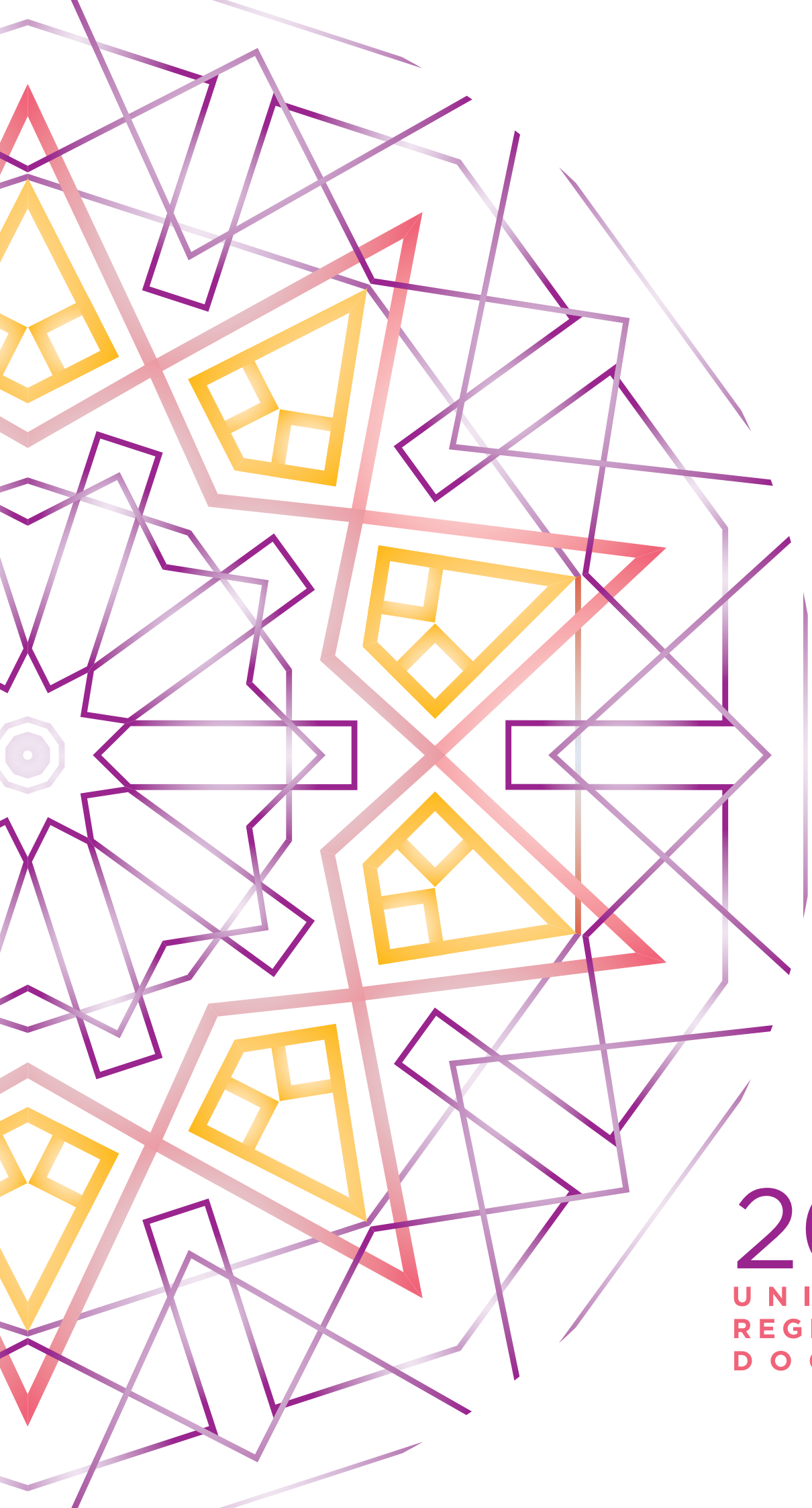


MARIE BRIZARD
WINE & SPIRITS

2020

UNIVERSAL REGISTRATION DOCUMENT

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Marie Brizard Wine & Spirits
10-12 Avenue du Général de Gaulle
94220 Charenton-Le-Pont

Créteil Trade and Companies Register No. 380 695 213
Company with share capital of €156.728.555,20

2020 UNIVERSAL REGISTRATION DOCUMENT & ANNUAL FINANCIAL REPORT



The Universal Registration Document was filed on 30 April 2021 with the French Financial Markets Authority (AMF) in its capacity as the competent authority pursuant to Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of the Regulation.
The Universal Registration Document may be used for the purposes of an offer of financial securities to the public or for the admission of financial securities to trading on a regulated market, provided that it is accompanied by a securities note and, where applicable, a summary and all amendments to the Universal Registration Document. The set of documents thus formed has been approved by the AMF in accordance with Regulation (EU) 2017/1129.

In application of Article 19 of Regulation (EU) 2017/1129, the following documents are incorporated into this Universal Registration Document by reference:

- the consolidated financial statements included in Section 4.1 of the 2018 Registration Document, the Statutory Auditors' report on the consolidated financial statements included in Section 4.2 of the 2018 Registration Document, the Statutory Auditors' special report on regulated agreements and commitments included in Section 6.4 of the 2018 Registration Document, the report of the Chairman of the Board of Directors and the Statutory Auditors' report on the report of the Chairman of the Board of Directors included in Sections 6.1 and 6.2 of the 2018 Registration Document filed on 15 May 2019 under number D.19-0491 (http://en.mbws.com/sites/default/files/mbws_2018_registration_document_-_engish_version.pdf).

- the consolidated financial statements included in Section 4.1 of the 2019 Universal Registration Document, the Statutory Auditors' report on the consolidated financial statements included in Section 4.2 of the 2019 Universal Registration Document, the Statutory Auditors' special report on regulated agreements and commitments included in Section 6.8 of the 2019 Universal Registration Document, the report of the Chairman of the Board of Directors and the Statutory Auditors' report on the report of the Chairman of the Board of Directors included in Sections 6.1 and 6.2 of the 2019 Universal Registration Document filed on 2 June 2020 under number D.20-0509 (http://en.mbws.com/sites/default/files/mbws_2018_registration_document_-_engish_version.pdf).

- the pro forma financial statements included in Section 4.1 "Pro forma financial statements" of the Amendment to the 2019 Universal Registration Document filed on 13 January 2021 under number D.20-0509-A01 (https://en.mbws.com/sites/default/files/mbws_-_amendement_urd_vf_en.pdf)

Copies of the Universal Registration Document may be obtained free of charge from Marie Brizard Wine & Spirits, 10-12 Avenue du Général de Gaulle, 94220 Charenton-Le-Pont, France, or downloaded from the AMF website (http://amf-france.org) or Company website (http://www.mbws.com).

THE MARIE BRIZARD WINE & SPIRITS GROUP



Marie Brizard Wine & Spirits (MBWS) is a French wine and spirits group mainly operating in Europe and the United States.

The brands

MBWS holds a large portfolio of brands, particularly developed in Europe and the United States:

No. 6 blended Scotch whisky brand worldwide[1], in 2020 **WILLIAM PEEL** consolidated its leadership on the Scotch whisky market in France with a market share of 24.1%[2]. The brand continued its international expansion with particular success in Poland and Lithuania.

SOBIESKI is a traditional Polish vodka made exclusively from rye, which gives it excellent organoleptic properties. Besides holding its position as a go-to brand in the United States amid challenging market conditions, Sobieski has also consolidated its No. 2 position on the French vodka market(2).

MARIE BRIZARD, the iconic premium liqueur and syrup brand created in 1755, continues to surf the lasting trend towards cocktail drinking, capitalising on the interest shown by the bartender community as well as home consumers.

Nine times voted the "World's Best Cognac"[3] since 2000 due to its excellent organoleptic properties, COGNAC GAUTIER is another long-standing classic: created in 1755, the brand's goal is to rise to 10th place on the global cognac market.

In addition to these global brands, MBWS boasts a rich portfolio of local brands as well as a wine business (Rioja Marques del Puerto, Tcherga).

In 2020 Marie Brizard sold the Krupnik trademark as part of the transfer of its Polish business to United Beverages S.A.

On 16 February 2021, the Company sold the Fruits and Wine trademark as part of the transfer of Moncigale to Grands Vins JC Boisset.

(1) IWSR 2020
(2) NIELSEN 2020
(3) International Spirits Challenge (2019)

1

OVERVIEW OF MARIE BRIZARD WINE & SPIRITS

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1.1 KEY DATES AND EVENTS IN THE HISTORY OF MARIE BRIZARD WINE & SPIRITS

MARIE BRIZARD WINE AND SPIRITS (the Company) was founded on 8 February 1991 in Beaune, France. It experienced its first boom in the 1990s, when it was the first company to market upscale vodkas and developed an extensive distribution network, primarily in Poland.

The Company was listed on the Paris Stock Exchange new market on 21 January 1997.

The Company created Sobieski vodka in 1998.

During the 2000s, the Company brought a number of new products to market and acquired production facilities so as to integrate and secure the entire value chain. Accordingly, it began marketing wines from Bulgaria in 2000, followed by the purchase of a vineyard and the first distilleries in Poland and Lithuania a few years later.

The Company acquired Marie Brizard & Roger International in 2006. In addition to the range of products linked to the historic Marie Brizard brand, this acquisition enabled the Group to acquire the William Peel (Scotch whisky), Cognac Gautier and Moncigale wine brands.

In 2008 the Company faced the initiation of safeguard proceedings, at the height of the downturn in the global economic environment. The safeguard plan was cancelled in 2011 and substituted by the opening of court-ordered rehabilitation proceedings in 2012. In 2013, the General Meeting of Shareholders approved the rehabilitation plan including the proposed liability settlement solution.

In 2010 and 2011 the Company continued to launch new products, such as Krupnik vodka in Poland and the Fruits and Wine flavoured wine-based beverages.

2014 marked a change in governance for the Group.

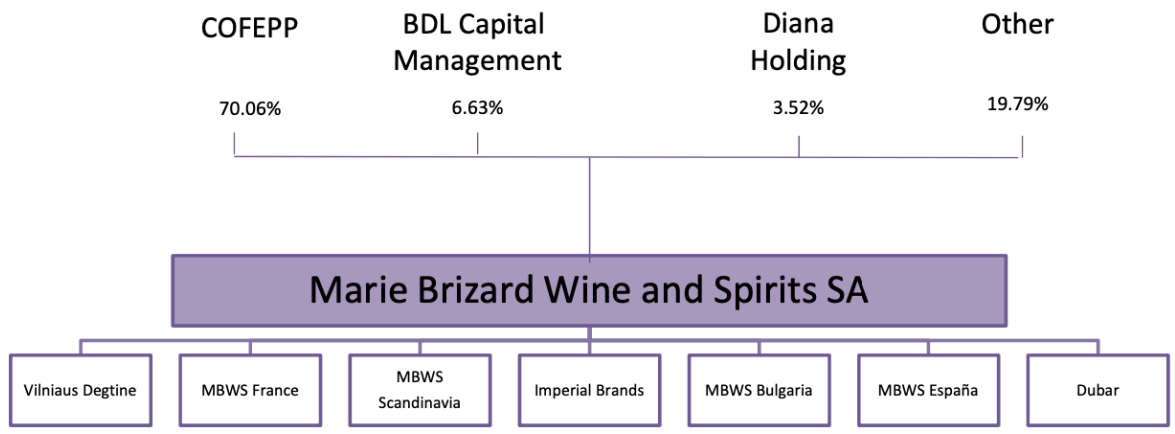
At the General Meeting held on 30 June 2015, the Company's shareholders decided to adopt "Marie Brizard Wine & Spirits" as the new company name.

On 1 March 2019, COFEPP subscribed to a €37.7 million reserved capital increase. In April 2019, a short-term warrant programme was launched and subscribed by shareholders in an amount of €20.7 million (including €15 million subscribed by COFEPP). As a result of these transactions, COFEPP currently holds 50.96% of the Company's share capital and is now the majority shareholder. 2020 marked the sale of Polish businesses and the decision to sell Moncigale (flavoured wines), which was subsequently sold on 16 February 2021.

On 2 February 2021, following the share capital increase with shareholders' preferential subscription rights (PSR) for a total subscribed amount of €100.9 million (€17.4 million in cash), COFEPP now holds 70.06% of the Company's share capital and 68.02% of the voting rights.

Other highlights of 2020 and subsequent major events are described in the following sections of this document.

1.2 SIMPLIFIED ORGANISATIONAL CHART AS AT THE DATE OF THIS DOCUMENT



1.3 ROLE OF THE VARIOUS LEGAL STRUCTURES

The Group's entities are divided between four clusters:

- Western Europe, Middle East and Africa
- Central and Eastern Europe *(*)*
- The Americas
- Asia Pacific

Three main types of company can be identified within the Group:

1 / Production companies, whose role consists in producing the Group's wine and spirits. These companies mainly carry out the following processes:

- Ageing and blending of wines;
- Distillation;
- Bottling;
- Packaging.

2 / Distribution companies, whose role consists in marketing and promoting the Group's products within each cluster.

3 / Marie Brizard Wine & Spirits SA is the holding company for the entire Group. The purpose of the Company is to provide operational support to its subsidiaries and to ensure the implementation of the strategic plan.

(*) since the end of 2020, this region now includes the Baltic States and Bulgaria, following the sale in Poland

1.4 BUSINESS ACTIVITIES

Marie Brizard Wine & Spirits is a leading international player in the alcoholic beverages sector. The Group markets and distributes wine and spirits, primarily in France, the United States and Eastern Europe.

The Group's businesses are presented under the following two categories:

- "Brand business": wine and spirits production and/or marketing operations, by Group subsidiaries. The sub-group comprising Marie Brizard Wine & Spirits France and its subsidiaries focuses on the production and marketing of products primarily under the William Peel, Marie Brizard and Cognac Gautier brands. The Group also owns the Sobieski vodka brand which it distributes in France and the United States;
- "Other business": complementary production and/or marketing operations that enable Group subsidiaries to optimise their performance and profitability (private label, bulk, subcontracting, other sales and services, etc.).

1.5 MAIN BRAND MARKETS AND OPERATIONS

In March 2019, the Group drew up a strategic plan for 2019-2022, the main goal being to transform the Group to ensure a sustainable return to profitable growth in the medium term.

This transformation will take place in two phases:

- firstly, in 2019-2020, approving and implementing strategic decisions on the basis of their contribution to improving profitability in order to gradually return to positive EBITDA,
- in 2021-2022, preparing the conditions for future growth by reinvesting cash flows generated to achieve positive upward-trending EBITDA by the end of 2022.

In 2020, the Strategic Plan was rolled out in an effort to reshape the Group's international footprint, develop value-creating partnerships and prioritise value-oriented business activities to trigger a return to positive EBITDA.

In this respect, on 14 and 23 October 2020 the Company announced the achievement of two major milestones under the strategic transformation plan with a refocus on core and profitable business activities.

On 23 October 2020, MBWS announced the finalisation of the sale of the Group's businesses in Poland to United Beverages S.A., through the sale of the entire share capital of MBWS Polska, owner of the Krupnik brand, and Polmos Lancut.

On 14 October 2020, the Company also announced a plan to sell the entire share capital of Moncigale, owner of the Fruits and Wine brand, to Grands Vins JC Boisset. This was formalised by the signing of a unilateral promise to purchase in favour of the Group.

The Group has made significant progress in overhauling its organisation, financial structure and governance, as well as the marketing of its products in its various operating regions, and remains committed to simplifying its operating model and reducing its cost base; it also continues to identify synergies with the COFEPP Group.

1.5.1 Four key development regions

WESTERN EUROPE, MIDDLE EAST AND AFRICA: continue to implement the value strategy, strengthen the portfolio of distributed brands and increase profit

In France, during a somewhat volatile year in 2020, the adaptation of the offer in partnership with large retail customers made it possible to implement a proactive cost reduction strategy in a highly competitive market.

The strength of its brands, its service quality and adaptability, the availability of the renewed offer and the proven loyalty of its customers to the Group's brands were all positive factors that confirmed its choice of sales policy, focused on identifying value.

The out-of-home consumption network had a difficult year, as a result of the ongoing health crisis.

In the rest of the region, the pandemic had a greater impact on MBWS's traditional out-of-home business segment, particularly in countries bordering France and Scandinavia.

CENTRAL AND EASTERN EUROPE: developing profitable brands in a highly competitive market in face of significant increases in local taxes on spirits

The commercial strategy in this region primarily focused on the hunt for value creation, despite a health context that proved favourable for some of our businesses, and a more challenging local market in a still considerably competitive environment.

In Lithuania, the "brand business" was impacted by restrictions imposed in response to the pandemic. However, this impact was partly offset by the positive effects of changes in the product mix, price adjustments in Lithuania and the suspension of loss-making commercial contracts. Cyclical sales relating to the health crisis (bulk alcohol consumption) also helped maintain the level of activity.

In Bulgaria, the domestic market suffered slightly, partially offset by a significant market share of the wine business, while exports stood up well thanks to a solid performance by the spirits business and quality subcontracting activities.

AMERICAS: consolidating the distribution model, stepping up the establishment of local brands

2020 business in the United States was marked by the positive effects of the new distribution partnership effective as of January. The sharp decline in volumes at the end of 2020 reflects a desire to control inventory levels following a steady period of inventory building by the new distributor. The increase in home consumption has resulted in changes in the product mix (in favour of large formats)

ASIA PACIFIC: Generating momentum in a profitable way

The Asia Pacific cluster's modest revenues were up slightly this year, with lockdown difficulties in Japan offset by a doubling of business in Australia and continued resilience in South Korea. Put on hold in 2020 due to the global health crisis, projects to revitalise business in China are expected to resume with a new partnership.

1.5.2 The Group's international brands

1

MARIE BRIZARD



MARIE BRIZARD international brand particularly well-established in Spain, the UK, France and Asia. The long-term cocktail trend, home consumption, and flavour and format innovations will be growth drivers over the coming years.

SOBIESKI



SOBIESKI, a traditional Polish vodka made exclusively from rye, is distributed in all markets. A go-to brand in the United States and France, where it is firmly established as the second largest vodka brand.

COGNAC GAUTIER



COGNAC GAUTIER continues to grow on priority markets, driven by its growing reputation and excellent organoleptic properties, which have received a number of international awards, such as "Best Cognac in the World". As such, the brand continued to grow in its top market, Canada, where it is ranked fourth(4).

WILLIAM PEEL



WILLIAM PEEL, No. 1 scotch whisky in France, the world's leading scotch whisky market, and sixth largest blended scotch whisky brand in the world. The brand continues to expand internationally, particularly in Poland and Lithuania.

