



French limited partnership with share capital of €56,942,095
Registered office: “La Woestyne” 59173 Renescure - France
Dunkerque (France) Register of Trade and Companies (RCS)
number: B 447 250 044

Financial report at December 31st, 2020

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This document is a free translation into English of the "Rapport financier semestriel" and has no other value than an informative one. Should there be any difference between the French and the English version, only the French-language version shall be deemed authentic and considered as expressing the exact information published by Bonduelle.

1. Activity report on half-year financial statement 2020-2021

The Management Board of Bonduelle approved the consolidated financial statements for the 6 months ended December 31st, 2020, which have been then examined by the Supervisory Board on February 25th, 2021.

Further to their limited review of the interim consolidated financial statements of Bonduelle, the auditors have established a report which is included in the Half-Year Financial Report.

This half-year management report should be read in conjunction with the interim consolidated financial statements and the company's Registration Document for the fiscal year 2019-2020 filed with the Autorité des Marchés Financiers on October 16th, 2020.

Significant Results

(in € millions)	1 st HY 2020-2021	1 st HY 2019-2020	Variation
Revenue	1,441.5	1,442.3	-0.1%
Current Operating Income	56.3	57.2	-1.5%
Current Operating Margin	3.9%	4.-%	-6bps
Consolidated Net Income	31.9	29.5	+8.3%
Gearing ⁽¹⁾ exclud. IFRS 16	1.20	1.24	

Revenue

The Bonduelle Group's revenue stands for the 1st half of financial year 2020-2021 at € 1,441.5 million, flat at -0.1% on reported figures and an increase of +3.9% on a like for like basis⁽²⁾. The negative effects of currency exchange rates contributed to -4.0% on the reported variation for the 1st half of the financial year, explained by a strengthening of the Euro, particularly against the Russian rouble and the US and Canadian dollars. No change in the group's scope of consolidation occurred over the period.

Activity by Geographic Region

Total Consolidated Revenue (in € millions)	1 st HY 2020-2021	1 st HY 2019-2020	Variation Reported figures	Variation Like for like basis ⁽²⁾
Europe Zone	648.0	640.4	1.2%	1.5%
Non-Europe Zone	793.5	801.9	-1.1%	5.8%
Total	1,441.5	1,442.3	-0.1%	3.9%

Activity by Operating Segments

Total Consolidated Revenue (in € millions)	1 st HY 2020-2021	1 st HY 2019-2020	Variation Reported figures	Variation Like for like basis ⁽²⁾
Canned	589.0	559.2	5.3%	10.5%
Frozen	332.0	340.3	-2.4%	1.3%
Fresh processed	520.5	542.8	-4.1%	-1.1%
Total	1,441.5	1,442.3	-0.1%	3.9%

Europe Zone

The growth of revenue for the Europe Zone, representing 45.0% of the business activity over the period, posted for the 1st half of the financial year a global change of +1.2% on reported figures and +1.5% on a like for like basis⁽²⁾.

Long life operating segments (canned and frozen food) in the retail business activity posted robust growth over the 1st half of the year and even more so in the second quarter, particularly in the branded products (Bonduelle and Cassegrain), due to the sanitary crisis and its related measures (curfews, etc.) leading to a renewed interest in these product categories with long shelf lives.

This phenomenon has made it possible to absorb the sharp drop in activity in the food service business segment, particularly noticeable in frozen food, still at a standstill over the period (closure of commercial catering, home-working, etc.) and in fresh food, this market declined significantly, in the 3 related countries (France, Italy, Germany), as a result of lower in-store traffic, the driving force behind the purchasing act.

Taking into account the seasonality of production and the once again difficult crops observed in the summer of 2020, the high level of activity recorded at the beginning of the financial year could be reduced, in the long term, by product shortage, and therefore a loss of sales in the spring of 2021 on a high basis of comparison.

Non-Europe Zone

The revenue of the Non-Europe Zone, representing 55.-% of the revenue of the group, is at -1.1% on reported figures and up +5.8% on a like for like basis⁽²⁾. All three technologies posted positive growth in the region and over the half year as a whole.

In North America, the long life operating segment (canned and frozen food) recorded solid growth over the period, with supermarket sales, particularly branded sales (Arctic Gardens, Bonduelle and Del Monte), and B2B sales more than offsetting an out-of-home catering business impacted by the sanitary crisis, even if the downturn was less severe than in Europe.

Despite a difficult agricultural context observed on the west coast as a result of the autumn fire coupled with difficulties in recruiting workers and a health situation that was unfavorable to on-the-go consumption, the overall ready-to-eat fresh business segment and customer service levels were maintained in the United States, at the price of significant additional supply and production costs and an unfavorable product mix (bagged salads vs. bowls).

In Russia and the countries of the Commonwealth of Independent States, the sanitary crisis context, strongly impacting the economy and purchasing power on the one hand, and the strategy of preserving margins, involving price increases in a context of imported inflation on certain cost components on the other hand, finally, arbitrations in favor of Bonduelle and Globus branded canned products to the detriment of private labels limited the overall volumes of the canned operating segment. The frozen food one, based on local production and still limited in size, continued to grow.

Operating income

The current operating income of the Bonduelle Group for the 1st half year of 2020-2021 stands at € 56.3 million, up 5.2% on like-for-like basis⁽²⁾ and down 1.5% on reported figures.

