---|---|---|---|
| | % interest* | Closing Method | % interest | Closing Method |
| **SMCP** | **100,00 %** | **Holding** | **100,00 %** | **Holding** |
| SMCP GROUP | 100,00 % | FC | 100,00 % | FC |
| SANDRO ANDY | 100,00 % | FC | 100,00 % | FC |
| MAJE | 100,00 % | FC | 100,00 % | FC |
| CLAUDIE PIERLOT | 100,00 % | FC | 100,00 % | FC |
| DE FURSAC | 99,97 % | FC | 99,97 % | FC |
| SMCP LOGISTIQUE | 100,00 % | FC | 100,00 % | FC |
| 341 SMCP | 100,00 % | FC | 100,00 % | FC |
| SMCP BELGIQUE | 100,00 % | FC | 100,00 % | FC |
| SMCP DEUTSCHLAND | 100,00 % | FC | 100,00 % | FC |
| PAP SANDRO ESPANA | 100,00 % | FC | 100,00 % | FC |
| SMCP ITALIA | 100,00 % | FC | 100,00 % | FC |
| SMCP UK | 100,00 % | FC | 100,00 % | FC |
| SMCP IRELAND | 100,00 % | FC | 100,00 % | FC |
| SMCP LUXEMBOURG | 100,00 % | FC | 100,00 % | FC |
| MAJE SPAIN | 100,00 % | FC | 100,00 % | FC |
| MAJE STORES | 100,00 % | FC | 100,00 % | FC |
| SMCP USA | 100,00 % | FC | 100,00 % | FC |
| SMCP USA Retail East, Inc. | 100,00 % | FC | 100,00 % | FC |
| SMCP USA Retail West, Inc. | 100,00 % | FC | 100,00 % | FC |
| SMCP CANADA | 100,00 % | FC | 100,00 % | FC |
| SMCP ASIA | 100,00 % | FC | 100,00 % | FC |
| SMCP SHANGHAI TRADING CO. | 100,00 % | FC | 100,00 % | FC |
| SMCP NETHERLANDS | 100,00 % | FC | 100,00 % | FC |
| SMCP SWITZERLAND | 100,00 % | FC | 100,00 % | FC |
| SMCP HONG KONG | 100,00 % | FC | 100,00 % | FC |
| SANDRO FASHION SINGAPORE | 100,00 % | FC | 100,00 % | FC |
| AZ RETAIL | 100,00 % | FC | 100,00 % | FC |
| SMCP DENMARK | 100,00 % | FC | 100,00 % | FC |
| SMCP NORWAY | 100,00 % | FC | 100,00 % | FC |
| SMCP MACAU | 100,00 % | FC | 100,00 % | FC |
| SMCP SWEDEN | 100,00 % | FC | 100,00 % | FC |
| SMCP PORTUGAL | 100,00 % | FC | 100,00 % | FC |
| SMCP TAIWAN | 100,00 % | FC | 100,00 % | FC |
| SMCP JAPAN | 100,00 % | FC | 100,00 % | FC |
| SMCP MALAYSIA | 100,00 % | FC | 100,00 % | FC |
| SMCP APAC | 100,00 % | FC | 100,00 % | FC |
| SMCP AUSTRALIA | 100,00 % | FC | 100,00 % | FC |
| SMCP NEW ZEALAND | 100,00 % | FC | 100,00 % | FC |
| SMCP FASHION | 100,00% | FC | 100,00% | FC |

* % of interest is the same as % of ownership.
« FC » = Fully consolidated. « NC » = Not Consolidated.

### 3.12.5 Subsequent events

***Shareholding situation***

SMCP has been informed that on July 12, 2024, the English High Court, upon request from GLAS SAS (London Branch) as trustee of the exchangeable bonds issued by European TopSoho S.à r.l. ("ETS"), has ruled that the transfer of a 15.9% stake of the Company's share capital from ETS to Dynamic Treasure Group Ltd ("DTG") in 2021 was invalid. The Judge issued consequently on July 18, 2024 an order requiring the return by DTG of the 15.9% stake to ETS, which is currently under liquidation in Luxembourg, by July 26, 2024 at the latest.

## 4 STATUTORY AUDITORS REPORT ON INTERIM FINANCIAL INFORMATION

For the period from January 1st to June 30th, 2024

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. 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 SMCP,

In compliance with the assignment entrusted to us by your shareholders' and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code (*"code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of SMCP, for the period from January 1,2024 to June 30, 2024,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### *1. Conclusion on the financial statements*

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

**2. Specific verification**

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

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

Neuilly-sur-Seine et Paris-La Défense, July 29th 2024

The Statutory Auditors - French original signed by

| Grant Thornton | Deloitte & Associés |
|---|---|
| Lionel CUDEY | Benedicte SABADIE |