(4) MONOPOLE 2020

1.6 PROPERTY, WAREHOUSES AND INDUSTRIAL PLANT

The Group owns most of its industrial property assets.

Following the sale of the Polish businesses, the Group currently has nine active industrial facilities used for distilling, rectification, ageing, blending, packaging and bottling operations. These operating assets and their ongoing improvement are of considerable strategic importance for the Group. They represented a total gross amount of €105.5 million at 31 December 2020, recognised under property, plant and equipment (vs €230.6 million at 31 December 2019 across the entire consolidated scope including assets held for sale).

The Group's main facilities are currently as follows:

- Facilities in Lithuania at Obeliai (alcohol distillation and rectification) and Vilnius (bottling and packaging of vodkas and other spirits);
- The three French facilities carry out blending, packaging and bottling of spirits at Lormont and Aigre (the Moncigale-Beaucaire facility sold in February 2021 as part of the sale of the Moncigale entity);
- One facility in Spain (Zizurkil) for plant distillation and bottling of syrups and spirits and another at Fuenmayor for production, ageing and bottling of wines;
- Stara Zagora in Bulgaria, where the Group owns a number of vineyards. The facility takes care of the production, ageing and bottling of wines;
- The Jundiai facility, near São Paulo, Brazil, carries out plant distillation and bottling of spirits.

Most quality systems at Group plants are ISO certified. The risk of pollution or fire is subject to audits and prevention plans that are formally defined with the relevant government departments. The Group's owned plants are subject to a regular investment plan aimed at upgrading production facilities and maintaining compliance with changing environmental, health and safety standards. The Group implements a responsible environmental policy in each country where it has production facilities.

More specifically, the modernisation of production and computer equipment has been identified as a strategic issue. Accordingly, between 2018 and 2020 major investments totalling nearly €25 million were incurred (excluding discontinued operations), focusing on:

- expanding and upgrading alcohol treatment capacities in Lithuania for vodka production;
- increasing the capacity of the liqueur production industrial plant;
- implementing a new ERP, whose development has since been staggered due to its cost; it is gradually being rolled out across the Group.

1.7 MAJOR CONTRACTS

All of the contracts entered into by the Group relate to day-to-day management.

2

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The Group Management Report prepared by the Board of Directors of Marie Brizard Wine & Spirits for the 2020 financial year is included below.

2.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2020 FINANCIAL YEAR

2.1.1 Going concern

The MBWS Group consolidated financial statements have been prepared in accordance with the going concern principle, in view of the known situation as at the reporting date, as explained in Note 1.3 to the 2020 consolidated financial statements.

2.1.2 2020 consolidated income statement

The parent company and consolidated financial statements for the year ended 31 December 2020 have been prepared in accordance with the presentation rules and valuation methods provided for by the regulations in force.

The presentation rules and valuation methods used are set out in Note 1 to the consolidated financial statements and Note 2 to the parent company financial statements of Marie Brizard Wine & Spirits SA.

Summary 2020 consolidated income statement

(€'000)	2020	2019 restated*	Change 2020/2019
Revenues	220,774	220,476	0.1%
Revenues excluding excise duties	**169,083**	**166,860**	**1.3%**
EBITDA	10,614	(3,534)	400.3%
EBITDA margin	*6.3%*	*-2.1%*	
Underlying operating profit/(loss)	**1,046**	**(7,428)**	**119.9%**
Operating profit/(loss)	(5,671)	(28,406)	80.0%
Cost of debt	(2,845)	(2,172)	53.4%
Net financial income/(expense)	1,649	(1,370)	220.3%
NET PROFIT/(LOSS), GROUP SHARE	**(38,465)**	**(65,926)**	**43.6%**

** Restated in application of IFRS 5 (see Chapter 4, Notes 1.25 and 8)*

The Group uses revenues, gross margin and EBITDA as its main performance indicators, as defined in Note 1.31 to the 2020 consolidated financial statements (Chapter 4 of this Universal Registration Document).

Revenues for the 2020 financial year, excluding excise duties, amounted to €169.1 million, up 1.3% from 2019 restated.

The gross margin ratio was 42.4% in 2020, compared with 41.3% in 2019. This improvement is mainly due to the increase in revenues between 2020 and 2019.

Promotional expenditure decreased compared with 2019.

For 2020, the Group posted EBITDA of €10.6 million, compared with an EBITDA loss of €3.5 million the previous year, after restatement.

Net non-recurring operating expenses came to €6.7 million, mainly related to the Group's debt restructuring plan.

Net financial income amounted to €1.6 million, mainly comprising cost of debt.

Net loss, Group share for 2020 amounted to €38.4 million, compared with €65.9 million in 2019.

Analysis of revenues by region[5]

Net revenues (€m)	31.12.2019	Discont. op'ns. IFRS 5	2019 restated	Like-for-like change	Currency impact	31.12.2020	Like-for-like change (excl. currency impact)	Change (incl. currency impact)
Brand business								
• Western Europe, Middle East and Africa	107.0	-7.8	99.1	-8.6	0.0	90.5	-8.7%	-8.7%
• Central and Eastern Europe	65.9	-38.5	27.4	-2.9	0.0	24.5	-10.6%	-10.6%
• Americas	18.8	0.0	18.8	0.9	-1.1	18.7	5.0%	-0.8%
• Asia Pacific	2.5	0.0	2.5	0.2	0.0	2.7	6.1%	6.1%
Sub-total brand business	**194.2**	**-46.3**	**147.9**	**-10.4**	**-1.1**	**136.4**	**-7.1%**	**-7.8%**
Other business	**81.2**	**-62.3**	**18.9**	**13.8**	**0.0**	**32.7**	**72.7%**	**72.7%**
TOTAL MBWS	**275.5**	**-108.6**	**166.9**	**3.3**	**-1.1**	**169.1**	**2.0%**	**1.3%**

EBITDA (€m)	31.12.2019	Discont. op'ns. IFRS 5	2019 restated	Like-for-like change	Currency impact	31.12.2020	Like-for-like change (excl. currency impact)	Change (incl. currency impact)
Brand business								
• Western Europe, Middle East and Africa	7.2	-0.6	6.6	5.1	0.0	11.7	77.1%	77.1%
• Central and Eastern Europe	-6.5	9.4	2.8	-1.1	0.0	1.7	-38.9%	-38.9%
• Americas	-2.1	0.0	-2.1	4.8	0.0	2.7	228.5%	228.5%
• Asia Pacific	-0.7	0.0	-0.7	1.0	0.0	0.3	150.0%	150.1%
Sub-total brand business (excl. holding company)	**-2.2**	**8.8**	**6.6**	**9.9**	**0.0**	**16.5**	**149.7%**	**149.7%**
• Holding company	-9.2	0.0	-9.2	0.7	0.0	-8.5	7.2%	7.2%
Total brand business	**-11.4**	**8.8**	**-2.6**	**10.5**	**0.0**	**7.9**	**406.5%**	**406.5%**
Other business	**-0.7**	**-0.2**	**-0.9**	**3.6**	**0.0**	**2.7**	**384.1%**	**384.1%**
TOTAL MBWS	**-12.1**	**8.6**	**-3.5**	**14.1**	**0.0**	**10.6**	**400.5%**	**400.5%**

The Brand business generated EBITDA of €16.5 million (excluding holding company costs), representing a considerable improvement of €9.9 million compared with 2019.

(5) Changes in revenues and EBITDA are stated at constant exchange rates in the following analysis, unless otherwise specified. Figures at constant exchange rates are calculated by applying the previous year's exchange rates to the year ended.

GROUP

In 2020, the Brand business generated sales of €136.4 million (after IFRS 5), down 7.1% compared with the previous year excluding currency impact, heavily affected by governments' COVID-19 restrictions (lockdowns, curfews, closures of bars and restaurants) in most of the Group's markets. This decline was driven exclusively by Eastern and Western Europe, and the Middle East and Africa region, down 10.6% and 29.2% respectively vs 2019.

The various structural measures taken are bearing fruit and all regions posted positive EBITDA in 2020.

WESTERN EUROPE, AFRICA AND MIDDLE EAST: VALUE VS VOLUME STRATEGY MAINTAINED DURING THE PANDEMIC

France, which is continuing its search for value vs volume, stood up well against the pandemic, posting a decline of 3.3%, below the Group average, thanks to its strategy of prioritising certain formats and the relatively strong performance of the William Peel brand, backed by vigorous promotional activity at the end of the year. Accordingly, 2020 revenues came to €75.8 million, following a 2.4% increase in Q4 sales (to €19.1 million).

Revenues from the rest of the region totalled €14.6 million (down 29.2%), of which €5.4 million (down 24.8%) was generated in the fourth quarter of 2020. The COVID crisis is behind most of this decline, particularly in the UK (down €1.3 million vs 2019), Spain (out-of-home sales heavily affected and an 80% decline in border volumes with France for William Peel) and in Scandinavia (down 42% vs 2019).

EBITDA for the region rose 77.1% to €11.7 million.

CENTRAL AND EASTERN EUROPE (CEE): MITIGATION MEASURES TO CURB THE EFFECTS OF COVID

The CEE region posted 2020 revenues of €24.5 million after IFRS 5, down 10.6% from the previous year. In Lithuania, where sales amounted to €19.2 million, the impacts of COVID restrictions were partly offset by changes in the product mix, the discontinuation of loss-making contracts and price increases to raise margins on certain products.

The region as a whole posted EBITDA of €1.7 million, despite a €1.1 million decline compared with 2019.

AMERICAS: RETURN TO GROWTH THANKS TO AN UPDATED DISTRIBUTION MODEL IN THE US

The Americas region posted 2020 revenues of €18.7 million, up 5.0% versus 2019, excluding currency impact. The significant weakening of the Brazilian real (34% vs 2019) and the US dollar (2%) adversely affected the region's revenues by €1.1 million.

In the United States, 2020 was marked by the launch of the partnership with Sazerac from January 2020. After a strong start to the year (up 25% by the end of Q3 vs 2019) due to the build-up of Sazerac inventories, a slowdown was observed in the fourth quarter. The increase in at-home consumption due to the COVID-19 crisis led to changes in the Sobieski format mix, thus ramping up sales, especially in Q4, of large formats with lower unit prices.

In Brazil, the Group posted a solid performance in 2020 with double-digit growth (up 13%) excluding currency impact. This organic growth is mainly due to the introduction of new brands (Cutty Sark and Glen Moray) that enhance the product mix, the launch of a new local brand, the opening of new distributors and a 5% price increase in the third quarter.

EBITDA in this region amounted to €2.7 million, up €4.8 million from an EBITDA loss in 2019.

ASIA PACIFIC: UP 6.1% VS 2019

Asia Pacific posted 2020 revenues of €2.7 million, up 6.1% versus 2019, albeit with a 2.1% decline in the fourth quarter (impact of COVID). Australia and South Korea displayed strong business resilience, offsetting the difficulties encountered in Japan due to the impact of lockdowns on On-trade activities (down 64%). EBITDA in this region came to €0.3 million, up €1.0 million over 2019.

OTHER BUSINESS

Private label (MDD) and bulk sales rose sharply by 72.7% compared with 2019, to stand at €32.7 million. The strong performance was mainly driven by the Lithuanian bulk market in the first half of the year, which enabled production to operate at full capacity despite the downturn in the second half. The subcontracting business in Spain posted a record-breaking year for production, up 16% on 2019.

The EBITDA loss in 2019 improved by €3.6 million to €2.3 million.

2.1.3 2020 consolidated balance sheet

(€'000)	31.12.2020	31.12.2019	Change 2020/2019	
Goodwill	14,704	15,039	(335)	-2%
Intangible assets	83,167	88,031	(4,864)	-6%
Property, plant and equipment	28,111	56,180	(28,069)	-50%
Financial assets	5,639	2,387	3,252	136%
Deferred tax assets	1,225	1,328	(103)	-8%
Total non-current assets	**132,846**	**162,965**	**(30,119)**	**-18%**
Inventory and work-in-progress	37,811	53,991	(16,179)	-30%
Trade receivables	20,813	46,669	(25,856)	-55%
Tax receivables	554	1,735	(1,181)	-68%
Other current assets	22,123	32,686	(10,563)	-32%
Current derivatives	70	157	(87)	-55%
Cash and cash equivalents	42,075	26,193	15,882	61%
Assets held for sale	12,900		12,900	
Total current assets	**136,346**	**161,431**	**(25,085)**	**-16%**
TOTAL ASSETS	**269,192**	**324,396**	**(42,304)**	**-13%**

(€'000)	31.12.2020	31.12.2019	Change 2020/2019	
Shareholders' equity	**66,348**	**93,737**	**(27,389)**	**-29%**
Employee benefits	3,150	5,533	(2,383)	-43%
Non-current provisions	3,926	3,238	2,008	62%
Long-term borrowings – due in > 1 year	65,352	9,689	55,663	574%
Other non-current liabilities	1,751	1,855	(104)	-6%
Deferred tax liabilities	17,879	16,424	1,455	9%
Total non-current liabilities	**92,058**	**36,739**	**56,639**	**154%**
Current provisions	7,049	10,178	(4,449)	-44%
Long-term borrowings – due in < 1 year	15,023	50,933	(35,910)	-71%
Short-term borrowings	5,287	12,292	(7,005)	-57%
Trade and other payables	34,777	63,719	(28,942)	-45%
Tax liabilities	5,667	481	5,186	1078%
Other current liabilities	32,584	56,315	(23,731)	-42%
Current derivatives	98	2	96	4800%
Liabilities held for sale	10,301		10,301	
Total current liabilities	**100,486**	**193,920**	**(84,453)**	**-44%**
TOTAL EQUITY AND LIABILITIES	**269,192**	**324,396**	**(44,902)**	**-14%**

NON-CURRENT ASSETS AND LIABILITIES

Group goodwill is derived from historical acquisitions of companies and brands made by the MBWS Group.

Intangible assets mainly consist of Group trademarks with a net value of €74.2 million at 31 December 2020. The main trademarks valued were the Marie Brizard trademarks acquired by the Group in 2006.

At 31 December 2020, Group property, plant and equipment amounted to €28.1 million, compared with €56.2 million at 31 December 2019. This reduction in the property, plant and equipment item is primarily linked to the termination of finance leases.

The valuation of Group assets was reviewed as at 31 December 2020, in accordance with IAS 36.

Impairment tests were carried out on non-amortisable intangible assets (goodwill and trademarks) and on amortisable assets (by CGU),

as a result of which an impairment charge of €2.3 million was recognised against trademarks in 2020.

WORKING CAPITAL

Working capital 1 (inventory + trade receivables – trade payables) amounted to €23.8 million at 31 December 2020, down from €36.9 million at 31 December 2019. This 13.1 million decline mainly corresponds to a decrease in inventories, in keeping with the inventory trimming policy on a number of markets, as well as a decrease in receivables related to the planned disposal of Moncigale (reclassified to "Assets held for sale") and the Polish entities sold in October 2020.

Working capital 2 (non-operating working capital) mainly includes excise duties and VAT, both of which were particularly high in December due to end-of-year sales.

NON-CURRENT LIABILITIES

Non-current liabilities include the portion of long-term borrowings due in over one year, mainly consisting of leases, employee benefits, provisions for contingencies and charges and deferred tax liabilities.

CASH AND CAPITAL

Group shareholders' equity amounted to €66.3 million, compared with €93.7 million in 2019. This change is mainly due to the net loss for the year.

Group borrowings amounted to €85.7 million as at 31 December 2020, up €12.8 million from 31 December 2019.

At 31 December 2020, borrowings mainly comprised advances granted in 2020 by COFEPP to MBWS in the amount of €28 million and the senior loan under which €45 million has been drawn. In 2020, this loan was assigned to the Company's majority shareholder, COFEPP, which currently holds 70.06% of MBWS share capital. The assignment became effective in January 2020.

At 31 December 2020, Group net debt stood at €43.6 million, down €3.1 million from 31 December 2019, primarily due to the decrease in short-term financing arrangements, mainly in France and Poland.

(€'000)	31.12.2020	31.12.2019
Borrowings	80,375	51,985
Short-term borrowings	5,287	20,929
Gross borrowings	**85,662**	**72,914**
Cash and cash equivalents	(42,075)	(26,193)
Net borrowings	**43,587**	**46,721**
SHAREHOLDERS' EQUITY	**66,348**	**93,737**

2.1.4 Discontinued operations

The Group's Polish entities (MBWS Polska and its subsidiaries) were sold in October 2020. These disposals have been treated as discontinued operations, giving rise to a restatement in the 2019 and 2020 consolidated financial statements.

Moncigale, a subsidiary of MBWS France, the planned disposal of which was approved on 14 October 2020 and which was sold on 16 February 2021, has been classified as a discontinued operation and has been restated accordingly.

At 31 December 2020, and except for the ongoing sale of Moncigale, Group management considered that there were no other assets or activities that would meet the criteria for application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

2.1.5 Research and development

The MBWS Group is committed to keeping up with new consumer trends, such as the search for more natural ingredients, products with a lower alcohol content, or the consumption of cocktails at home.

WILLIAM PEEL retained its lead on the Scotch whisky market in France, the world's No. 1 market for the beverage, with a market share of 24.1%[6]. It has expanded its range of liqueurs with the launch of two new products, Mint Lemon and Orange. The brand is continuing to expand internationally, particularly in Eastern Europe.

MARIE BRIZARD, backed by its growing popularity among the community of best barmen in the world, whose creation was largely due to the Masters Marie Brizard, offers a broad range of premium liqueurs and syrups. Its entire range of liqueurs has been redesigned with 100% natural flavours, and the brand is constantly innovating in order to keep up with new flavour trends.

Challenging market conditions in the United States and Poland forced **SOBIESKI** to refocus its advertising and promotional expenditure. 2019 saw the full deployment of the new presentation (bottle and label) in the United States. This presentation has been well received by distributors and, most importantly, has prompted a return to growth in the controlled states.

COGNAC GAUTIER is continuing to grow on priority markets, driven by its growing reputation and excellent organoleptic properties, which have received a number of international awards. Accordingly, Cognac Gautier is continuing to outperform market growth in its primary market, Canada, where it is ranked fourth.

2.1.6 Outlook

Following publication of the MBWS 2019-2022 Strategic Plan in late March 2019, the Group has launched the plan with a primary focus on improving the profitability of the Group's business lines in order to gradually return to positive EBITDA.

Second, the Group is endeavouring to create the conditions for profitable development of its brand portfolio and markets (subsidiaries and/or sales networks, direct export) (see Note 2.2.6 below – Key events).

Furthermore, for all Group companies and markets, there has been a systematic focus on value versus volume in negotiations and commercial transactions with clients (particularly in France, the US and Lithuania).

The sale of the Polish businesses in October 2020 and of the wine business in France (Moncigale) in February 2021 have made it vital to streamline the operational structures.