The current operating margin of 3.9% shows a slight decline compared to the first half of the previous year and is stable at 4.0% at constant exchange rates. In line with the ambitions announced at the beginning of the financial year, the Bonduelle Group further strengthened its marketing investments, increasing the visibility of its brands and resulting in significant gains in market share.

The Europe Zone posted a significant increase in profitability to € 35.4 million on a like-for-like basis⁽²⁾, representing a current operating margin of 5.4%, helped by the good performance of the long-life retail business and the resilience of the profitability of the fresh food business, which held up well despite the decline in revenue.

In the Non-Europe Zone, the current operating profitability stands at 24.7 million, representing a current operating margin of 2.9% on a like-for-like basis⁽²⁾. In this area, the underperformance of the fresh prepared business (salad bowls, salad kits and bagged salads) due to agricultural supply difficulties coupled with additional costs related to the sanitary crisis and an unfavorable business mix, masked the remarkable performance of the canned and frozen business activities observed in North America, Russia & CIS and Export.

After taking into account non-recurring items, including costs related to the takeover of the assets of the France Champignon Cooperative, the operating income rose to € 54.0 million, compared with € 52.6 million for the same period of the previous financial year.

Net result

The net financial result stands at € 9.9 million, down € 2.5 million, in line with the decrease in the group's financing costs and a break-even exchange rate result over the period. Corporate income tax expenses amounted to € 12.1 million compared to € 10.6 million in the first half of the previous financial year, an increase explained by the end of the use of tax loss carryforwards and the decline in profitability of the Non Europe Zone.

After taking into account both financial result and the taxes, the Bonduelle Group's net income amounts to € 31.9 million, or 2.2% of revenue, up 8.3% compared to the same period last financial year.

Financial situation

The group's net financial debt stood on December 31, 2020 at € 890.7 million compared to € 978.2 million for the same period the previous year. Restated from IFRS 16, the group's net financial debt stands at € 808.2 million, compared to € 892.5 million the previous financial year, a significant fall in debt mainly due to the reduction in inventories (difficult crop season and strong sales activity). The gearing⁽¹⁾ ratio, excluding the impact of IFRS 16, was 1.20 compared to 1.24 as of December 31 of the previous year. Finally, the average cost of debt, excluding IFRS 16 impact, was 1.99%, a significant and continuous improvement over the previous year (2.20%), due to the ongoing optimization of the group's financing instruments.

Highlights

Bonduelle associates the agricultural world to the group's value creation

Pursuant to the resolution passed at the Shareholders' Meeting of December 17, 2020, Bonduelle announced on February 22, 2021 that it had initiated a capital increase project dedicated to agricultural partners. The purpose of this operation is to enable these agricultural partners to share the Bonduelle SCA's value creation and to strengthen lasting and close ties with the company by associating them with its capital. The funds raised are not earmarked for any specific purpose and the proceeds of the issue, and any limitations on the issue, have no effect on the company's liquidity and financing horizon.

Once again, through this action, Bonduelle is demonstrating its collective construction, alongside its stakeholders, of its ambition for sustainable growth with a positive impact.

The Bonduelle Group is committed to improving the income of its vegetable production partners in France

The Bonduelle Group and its partners, OPLVert and OPLINORD, which regroups the vegetable producers of the Hauts-de-France area and its partner Euralis Coop for the green vegetable producers in the Southwest of France, have just signed price revaluation agreements to finance the increase in agricultural income and the agro-ecological transition.

This revaluation is based upon a strong commitment to "runoff" in favor of agricultural producers, which involves all the actors of the value chain, in a state of mind consistent with that of the General States of Food ("Etats Généraux de l'Alimentation") in order to perpetuate one of the main sectors of French agricultural excellence.

The Bonduelle Group's Shareholders' Meeting adopts the company's purpose

The Shareholders' Meeting of December 17, 2020, adopted by 99.91% of the votes the resolution to amend its articles of association to include the company's purpose: "Inspire the transition toward a plant-based diet to contribute to people's well-being and planet health". With this inclusion in its articles of association, the Bonduelle Group is thus giving concrete expression to its commitments in terms of Corporate Social and Environmental Responsibility and its ambition to achieve B Corp certification by 2025.

Once again, Bonduelle strengthens its financial flexibility and aligns this financing to sustainable development objectives

After the successful issuance of a NEU CP program in July 2020, the Bonduelle Group announced on November 30, 2020 the early renewal of its syndicated loan, increasing it from € 300 million to € 400 million and indexing the margin on Environmental, Social and Governance criteria (ESG).

Signed with an enlarged pool of 11 banks (9 banking groups), this syndicated loan, with impact, includes a single tranche of revolving credit (RCF - Revolving Credit Facility) significantly oversubscribed and refinances the existing RCF of € 300 million that was due to mature in July 2021.

This financing transaction, carried out in a particularly uncertain economic and financial context, once again underlines the group's financial strength. The over subscription and the expansion of the pool of lenders also demonstrate the enthusiasm of financial institutions for the Bonduelle Group's financial profile.

Via its endorsement of the B Corp certification process, this transaction illustrates the group's commitments in terms of Social and Environmental Responsibility, in line with its purpose.