Since 1 January 2021, at the managerial level, the Group is structured into two clusters (France cluster, and International and wines cluster) under the overall management of the holding company.

This strategy, coupled with the policy of adjusting costs to the size of operations on a country-by-country basis, will be continued and will guarantee the Group's strengthened profitability.

While the 2020 results may be encouraging in the context of a rather disruptive pandemic, containing its impacts at the beginning of 2021 and the likely long-term changes in consumption patterns compel the Group to remain cautious as to its roadmap for 2021.

NB: Significant post-balance sheet events are set out in Note 2.2.7.

(6) NIELSEN – 2019 annual total/

2.2 PARENT COMPANY FINANCIAL STATEMENTS FOR THE 2020 FINANCIAL YEAR

2.2.1 Going concern

The MBWS SA financial statements were prepared in accordance with the going concern principle, in view of the known situation as at the reporting date, as explained in Note 2.1.1 of this section.

2.2.2 Parent company income statement

(€'000)	2020	2019	Change 2020/2019
Revenues excluding excise duties	**7,717**	**7,458**	**3.5%**
Operating profit/(loss)	(12,572)	(19,308)	34.9%
Net financial income/(expense)	84,376	6,900	1398.6%
Underlying profit/(loss) before tax	**71,804**	**(12,408)**	**832.1%**
Net non-recurring income/(expense)	(102,459)	(17,397)	-598.3%
Profit/(loss) before tax	**(30,654)**	**(29,805)**	**-2.9%**
Income tax	(3,981)	5	46974.7%
NET PROFIT/(LOSS)	**(34,635)**	**(29,800)**	**-16.2%**

The Company posted an operating loss of €12.6 million, mainly consisting of fees and personnel expense.

Net financial income of €84.4 million mainly includes allocations and reversals of provisions for existing securities and receivables. These were capitalised at said entities prior to their disposal. Net financial income/(expense) must therefore be analysed in conjunction with the net non-recurring expense of €102.5 million, which mainly corresponds to the net charge for the disposal of MBWS Polska/Polmos Lancut shares of €103.5 million.

Recognition of tax paid by subsidiaries belonging to the tax group allowed the Company to post tax income of €2.4 million. The Group tax charge amounted to €6.3 million.

Finally, the Company posted a net loss of €34.6 million for 2020.

At the next General Meeting, the shareholders will be asked to approve the following appropriation of the loss for the period amounting to €34.6 million:

- to retained earnings, thereby bringing the balance of this account from retained losses of €3.0 million to retained losses of €37.6 million.

Following this appropriation, the Company's shareholders' equity will amount to €97.1 million.

2.2.3 Parent company balance sheet

(€'000)	31/12/2020	31/12/2019
Net intangible assets	7,542	9,109
Net property, plant and equipment	14	324
Net financial assets	118,145	113,065
Non-current assets	125,701	122,497
Inventory and work-in-progress		
Trade receivables	105,612	100,590
Current assets	105,612	100,590
Unrealised foreign exchange losses	754	730
TOTAL ASSETS	**232,067**	**223,818**

	31/12/2020	31/12/2019
Total shareholders' equity	**97,064**	**131,696**
Provisions for contingencies and charges	**6,532**	**6,076**
Borrowings	309	47,219
Other payables	128,162	38,523
Loans and borrowings	**128,471**	**85,742**
Unrealised foreign exchange gains	1	304
TOTAL EQUITY AND LIABILITIES	**232,067**	**223,818**

Non-current assets mainly consist of securities held in MBWS France and other Group subsidiaries and the current account loans granted to Group companies. The €5.1 million increase in net non-current financial assets is mainly due to the €3.3 million receivable with Polmos Lancut and the €1.2 million acquisition of MBWS International shares.

Net assets amounted to €97.1 million, down compared with 2019 due to the capital reduction by lowering the par value of the shares, and earnings for the year.

Borrowings were almost nil (bank overdrafts) compared with €47.2 million at the end of 2019. This decrease is explained by the repurchase of the senior loan by COFEPP (see Note 2.2.6).

2.2.4 Non-tax deductible expenses

Pursuant to the provisions of Article 223 quater of the French General Tax Code, the General Meeting also notes the fact that the overall amount of the expenditure and charges referred to in Article 39-4 of said Code amounted to €36,872 during the 2020 financial year, corresponding to accelerated depreciation.

2.2.5 Trade receivables and payables ageing schedule

Trade payables ageing schedule

(€'000)	Balance at 31 December	Not due	< 60 daysoverdue	> 60 daysoverdue
2020	2,835	2,605	164	66
2019	6,321	5,248	470	604

Trade receivables ageing schedule

(€'000)	Balance at 31 December	Not due	< 60 daysoverdue	> 60 daysoverdue
2020	1,170	646	(57)	581
2019	8,426	3,268	(219)	5,378

2.2.6 Material events and amendments to the Articles of Association during the year

Note 1. Agreement to assign MBWS lending bank receivables to COFEPP

On 17 January 2020, COFEPP signed a three-way agreement with MBWS and the MBWS lending banks to purchase receivables under the €45 million loan agreement signed on 26 July 2017 and currently outstanding overdrafts.

The assignment became effective in January 2020.

Under the same arrangements, COFEPP also confirmed the grant to MBWS of a standstill on all assigned bank receivables due to be capitalised as part of a planned capital increase. This standstill was renewed on 20 May 2020, expiring on 26 January 2021, corresponding to the capital increase that capitalised this receivable (see following sections).

Implementation of Advance 1 in the amount of €15 million and Advance 1(b) in May 2020 pending implementation of Advance 2 provided for under the 20 December 2019 agreement

Following the signing of an agreement between MBWS SA and COFEPP on 20 December 2019, two conditional cash advances were provided for by COFEPP in favour of MBWS:

- current account Advance 1 amounting to €15 million, to be made available in January 2020 (bearing compounded interest at an annual rate of EURIBOR 3 month (*) + 425 bps), including €7.4 million provided for the requirements of Polish business operations and €7.6 million paid to MBWS France to cover cash requirements until mid-March 2020;
- current account Advance 2 amounting to €17 million (bearing compounded interest at an annual rate of EURIBOR 3 month (*) + 425 bps), and subject to conditions precedent, to be made available to MBWS around 17 March 2020 for the MBWS Group's general cash requirements.

The COFEPP advances were secured by pledges in favour of COFEPP, including (i) first, second and third-rank pledges of Marie Brizard and Sobieski trademarks, (ii) first, second and third-rank pledges of 100% of the Gaïa I shares and current account receivables between MBWS and Gaïa I and MBWS and Vilniaus Degtiné, (iii) first, second and third-rank pledges of 100% of the Cognac Gautier shares and current account receivables between MBWS France and Cognac Gautier, (iv) a first-rank pledge of current account receivables between MBWS and MBWS France, and (v) and a third-rank pledge of the William Peel trademark.

(*) Floored at zero

Note 2. Establishment of Advance 1 in the amount of €15 million in January 2020

As indicated above, a €15 million advance has been set up to meet the Group's cash requirements as detailed below:

- COFEPP agreed with MBWS France on an initial current account advance for a principal amount of €7.6 million, made available in mid-January to cover Q1 2020 cash requirements.
- In early February 2020, COFEPP made the balance of Advance 1 available to the Group via a second tranche of €7.4 million used to fund operations in Poland.

Note 3 Establishment of Advance 1(b) in May and August 2020

As the conditions precedent applicable to Advance 2 had not yet been lifted in May 2020, in particular the condition to amend the Scotch whisky bulk supply agreement, COFEPPagreed to amend the 20 December 2019 agreement by agreeing to the establishment of Advance 1(b), with an overall cap of €10 million, to cover the Group's immediate cash requirements. This agreement provides for the following arrangements:

(i) a current account advance of €6 million paid on 25 May 2020 to MBWS (bearing compound interest at an annual rate of EURIBOR 3 month floored at zero + 425 bps);

(ii) a current account advance of €4 million on 10 August 2020.

This Advance 1(b) of €10 million was deducted from Advance 2 in an amount of €17 million, which had not yet been paid as at 31 December 2020.

This Advance 2 was made conditional upon fulfilment of all three of the following conditions precedent:

(i) the public creditors' agreement in principle to a standstill on part of the Group's tax and social security liabilities, (ii) amendment of the Scotch whisky bulk supply agreement between MBWS and a supplier and

(iii) the stabilisation of estimated cash requirements for 2020,

it being noted that points (i) and (iii) were resolved at the end of 2020, point (ii) having also been resolved at the beginning of 2021 (see Post-balance sheet events)

Note 4. COVID-19 health crisis

In early January 2020, the emergence of a novel coronavirus (COVID-19) was announced by the Chinese health authorities and the WHO. The virus is actively circulating in various countries where the MBWS Group operates, and restrictive measures have been taken.

The COVID-19 pandemic resulted in travel restrictions and lockdown measures in several countries, with impacts on economic activity.

MBWS's priority is to ensure the health and safety of its partners and employees. Stringent precautions and hygiene measures have been introduced at all its facilities, in line with WHO recommendations and government directives in the countries where the Group operates.

As such, after initially limiting access to its facilities to employees performing business-critical tasks and who cannot work from home, MBWS has gradually been able to adapt the operation of its production facilities, sales networks and support services to the economic needs of its sector, under strict health and safety conditions.

The Group is constantly monitoring the situation, including regular updates, in order to adapt the measures taken depending on how the pandemic unfolds. The Group has shown agility, in particular in limiting potential supply chain disruptions, in its industrial or downstream logistics operations, and in meeting the needs of its customers.

The impact of the health crisis and its consequences on the Group's 2020 performance is mixed, both from the perspective of the business and distribution networks, and in terms of its geographical regions.

In the first half of the year, Central and Eastern European subsidiaries mainly benefited from specific bulk sales of distillate and rectified alcohol for the production of disinfectants, which compensated for the slowdown in activity. In terms of MBWS's core business, sales of spirits fared well with major retailers and supermarkets, whereas out-of-home and/or traditional outlets were adversely impacted by store opening and travel restrictions imposed by local governments in response to the virus.

Annual sales results (including the application of IFRS 5) comprise net revenues of €169.1 million (up 2.0% vs 2019 on a like-for-like basis, including €136.4 million for the Brand business, down 7.1% vs 2019), confirming that the effects of the pandemic were under control and that the business had a certain resilience and adaptability.

In 2020, MBWS completed all the required applications for government support schemes set up in each of its European countries to help businesses adapt staff costs to lower levels of activity during the crisis, while protecting jobs.

In view of the changing circumstances, MBWS has taken the necessary steps to limit the effects of the pandemic on its business and cash position.

Note 5. Recovery of an additional portion of the Trinidad and Tobago receivable

Background:

An investment with an initial value of €25 million for a two-year term was made on 10 July 2006 in the form of fixed-income commercial paper issued by Clico Investment Bank (CIB) in Trinidad and Tobago, a subsidiary of the CL Financial Group, which was a shareholder of MBWS at the time. The commercial paper was not redeemed upon maturity on 10 July 2008. The CL Financial Group was nationalised at the end of 2008 and CIB was placed in liquidation in 2011.

The commercial paper was therefore written off (€27,813,000 in principal and interest) in the MBWS 2012 financial statements. The steps taken by the Company, as a creditor of CIB, had already led to the recovery of an initial portion of the receivable between June and December 2018, in the amount of around €13.4 million (107.9 million Trinidad dollars).

On 26 June 2020, MBWS Ltd (Group subsidiary in Trinidad) recovered an additional portion of its receivable against Clico Investment Bank in Trinidad and Tobago in the gross amount of 50.8 million Trinidad dollars (approximately €6.7 million).

This amount had not yet been converted into euros as of 31 December 2020. It may be converted in 2021, although the timing will have to take account of the low liquidity of this currency and the weak conversion rates at the start of the year. As a result, it will not have an immediate impact on the Group's short-term cash.

Note 6. Transfer of the MBWS registered office

The early termination of the lease for the registered office of the MBWS Group's holding company located at 27-29, rue de Provence in the 9th arrondissement of Paris, signed at the end of 2019 and which first entered into effect at the end of April 2020, has been postponed to mid-June 2020 owing to the COVID-19 lockdown measures still in force.

The lease for the new registered office at 10-12 Avenue du Général de Gaulle in CharentonlePont (Val-de-Marne) was signed on 1 June. However, MBWS was only able to take possession of the premises from August 2020, as the major renovation work on the building was significantly impacted by delays caused by the lockdown in the second quarter.

In the meantime, MBWS leased shared office space near the Place de la République in Paris between June and August 2020.

Note 7. Agreement concerning the amendment of the Scotch whisky bulk supply agreement between MBWS and a supplier

On 16 July 2020, following the completion of negotiations, MBWS reached a multi-year agreement in principle with its supplier on the amendment of its contract for the bulk supply of Scotch whisky. The signing of the agreement (which was a condition precedent for the payment of Advance 2, in the amount of €7 million), was finalised on 12 January 2021 (see Post-balance sheet events – section 7.5 of Chapter 4), with the existing agreement continuing under normal conditions throughout the negotiations.

Note 8. Agreement in principle with the CIRI to establish a tax and social security liability

An agreement in principle by the public creditors on a standstill covering a portion of the Group's social security and tax liabilities was approved by the French Interministerial Committee on Industrial Restructuring (CIRI) in September for a maximum amount of €7.5 million, the standstill arrangement having been set up in the last few months of 2020.

As a reminder, this condition, which has now been lifted, was one of three conditions precedent, along with (i) the amendment of a Scotch whisky bulk supply agreement with an MBWS supplier and (ii) the stabilisation of 2020 estimated cash requirements, upon the balance of Advance 2 being made available.

Note 9. Planned sale of Moncigale to the Boisset Group

On 13 October 2020, MBWS and Grands Vins JC Boisset, parent company of the Boisset Group, signed a unilateral promise to purchase 100% of the shares of Moncigale SAS.

This transaction was finalised in the first quarter of 2021 (see "Post-balance sheet events"), after informing and consulting employees, and was subject to the approval of the French antitrust authorities.

Faced with the decrease in consumption of wine and flavoured wine-based beverages in France, for several years now Moncigale has experienced a decline in revenues (down 15% in 2019 to €72.2 million and down 25% in 2020 to €54.4 million) and has posted negative EBITDA. As Moncigale's core market is located at the intersection of the private label brand and corporate brand wine and wine-based beverage markets, MBWS's primarily spirit-based positioning does not allow it to create the synergies necessary for Moncigale's growth within the Group.

As such, and as part of its strategic plan to review its activities in terms of their ability to generate long-term value, MBWS decided to launch a competitive and rigorous search for players offering Moncigale the best prospects for all parties. As one of the main French operators in the wine sector and with several sites in France and a subsidiary in California (USA), Boisset was the clear choice.

At 31 December 2020, and given the value of this sale, a €3.0 million provision was recognised in the consolidated financial statements under discontinued operations.

Due to the high probability of this sale, Moncigale meets the criteria of a discontinued operation under IFRS 5. In the 2020 financial statements, its assets and liabilities are presented under "Assets/liabilities held for sale". In the income statement, its contribution to consolidated net income is presented under "Net profit/(loss) from discontinued operations", the comparative period is also restated in the income statement, and the relevant information is presented in the notes.

Note 10. Sale of the Polish business to the United Beverages S.A. group

MBWS's Polish business, in serious difficulty for a number of years, had neither the presence nor scale required to achieve medium or long-term profitability targets. The Polish business posted a €9.3 million EBITDA loss in 2019, thereby severely hampering the Group's return to profitability in recent years.

Given this situation and in view of the unlikely nature of improvements in organic growth, the Group's Board of Directors concluded that the best option, particularly with regard to maximising value for shareholders, would be to conduct a sale process to find the right partner of sufficient scale.

On 16 July 2020, Marie Brizard Wine & Spirits concluded an agreement subject to conditions precedent with United Beverages S.A. for the acquisition of 100% of the shares of MBWS Polska and a portion of the shares of Polmos Lancut in Poland.

On 21 October 2020, MBWS finalised the sale of all of the shares in MBWS Polska and Polmos Lancut to the United Beverages S.A. group, following the lifting of all conditions precedent (relating to antitrust regulations and the repayment of certain borrowings contracted to finance the Polish businesses).

This agreement therefore represents a milestone in the ongoing execution of the 2019-2022 strategic plan. The agreement provides for the payment of a sale price in multiple instalments. Moreover, in view of the amount of net borrowings associated with the business sold, the immediate cash impact is negative in the short term and remains very limited in the long term.

This agreement gave rise to specific interim financing by the shareholder COFEPP (see below), the repayment schedule for which will be aligned with the payment schedule for the sale price.

The agreement also ensures that MBWS and the United Beverages group will continue to work together closely as partners. More specifically, United Beverages will continue to produce Sobieski vodka (which remains an MBWS SA brand) for MBWS at the distilleries and bottling centre involved in the sale. In addition, a significant number of MBWS's international brands will be imported by United Beverages under a new distribution agreement.

As a result of this disposal in 2020, the IFRS 5 criteria for considering MBWS Polska and Lancut as separate and major discontinued operations within the MBWS Group have been met. This discontinued operation is presented separately under the 2020 income statement, the comparative period has been restated, and the necessary disclosures can be found in the notes.

Note 11. New current account advance from COFEPP relating to the disposal of the Polish businesses

Following the repayment by MBWS of certain borrowings taken out to finance the Polish businesses, thereby meeting the aforementioned conditions precedent, and to enable the Company to continue as a going concern, on 22 October 2020 it entered into an agreement with COFEPP covering a new current account advance for a principal amount of €8.2 million (bearing compound interest at an annual rate of EURIBOR 3 months floored at zero + 425 bps) to be paid in three successive and firm tranches of €3 million, €3 million and €2.2 million respectively (the first tranche having been paid on 29 October 2020) and prior to the completion of the capital increase (as defined below).

The Poland Advance will be made available to MBWS France pursuant to the terms of a current account advance agreement entered into on the same day between MBWS and MBWS France. The Poland Advance is secured by a first-rank pledge of receivables granted by MBWS to COFEPP relating to the current account receivables resulting from the sums made available to MBWS France by MBWS, which are themselves secured by a second-rank pledge on the William Peel trademarks granted by MBWS France to MBWS. It may be (i) fully or partly converted into ordinary shares as part of the capital increase or (ii) if not capitalised, repaid, if applicable, from the proceeds of cash subscriptions to the capital increase by shareholders other than COFEPP (see Post-balance sheet events below).

2.2.7 Material events and amendments to the Articles of Association that have occurred since financial year-end

Note 1. Conclusion of a new Scotch whisky supply contract

On 12 January 2021, after extensive discussions under the 16 July 2020 agreement, MBWS signed a new contract with its main bulk supplier of Scotch whisky, replacing the existing contract.