⁽¹⁾ net financial debt / equity

⁽²⁾ at constant currency exchange rate and scope of consolidation basis. The revenues in foreign currency over the given period are translated into the rate of exchange for the comparable period. The impact of business acquisitions (or gain of control) and divestments is restated as follows

- For businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- For businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- For businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- For businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.

2. Consolidated income statement

<i>(in thousands of euros)</i>	Notes	At 2020/06/30	At 2019/12/31	At 2020/12/31
Revenue	4	2 854 876	1 442 266	1 441 486
Purchases and external charges		(2 025 193)	(991 339)	(986 800)
Employee benefits expenses		(598 242)	(329 221)	(334 969)
Amortization and impairment		(112 214)	(63 433)	(63 390)
Other operating income		26 790	12 119	15 054
Other operating expenses		(37 362)	(13 235)	(15 072)
Gain/loss on sale of consolidated equity investments		0	0	0
Current operating income		108 654	57 158	56 309
Non-recurring items	5	(6 766)	(4 594)	(2 351)
Operating profit		101 888	52 564	53 958
Cost of net debt		(20 344)	(10 430)	(8 871)
Other financial income and expenses		(5 514)	(1 984)	(999)
Financial result	7	(25 858)	(12 414)	(9 870)
Share of net income from associates		(80)	(47)	(58)
Profit before tax		75 950	40 103	44 031
Income tax		(21 348)	(10 615)	(12 110)
NET INCOME		54 602	29 488	31 921
• Attributable to owners of the Company		54 620	29 490	31 931
• Attributable to non-controlling interests		(18)	(2)	10
BASIC EARNINGS PER SHARE	10	1,71	0,92	1,00
DILUTED EARNINGS PER SHARE	10	1,68	0,91	0,98
REBITDA		220 868	120 591	119 699

Gains and losses recognized directly in equity

<i>(in thousands of euros)</i>	At 2020/06/30	At 2019/12/31	At 2020/12/31
Net income for the period	54 602	29 488	31 921
Items that may be reclassified subsequently to P&L	(25 224)	9 398	(43 761)
Cash flow hedge	(277)	734	265
Translation adjustments	(25 119)	8 913	(43 998)
Tax effects	172	(249)	(28)
Items that may not be reclassified subsequently to P&L	(7 855)	(6 465)	(10 371)
Actuarial gains and losses on defined benefit plans	(1 581)	0	(1 220)
Financial assets at fair value through profit or loss	343	0	196
Tax effects	(6 616)	(6 465)	(9 347)
Income and expenses recognized directly in equity	(33 079)	2 933	(54 132)
TOTAL RECOGNIZED INCOME AND EXPENSES	21 523	32 421	(22 211)
Attributable to owners of the Company	21 541	32 423	(22 221)
Attributable to non-controlling interests	(18)	(2)	10

3. Consolidated statement of financial position

Assets

<i>(in thousands of euros)</i>	Notes	At 2020/06/30	At 2019/12/31	At 2020/12/31
Non-current assets		1 203 975	1 198 288	1 147 385
Other intangible assets		58 478	57 187	57 297
Goodwill	11	483 183	486 515	456 534
Property, plant and equipment		523 618	518 160	499 346
Rights of use		83 669	86 095	82 199
Investments in associates		1 589	231	5 930
Other non-current financial assets		30 175	28 266	14 969
Deferred tax		21 133	19 474	26 871
Other non-current assets		2 130	2 361	4 240
Current assets		968 904	1 235 624	1 173 779
Inventories and work-in-progress		627 128	846 638	779 097
Trade and other receivables		311 075	362 583	368 168
Tax receivables		9 004	2 872	2 034
Other current assets		8 336	7 807	9 784
Other current financial assets	8	6 723	4 923	8 881
Cash and cash equivalents	9	6 638	10 801	5 815
TOTAL ASSETS		2 172 879	2 433 912	2 321 165

Liabilities

<i>(in thousands of euros)</i>	Notes	At 2020/06/30	At 2019/12/31	At 2020/12/31
Shareholders equity (group share)		709 853	722 113	675 167
Share capital		56 942	56 942	56 942
Additional paid-in capital		38 559	38 559	38 559
Consolidated reserves		614 352	626 612	579 666
Non-controlling interests		16	19	16
Equity		709 868	722 132	675 184
Non-current liabilities		680 833	867 681	727 404
Financial debts	9	541 442	730 902	589 805
Lease liabilities		64 580	68 429	65 449
Employee benefit obligations	6	28 007	26 091	29 374
Other non-current provisions		10 798	9 569	11 471
Deferred taxes		9 683	10 032	8 985
Other non-current liabilities		26 325	22 659	22 320
Current liabilities		782 177	844 099	918 577
Current financial debts	9	117 915	190 153	242 187
Current lease liabilities		19 647	17 309	17 092
Current provisions		7 677	7 066	3 686
Trade and other payables		628 387	625 404	645 951
Tax payables		6 348	2 735	7 789
Other current liabilities		2 203	1 431	1 872
TOTAL LIABILITIES		2 172 879	2 433 912	2 321 165

4. Consolidated cash flows statement

<i>(in thousands of euros)</i>	At 2020/06/30	At 2019/12/31	At 2020/12/31
Net income	54 602	29 488	31 921
Share of net income from associates	80	47	58
Depreciation, amortization and impairment	114 603	62 492	60 828
Other components of net income with no cash impact	629	3 001	(1 489)
Deferred tax	(5 508)	(3 662)	(7 944)
Accrued interest	(554)	(193)	(411)
Gross cash flows from operating activities	163 852	91 173	82 963
Change in working capital requirement	16 207	(254 384)	(213 445)
Net cash flows from operating activities	180 059	(163 211)	(130 482)
Acquisitions of consolidated companies, net of cash and cash equivalents	(1 391)	0	(4 389)
Acquisitions of tangible assets	(97 596)	(46 046)	(52 309)
Acquisitions of financial assets	(911)	0	(4)
Disposals of property, plant and equipment and financial assets	748	355	899
Net change in loans and other non-current financial assets	567	75	(99)
Net cash flows from (used in) investing activities	(98 582)	(45 616)	(55 902)
Transactions with non-controlling interests	(18 539)	(18 539)	0
(Acquisition) Disposal of treasury shares	(2 653)	(74)	(13)
Increase (Decrease) in non-current financial liabilities	(19 525)	192 843	54 706
Increase (Decrease) in current financial liabilities	(11 210)	38 577	127 733
Increase (Decrease) in lease liabilities	(20 825)	(10 049)	(10 603)
Dividends paid to group and minority Shareholders	(16 339)	0	0
Net cash flows from (used in) financing activities	(89 091)	202 758	171 823
Impact of exchange rate changes	(2 440)	177	13 738
Change in cash and cash equivalents	(10 054)	(5 892)	(823)
Cash and cash equivalents – opening balance	16 693	16 693	6 638
Cash and cash equivalents – closing balance	6 638	10 801	5 815
CHANGE IN CASH AND CASH EQUIVALENTS	(10 054)	(5 892)	(823)

5. Consolidated statement of changes in equity

	In number of shares	Share capital	Additional paid-in capital	Actuarial gains and losses	Treasury shares	Translation reserves	Accumulated income	Shareholders' equity (group share)	Non-controlling interests	Total equity
<i>(in thousands of euros)</i>										
Equity at July 1, 2019	32 538 340	56 942	38 559	(4 903)	(8 557)	(78 138)	713 495	717 398	7 574	724 972
Income recognized directly through equity				(1 238)		(25 119)	(6 722)	(33 079)		(33 079)
Net income at 2019/06/30							54 620	54 620	(18)	54 602
Share purchase options							2 084	2 084		2 084
Puts on non-controlling interests							(37)	(37)	18	(18)
Transactions with non-controlling interests (*)				(139)			(10 842)	(10 980)	(7 558)	(18 539)
Treasury Shares					(2 142)		(345)	(2 487)		(2 487)
Other							(1 328)	(1 328)		(1 328)
Dividends paid							(16 339)	(16 339)	0	(16 339)
Equity at June 30, 2020	32 538 340	56 942	38 559	(6 280)	(10 699)	(103 257)	734 588	709 853	16	709 868
Equity at July 1, 2020	32 538 340	56 942	38 559	(6 280)	(10 699)	(103 257)	734 588	709 853	16	709 868
Income recognized directly through equity				(1 024)		(43 998)	(9 110)	(54 132)	(0)	(54 132)
Net income at 2020/12/31							31 931	31 931	(10)	31 921
Share purchase options							1 078	1 078		1 078
Puts on non-controlling interests									12	12
Treasury Shares					938		(573)	365		365
Other							(768)	(768)		(768)
Dividends paid							(13 160)	(13 160)		(13 160)
Equity at December 31, 2020	32 538 340	56 942	38 559	(7 304)	(9 761)	(147 254)	743 986	675 167	16	675 184

(*) Change to Soléal's Shareholder structure (France). In two stages, on July 1 and 22, 2019, Bonduelle, a 48% shareholder in Soléal, acquired most of the interests held in the company by the Euralis, Maisadour and Vivadour cooperatives, increasing its interest to almost 100%. Soléal was already controlled and fully consolidated by the Bonduelle Group prior to this transaction.

6. Notes to the condensed half-year consolidated financial statements

Bonduelle SCA is a French limited partnership (société en commandite par action) that is listed in Compartment B of Euronext. Bonduelle is a market leader in processed vegetables both within and outside Europe. The Company operates in three business segments: canned, frozen and ready-to-use fresh vegetables (prepared and fresh-cut).

Half-year financial statements at December 31st, are characterized by a high level of seasonality. Production of canned and frozen technologies is primarily realized during this first half-year of the Bonduelle financial year. At December 31st, expenses directly related to the production of these technologies are accounted according to costs incurred during the year to take into account material effects of seasonality.

On February 19th, 2021, the Management Board approved the consolidated half-year financial statements prepared under IFRS, and authorized the publication of the financial statements for the 6 months ended 31st December 2020.

NOTE 1 ACCOUNTING PRINCIPLES

1. Preparation methods

The consolidated financial statements of the Bonduelle Group and its subsidiaries ("the group") for the 2019-2020 fiscal year have been prepared in accordance with the "IFRS" (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board), and whose adoption ruling has been published in the official journal of the European Union.

The notes to the half-year consolidated financial statements have been prepared in accordance with IFRS and follow recommendation 2016-09 of the *Autorité des normes comptables* (ANC – French Accounting Standards Board).

Half-year financial statements have been prepared in compliance with IAS 34 Interim Financial Reporting.