This new agreement redefines the Group's minimum annual purchase commitments in terms of volume, compared with those initially planned for 2021 and subsequent years under the terms of the previous contract.

These purchase commitments currently represent almost all of the Group's Scotch whisky supply requirements for its brands William Peel and Sir Pitterson.

Given the minimum contractual purchase commitments it provides for, this new contract also includes a renegotiation clause in the event that any significant and unforeseeable events beyond the Group's control affect its ability to meet said volume commitments.

Furthermore, and pursuant to the terms of the refinancing agreement entered into on 20 December 2019 between the Company and COFEPP, the amount of €7 million under Advance 2 was paid by COFEPP on 18 January 2021, i.e. before the completion of the capital increase. The payment of this advance was conditional on the conclusion of this new contract.

Note 2. Capital increase and increase in COFEPP's equity interest in MBWS

On 20 December 2020, MBWS announced that the proposed capital increase with preferential subscription rights for a maximum total amount (including issue premium) of approximately €105.3 million could not take place before the end of 2020.

The capital increase was conditional on the signing of the Scotch whisky supply agreement (see above) between the Company and its supplier, on the payment by COFEPP of the balance of current account Advance 2 for €7 million (subject to the signing of said agreement), on the approval by the French Financial Markets Authority (AMF) of the prospectus relating to the transaction, and on the AMF's continued waiver of the requirement to file a public tender offer, granted to COFEPP on 8 December 2020.

Following AMF approval of the prospectus on 13 January 2021, on 14 January 2021 MBWS launched a capital increase by way of payment in cash and by offsetting receivables, with shareholder preferential subscription rights, for a maximum total gross amount, including issue premium, of €105.4 million; seven preferential subscription rights entitle the holder to subscribe for a statutory entitlement of 11 new shares at a price of €1.50 per share.

Following this transaction, the gross amount of the capital increase (including issue premium) amounted to €100.9 million and resulted in the issuance of 67,248,517 new shares at a price of €1.50 each, i.e. approximately 95.74% of the maximum amount of the capital increase, including 54,942,019 new shares requested under statutory entitlements and 12,306,498 new shares requested as additional securities by the shareholders of the Company and assignees of preferential subscription rights. The request for additional securities was therefore granted in full.

Given the amount of the subscriptions to the capital increase, the guarantee granted by COFEPP for 75% of the amount of the capital increase did not need to be called.

Majority shareholder COFEPP acquired 5,244,692 preferential subscription rights and subscribed for 44,039,072 new shares under its statutory entitlement. It was allocated all 11,614,644 additional new shares requested.

The Company's share capital following the capital increase is therefore €156,726,305.40, made up of 111,947,361 shares with a par value of €1.40 each. Following the capital increase, COFEPP holds 78,433,683 shares representing 70.06% of the Company's share capital and 68.02% of the voting rights.

This capital increase made it possible to capitalise (i) all the bank debt (excluding factoring) purchased by COFEPP from the Company's lending banks, namely the loan taken out on 26 July 2017 for a principal amount of €45 million, and overdraft facilities drawn down for a principal amount of €1.1 million, (ii) all current account advances paid or yet to be paid by COFEPP to the Company and its subsidiary MBWS France, for a total principal amount of €32 million, and (iii) the first tranche of the Poland advance granted by COFEPP to the Company in the amount of €3 million.

The proceeds of the cash subscriptions for the capital increase paid by shareholders other than COFEPP, amounting to €17.4 million, will be used to (i) repay the balance of €5.2 million on the Poland advance granted by COFEPP to the Company, and (ii) with the remaining amount, finance the MBWS Group's operations.

After the €5.2 million repayment of the balance of the Poland advance, COFEPP no longer holds any financial claims against the MBWS Group.

Note 3. Finalisation of the sale of Moncigale to the Boisset Group.

On 16 February 2021, MBWS finalised the sale of 100% of its shares in Moncigale SAS (owner of the Fruits and Wines and Rosé Moncigale brands) to Grands Vins JC BOISSET, the last remaining condition precedent having been lifted, following authorisation from the French antitrust authorities for this transaction.

Note 4. Establishment of a new standstill on tax and social security liabilities

Following the public creditors' agreement in principle to a standstill on a portion of the Group's tax and social security liabilities, approved by the French Interministerial Committee on Industrial Restructuring (CIRI) in September for an agreed amount of €7.5 million, the Committee of Chief Financial Officers (CCSF) for the Val de Marne region approved, in a committee meeting held on 19 March 2021, an amount of €7.6 million in favour of MBWS France, as notified on 1 April, by way of a staggered debt repayment plan including a schedule of regular monthly payments of €316,000 over a two-year period, i.e. until the end of March 2023.

A first-tier mortgage on the Lormont facility (belonging to MBWS France) is being set up in favour of the French Government Department for Business (DGE), URSSAF and other social security organisations as collateral for the tax and social security liabilities owed by the Group subsidiary MBWS France.

2.2.8 Change in investments and controlling interests

Through legal restructuring initiated by the Group, MBWS SA sold all shares in the Polish entities, MBWS Polska and Polmos Lancut; as part of this transaction, GAIA1 acquired the Vilniaus Degtiné shares in the first half of 2020.

2.2.9 Dividends

The Company has not paid any dividends in respect of the last three financial years.

2.2.10 Five-year financial highlights

Item (in euros except for headcount)	2016	2017	2018	2019	2020
I. Financial position at year-end					
Share capital	56,660,912	56,673,030	56,677,308	89,395,808	62,578,382
Number of shares outstanding	28,330,456	28,336,515	28,338,654	44,697,904	44,698,844
II. Comprehensive income from continuing operations					
Revenues excluding tax	5,946,991	5,645,415	6,560,417	7,457,588	7,716,959
Profit/(loss) before tax, depreciation, amortisation and provisions	32,648,333	(15,689,946)	(35,331,352)	11,013,862	(140,878,003)
Income tax	2,270,200	(6,789,082)	(127,608)	(5,021)	3,980,967
Profit/(loss) after tax, depreciation, amortisation and provisions	56,165,228	(97,238,164)	(89,701,613)	(29,799,788)	(34,635,411)
Amount of profit paid out					
III. Earnings per share					
Profit/(loss) after tax and before depreciation, amortisation and provisions	1.07	(0.31)	(1.24)	0.25	(3.24)
Profit/(loss) after tax, depreciation, amortisation and provisions	1.98	(3.43)	(3.17)	(0.67)	(0.77)
Dividend per share					
IV. Staff					
Headcount	44	52	46	34	30
Payroll expense	4,529,038	5,722,218	7,042,825	5,000,803	3,953,001
AMOUNTS PAID FOR EMPLOYEE BENEFITS (SOCIAL SECURITY, SOCIAL WELFARE ORGANISATIONS, ETC.)	**2,651,210**	**3,663,191**	**10,932,512**	**2,376,914**	**2,154,037**

2.3 RISK FACTORS

Pursuant to the regulations, only material risks specific to the Company are presented in this section. At the date of this Universal Registration Document, and taking into account the disposal of the Polish businesses and Moncigale, the risks set out below are those identified by the Company as liable to have a material impact on its business, image, financial position, earnings and ability to achieve its targets.

The risk-mapping process was carried out by the Internal Audit department. First, the department conducted a survey of risk factors by holding interviews with the main Group managers, followed by a review phase with senior management. At the date of filing this document and in view of the sale of the Polish businesses and Moncigale, eight risk factors were considered to be specific, material, probable and likely to have an adverse impact on the Group.

These risks were classified into five categories and ranked in order of the extent of the MBWS Group's residual exposure to them. Residual exposure was assessed taking into account the potential impact of the risks for the Group, their likelihood of occurrence and the degree of control exercised by the Group in order to mitigate their impact or likelihood. Exposure is presented on a scale of low, moderate or high.

The table below summarises the risks considered to have a "material and specific" level of exposure.

Category	*Risk*	*Residual exposure**
Economic risks	Risk related to the COVID-19 pandemic	High
Business-related risks	Risk of dependence on specific brands	High
Business-related risks	Risk of dependence on specific customers	High
Business-related risks	Risk of dependence on one supplier of Scotch Whisky	High
Business-related risks	Risk related to the competition	High
Financial risks	Liquidity risk	High
Legal and regulatory risks	Risk related to changing regulations in the wine and spirits market and antitrust regulations	Moderate
Strategic risks	Risk related to the execution of the strategic plan	High

** Residual exposure includes the impact of action plans.*

Meanwhile, for the purposes of the statement of non-financial performance, the MBWS Group conducted an analysis of risks related to the environmental and social consequences of its business activities. The specific procedures followed to identify and analyse these risks are set out in Section 3.2.7 "Non-financial risks and opportunities" of this Universal Registration Document.

2.3.1 Economic risks

Risk related to the COVID-19 pandemic

DESCRIPTION OF THE RISK

The COVID-19 pandemic, which broke out in China towards the end of 2019 and spread across the rest of the world in 2020, has had and may continue to have an adverse impact on the MBWS Group's revenues and earnings, depending on how long it lasts. At the date of publication of this document, these effects are being felt on all geographical markets in which the Group operates. Marie Brizard Wine & Spirits is closely tracking the progress of the COVID-19 pandemic, the absolute priority being the health and safety of its employees and partners and the continuity of its business. None of the Group's main facilities have been impacted to date.

However, restrictions and lockdown measures imposed to stem the spread of the virus have impacted the Group's business since mid-March 2020. Sales volumes for our brands have declined, with Brand business revenue for 2020 down 8.8% compared with 2019.

This is mainly due to the following:

- households are prioritising essential items;
- in some countries, businesses considered non-essential have closed;
- the economy has slowed down.

The COVID-19 pandemic did not have a material adverse impact on the Group's overall business in 2020; sales results for the period were in line with Group estimates, with net revenues of €169.1 million (up 2% versus 2019) at comparable IFRS 5 consolidation scope (including the sale of the Polish businesses and Moncigale). These results are partly due to the surge in bulk sales, which partly offset the decline in sales of the Group's brands, and the positive impacts of changes in distribution methods, demonstrating at that date the resilience of MBWS's business in the face of this pandemic.

Nevertheless, uncertainty surrounding how the situation will evolve and how long it will last, specifically in light of the second round of nationwide lockdowns (in Europe in particular) and the deterioration of the global economy triggered by the pandemic, prevent MBWS from assessing the precise impacts of the COVID-19 crisis on its forecasts for 2021 and 2022. As a result, the Group will continue to put its 2022 EBITDA target on hold, as set out in its strategic plan.

RISK MANAGEMENT MEASURES

Throughout 2020, since the beginning of the crisis and the lockdown measures imposed, MBWS has closely followed the COVID-19 situation and continues to actively monitor developments via a Group crisis committee. This committee meets once a week and as and when required with the absolute priority being to ensure the health and safety of employees and partners.

Stringent precautions and hygiene measures have been introduced at all its facilities, in line with WHO recommendations and those issued by governments in the countries where the Group operates. As such, MBWS has limited access to its facilities to employees performing business-critical tasks and who cannot work from home.

The Group has made all the required applications for government support schemes set up in all the countries in which it operates (in France in particular, these include temporary furlough measures and the deferral of tax and social security payments) to help businesses adapt staff costs to lower levels of activity during the crisis, while protecting jobs.

To forestall the potential consequences of the COVID-19 crisis, the Company is striving to manage Group cash in its best interests and, accordingly, to ensure that its resources are assigned to priority Group requirements: this is the subject of a weekly review. The Group is also keeping tight control of working capital.

Since the beginning of 2020, the Group has resolutely pursued its strategic roadmap, while working to adapt its fixed costs and overheads in line with the expected impact of COVID-19 on the business.

The Group is continuing to monitor the situation in order to adapt these measures depending on how the pandemic unfolds and what its after-effects might be. Nevertheless, restrictions imposed to curb the spread of the virus could impact MBWS's business in some markets, particularly in out-of-home consumption networks, to which the Group's exposure is limited and where the impact on the Group's overall profitability has not been significant, mainly due to bulk sales for disinfectant production.

Risk of dependence on specific brands

DESCRIPTION OF THE RISK

Following the sale of all shares of MBWS Polska, owner of the Krupnik brand, as well as all shares in Moncigale, owner of the Fruits and Wine and Rosé Moncigale brands, MBWS still has a large portfolio of brands, including the following four:

WILLIAM PEEL, No. 1 Scotch whisky brand in France, the world's largest market for the beverage, with a 24.1% market share in 2020. The brand has continued its international expansion and has proved particularly popular in Poland and Lithuania, where it has become the No. 2 Scotch whisky on the domestic market in terms of market share by volume.

MARIE BRIZARD, whose growth over the coming years will be driven by the rejuvenation of the brand's image, current trends in cocktail drinking and recent flavour innovations.

SOBIESKI is a vodka distributed in around 80 countries. In 2020, Sobieski consolidated its No. 2 position on the French vodka market.

COGNAC GAUTIER is continuing its growth on priority markets, driven by its growing reputation as recognised by numerous international awards. As such, the brand continued to grow in its top market, Canada, where it is ranked fourth.

These four brands account for around 61% of 2020 Group restated consolidated revenues (following the sale of the Polish subsidiaries and Moncigale).

Our companies' business performance is primarily driven by sales of these four brands. Underperformance by one of these brands in any of our markets could have a major impact on Group earnings.

Such underperformance could be exacerbated by the COVID-19 pandemic. This impact is difficult to measure at present and the situation is being constantly monitored by the Company.

RISK MANAGEMENT MEASURES

The Company:

- regularly analyses the appropriateness of the route to market taken by our brands in each of these key markets. For example, the change in route to market in the United States and Spain has recaptured a level of performance that will ultimately limit the Group's dependence on the French market;
- seeks to promote, as far as possible, a commercial strategy of negotiation and execution based on increasing the value margin in a category of products primarily based on a volume approach.

Furthermore, since the second quarter of 2019, the Company:

- conducted a review of the development of its brands. In time, this review should enable the Group to deploy some brands on markets currently underserved or not served at all by the Group;
- organised a brainstorm on innovation and differentiation in order to encourage, over the medium term, the development of new products that conform to the latest trends and consumer expectations.

Risk of dependence on specific customers

DESCRIPTION OF THE RISK

Depending on the region, the MBWS Group brings its products to market through various channels.

In European markets, the Group primarily enters into agreements with mass retailers.

In France, the mass retail (supermarket) sector accounted for 94.6% of 2020 revenues.

In some key markets, the Group has assigned the distribution of its products to major distribution companies. In 2019, for example, in the United States, Southern Glazer's Wine & Spirits was the top Imperial Brands customer on the domestic US market accounting for 32% of the brand's revenues. The change in route to market in 2020 through the signing of an exclusive distribution agreement for the domestic US market entails 100% dependence on 375 Park Avenue Spirits, a subsidiary of Sazerac Company, Inc., on this market.

In Spain, the change in route to market in May 2019 through the signing of an exclusive distribution agreement for the Spanish domestic and border market entails 100% dependence on Bardinet España, a subsidiary of COFEPP.

Commercial dependence and customer risk could:

- restrict the bargaining power of Group companies and thus their room for manoeuvre when it comes to price strategy;
- impact our ability to maintain a satisfactory margin, as the customer could ask for a reduction in sale prices or a contribution towards promotional campaigns;
- expose the Group to significant losses if major customers default.

RISK MANAGEMENT MEASURES

The Group has set up a specific structure dedicated to its international business. This structure is tasked with monitoring key markets, developing new ones and diversifying distribution channels.

Risk of dependence on one supplier of Scotch Whisky

DESCRIPTION OF THE RISK

In order to meet supply needs for its William Peel and Sir Pitterson brands, on 30 June 2008 the MBWS Group signed a contract with one of its suppliers for the bulk supply of Scotch whisky. This initial contract was successively amended on 12 January 2015, 12 February 2016, 3 February 2017 and 20 December 2017. The initial contract expiring on 31 December 2030 laid down minimum annual volume purchase commitments of Scotch whisky by the MBWS Group at the prices set out in the contract. It also provided for an increase in purchase volumes from 2021.

Due to the financial difficulties faced by the Group, in 2019 the Company initiated discussions with this supplier in order to review the terms of the supply contract and, in particular, the clause on minimum purchase commitments and the related prices. These renegotiations also took place amid a general decline in Scotch whisky consumption in France over the previous years and intense price competition from private label brands.

These discussions led to the signing of a new supply agreement on 12 January 2021, applicable retroactively from 1 January 2020 for a 14-year term, on the understanding that, for the last period from 1 January 2031 to 31 December 2033, the purchase price for Scotch whisky would be determined in accordance with the following paragraph.

Pursuant to this new contract, the purchase commitment levels and related prices were reduced compared with the annual volumes and prices applicable from 2021 under the initial contract. The new contract also provided for a gradual reduction in purchase commitments over the term of the agreement. For the 2024-2030 period (inclusive), these commitments now amount to (i) a minimum annual volume of litres of alcohol contractually agreed between the parties, or, if higher, (ii) a percentage of the Group's total Scotch whisky supply requirements for the year in question. For the 2031-2033 period (inclusive), the price for the Scotch whisky purchase commitment volumes is not contractually fixed. Instead, it will be determined, failing agreement between the parties, following a call for tenders for the supply of Scotch whisky launched by the Group in accordance with the procedure and conditions set out in the contract.

The new contract also provides for a review clause in the event that the Group cannot meet its new minimum contractual purchase volume commitments, due to Brexit or any other exceptional, material and unforeseeable event beyond the parties' control. This review clause lays down a best-efforts obligation requiring the supplier to discuss the event in question and propose, in good faith, an adjustment to the volume commitments taking into account the event's duration and impact, provided that, in such case, the Group does not source its requirements from another Scotch whisky supplier.

Under the terms of the new supply contract, certain invoices issued by the supplier under the initial supply contract will be offset against future invoices from the supplier in respect of the Scotch whisky purchase commitments.

Despite this contract renegotiation, the Group's dependence on said supplier, the minimum purchase commitments which continue and which currently represent almost all of the Group's requirements, and the term of the supply contract could limit the Group's profitability, renegotiation power with said supplier or ability to source from other suppliers.

RISK MANAGEMENT MEASURES

The Group renegotiated the terms of the Scotch whisky supply contract at length and managed to obtain a reduction in volume commitments and the related prices. The new contract now includes, failing agreement with the supplier, a tender process for the 2031-2033 period (inclusive) and provides for the above review clause in case of events beyond the parties' control.

Risk related to the competition

DESCRIPTION OF THE RISK

The markets in which the Group operates are highly competitive and fragmented in terms of price, services, brand awareness and product quality.

The Group's competitors include large international wine and spirits groups, local producers and distributors and new disruptive market players.

Competitors exert pressure through aggressive price policies, significant promotional expenditure and innovations catering for trends on the wine and spirits market.