As part of the normal preparation of the consolidated financial statements, the calculation of certain financial data requires the use of assumptions, estimates and assessments that have a impact on amounts recognized in the balance sheet, the income statement and the notes to the consolidated financial statements and which are principally :

Monitoring of intangible assets values

The carrying amount of goodwill is tested for impairment at least once a year; all other intangible assets are tested when other events and conditions suggest that they are likely to have experienced a loss of value. An impairment loss is recognized when the recoverable amount of the intangible assets becomes less than their net carrying amount.

Following the review of impairment indicators, no impairment was recognised in the financial statements at December 31st, 2020.

2. Accounting standards applied

Since these interim consolidated financial statements are condensed, they may not include all the information required under IFRS for the preparation of the annual consolidated financial statements. Therefore, these interim condensed consolidated financial statements must be read in conjunction with the consolidated financial statements of the Group for the year ended June 30th, 2020, except for the standards, updates and interpretations first applicable to July 1st, 2020.

Standards, amendments and interpretations adopted by European Union and applicable to accounting periods beginning on, or after, January 1st, 2020:

Standards, amendments and interpretations	Theme
Revised Conceptual Framework for Financial Reporting	Amendments to references to the Conceptual Framework in IFRS Standards
Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of term « Material »
Amendments IFRS 16	COVID-19 related Rent Concessions

These new publications did not have a material impact on Group's consolidated financial statements.

Interest rate benchmark reform (IBOR)

Since 2020, the Group has applied the amendment to IFRS 9, IAS 39 and IFRS 7 published by the IASB in September 2019 as part of the reform of interest rates benchmark.

This amendment allows the Group not to take into account uncertainties about the future of reference interest rates when assessing the effectiveness of hedging relationships and/or when evaluating the highly probable nature of the hedged risk, thereby enabling it to secure existing or future hedging relationships until these uncertainties are resolved.

Documented interest rate derivatives hedging debts indexed to a reference rate are presented in Note 8. The Group is currently analyzing the impact of future changes in benchmark indices.

Phase 2 amendments have been adopted by the EU and published in the Official Journal on January 14, 2021. The Group has decided not to apply these new amendments early as of December 31, 2020. Early application of the amendments related to phase 2 would have no impact for the Group in the absence of an effective change in the reference indices in the Group's contracts as of December 31, 2020.

Standards, amendments and interpretations published by the International Accounting Standards Board (IASB) but not yet adopted by the European Union :

Standards, amendments and interpretations	Theme	Date of application ⁽¹⁾
Annual improvements - 2018-2020 cycles	Various provisions	1 st January 2022
Amendments to IFRS 3	Updating a Reference to the Conceptual Framework	1 st January 2022
Amendments to IAS 16	Property, Plant and Equipment : Proceeds before Intended Use	1 st January 2022
Amendments to IAS 1	Presentation of Financial Statements : Classification of Liabilities as Current or Non-Current	1 st January 2022

(1) Subject to adoption by the European Union.

The Group has not applied by anticipation these standards and interpretations to the consolidated financial statement ended 31st December 2020 and suppose not to have a material impact on its results and financial situation.

NOTE 2 SIGNIFICANT EVENTS

Impact of the COVID-19 epidemic on business and earnings for the 2020-2021 fiscal year

In an unstable health context, the Group has maintained and continued the work safety measures implemented last spring. Work organization and health and safety rules were the focus of constant attention, particularly following the resurgence of the epidemic during the fall.

The Group's performance varied depending according to its businesses. Demand remains strong in mass-market for so-called long-life products (canned and frozen), to the detriment of the fresh food business, which is still impacted by the decline in customer traffic. Out-of-home food service activities continued to suffer, particularly in light of the new restrictions introduced last fall (restaurant closures, curfews, etc.). In this context, revenue had a limited impact overall.

The additional costs related to the current health crisis (labor shortages, social distancing, specific equipment, raw materials and finished products with no market outlets, etc.) are also weighing on the Group's operating profitability. These additional costs will be estimated as part of the annual closing. The annual impact of these additional costs is expected to be greater than the estimated impact on the previous year's financial statements (between 7 and 10 million euros in additional expenses).

With respect to liquidity risk, and as already announced in the notes to the financial statements for the year ended June 30, 2020, the current health crisis has not had any adverse effect on the Bonduelle Group's financial position. Indeed, on November 30, 2020, the Bonduelle Group announced the early renewal of its syndicated loan, increasing it from 300 million euros to 400 million euros and indexing the margin on Environmental, Social and Governance (ESG) criteria. Signed with an enlarged pool of 11 banks (9 banking groups), this impact syndicated loan was largely oversubscribed, once again demonstrating the confidence of the banking partners.

In addition, the Negotiable European Commercial Paper (Neu CP) program set up in July 2020 continues to meet with great success with investors. For this reason, the maximum ceiling of this program, secured by the RCF credit line, was raised in January 2021 to an amount of 400 million euros.

NOTE 3 CHANGES IN THE SCOPE OF CONSOLIDATION

There was no significant change in the scope of consolidation during the period.

NOTE 4 SEGMENT REPORTING

<i>(in thousands of euros)</i>	Europe Zone	Non-Europe Zone	Eliminations	Total at 2019/12/31
Income Statement				
Revenue	646 950	801 898	(6 581)	1 442 266
Intercompany sales	(6 581)	0	6 581	0
TOTAL REVENUE	640 368	801 898	0	1 442 266
Current operating profit	23 281	33 877		57 158

<i>(en milliers d'euros)</i>	Europe Zone	Non-Europe Zone	Total at 2019/12/31
Non-current assets			
France	316 098	0	316 098
United- States	0	474 506	474 506
Others	172 642	235 043	407 685
TOTAL NON CURRENTS ASSETS	488 741	709 548	1 198 288

<i>(in thousands of euros)</i>	Europe Zone	Non-Europe Zone	Eliminations	Total at 2020/12/31
Income Statement				
Revenue	653 126	793 457	(5 097)	1 441 486
Intercompany sales	(5 097)		5 097	0
TOTAL REVENUE	648 029	793 457		1 441 486
Current operating profit	35 071	21 239		56 309

<i>(en milliers d'euros)</i>	Europe Zone	Non-Europe Zone	Total at 2020/12/31
Non-current assets			
France	310 935		310 935
United- States		454 352	454 352
Others	167 279	214 821	382 100
TOTAL NON CURRENTS ASSETS	478 214	669 173	1 147 386

Information by segment

<i>(in thousands of euros)</i>	Canned	Frozen	Fresh	Total at 2019/12/31
Revenue – excluding intercompany	559 181	340 262	542 823	1 442 266

<i>(in thousands of euros)</i>	Canned	Frozen	Fresh	Total at 2020/12/31
Revenue – excluding intercompany	588 993	331 992	520 501	1 441 486

Information by geographical area of destination

<i>(in thousands of euros)</i>	Total at 2019/12/31		Total at 2020/12/31	
United States	488 398	34%	482 885	33%
France	307 647	21%	307 620	22%
Canada	170 199	12%	183 065	13%
Southern Europe	122 363	9%	112 386	8%
Germany	105 798	7%	104 841	7%
Eurasia ⁽¹⁾	120 575	8%	105 683	7%
Northern Europe	61 269	4%	73 321	5%
Central Europe ⁽²⁾	41 631	3%	45 504	3%
Other	24 387	2%	26 181	2%
TOTAL REVENUE	1 442 266	100%	1 441 486	100%

⁽¹⁾ Russia + CIS countries.

⁽²⁾ Former Eastern European countries that have joined the European Union.

NOTE 5 NON-RECURRING ITEMS

<i>(in thousands of euros)</i>	At 2019/12/31	At 2020/12/31
Reorganization and restructuring costs	(1 180)	(1 342)
Insurance deductibles and costs relating to claims ⁽¹⁾	(3 001)	0
Other expenses and honoraries ⁽²⁾	(413)	(1 009)
TOTAL NON-RECURRING ITEMS	(4 594)	(2 351)

(1) Climate events and natural disasters.

(2) Mainly litigation as of December 31, 2020

NOTE 6 EMPLOYEE BENEFIT OBLIGATIONS

As at December 31st, 2020, given the decline in the yield curves used, the discount rate used was 0.60%, a 0.30bp change compared to June 30, 2020. This led to an increase of our commitment by 1,220 thousand euros.

NOTE 7 FINANCIAL RESULT

<i>(in thousands of euros)</i>		At 2019/12/31	At 2020/12/31
Cost of net debt	A	(10 453)	(8 871)
Cash and cash equivalents		192	16
Interest expense (at effective interest rate)		(10 638)	(8 887)
Gains and losses on liabilities covered by fair value hedges		2 419	5 577
Gains and losses on fair value hedging derivatives		(2 427)	(5 577)
Other financial income and expenses	B	(1 960)	(999)
Foreign exchange gain (loss)		(625)	569
Ineffective portion of cash flow hedges		0	0
Net gain (loss) on derivatives ineligible for hedge accounting (foreign currency & interest rate risk)		39	(373)
Other finance costs		(1 374)	(1 196)
FINANCIAL RESULT	A+B	(12 414)	(9 870)

At December 31st, 2020 the group's financial result came out at -9.9 million euros compared to -12.4 million euros a year earlier.

The cost of net debt, the main component of financial result, stood at -8.9 million euros as at December 31st, 2020 compared with -10.4 million euros as at December 31st, 2019. This includes interest paid at the effective interest rate for 8.9 million euros.

Further to the adoption of IFRS 9, the impact of residual ineffectiveness on the debt hedged at fair value, and hedge derivatives recognized at fair value linked to cross-currency basis swap spreads, is recognized in equity and will be recognized in profit or loss when the underlying debt matures, in line with the option offered by IFRS 9 and adopted by the group.

The interest rate, calculated on the group's average debt in all currencies and restated to account for IFRS impacts, amounted to 1.99% compared to 2.20% the previous year.

Other financial income and expenses (-1.2 million euros) mostly come from the interest rate expense relating to the application of IFRS 16 (-1.1 million euros).