This competitive pressure may have the following effects:

- increase in promotional expenditure;
- inability to retain market share;
- difficulties increasing or maintaining margins and, therefore, profitability.

For example, this risk materialised from 2017 onward on the Polish market in the form of a price war on pure vodka, leading to a surge in promotional expenses for the Group and an ensuing reduction in operating margins.

RISK MANAGEMENT MEASURES

The Group:

- seeks to build durable partnerships, either with its majority shareholder or with major commercial partners, in order to create sustainable business relationships;
- closely monitors the market to identify new players and quickly spot new market trends.

The Group has also launched an initiative to optimise costs and sales policy aimed at improving margins and freeing up sufficient funds to invest in its brands.

Furthermore, as stated earlier, the Group is strengthening its policy of differentiation and innovation.

2.3.2 Financial risks

Liquidity risk

DESCRIPTION OF THE RISK

Liquidity risk means the risk of being unable to meet operating requirements with financial resources in order to ensure a return to profitability, brand development, capital expenditure and, ultimately, business continuity.

The Company must have sufficient financial resources at all times to fund its operating requirements. As such, the Company conducted a specific review of its liquidity risk at the date of this Universal Registration Document on the basis of the following information.

The following table presents the maturity of each financing arrangement as at 31 December 2020:

(€'000)	Amounts outstanding at 31/12/2020	< 1 year	2 years	3 years	4 years	5 years +
Senior debt						
Other medium to long-term borrowings	68,221	8,809	59,413			
IFRS 16	14,950	4,297	8,013	1,387	282	971
Finance leases						
Short-term financing and overdrafts	8,131	8,131				
Other financial liabilities						
TOTAL GROSS DEBT	**91,302**	**21,236**	**67,426**	**1,387**	**282**	**971**

At 31 December 2020, the Group's cash and cash equivalents amounted to €42.1 million and gross debt was €91.3 million, comprising:

- a €45 million senior loan, and short-term credit facilities of €1.1 million, which were repurchased by COFEPP in January 2020 as part of the assignment of receivables agreed upon with the bank partners, COFEPP having also granted MBWS a standstill on all bank receivables purchased, which under certain conditions were intended to be incorporated into the Company's capital;
- current account advances of €25 million granted by COFEPP, comprising 2 advances. In January 2021, COFEPP paid the remaining balance under Advance 2 in the amount of €7 million, bringing the total advances paid to €32 million. Under certain conditions, these advances were designed to be capitalised following the capital increase that took place in January 2021;
- €3 million in current account advances granted by COFEPP to the Company following the repayment of certain borrowings to finance the Polish businesses, it being recalled that the total maximum amount of the Poland advance was €8.2 million. Under

the terms of the Poland advance, in February 2021 COFEPP paid the remaining balance of that advance, i.e. €5.2 million. Under certain conditions, these advances were designed to be capitalised or repaid from the proceeds of the cash subscriptions to the capital increase with shareholder preferential subscription rights announced by the Company;

- lease liabilities (IFRS 16) and other short-term loans.

On 4 February 2021, the Company completed a capital increase of €100.9 million (including issue premium). As such,

(i) all the bank borrowings purchased by COFEPP from the Company's lending banks, i.e. the €45 million loan and the overdraft facilities drawn down for a principal amount of €1.1 million,

(ii) all current account advances paid by COFEPP to the Company and its subsidiary MBWS France in the amount of €32 million and

(iii) the first tranche of the Poland advance granted by COFEPP to the Company in the amount of €3 million,

were incorporated into the Company's capital.

The proceeds of the cash subscriptions for the capital increase paid by shareholders other than COFEPP, amounting to €17.4 million, enabled the Company to (i) repay the balance of €5.2 million on the Poland advance granted by COFEPP to the Company and, (ii) with the remaining amount, to finance the MBWS Group's future operations.

In view of the aforementioned repayment of the balance of the Poland advance on 5 February 2021, COFEPP no longer holds any financial claims against the MBWS Group. In addition, all security interests granted to COFEPP by the Group in respect of the bank receivables assigned and the various advances have been lifted.

Following the completion of the capital increase, the Group's net financial position as at 31 March 2021 amounted to €59.7 million. This improvement was mainly driven by (i) the capitalisation during the capital increase of all the aforementioned debts and receivables, reducing the debt level accordingly (ii) €17.4 million in cash subscriptions received, (iii) the payment by COFEPP of the balance of Advance 2 in an amount of approximately €7 million, and (iv) the collection of a portion of the proceeds from the sale of discontinued operations (Polish entities and Moncigale).

As at 31 December 2020, total tax and social security liabilities amounted to €26.8 million and trade payables stood at €34.8 million. All tax and social security liabilities at 31 December 2020 are due within a year and trade payables are paid at 60 days on average in accordance with their main terms.

As of the date hereof, the Group has set up two standstills on its tax and social security liabilities, namely: one €3.9 million standstill on social security liabilities obtained due to the health crisis (excluding Moncigale), with repayments scheduled for the second half of 2020 and in 2021, and a €7.6 million standstill on tax and social security liabilities finalised and approved by the CCSF on 19 March 2021, with repayments spread over 24 months.

Following the capital increase, the Company confirms that it has sufficient working capital to meet its commitments over the next twelve months as of the date of this document.

However, beyond this date, the Group may be unable to self-finance its growth. As such, it may need to seek additional financing from banks or credit institutions, or strengthen its equity. The Group might not be able to raise additional equity or financing when required, or such financial resources might not be available on terms that the Group considers acceptable.

RISK MANAGEMENT MEASURES

The Company is following the schedule of cash receipts and payments as required in order to conduct its operations.

The Company is constantly working on optimising its credit coverage and the financing of its business operations. The Company has adopted a policy of controlling operating expenditure incurred, including tighter management of working capital.

Within the framework of its 2019-2022 strategic plan, in 2019 the Company rolled out a cost-cutting plan, which it plans to maintain in 2021-2022, as well as a selective approach to capital expenditure in order to retain only essential and value-creating investments.

2.3.3 Legal and regulatory risks

Risk related to changing regulations in the wine and spirits market and antitrust regulations

DESCRIPTION OF THE RISK

The Group generates sales in four key development regions with a stronger presence in certain countries. The four key development regions are:

- Western Europe, Middle East and Africa
- Central and Eastern Europe
- The Americas
- Asia Pacific

In each of these regions, the production and sale of wines and spirits are governed by complex, restrictive regulations issued by various national and international authorities and organisations on alcoholic products, particularly on the sale of alcohol (import, distribution, competition), advertising (marketing, labelling) and the environment.

The regulations applicable to wine and spirit market operators are becoming increasingly stringent.

Potential changes in the regulations could:

- restrict promotional operations;
- increase production costs;
- limit our ability to market our products;
- increase taxes and duties (import taxes and excise duties) on certain products.

For example, in 2019, following the introduction of a further tax on flavoured wine-based beverages in France in order to limit alcohol consumption by young people, the Group had no choice but to review recipes for its flavoured wines in order to avoid the application of this tax which would have significantly increased the price of the product.

Accordingly, changes in regulations have or could have an impact on the sales volumes of our products, on product margins and, as a result, on the Group's consolidated earnings and outlook.

Failure to comply with the regulations may lead to legal and administrative sanctions. On 11 April 2019, the French antitrust authorities made unannounced visits and seizures at the Company's premises as part of an investigation into suspected anti-competitive practices. To date, the Company has received no information from the French antitrust authorities as to whether the matter is being pursued or not. In any case, since April 2019 the Company has undergone no further investigation by the French antitrust authorities. If the antitrust authorities were to pursue the matter, it would be difficult at this stage to assess its potential impact on MBWS.

RISK MANAGEMENT MEASURES

Assisted by law firms or independent advisers, the regional managers survey changes in regulations affecting the MBWS Group.

In addition, the R&D department specifically monitors regulations in European countries, thereby providing regional operations managers with a full overview and regular updates on changes in regulations affecting Group products.

The Company has set up a marketing team focused on innovation in order to anticipate the main consumer trends and facilitate the development of new products in line with regulatory changes.

2.3.4 Strategic risks

Risk related to the execution of the strategic plan

DESCRIPTION OF THE RISK

The 2019-2022 strategic plan was set out in early 2019 with the aim of creating a competitive, profitable and sustainable Group in the wine and spirits market.

The Group has launched a transformation drive based on six strategic priorities:

- focus turnaround initiatives and investments on value-creating assets;
- redefine the Group's international footprint;
- develop value-creating partnerships;
- streamline the operational model and reduce the cost base;
- strengthen synergies and the partnership with COFEPP;
- foster employee engagement and acquire appropriate decision-making and control tools.

This plan was to be rolled out in two phases:

- in the short term (2019-2020), approval of the strategic priorities on the basis of their contribution to improving profitability in order to gradually return to positive EBITDA;
- in the medium term (2021-2022), pave the way for future growth by reinvesting cash flows in order to achieve an EBITDA target of €13-19 million by 2022.

The Group has finalised the first phase of its strategic plan with the following progress made to date:

- new distribution agreements set up in France and Spain with entities owned by COFEPP and in the United Stated with Sazerac;
- change in the Group's scope of business in order to focus on value-generating assets via the sale of the Sobieski Trade distribution business, in November 2019, and the Polish businesses (including the Krupnik brand) to United Beverages in October 2020 and Moncigale in February 2021 (owner of the Fruits and Wine brand);
- implementation of a balanced approach between volume and value in sales policies with encouraging results in all countries where the Company operates;
- reduction in operating costs and overheads, in particular via the transfer of the registered office to Charenton-le-Pont in the second half of 2020; and
- a return to positive EBITDA in 2020.

Achievement of the plan depends not only on these strategic priorities, but on the economic conditions on the spirits market. Exceptional circumstances, such as the COVID-19 crisis, may disrupt the original schedule drawn up for achievement of the strategic plan. Against this backdrop and given the uncertainty as to the duration of this crisis, the Group will continue to put on hold its 2022 EBITDA target planned for in the second phase of its strategic plan.

Failure to achieve these priorities or the occurrence of unforeseen events could thwart the achievement of the plan's goals, including the goal to achieve a sustainable return to profitable growth over the medium term, and have an adverse impact on the Group's business, earnings and profitability.

RISK MANAGEMENT MEASURES

As part of the process of monitoring the strategic plan, the Board of Directors holds a periodic review in order to identify any deviations from the schedule.

The Company has also set up an extended Executive Committee attended by the regional directors. The meetings are an opportunity to share progress with action plans and identify any deviations.

2.3.5 Insurance and risk coverage

In 2015 the Group introduced a centralised management process for its insurance policies. The main policies signed at Group level for all subsidiaries primarily cover:

- direct damage to property: this cover includes movable and immovable property, such as buildings, machinery and equipment;
- operating and related losses;
- civil liability including contamination: these schemes are tailored to local conditions and provide comprehensive cover (barring exclusions) for any material and non-material damage caused to third parties. In the United States, an "umbrella" policy for the commercial activities relating to the sale of alcohol and other requirements specific to this country has been taken out.

Any local insurance policies are supplemented by the Group's insurance policies.

2.4 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

In July 2010, the French Financial Markets Authority (AMF) published a document entitled "Risk management and internal control procedures: frame of reference" in July 2010.

In May 2016, it published a document entitled "Guide to periodic reporting by companies listed on a regulated market", updated in January 2021.

The Company refers to both documents with regard to its internal control system.

Definition of internal control

The internal control system consists of a set of resources, behaviours, procedures and actions implemented by the Company's senior management to enable the Company and its subsidiaries to improve their control over their business activities, increase the efficiency of their operations and optimise their use of resources. The internal control system is not limited to a set of procedures or accounting and financial processes.

The primary aim of the system is to ensure:

- the application of the instructions and guidelines determined by senior management;
- the proper operation of the internal processes of the Company and its subsidiaries, including those aimed at protecting its assets;
- compliance with laws and regulations;
- the reliability of financial and accounting information.

In addition to issues directly related to the accounting system, the internal control system includes:

- the general internal control environment, i.e. all the behaviours, levels of awareness and actions taken by management (including the corporate governance process) concerning the internal control system and its importance within the entity;
- control procedures, which refer to the policies and procedures determined by management in order to achieve the entity's specific targets.

The internal control system is placed under the guidance of senior management.

This system is part of an approach aimed at identifying, assessing and managing the risks likely to affect the achievement of the Group's targets, whether of a strategic, operating, financial or reputational nature or relating to compliance with laws and regulations.

Our internal control system applies across a wide scope, which includes the controlled companies and subsidiaries where the business activities are likely to pose risks. In 2020, the priority measures aimed at strengthening the internal control system were as follows:

- enhancing senior management awareness of specific risks;
- monitoring action plans launched in prior years.

Like any system, no matter how well designed and implemented our internal control system is, it cannot provide an absolute guarantee that the Group's targets will be achieved, nor that the risks to which the Group is exposed will be fully eliminated.

Redefinition of the organisational structure of the Company and its subsidiaries

The Group's business activities are split between the production and marketing of wines and spirits. The Group has chosen an organisational structure based on four "clusters", in order to promote efficiency in its business activities, team responsiveness, the exchange of best practices and cross-divisional control over its operations.

Internal control environment

The members of the Executive Committee and the Managing Directors of our subsidiaries are responsible for implementing internal control procedures in the context of operations.

Relevant information is circulated and disclosed to all Group employees via three main channels:

- **Strengthening vertical communication** (top-down) by increasing the frequency and expanding the scope of newsletters circulated to employees, coupled with stepping up information updates on company performance (by conference call and/or in situ, in the various production facilities).
- **Developing horizontal communication** via the implementation of "Workplace" in September 2017. This corporate social media platform enables employees to follow news concerning the Group and their specific area of activity in a more informal manner, besides, most importantly, encouraging them to get personally involved in internal communications by posting information for their colleagues. "Workplace" allows each employee to showcase their own achievements, results and initiatives. Four months after the launch of "Workplace", around a third of eligible employees (holders of a business email address) had activated their account, while around 50% were active at least once a week.
- **Encouraging employees to speak their minds**, by fostering a Group-wide culture of dialogue and discussion.

IT system organisation and security

Arrangements are made locally to ensure continuous processing of accounting data. Accordingly, some hardware is duplicated in order to provide automatic back-up in the event of an unforeseen hardware failure.

For data storage and protection purposes, accounting and financial information is protected by granting access rights to specific named individuals together with passwords. All data is backed up on a daily basis and a second back-up copy is stored in a secure location.

Risk management

The Group's organisational structure enables it to manage the risks and opportunities relating to its business activities. This responsibility is conveyed at every level within the Company and its subsidiaries. All employees have an influence on the internal control system, apply the processes within the scope of their remit and contribute to the risk management system. Accordingly, in 2017 the Company introduced a succession plan to ensure continuity in all Group functions.

The main participants involved in the process of identifying, assessing and managing risks and opportunities are senior management, the Board of Directors, the Finance Division, the various committees and Internal Audit.

These participants draw on their experience in order to anticipate risks and opportunities relating to trends in the wine and spirits sector. Risks are managed at the appropriate organisational level. They are set out in section 2.3 Risk Factors in the Financial Report.

Main participants involved in managing the internal control system

SENIOR MANAGEMENT AND THE EXECUTIVE COMMITTEE

The Executive Committee draws up the main principles of the internal control and risk management system, determines the roles and responsibilities of the main stakeholders, coordinates the implementation of those principles and ensures their effective application. The Company's senior management team provides its expertise and assistance to the various subsidiaries, while taking specific local features into account.

The Executive Committee is also responsible for monitoring key initiatives, including:

- ongoing optimisation of working capital;
- implementing a consistent and proactive sales policy based on category management;
- reviewing the market positioning of the Group's brands;
- generating significant synergies aimed at maximising efficiency and operating responsiveness while reducing the cost structure. Implementing industrial best practices and pooling the Group's purchases will be the first drivers for this area of improvement;
- pooling know-how and expertise.

THE BOARD OF DIRECTORS

The Company's Board of Directors is a collegiate body responsible for assisting senior management, helping to set the Group's strategic guidelines and ensuring their implementation and the proper operation of the Company and its subsidiaries.

The Board of Directors has introduced:

- internal rules of procedure that were adopted on 25 April 2008 and amended and approved on 17 December 2013, 10 October 2014, 29 June 2015, 29 November 2016 and 28 February 2019.
- Special committees: Audit Committee, Appointments and Remuneration Committee, Strategic and Commercial Committee.

The Board of Directors is familiar with the essential features of the internal control and risk management system selected and implemented by senior management and ensures that the major risks incurred by the Group are identified. In this regard, senior management keeps the Board informed of the development of the Group's main risks and of the related action plans.

Regarding the process for preparing the accounting and financial information, the Board checks that the guidance and control process applied is able to guarantee the reliability of the accounting and financial information.

THE AUDIT COMMITTEE

The Audit Committee ensures the existence and application of internal control procedures with regard to accounting and finance operations and other corporate functions.

It keeps itself informed of the major risks identified, their assessment and their development over time.

INTERNAL AUDIT

Internal Audit, which was set up in December 2013 at the initiative of the Audit Committee and Board of Directors as part of the Legal Division, is involved with all Group companies. Its role is threefold:

- coordinate the roll-out and implementation of the internal control system based on the guidelines issued by senior management;
- provide methodological support to the subsidiaries in terms of internal control and specific financial and technical risks;
- conduct its own audits, in addition to those performed by external auditors.

Internal Audit assignments are planned in agreement with senior management and the Audit Committee. The audits are determined in accordance with the risks identified by the governance bodies or by the Statutory Auditors.

The priority issues addressed by Internal Audit during the 2020 financial year were as follows:

- monitoring established Group policies;
- reviewing specific reports (including reports on commitments and litigation);
- identifying business risk;
- ensuring compliance with new regulations on risk management;
- monitoring action plans aimed at strengthening the internal control process within the Group.

The audit findings are fed back to the management team of the company concerned. A summary of those findings, together with the action plan to which the local company's management team has committed, are then presented to senior management and the Audit Committee. The results of all Internal Audit assignments are shared with the Statutory Auditors. Conversely, the comments made by external auditors as part of their checks are taken into consideration by Internal Audit.

Internal Audit plays an active role in monitoring the internal control system via operating and compliance audits. It ensures compliance both with local laws and regulations and with the Group's principles and standards.

THE FINANCE DIVISION

The main role of the Finance Division is to assist and monitor the operating divisions where their financial activities are concerned. The division determines the consolidation and management rules and defines procedures and best practices in areas such as management, accounting and consolidation, financing and cash management, tax, financial communications and information systems.

The Finance Division supervises the accounts department and contributes to the preparation of the annual positions and financial statements.

THE STATUTORY AUDITORS

Without getting involved in the management of internal control, through their various audits the Statutory Auditors carry out the procedures specific to their profession, in respect of both parent company and consolidated financial statements.