NOTE 8 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives at 2020/06/30

<i>(in thousands of euros)</i>	Notional amount	Market value		Carrying value	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges ⁽¹⁾	427 671	43	2 700	43	2 700
Fair value hedges	200 902	8 927	0	8 927	0
Hedges ineligible for hedge accounting under IFRS	0	0	0	0	0
Current portion				554	575
Non-current portion				8 416	2 125
Foreign currency derivatives (B)					
Cash flow hedges	35 730	728	454	728	454
<i>o.w. forward contracts</i>	21 246	322	268	322	268
<i>o.w. options</i>	14 485	406	186	406	186
Fair value hedges	86 530	11 359	720	11 359	720
Hedges ineligible for hedge accounting under IFRS	61 128	653	1 074	653	1 074
<i>o.w. forward contracts</i>	36 874	525	551	525	551
<i>o.w. options</i>	24 254	128	523	128	523
Current portion				6 169	2 248
Non-current portion				6 571	0
TOTAL DERIVATIVES (A+B)					
Current portion				6 723	2 823
Non-current portion				14 988	2 125

⁽¹⁾ Including out-of-the-money caps.

Derivatives at 2020/12/31

<i>(in thousands of euros)</i>	Notional amount	Market value		Carrying value	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges	300 792	27	1 890	27	1 890
Fair value hedges	182 456	8 054	0	8 054	0
Hedges ineligible for hedge accounting under IFRS	0	0	0	0	0
Current portion				340	330
Non-current portion				7 741	1 560
Foreign currency derivatives (B)					
Cash flow hedges	30 587	926	796	926	796
<i>o.w. forward contracts</i>	22 532	806	533	806	533
<i>o.w. options</i>	8 055	120	263	120	263
Fair value hedges	168 396	8 694	420	8 693	420
Hedges ineligible for hedge accounting under IFRS	59 083	283	1 011	283	1 011
<i>o.w. forward contracts</i>	14 162	168	215	168	215
<i>o.w. options</i>	44 921	115	797	115	797
Current portion				8 541	2 227
Non-current portion				1 361	0
TOTAL DERIVATIVES (A+B)					
Current portion				8 881	2 557
Non-current portion				9 102	1 560

NOTE 9 NET DEBT

1. Analysis of net debt by component

At 2020/06/30

<i>(in thousands of euros)</i>	Nominal	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	411 592	29 410	0	167 243	232 488	429 141
Finance leases	84 227	10 712	8 935	44 602	19 978	84 227
Other bank borrowings	186 872	5 854	42 246	138 772	0	186 872
Other borrowings and financial debts	1 276	194	194	887	0	1 276
Accrued interest	2 575	2 575	0	0	0	2 575
Current bank lines	34 544	34 544	0	0	0	34 544
Total gross debt before derivatives	721 086	83 289	51 376	351 504	252 466	738 636
Derivatives – Liabilities		1 910	913	2 125	0	4 948
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		720	0	0	0	720
<i>o.w. other derivatives</i>		1 190	913	2 125	0	4 228
Total gross debt after fair value of derivatives		85 199	52 289	353 629	252 466	743 583
Derivatives – Assets		2 619	4 105	8 000	6 987	21 711
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		1 504	3 839	7 957	6 987	20 287
<i>o.w. other derivatives</i>		1 115	266	43	0	1 424
Securities	178	178	0	0	0	178
Cash	6 460	6 460	0	0	0	6 460
TOTAL NET DEBT		0	0	0	0	715 234
TOTAL NET DEBT - BEFORE IFRS16						631 007

At 2020/12/31

<i>(in thousands of euros)</i>	Nominal	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	382 040	-	27 107	173 544	190 777	391 428
Finance leases	82 541	8 546	8 546	26 151	39 298	82 541
Other bank borrowings	355 908	132 636	39	223 234	0	355 908
Other borrowings and financial debts	1 240	275	275	690	0	1 240
Accrued interest	2 268	2 268	0	0	0	2 268
Current bank lines	77 031	77 031	0	0	0	77 031
Total gross debt before derivatives	901 028	220 756	35 967	423 619	230 075	910 416
Derivatives – Liabilities		2 192	365	1 560	0	4 117
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		420	0	0	0	420
<i>o.w. other derivatives</i>		1 772	365	1 560	0	3 697
Total gross debt after fair value of derivatives		222 948	36 332	425 179	230 075	914 533
Derivatives – Assets		7 678	1 202	2 332	6 771	17 983
<i>o.w. derivatives hedging a debt in a fair value hedge</i>		6 617	1 050	2 310	6 771	16 748
<i>o.w. other derivatives</i>		1 061	152	22	0	1 235
Securities	165	165	0	0	0	165
Cash	5 650	5 650	0	0	0	5 650
TOTAL NET DEBT		0	0	0	0	890 735
TOTAL NET DEBT (BEFORE IFRS 16)						808 194

The issues are subject to financial covenants, principally an early redemption clause should Bonduelle default on its financial liabilities (cross default), and in the event of failure to comply with the following ratios:

- Long-term debt/long-term equity ratio less than or equal to 0.60;
- Consolidated current assets/consolidated current liabilities greater than or equal to 1.10.

At December 31st, 2020 the group complies with these covenants.

2. Liquidity

On November 30, 2020, the Bonduelle Group announced the early renewal of its syndicated loan, increasing it from 300 million euros to 400 million euros and indexing the margin on Environmental, Social and Governance (ESG) criteria.

Signed with an enlarged pool of 11 banks (9 banking groups), this syndicated impact loan includes a single tranche of revolving credit facility (RCF), which was largely oversubscribed, and refinances the 300 million euro RCF that was due to mature in July 2021. As of December 31, 2020, the RCF is used up to 130 million euros (175 million euros as of December 31, 2019).