2020 internal control and risk management projects

A) CODE OF ETHICS AND CONDUCT

Internal Audit contributed to the revision of the MBWS Group Code of Ethics and Conduct in cooperation with the Group Legal Division.

This code defines the conduct expected of MBWS within the scope of its business relations.

The code provides guidelines covering potentially complex situations and helps employees to deal with issues they may encounter within and outside the Group.

B) ENHANCING COMPANIES' AWARENESS OF SPECIFIC RISKS

As part of its drive to continuously improve the internal control system, Internal Audit fosters awareness of specific risks among the Managing Directors throughout the year.

C) RISK-MAPPING PROCEDURE

In late 2019, Internal Audit launched a risk-mapping procedure aimed at identifying and drawing up a hierarchy of risk factors liable to prevent the Group from achieving its targets.

First, the department conducted a survey of risk factors by holding interviews with the main Group managers, followed by a review phase with senior management. Action plans were drawn up to cover the most material risks.

Material risks are presented in Section 2.3 of this chapter, where they are classified as follows:

- Economic risks
- Business-related risks
- Financial risks
- Legal and regulatory risks
- Strategic risks

These risks were updated in 2020 as part of the prospectus.

Meanwhile, for the purposes of the statement of non-financial performance, the MBWS Group conducted an analysis of risks related to the environmental and social consequences of its business activities. The specific procedures followed to identify and analyse these risks are set out in Section 3.2.7 "Non-financial risks and opportunities" of this Universal Registration Document.

Furthermore, measures launched in previous financial years were continued in 2020.

A) ENHANCING AWARENESS OF INTERNAL CONTROL AMONG THE SUBSIDIARIES' MANAGEMENT TEAMS

Throughout 2020, the Company's senior management continued efforts to raise awareness among the subsidiaries' management teams regarding the importance of the internal control process (increasing manager accountability, awareness meetings between Internal Audit and Managing Directors).

B) INTRODUCTION OF BUSINESS REPORTS AND SCORECARDS

The Finance Division continued its task of centralising the following reports in 2020:

- scorecard tracking legal risks at each entity;
- scorecard tracking contractual and off-balance-sheet commitments made at each entity;
- listing of delegations of authority;
- listing of bank powers.

These reports are reviewed by senior management, Internal Audit and the Statutory Auditors.

Preparation and processing of the accounting and financial information

The process for preparing the accounting and financial information is overseen and consolidated by the Group Finance Division.

The preparation and processing of the accounting and financial information is tailored to the organisational structure of the Group and its subsidiaries.

Each subsidiary is responsible for forwarding monthly financial and operating performance indicators to the Company. This data is reviewed at meetings attended by local management and the Group Executive Committee.

A) ACCOUNTING DATA INPUT PROCESSES

All processes that take place prior to the production of the financial statements are the subject of specific procedures and rules concerning approval, authorisation and recognition.

B) YEAR-END ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The year-end accounting processes are the subject of specific instructions setting out detailed timetables, exchange rates to be applied, consolidation scopes and any particular points to follow. These instructions are sent to all the companies in order to ensure compliance with deadlines, guaranteed application of identical account closing parameters and harmonised data reporting.

Procedures for approving the various stages of the consolidation process have also been introduced. The main aim of these procedures is to approve the following points:

- the proper application of accounting standards and principles;
- the accurate restating of specific corporate data;
- the identification, reconciliation and elimination of intercompany transactions;
- the correct calculation of deferred tax;
- the proper assessment and explanation of the change in net positions, from both a company and consolidated standpoint.

The Group subsidiaries draw up statements on a monthly basis. The statements are designed to identify and anticipate exceptional and non-recurring transactions. Accordingly, the subsidiaries may ask for support from the Group Finance Division when dealing with exceptional or complex transactions.

The aim of this process is to facilitate the annual (and half-yearly) closing process for the consolidated financial statements.

C) MANAGEMENT REPORTING AND CONTROL

The reporting process is a key factor in the Group's internal management and control system.

Group senior management draws on the various business reports provided by the Finance Division in order to manage its operating activities. The main business reports cover the following topics:

- 13-week cash forecasts; and
- monthly operating performance scorecards.

The introduction of scorecards has standardised the reporting of information considered as key by the Group's subsidiaries.

Group review processes have been strengthened. Both operating and financial performance are reviewed at monthly meetings attended by Company and subsidiary senior management teams.

These meetings rely on the various scorecards and dashboards introduced.

D) DATA CONSOLIDATION PROCESS

The Company's Finance Division oversees the accounting process and takes part in drawing up the annual and interim accounting positions and statements. The consolidated financial statements are produced on a half-yearly and annual basis.

Every six months, the Group's Consolidation Department issues instructions setting down a timetable of tasks and recalling the procedures for preparing the consolidation returns for the attention of each subsidiary's accounting department or shared accounting service centres.

In order to prepare the consolidated financial statements, the Company gathers the accounting information from all consolidated companies and processes it using specific consolidation software.

All Group subsidiaries are included in this consolidation system, which enables decentralised entry of consolidation returns.

The consolidation process is published and, accordingly, is approved by the Statutory Auditors every six months. Based on their various tests, the Statutory Auditors carry out the procedures required by their profession, in respect of both the Company and Group consolidated financial statements.

2.5 SHAREHOLDER STRUCTURE AND TRANSACTIONS IN SECURITIES

2.5.1 Shareholder structure

To the Company's knowledge and on the basis of documents received by the Company, no shareholder held more than 5% of the issued share capital or voting rights in the Company as at 31 March 2021 other than those listed below.

Shareholder structure as at 31 March 2021

Shareholders	Number of shares	% of share capital held	Number of theoretical voting rights	% of voting rights held
COFEPP[1]	78,433,683	70.06%	78,433,683	67.99%
BDL Capital Management[2]	7,423,610	6.63%	7,423,610	6.43%
Diana Holding[3]	3,940,000	3.52%	7,140,000	6.19%
Other	22,151,675	19.79%	22,358,134	19.38%
TOTAL	**111,948,968**	**100%**	**115,355,427**	**100%**

(1) Compagnie Financière Européenne de Prises de Participations, a French société anonyme (public limited company) with an Executive Board and Supervisory Board, is registered with the Créteil Trade and Companies Registry under number 572 056 331 and is controlled by the Cayard family group.

(2) BDL Capital Management, a French société par actions simplifiée (simplified joint stock company), is registered with the Paris Trade and Companies Registry under number 481 094 480 and is 50% owned by Hugues Beuzelin and Thierry Dupont respectively. The Chairman of BDL Capital Management is Hugues Beuzelin.

(3) Diana Holding, a limited company under Moroccan law, is controlled by the Zniber family. The Chairman and Chief Executive Officer of Diana Holding is Rita Maria Zniber. Diana Holding acts as a management and holding company.

Different voting rights

We would remind you that Article 27 of the Articles of Association establishes a double voting right under certain conditions:

"Any holder of fully-paid up registered shares, who can prove registration in their name for at least the previous four (4) years, shall enjoy double voting rights as provided for by law. Furthermore, in the event of a capital increase via the capitalisation of reserves, profits or additional paid-in capital, double voting rights will be granted to the new bonus registered shares allotted to a shareholder, where they are entitled to this right, as soon as they are issued.

Any share converted into a bearer share or where the ownership is transferred shall forfeit the double voting right."

2.5.2 Potential share capital

As of the date hereof, the only rights or securities in circulation, allocated or issued by the Company that may grant future access to the Company's share capital are the 2023 redeemable warrants (BSARs) and the 2022 warrants (BSAs).

2023 REDEEMABLE WARRANTS

At its meeting held on 5 January 2016, the Company's Board of Directors decided to issue a maximum number of 4,378,347 2016 warrants and 4,378,347 2023 redeemable warrants to the Company's warrant holders who have tendered their securities as part of the public exchange offer organised by the Company, and which was the subject of memorandum bearing visa no. 15-639 dated 22 December 2015.

On 2 February 2016, the Chief Executive Officer, acting on the authority delegated to him, and having noted the announcement of the result of the public offer published by the AMF on 2 February 2016, decided to issue 2,628,381 2016 warrants, which may give rise to the issuance of a maximum of 2,628,381 shares in the Company.

In a press release dated 5 April 2016, Marie Brizard Wine & Spirits announced that, as of 31 March 2016, 1,659,938 2016 warrants had been exercised, resulting in the creation of an equal number of new shares and 2023 redeemable warrants liable to give rise to the issuance of 1,659,938 new ordinary shares (i.e. 1 2023 redeemable warrant for 1 share), which may be exercised up to 31 December 2023 at a price of €25 per 2023 redeemable warrant.

Following the capital increase with shareholders' preferential subscription rights completed on 4 February 2021, for a total gross amount of €100,872,775.50, the conversion ratio for the 2023 redeemable warrants was adjusted to safeguard the rights of holders, in accordance with the statutory provisions and the terms of those warrants. As a result, 1 2023 redeemable warrant now entitles the holder to subscribe for 1.01 new shares in the Company with a par value of €1.40 each, at an exercise price of €25.

Holders of 2023 redeemable warrants will have the option, at any time up to and including 31 December 2023, to obtain new shares by exercising their 2023 warrants. Any 2023 redeemable warrants that have not been exercised by 31 December 2023 at the latest will be deemed null and void.

Under the 2023 redeemable warrants programme, 166 2023 redeemable warrants were exercised between 2 February 2016 and 31 March 2021, resulting in the issuance of 166 new shares for a total amount of €4,150.00.

As at 31 December 2020, 1,659,772 2023 redeemable warrants were still in circulation.

2022 WARRANTS

After the Group and COFEPP reached a firm agreement on 21 December 2018, at the MBWS Annual General Meeting held on 31 January 2019 the shareholders approved a capital increase without preferential subscription rights by an 89% majority, which raised €37.7 million for MBWS (including €32.2 million by offset against the €7.7 million current account advance granted on 29 May 2018 and the bond bridge loan issued in February 2019 for a principal amount of €25 million) in exchange for 9.4 million newly issued ordinary shares in the Company.

The settlement-delivery of the reserved capital increase, after the publication of the main terms of the strategic plan, was followed by the granting by MBWS to all its shareholders, free of charge, and at a ratio of one warrant per existing share held, of 37,722,407 share warrants giving rise to the issuance of 6,418,396 new ordinary shares (i.e. a ratio of 23 warrants for 1 share), which may be exercised for a 42-month period at an exercise price of €3 per share.

Following the capital increase with shareholders' preferential subscription rights completed on 4 February 2021, for a total gross amount of €100,872,775.50, the conversion ratio for the 2022 warrants was adjusted to safeguard the rights of holders, in accordance with the statutory provisions and the terms of those warrants. As a result, 23 2022 warrants now entitle the holder to subscribe for 10.07 new shares in the Company at a par value of €1.40 each, at a global exercise price of €30.

Holders of 2022 warrants will have the option, at any time as from 29 March 2019 and up to and including 29 September 2022, to obtain new shares by exercising their 2022 warrants. Any 2022 warrants that have not been exercised by 29 September 2022 at the latest will be deemed null and void.

COFEPP, which now holds 17,779,967 2022 warrants, has undertaken not to exercise more than 30% of the 2019 warrants and 2022 warrants issued by the Company in March 2019, i.e. a balance yet to be exercised by COFEPP of 11,157,387 2022 warrants.

Under the 2022 warrant programme, between 1 April 2019 and 31 March 2021, 43,562 2022 warrants were exercised, resulting in the issuance of 18,957 shares for a total amount of €56,828.70.

There were 37,718,750 2022 warrants in circulation as at 31 March 2021.

The situation regarding potential share capital is set out in the table below.

Information relating to potential share capital

	31.12.2018	31.12.2019	31.03.2021
Number of shares comprising the share capital	**28,338,654**	**44,697,904**	**111,948,968**
Potential number of shares arising from the share warrants issued in 2004	0	0	0
Potential number of shares arising from the redeemable share warrants issued in 2006	0	0	0
Potential number of shares arising from the share warrants issued to the historical shareholders (1 and 2)	0	0	0
Potential number of shares arising from the 2015 bonus shares	8,600	0	0
Potential number of shares arising from 2015 stock options	73,000	73,000	0
Potential number of shares arising from the 2023 warrants	1,659,772	1,659,772	1,676,369[(1)]
Potential number of shares arising from the 2016 bonus shares	4,330	0	0
Potential number of shares arising from the 2016 bonus preference shares	473,200	0	0
Potential number of shares arising from the 2022 warrants		16,401,987	16,514,252[(1)]
Potential number of shares	**30,557,556**	**62,832,663**	**130,139,589**
Total dilution	**7.83%**	**40.57%**	**16.25%**

(1) Based on the new conversion ratio applicable as of 4 February 2021.

Information on the share warrants

	Conversion ratio	Total subscription price	Final exercise date	Settlement method
Share warrants issued following the exercise of the 2016 warrants (2023 warrants)	1 2023 redeemable share warrant / 1.01 share	25.00	31/12/2023	Cash
Long-Term Warrants	23 share warrants for 10.07 shares	30.00	29/09/2022	Cash

2.5.3 Employee shareholding

The Company is not aware of any significant employee shareholding in Marie Brizard Wine & Spirits.

As a reminder, bonus shares, stock options and performance shares have been allotted to specific Group employees and managers for incentive purposes.

The terms of these allotments are as follows:

Allotment of bonus shares on 12 March 2015

The Board of Directors decided to allot 20 bonus shares to every employee of Marie Brizard Wine & Spirits and its French subsidiaries, i.e. a total of 9,380 bonus shares.

These bonus shares vested at the end of a two-year period following their allotment, on the sole condition that the employee was still working at the Company at the end of that period, and with no specific performance criteria. The shares are non-transferable for a period of five years beginning at the end of the aforementioned vesting period.

Allotment of options on 12 March 2015, subject to performance criteria

480,000 stock options were allotted to 26 managers of the Marie Brizard Wine & Spirits Group. Each option gives the beneficiary the right to subscribe for or purchase one share in Marie Brizard Wine & Spirits at an exercise price of €10.64 per share, calculated on the basis of the average opening price for the Marie Brizard Wine & Spirits share over the last 20 trading sessions prior to the date of the Board of Directors meeting. The exercise period for these options ended on 12 March 2020.

Allotment of bonus shares on 1 July 2016

The Board of Directors decided to allot 10 bonus shares to every employee of Marie Brizard Wine & Spirits and its French subsidiaries, i.e. a total of 4,690 bonus shares.

These bonus shares vested at the end of a one-year period following their allotment, on the sole condition that the employee was still working at the Company at the end of that period, and with no specific performance criteria. The shares are non-transferable for a period of five years beginning at the end of the aforementioned vesting period.

Allotment of preference shares on 1 July 2016

4,852 preference shares (which may be converted into a maximum of 485,200 ordinary shares) were allotted to 27 Group managers, subject to the fulfilment of performance criteria or in the event of a change of control. As at 31 December 2019, there were no longer any preference shares outstanding, as they either lapsed or were converted into ordinary shares in 2019.

2.5.4 Share buyback programme

Pursuant to Articles L.22-10-62 and L.225-211 of the French Commercial Code, it is specified that the Company performed the following transactions during the 2020 financial year:

- 384,443 shares were purchased at an average price of €1.244 under the liquidity agreement;
- 370,406 shares were sold at an average price of €1.262 under the liquidity agreement;
- no other transactions were carried out under the share buyback programme.

At 31 December 2020, the Company held 127,437 treasury shares representing 0.29% of the share capital, including:

- 87,271 shares assigned to the liquidity agreement at that date; and
- 40,166 shares assigned to stock option and bonus share plans.

Each share has a par value of €1.40.

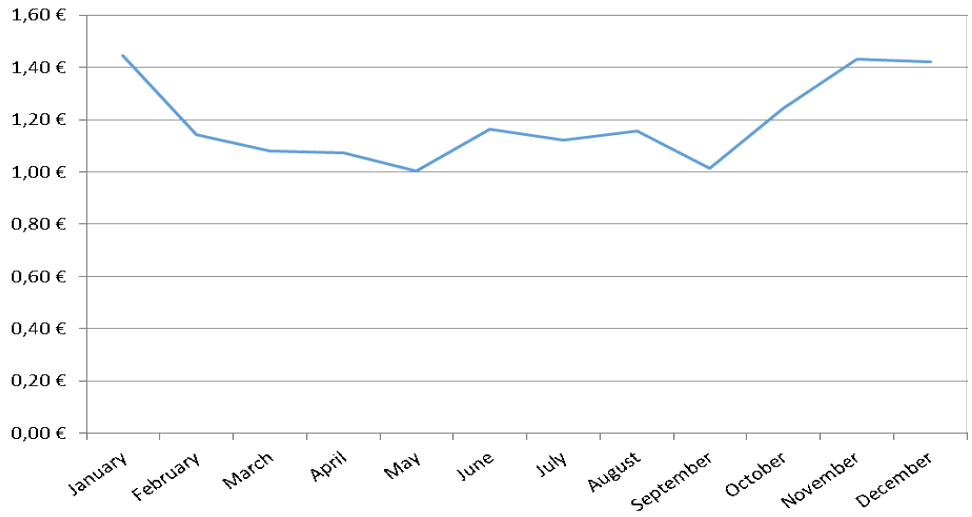
The value of all treasury shares held at 31 December 2020 was estimated at €189,116.51 on the basis of the closing share price.

2.5.5 Share price movements

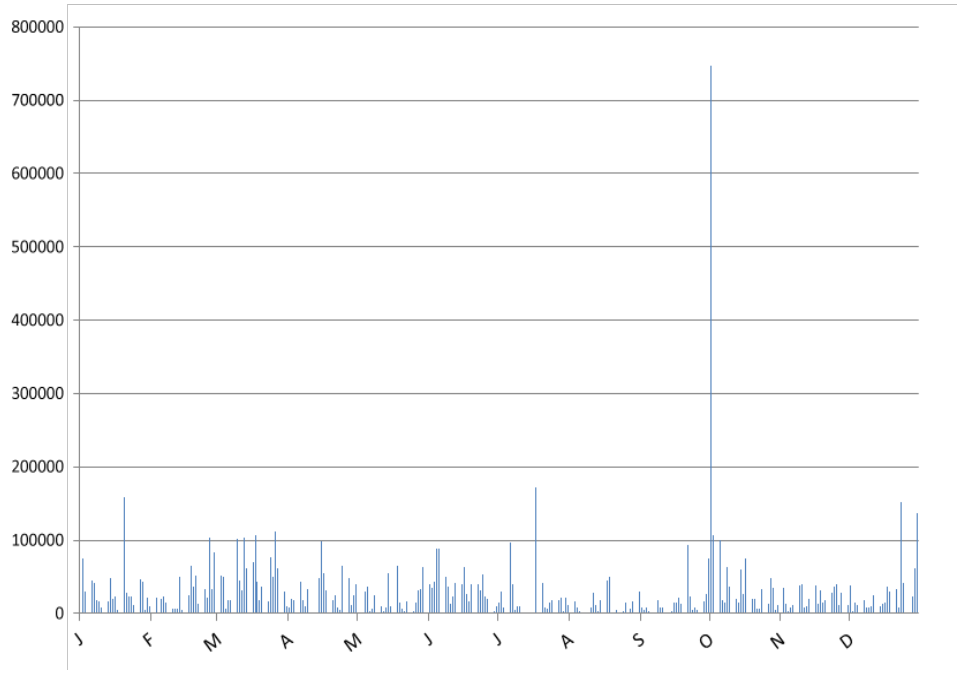
The stock market data for the Marie Brizard Wine & Spirits share for the 2020 financial year is as follows:

- Opening price on 2 January 2020: €1.55 – Number of shares as at 1 January 2020: 44,697,904;
- Closing price on 31 December 2020: €1.484 – Number of shares as at 31 December 2020: 44,698,844;
- High: €1.63 on 20 January 2020;
- Low: €0.62 on 16 March 2020.