In addition, the Negotiable European Commercial Paper (Neu CP) program set up in July 2020 continues to meet with great success with investors. For this reason, the maximum ceiling of this program, secured by the RCF credit line, was raised in January 2021 to an amount of 400 million euros. As of December 31, 2020, the outstanding amount of Neu CP issued by Bonduelle was 100 million euros.

In addition, the Group has several confirmed bank credit facilities with maturities up to two years, bringing the total amount of confirmed bank lines (including RCF) to 540 million euros (440 million euros as of December 31, 2019), of which 170 million euros had been drawn on December 31, 2020 (254 million euros as of December 31, 2019).

Utilisations made on committed bank credit lines (including RCF) with a final maturity beyond one year are classified in consolidated financial statement as non-current financial liabilities.

NOTE 10 EARNINGS PER SHARE

A dividend of 0.40 euros per share has been voted to the Shareholders' Meeting held on December 17th, 2020.

As at 31st December 2020 Bonduelle SCA's share capital comprised 32,538,340 shares with a par value of 1.75 euros per share.

<i>(in thousands of euros)</i>	At 2019/12/31	At 2020/12/31
Group net income	29 490	31 931
Number of shares used to calculate:		
• Basic earnings	32 112 288	32 011 155
• Diluted earnings	32 535 705	32 624 491
Earnings per share (in euros)		
• Basic earnings per share	0,92	1,00
• Diluted earnings per share*	0,91	0,98

* Dilution relates to free shares being granted. The risk of dilution mentioned above is considered as limited according to the allocation of the treasury shares to the objective of coverage for securities giving rights to allocations of shares.

NOTE 11 GOODWILL

Changes in goodwill were as follows:

<i>(in thousands of euros)</i>	At 2019/06/30	Acquisitions or charges	Sale, disposal or recovery	Other ⁽¹⁾	At 2019/12/31
GROSS CARRYING AMOUNT	481 881	0	0	4 634	486 515
Impairment					
NET CARRYING AMOUNT	481 881	0	0	4 634	486 515

<i>(in thousands of euros)</i>	At 2020/06/30	Acquisitions or charges	Sale, disposal or recovery	Other ⁽¹⁾	At 2020/12/31
GROSS CARRYING AMOUNT	483 183	0	0	(26 649)	456 534
Impairment					
NET CARRYING AMOUNT	483 183	0	0	(26 649)	456 534

(1) Translation adjustments.

At 31st December 2020, net value by CGU is the following :

	At 2020/06/30	Acquisitions or charges	Sale, disposal or recovery	Other ⁽¹⁾	At 2020/12/31
Goodwill par UGT					
Europe / cans and frozen	73 496	0	0	(82)	73 415
Europe / fresh	73 160	0	0	0	73 160
Eastern Europe / can and frozen	12 597	0	0	(1 440)	11 156
Norht and South America / can and frozen	45 474	0	0	(899)	44 575
North and South America / fresh	278 457	0	0	(24 229)	254 228
Total	483 183	0	0	(26 649)	456 534

(1) Translation difference

NOTE 12 CONTINGENT LIABILITIES

<i>(in thousands of euros)</i>	At 2020/06/30	At 2020/12/31
Commitments given		
Guarantees and security deposits given (net of uses)	39 251	17 301
Commitments received		
Guarantees and security deposits received (net of uses)	6 075	8 360

Our commitments relate to our current activities.

Environment

None of the group's activities generates any major environmental liabilities.

The group occasionally incurs refurbishing costs on closed industrial sites.

NOTE 13 SUBSEQUENT EVENTS

Bonduelle takes over the industrial assets of the France Champignon Cooperative

The Bonduelle Group's offer to take over the industrial assets of the France Champignon Cooperative, which was placed in receivership by judgment on November 12, 2020, was validated by a decision of the Saumur District Court. The final takeover is now subject to approval by the French Competition Authority.

With its mushroom-producing partners and the support of its main distributor customers, Bonduelle is actively participating in preserving the industry and continuing to supply the French market with processed mushrooms from a high-quality French industry.

The expected financial impact for the Bonduelle Group is the cancellation of the residual value of the equity interests in the "Coopérative France Champignon", with an offsetting entry to the group shareholders' equity, and a charge of € 0.6 million in non-recurring items.

7. Certification by half-year financial report managers

We hereby certify that, to the best of our knowledge, the condensed accounts for the previous half-year have been drawn up according to the applicable accounting standards and provide a faithful impression of the assets, financial situation and results of the company Bonduelle SCA and all the firms within its consolidation structure and that the half-year business report presents a faithful impression of the important events occurring during the first six months of the financial year, their effects on the accounts, the main transactions between associated parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

The Executive Manager

Pierre and Benoît Bonduelle SAS
Represented by Guillaume Debrosse

The Chief Financial Officer

Benjamin Cogez

8. Statutory Auditors' report on the consolidated half-year condensed financial statements

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,

In compliance with the assignment entrusted to us by your annual general meeting 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 Bonduelle, for the period from July 1st, 2020 to December 31st, 2020,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures .

It is in this complex and evolving context that these half-yearly consolidated financial statements have been prepared under the responsibility of the Management Board . 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.

Lille and Villeneuve d'Ascq, February 26th, 2021

The Statutory Auditors

French original signed by

Deloitte & Associés

MAZARS

Pierre Marie MARTIN

Vincent Rambaux