Marie Brizard Wine & Spirits share performance in 2020



Marie Brizard Wine & Spirits share trading volumes in 2020



3

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Article 225 of the Law of 12 July 2010, known as the Grenelle 2 Law, introduces provisions governing the publication and verification of information on Corporate Social Responsibility.

The law was supplemented by three implementing decrees which have been incorporated into the French Commercial Code:

- the Decree of 24 April 2012, which sets out the application thresholds for the law and lists the information to be provided;
- the Order of 13 May 2013, which specifies the procedures whereby the independent third-party body carries out its verification assignment;
- the Decree of 19 August 2016, which amends specific information regarding the circular economy, prevention of food waste and climate change.

In 2017 and 2018 this law was supplemented by:

- the transposition in France of European Directive 2014/95/EU of 22 October 2014 on the non-financial statement (Ord. 2017-1180 of 19 July 2017, OJ 21/07; Decree 2017-1265 of 9 August 2017, OJ 11/08);
- Law 2018-771 of 5 September 2018 on the freedom to choose one's professional future, art. 84; Law 2018-938 of 30 October 2018 on the balance of trade relations in the agricultural and food sectors and food that is healthy, sustainable and available to all, art. 55; Law 2018-898 of 23 October 2018, art. 20 on combating tax evasion.

3.1 MARIE BRIZARD WINE & SPIRITS: OUR BUSINESS

The Marie Brizard Wine & Spirits Group is a global player in the wine and spirits market primarily operating in Europe and the United States, where it has extensive local operations. The Group markets an extensive portfolio of wine and spirits brands, including William Peel, Sobieski, Marie Brizard and Cognac Gautier. The Group also sells major local brands on each market.

The Marie Brizard Wine & Spirits Group is sensitive to its constantly changing markets, to global diversity, to the specific nature of each region, depending on its own rules and customs, and to the rapid change in the worldwide political and economic environment.

The Marie Brizard Wine & Spirits Group's employees contribute to the international expansion of its businesses while respecting the culture, customs and history of each country, as well as national, regional and international laws and regulations.

3.1.1 Our 4 regional clusters in 2020



3.1.2 Our key figures

The Group posted revenues net of excise duties totalling €169 million for the 2020 financial year.

These revenues were distributed among the Group's various stakeholders: to a large extent for purchases from our suppliers, followed by salaries and other payroll expenses, national and local taxes and other levies, as well as other stakeholders such as financing partners.

€169m
2020 Group revenues excluding excise duties

665
Group headcount at 31 December 2020

€32m
2020 Group salaries and payroll expenses

€98m
2020 Group purchases

3.1.3 Our business

The Group is made up of three main types of company:

1. Production companies, whose role consists in producing the Group's wines and spirits. These companies mainly carry out the following processes:
   - Alcohol distillation and rectification;
   - Ageing of wines and alcohol;
   - Blending of wines and preparation of spirits;
   - Bottling and packaging.
2. Distribution companies, whose role consists in marketing and promoting the Group's products within each cluster.
3. Group holding company: Marie Brizard Wine & Spirits SA. The purpose of the holding company is to provide operational support to its subsidiaries and to ensure the implementation of the strategic plan.

3.1.4 Our brands

Buoyed by powerful brands with strong cross-regional roots, the Marie Brizard Wine & Spirits Group is positioning itself as a major player in the wine and spirits market; the Group's ambitious development is based on key brands:

- Sobieski, the No. 2 vodka in France, made in Poland;
- William Peel, the No. 1 Scotch whisky in France and No. 6 worldwide;
- Marie Brizard, a brand of recognised expertise since 1755, on the liqueur market;
- Cognac Gautier, recognised 9 times as the "World's Best Cognac" since 2000.



3.1.5 Our markets

Marie Brizard Wine & Spirits enjoys a unique positioning and has a portfolio of brands tailored to current consumer trends, i.e. cocktails, value for money, sophisticated flavours, growth of home consumption, etc. Its customers are comprised of mass retailers, wholesalers for the out-of-home markets and independent stores and wine merchants.

Buoyed by these advantages, Marie Brizard Wine & Spirits aims to strengthen its multi-region strategy and offer its customers trusted and flavoursome brands.

3.2 OUR STRATEGY

We aim to become a global player in the wine and spirits sector. The Marie Brizard Wine & Spirits Group seeks to promote sustainable development and respect for the individual.

3.2.1 Our mission statement

We offer our customers and consumers trusted brands that are bold and full of flavours and experiences.

3.2.2 Our governance

The Board of Directors is chaired by Georges Graux and is composed of 12 directors, including representatives of COFEPP and Diana Holding and two independent members.

Recent years have seen a capital restructuring through two successive capital increases:

- in January 2019 in the form of a capital increase reserved for COFEPP;
- in January 2021 through a capital increase with preferential subscription rights (Rights Issue).

On the date of this document, the principal shareholder, COFEPP, holds 70.06% of the share capital of MBWS SA, after its acquisition in January 2020 of the bank receivables held by a pool of French banks and the conversion of all its current account advances at the end of January 2021.

3.2.3 Recent highlights



Significant post-balance sheet events are set out in Note 2.2.7. of Chapter 2.

3.2.4 Future prospects and 2019-2022 action plan

Following publication of the MBWS 2019-2022 Strategic Plan in late March 2019, the Group has launched the plan with a primary focus on improving the profitability of the Group's business lines in order to gradually return to positive EBITDA.

Furthermore, for all entities and in all of the Group's markets, there is a systematic focus on measures to boost value rather than volume.

Secondly, the Group seeks to create the conditions for a profitable development of its brand portfolios and markets where it is present (subsidiaries and/or sales networks, direct export) (see Note 2.2.6 of Chapter 2 - Key events.)

The sale of the Polish businesses in October 2020 and of the wine business in France (Moncigale) in February 2021 have made it vital to streamline the operational model.

Since 1 January 2021, at the managerial level, the Group is structured into two clusters (France cluster, and International and wines cluster) under the overall management of the holding company.

This strategy of focusing on value-creating activities and stronger synergies with COFEPP will continue and will guarantee the Group's increased profitability.

While the 2020 results are encouraging in the context of the COVID-19 pandemic, containing its impacts at the beginning of 2021 and the likely long-term changes in consumption patterns compel the Group to remain cautious as to its roadmap for 2021.

3.2.5 Our values

The MBWS Group promotes three core values, which are broken down into skills.

Effectiveness	Entrepreneurship	Team spirit
Ensure **high-quality work** with **optimised resources and costs**	**Act as a recognised professional** by seeking **continuous improvement** and **innovative solutions**	**Achieve your targets** and help others to achieve theirs while staying **positive, considerate and open-minded**
Honour commitments in terms of budget, resources and deadlines	**Decide and act** as if it were **your own company**	Be a **vector of change** through your **own behaviour**
Deliver measurable, **value-adding results**, whether in the short or long term	**Take risks** and **learn from your mistakes**	**Share your experience and know-how** with your colleagues

3.2.6 Our sustainable development issues

On 12 November 2018, Andrew Highcock and the Executive Committee of Marie Brizard Wine & Spirits signed the Group's Environment, Health, Safety and Sustainable Development policy.

This policy which applies to all facilities, has been translated into the different languages of the Group and sent to all employees to ensure that it is known and applied. All teams are affected in their day to day work and in all areas of activity: sales, production, purchasing, supply chain, marketing, research and development, packaging, human resources, etc.

The policy clarifies the following matters:

"By incorporating health, safety, the environment and sustainable development into our company's operations and decision-making processes, we are protecting our employees, our consumers, the environment and the communities in which we live and work.

Managing health, safety, the environment and sustainable development is an integral part of MBWS's mission to increase the value of our company. Focusing on these issues will contribute significantly to achieving our objectives and driving sustainable growth.

At MBWS, we believe it is unacceptable for a person to be injured at work. We seek to protect the health and safety of our employees, service providers and visitors through preventive actions to combat industrial accidents and occupational illness.

We strive to minimise the environmental footprint of our operations by improving efficiency in the use of energy and water, and by reducing pollution and waste production.

We are committed to complying with all regulations applicable to our company in the area of health, safety and the environment everywhere we work.

Our commitment to health, safety and the environment plays a key role in the design of our products, procedures and services.

This is our commitment to health, safety, the environment and sustainable development everywhere we operate."

Over the past few years, the Group has pursued a sustainable development drive in order to promote all aspects of this policy. Progress has been made in the areas of health and safety at work, the prevention of pollution, the circular economy, resource waste management, human resources management, supplier relations, etc. This progress is described in the following chapters.

Momentum is building, derived from the efforts made at each facility and by each operational team as part of a policy of continuous improvement, with a firm belief that all these elements are values upon which we can build a better future for our Group,

THE 4 CORNERSTONES OF THE GROUP:



3.2.7 Non-financial risks and opportunities

In 2018, the Marie Brizard Wine & Spirits Group conducted its first non-financial risk-mapping exercise (in accordance with the regulatory requirements imposed by the transposition into French law of the European directive on the disclosure of non-financial information) supplementing the previous risk-mapping exercise carried out by the Group (see Section 2.3. "Risk factors"). This exercise involved identifying and rating the main non-financial risks affecting the Group.

In late 2019, in accordance with the guidelines laid down by the new "Prospectus 3" regulation, the main risk factors and their ratings were revised by senior management and the directors of each subsidiary. In 2020, the health risk due to COVID-19 has been included.

The rating process did not identify any material risks that need to be added to the risk factors set out in Section 2.3. Nevertheless, in keeping with its CSR priorities, the Group continues to monitor and mitigate the risks identified as the most significant.

The opportunity/risk-mapping process was carried out in three stages:

1. Definition of issues within the sector and non-financial risks/opportunities: this list of potential risks was compiled on the basis of the non-financial indicators identified in Article 225 of the Law of 12 July 2010 and its implementing texts and amendments. In order to have a comprehensive overview of the potential risks, the Group also considered the materiality analyses carried out by other players in the same industry as well as bibliographical research within the sector. This list of risks and issues was then submitted to the Group's various business lines.
2. Risk rating: each risk is assigned a rating following the method applied for ISO 9001 quality certification. Each business line conducted the assessment with regard to its activity and scope of action in global terms. All risks were rated according to two criteria: severity in the event of occurrence and probability of occurrence.
3. Prioritisation of risks: on the basis of the ratings assigned, the teams identified the most significant non-financial risks for their scope of operation at Group level.

Non-financial risks are presented below, classified under the relevant category.

- EMPLOYEE-RELATED
  - Tackling the health crisis
  - Developing and retaining talent
  - Developing skills
  - Helping employees with changes
  - Health and safety at work
- ENVIRONMENTAL
  - Use of water, raw materials, energy, waste management
  - Air, soil and water pollution
  - Long-term climate change
- SOCIAL
  - Responsible alcohol consumption
  - Responsible purchasing policy
  - Consumer health

The risks related to combating food insecurity, respecting animal welfare and promoting responsible, fair and sustainable food choices are considered not to impact the Group as it exists currently.

The policies implemented by the Marie Brizard Wine & Spirits Group to guard against non-financial risks are presented in the following chapters: 3.3 "Ethics and exemplarity", 3.4 "Our role as an employer", 3.5 "Our environmental role" and 3.6 "Our role in the community".

The review carried out by the Group identified levers and opportunities that the corresponding teams have been able to transform into roadmaps and action plans in the areas of supply chain/purchasing, marketing, R&D/packaging, etc.

3.2.8 Our CSR governance

Marie Brizard Wine & Spirits has implemented an internal governance system enabling it to define and formulate its commitments in accordance with its Environment, Health, Safety and Sustainable Development policy, its interests and those of its various stakeholders. The Group's strategy is under the direct responsibility of its Chief Executive Officer, Andrew Highcock. Strategy is coordinated by two departments; Operations, which covers health, safety and the environment, and Human Resources, which covers employee-related aspects. These departments manage local networks spread across the operating subsidiaries, with the aim of defining, coordinating and driving the Group's CSR strategy. The Group's social responsibility commitments are defined in operational terms and are monitored across the business as a whole.

3.3 ETHICS AND EXEMPLARITY

Business ethics and exemplarity are the guidelines of our governance process and form the framework for our social and environmental responsibility policy: the Executive Committee members and cluster Managing Directors are responsible for implementing them within the context of their operations.

3.3.1 Code of Ethics and Conduct - preventing tax evasion and corruption

A new version of our Code of Ethics and Conduct was adopted and circulated in October 2017. The Code was revised in 2019 and re-circulated to all employees. It sets out the basic principles with which every employee must comply when acting on behalf of the Group. Each employee is responsible for applying the Code when performing their duties.

The future strength of Marie Brizard Wine & Spirits lies in the values that guide the Group's daily business: Our success depends on daily adherence to these values and communicating them to all our stakeholders. Business integrity and ethics must be a goal and a priority for each one of us, in order to strengthen our Group's success every day.

Likewise, the future of our business depends on the policies, processes and controls that have been set up, as well as on each employee's individual contribution towards developing and continuously improving them.

Our Code of Ethics and Conduct applies to all Group employees in all countries in which the Group operates. This Code is a collective guide based on Group values. It is designed to guide our operations and to serve as a reminder that the implementation of the good practices described therein is a duty for each one of us, in addition to our duty to comply with applicable laws and regulations. The Code governs our relations with both colleagues and external partners.

We expect each of you to make a commitment to abide by this Code and to help ensure that the Code is followed in your immediate working environment. Accordingly, we have decided to translate and disseminate this Code down the hierarchical structure from October 2017 onwards.

As also expressed in its Code of Ethics and Conduct, the Marie Brizard Wine & Spirits Group condemns unlawful practices, unfair competition, bribery and corruption. As such, an Anti-Corruption Policy was drawn up and circulated to all subsidiaries in 2019. Training is provided on this subject, particularly in Bulgaria and Brazil. For example, Bulgaria organised training in anti-money laundering, the Code of Ethics and Conduct and anti-corruption.

In addition to the Code of Ethics and Conduct, the Marie Brizard Wine & Spirits Group has prepared a user guide to its ethics hotline, which is available for consultation by all Group employees. This guide was also revised in 2019. The hotline is a system which is not designed to replace other whistleblowing procedures governed by applicable regulations in each country, including escalation via line management or staff representative bodies. The system allows MBWS employees to:

- obtain information and advice on the application or interpretation of the MBWS Code of Ethics and Conduct in the event of questions or uncertainty;
- report matters relating to accounting, finance, banks, or issues related to bribery and corruption, antitrust law, discrimination, harassment or serious breaches of health and safety regulations that endanger the physical or mental health of employees or are liable to seriously impact the Group's operations or incur its liability.

The ethics hotline guarantees confidentiality and respect for the rights of each individual in the handling of the relevant procedures. The Internal Audit Director oversees the quality of this system. In 2020, no instances of the aforementioned issues were reported *via* the ethics hotline.

With regard to tax evasion, the Marie Brizard Wine & Spirits Group fulfils its obligations in accordance with applicable local and international legislation. Tax affairs, including tax risks, as well as all other financial information, are regularly reviewed by the financial directors of each Group subsidiary, particularly at the time of each budget phase, the preparation of the annual and interim financial statements, and whenever else the need arises.

Our support services guarantee the correct implementation of our obligations (tax collection, proper management of alcohol stocks, etc.). They enable our company to ensure that we have paid the correct amount of income tax and any other amounts owed to the tax authority, as well as to monitor our regulatory obligations in relation to fraud.

Our 'customs' services guarantee correct customs procedures. They allow us to ensure our competitiveness through the incorporation of customs procedures and to achieve a high level of performance by facilitating customs operations based on our projects.

3.3.2 Compliance with laws and regulations in effect

We pay particular attention to the concept of corporate citizenship. The Marie Brizard Wine & Spirits Group condemns any illegal, criminal or morally unacceptable act and takes rapid and appropriate measures against such acts.

Each employee must make sure that they act in accordance with the laws and regulations of the country where they work, in an honest and ethical manner.

No exception to this commitment will be tolerated, regardless of whether an illegal act is performed "in the Group's interests", "in the customer's interests" or on the instructions of a line manager.

Compliance with laws and regulations (including fair business practices) is a principle:

- expressed by the Marie Brizard Wine & Spirits Group via its Code of Ethics and Conduct;
- reflected in the business reviews performed by senior management and/or by Internal Audit whenever necessary. In 2020, MBWS received no complaints or alerts regarding non-compliance with laws and regulations in effect.

3.3.3 Compliance with the ILO fundamental conventions and respect for human rights

All Marie Brizard Wine & Spirits Group subsidiaries comply with the ILO fundamental conventions, which cover issues including freedom of association and the right to collective bargaining, the prevention of discrimination in terms of employment and profession, the prevention of forced or mandatory labour and the effective abolition of child labour.

Training provided to HR staff enables the relevant skills to be structured and developed across the Group. Accordingly, HR managers at each entity guarantee the proper application of local, EU and international laws and agreements.

Our company also focuses on respect for human rights, both in our own operations and by our customers and suppliers. As noted in the Code of Ethics, our employees are required to pay daily attention to compliance with these principles and to contribute towards their development. Applicable domestic and international laws and regulations are incorporated into our development strategy.

3.3.4 Alcohol in society

We want to play a positive role in the wine and spirits industry. In line with new consumer expectations in terms of sustainable development, MBWS needs to adapt its business model in order to avoid losing customers or jeopardising its reputation.

We deplore the excessive consumption of alcohol. Alcohol abuse is a serious concern for a Group such as ours. Such behaviour harms the reputation of our high-quality products and the image of our consumers.

As a member of the French Spirits Federation (FFS), the Marie Brizard Wine & Spirits Group has undertaken to abide by the Federation's code of conduct and self-discipline.

Compliance is overseen by our legal departments, which systematically approve all marketing operations conducted in France and by our overseas offices.

Furthermore, a guide to the creation of front and back bottle labels was made available in 2017. The guide sets out the rules provided for by EU regulations and the internal rules defined by the Marie Brizard Wine & Spirits Group, including those regarding the pregnant woman and waste recycling logos.

The guide ensures that all departments involved in the creation of labels have the same information and are aware of mandatory and optional notices and the logos required for labelling spirits, wine, and

Special attention is paid to employees who are potentially exposed to these risks within the scope of their professional duties, for example when tasting products during the development phase or at meetings with customers. A risk assessment was carried out in 2018. In this context, the Group issued a reminder that the consumption of alcohol at work is prohibited and released a guide outlining the procedure to follow for marketing, quality and R&D tastings, sales events and social occasions. In 2020, before the distancing measures in response to the COVID-19 pandemic, 15 persons took part in tasting training. Other training initiatives will follow as soon as personal protective measures are lifted.

3.4 OUR ROLE AS AN EMPLOYER

3.4.1 Tackling an unprecedented health crisis

The company has had to adjust firstly to an unprecedented health situation, and secondly to a change in its business.

Given that the Group has employees in eight countries, it is always concerned about taking measures adapted to each local context while maintaining the same level of exigency and equity for all employees to ensure team cohesion.

Furthermore, the measures taken have been fine-tuned as the epidemic progressed and applicable regulations changed.

As regards health matters, important measures have been taken at Group level.

During the first wave of the epidemic, from February to April 2020:

- General instructions given to all employees of the Group;
- Widespread use of teleworking for employees of the various subsidiaries whose work could be entirely or partly performed remotely;
- Dissemination in subsidiaries of a good hygiene practices guide to prevent the epidemic risk;
- Dissemination in subsidiaries of good practices on teleworking in exceptional situations;
- Awareness in all subsidiaries about the rules on wearing a mask.

In May 2020:

- Preparation by each subsidiary of its crisis exit plan when the lockdown is lifted;
- Updated health rules to be followed in the event of an epidemic sent to the subsidiaries.

In October 2020:

- Reminder and information sent to all employees about the safety rules to be followed and complied with within the company.

In terms of crisis management, the company is now also structured to manage events in the best possible manner:

- Setting up of a crisis management cell at Group level whose role was to determine the rules to be applied in the Group and provide information about them; share any type of risks and opportunities present in each country; keep all stakeholders informed of the major decisions.
- Setting up in each country of a local crisis cell at the level of each management committee, in order to determine, implement and monitor the business continuity plan; communicate with employees; monitor the situation in the country.

In terms of work organisation, major changes took place, each time requiring quick decision-making and strong adaptation capacity by employees:

- Widespread use of teleworking wherever possible and in all countries;
- Continued operations at all production facilities by reinforcing health protection measures;
- Very targeted recourse to short-time working arrangements in Denmark (60% of the workforce), at MBWS France (30 sales employees) and in Lithuania, during the first wave of the epidemic;
- In Brazil, introduction of working time modulation for production staff to take into account periods of high and low levels of activity, (bank hours system);
- Use of leave to address fluctuations in activity levels, ensure employees get rest periods and mitigate additional risks of disruption in the organisation if leaves are taken without planning or prior notice.

WORK ORGANISATION AT THE ZIZURKIL FACILITY IN SPAIN

"From the start of the crisis, we created a specific committee, consisting of members of the management committee, the health and safety coordinator and representatives of the operations team. The role of this committee was to closely monitor the siltation. Meetings were held every day at 9:00am, from March to June.

In order to minimise contacts between employees on bottling lines, we organised the work into three distinct teams. At the plant, we took the temperature of each employee arriving at work. For lunch breaks, we organised the area so as to ensure a distance of 2 metres between employees. On-site work of external service providers was cancelled where it was not urgent. Employees who had to go to work with their laptop were instructed to take their laptops back with them at the end of the working day. Working from home was implemented for all employees who could work remotely.

For persons external to the company, we maintained access to the plant only for drivers, who were assigned a dedicated area, with contacts and the flow of persons limited as much as possible:

Through the adaptability and commitment of employees, we managed to meet our production commitments to our customers. In this unprecedented period, more than ever before, our employees embodied one of our corporate values - team spirit.

Through these measures, we had no case of COVID-19 contamination in 2020."

Elisabeth Soto, HR Manager MBWS Spain

WORK ORGANISATION AT THE DUBAR FACILITY IN BRAZIL

Dubar is a production and marketing company created in 1913. The production facility and offices are based in Jundai, in the state of Sao Paulo. It has about thirty employees, half of whom dedicated to Operations.

"When the crisis broke out, the first initiatives focused on managing employee anxiety and making arrangements for the activities and work tools. Our priority was to properly structure our activity and relieve the stress of our employees.

Firstly, all the teams gathered for a meeting during which we reassured them about their job and identified the equipment necessary for those who could work remotely. This covered the purchase of laptops and mobile phones, and other equipment necessary for each of them to work from home in the best possible ergonomic conditions. In-person and virtual meetings organised with our employees also aimed to give them an opportunity to share their feelings about the situation and the different problems they faced.

As regards production, we adapted our organisations with more stringent health and safety measures, in compliance with the new health protocols applicable".

Rodrigo Pereira, Chief Executive Officer MBWS Brazil - Dubar

3.4.2 Maintaining employee commitment

SPECIAL ATTENTION GIVEN TO WORKING CONDITIONS

The sudden and global crisis led to a profound upheaval for all our employees, creating uncertainty about daily life. The objective therefore was to reduce uncertainty about work-related matters and adapt working conditions to the new health standards to be implemented.

It was important to communicate regularly with employees and support managers regarding these new ways of working. Indeed, work life and personal life became closely linked, whether for those working partly or wholly from home, those not working at all and those who commuted to work every day.

It was thus important to listen to and understand the personal constraints expressed and to provide support in each of these situations and monitor them. Additional initiatives were implemented in certain markets. For example, in France, a 24/7 helpline was set up to listen to and provide psychological support to employees and their family.

Two anonymous internal surveys were conducted to give everyone an opportunity to express their views on their situation, their difficulties, needs and expectations for the next phase. The results were shared with all employees and were used to design action plans, such as that to welcome back at the workplace employees who were required to work from home throughout the lockdown.

Regardless of the country, legal entity or facility, communication and support by the management teams were vital in reducing uncertainty and accompanying employees as closely as possible, as the situation and their needs evolved.

AN OPPORTUNITY TO CREATE AND DEVELOP AN MBWS MANAGERIAL COMMUNITY

The crisis brought to light the need for closer support to the management committees of the different countries, to enable them to adapt their support system to the different forms of work organisation. In 2020, priority was given to the individual and group support that a manager could provide, and to fine-tuning the activity structure. Emphasis was therefore placed on the development of soft skills, mostly practised remotely for the management teams of the different subsidiaries.

The 1st topic for training which stood out as a priority was remote Management. It was an opportunity to bring together and train the different countries' management committees. This took place in April 2020. These training sessions were an opportunity to get members of the management committees to mix, thus promoting the sharing of experience among countries and among managers from different areas of work, who shared common concerns and challenges during the crisis situation. The satisfaction rate among participants was 85%.

We continued to conduct virtual short training sessions for the managerial community through a topic that had become even more vital due to remote working, namely the practice of feedback. These sessions were held in July 2020 and saw the continued interactions among the management teams of the different markets. It was also an opportunity to promote the practice of regular feedback. The satisfaction rate among participants was 73%.

"The content was very relevant. So was the conduct of the sessions. I really appreciated the role plays. I think that the practice of feedback is of vital importance in our organisation and we must continue to develop this skill internally.",

HR Manager

THE AIM TO CONTINUE TO DEVELOP RESOURCES

With support to employees being ever more crucial in 2020, it was necessary to identify and formalise Personal Development Plans for each employee and implement development initiatives. It was in this spirit of sharing and exchange on the key people in each market that People Reviews were held in September 2020. They included at least the CEO and HR Manager of each subsidiary, up to the entire management committee, so that each one could talk about issues specific to their business lines, people issues and initiatives to be conducted for their human resource, either individually or in groups.

"The People Review process is a definite contribution to the long-term development of MBWS Bulgaria and to the professional development of our employees.
Year on year we are broadening the scope of the People Review and currently cover 25% of employees, which shows the strong focus placed on the development of our employees. This approach also addresses development in a manner that is shared in and aligned with the Management Committee and takes on board the points of view of other heads of department.
The People Review exercise allows us to lay out and discuss our roadmap on the organisation, human resources and employee development, both collectively and individually. The implementation of the earmarked action plans enables each employee to move forward and pursue their career path with MBWS Bulgaria.
The advantage is also that it opens up career prospects for employees, through better shared knowledge of talents within the organisation and collectively develops more cross-cutting career paths. MBWS Bulgaria remains committed to developing and promoting its employees internally and the People Review process is an important contribution to this goal.
2020 has been a demanding year, not least as regards learning to work from home, but we have managed to work together as productively and as effectively as when we are present at the workplace. To work on the People Review, we used a mix of video-conferences, telephone conferences and from time to time face to face meetings at the office, strictly applying personal protective measures. Distance could have been another challenge in this exercise, but we overcame it with great agility."

Tomislava Cherneva, HR Manager MBWS Bulgaria

"I found the People Review process very useful in terms of recognition of talents, namely those who want to move forward and have the capacity to acquire new skills and take on new responsibilities or projects, with a certain degree of independence.
The exercise is a useful guide for employee development and I found the process very structured in that sense.
The other important benefit is the exchange between managers made possible through this process, with points of view and feedback of managers from other business lines. This provides a different and more objective view of the assessment of the added value of each employee."

Tsvetan Dimitrov, Operations Manager at the Domain Menada production facility in Stara Zagora, at MBWS Bulgaria

In Brazil, much work has been done in 2020 to better assess the development needs in terms of behavioural skills, and to design the related support plans. The management team wanted to work with a method that would ensure as much objectivity as possible in addressing the situation and would provide effective tools to give the development approach a solid long-term foundation.

"We put in place the DISC assessment model to better understand behavioural profiles and the inter-team communication of our managers, supervisors and coordinators.
We matched the profiles with the expected behavioural skills for each position and thus identified the areas of development necessary for the overall performance expected from each employee in their position.
The aim of this approach is to ensure better alignment between individuals and positions, to the benefit of both the employees, through better knowledge of themselves and of communication methods, and the company through better identification of the needs for development and the support plans to be implemented".

Rodrigo Pereira, Chief Executive Officer MBWS Brazil - Dubar

3.4.3 Restructuring the activities bearing in mind the group's social responsibility

Our strategic plan, published in March 2019, carries the ambition of putting the Group back on the path of profitable growth. To achieve this target, the Group has launched a transformation drive based on its strategic priorities, structured into two periods going up to 2022: The first period of transformation ending in December 2020 contributes to redefining the Group's international footprint. Over this period, the teams focused their collective work on value-creating assets and turnaround initiatives.

Several restructuring projects were thus implemented:

- In Spain, with the adjustment of the structures of Fuenmayor in May.
- In Poland, with the sale of all businesses in October.
- In France, with the implementation of a new sales structure in MBWS France at the beginning of the year and the sale of MONCIGALE which started in November.

These projects were all conducted closely with our local social partners as part of their responsibilities and with special attention given to employees impacted by the restructuring.

COMPLETION OF THE STRATEGIC PROJECT AT MONCIGALE

MONCIGALE has had to face the major transformations witnessed in the French and international wine market. This transformation significantly impacted the volumes produced and sold by MONCIGALE, which declined substantially in recent years. In parallel, the surplus wine production capacity in France creates intense competition in the MDD wine markets giving rise to a price war.

Aware of these challenges, management decided to initiate a process of consultation with the social partners to anticipate and support the changing activities at MONCIGALE. The planning and implementation of this initiative were thus discussed: a consultation agreement was signed at the end of 2019 with the two trade unions locally represented.

This resulted in the adoption of a consultation and information process aimed to identify and implement solutions to ensure the long-term future of MONCIGALE.

Six information and debriefing sessions on this initiative were thus organised with all employees. Three participatory working groups were also conducted. This led to the "CV de site", the fruit of collaborative work to highlight the facility's collective competitive advantages. These working groups were also an opportunity for employees to contribute to the emergence of new ideas which led to the launch of two new activities: a canned wine production line, and a storage activity for other brands.

Following this initiative, the decision was finally taken to sell the business to a major wine player, namely Grands Vins Jean Claude Boisset. This was in keeping with the objective of development of the facility by addressing the industrial challenges and brand development challenges, and with the takeover of all MONCIGALE employees.

The consultation held at the local level was an opportunity to discuss very early on in the process with social partners and employees, organise participatory working groups where possible, regularly inform employees of progress made on the different options. This time was also used to provide better information and to implement mechanisms such as career meetings, information on the CPF* and VAE*. The main benefits of this initiative are reflected in the constructive and positive social dialogue, and in employees being the actors of their own future.

The consultation thus held, despite discussions being at times particularly sensitive or complex, has boosted the company's human capital.

"In a context where each employee felt caught up in a storm, the negotiation allowed all MONCIGALE volunteers to contribute to the "CV de site". Everyone, from senior management to the latest recruit, got to realise the real potential of the Beaucaire teams, gauge and appreciate individual contribution to the overall organisation, give a concrete and common meaning to the efforts of everyone to look forward to a better future for our company.
This initiative, driven jointly by the SEC and management, is also proof of the collective benefits of a rich social dialogue, which devoted the time and means to brainstorm on the direction to give to the facility."

Michèle Arnaud, Moncigale CFDT (trade union) representative.

3.4.4 Our teams remained focused

In spite of the context, our teams remained focused on carrying out the priority projects, thereby reinforcing their pride of being part of the company, improving working conditions and boosting performance.

THE PRIDE OF BEING PART OF THE COMPANY

The GAUTIER house

The opening of the COGNAC GAUTIER store on 1 December 2020 is the culmination of a project that started in 2018. GAUTIER house, founded in 1755, thus opened up for the public. Henceforth, this tool contributes to the development of wine tourism in the region of Charente while also offering an ideal backdrop for hosting events and discovery Masterclasses for customers. The next step of this project consists in designing a Cognac wine route for visitors.

Food collection for the needy in Spain

In 2020, MBWS Spain decided to collaborate with the Food Bank of Guipúzcoa (FBG) during the end-of-year festive season. As a result of the pandemic, the need to provide food aid to families in Spain increased by 20% in 2020. The food collection initiative organised by MBWS Spain was a great success. A total of 196 different product units (food and pharmaceutical products) were collected by employees.

WORKING ENVIRONMENT

Registered office transfer

Given that commitments were already taken before the health crisis, the transfer of the registered offices of MBWS SA and MBWS France took place during the national lockdown. The work was carried out to ensure that, in compliance with the different health protocols established, good working conditions and business interactions were maintained until the completion of the move. Works at the new premises had been delayed due to the health situation.

"The project was conducted with the aim of reducing waste and paper consumption. Employees had been involved in these objectives ahead of the project through their participation in a full day dedicated to sorting, discarding and recycling. Using the 5S method, the teams worked in collaboration to keep only what is essential in view of the office move. They also took part in the project by contributing to the micro-zoning of their future place of work.
As from the first lockdown, the conduct of the project was constantly adapted to the changing situation, the needs of the business and of employees. Both employees and the Company demonstrated a great adaptation capacity.
At each step of this office transfer, training and information were provided to employees on new rules and sanitary measures.
With the waste collected throughout the project, each person has thus contributed to the planting of a total of 110 trees with ReforestAction."

Maryline Guillemin – Head of General Services

Renovation of the Vilnius office

The main renovation of the headquarters at Vilnius was carried out in 2020. These works created pleasant working conditions, promoting employee commitment and the success of our subsidiary. Moreover, we can now welcome our customers, partners and future employees in a comfortable environment. Further renovation will take place soon.

SKILLS DEVELOPMENT

The teams have demonstrated great agility in a particularly difficult period, thus contributing to the results achieved.

Accordingly, in countries where the out-of-home business segment (cafés/restaurants) is particularly significant, the teams off work came to help their colleagues in the mass retail sectors.

In Lithuania, employees also developed a new activity to produce and market hand sanitizers.

In France, the Peel au Top project continued and intensified over the year.

Peel au Top is a continuous improvement approach conducted at the Lormont (France) facility, initiated since the end of 2019. This approach aims to improve industrial performance through the use of new work methods and by upskilling employees. This approach also seeks to enhance employees' sense of ownership of their environment and the improvements made to it.

"All industrial functions are on board, from operators to managers, from production to maintenance, including quality and safety, to contribute to performance improvement, whether in terms of reducing breakdowns, quality losses or accidents. An extensive training programme is rolled out to support employee upskilling and thus promote the reach of Peel au Top.
The initial results are already tangible in spite of the health situation, with improved yields, the number of accidents cut to a third and improved service level."

William Lermigeaux, Industrial Director France - Spain

3.4.5 Equal treatment

All of the Marie Brizard Wine & Spirits Group's subsidiaries comply with legal provisions in terms of employment rights, gender equality, employment and inclusion of disabled people and anti-discrimination. Moreover, the Marie Brizard Wine & Spirits Group has expressed the values to which it is committed in the new Code of Ethics and Conduct, which has been translated into all Group languages and circulated to all Group companies and employees.

WOMEN IN A COMPANY FOUNDED BY A WOMAN

The company and its eponymous brand are named after their founder, Marie Brizard; two centuries down the line, the Group that bears her name remains faithful to her values and women play a vital role alongside their male counterparts, including at Group management level. At 31/12/2020 the holding company MBWS SA posted a healthy gender balance with a majority of women (63%).

45% of Management Committee positions in all Group companies are held by women. The women and men who occupy these positions are responsible for implementing strategy and deploying Group policies.

42% of Board members are women and the Remuneration and Appointments Committee (REMCO) is 67% female. Our area of improvement identified for the coming years is, like many other companies, to increase the proportion of women on the Group Executive Committee, currently 25%. For the first time, MBWS has also calculated the professional gender equality index at MBWS France, and scored 94/100.

MAKING ALLOWANCE FOR DISABLED EMPLOYEES

Special attention is paid to integrating disabled employees, including adapting workloads where necessary. In France, MBWS has a partnership for pension and personal protection insurance and contributes to a number of workshops for employees affected personally or for family reasons (personal care role). The Company also liaises with staff representative bodies in order to pass on information to employees so that they can take part in these workshops.

Furthermore, an external social worker regularly visits the Lormont facility and may be consulted by any employee who requests.

3.4.6 Health and safety at work

For several years, the Marie Brizard Wine & Spirits Group has been creating awareness among employees regarding the importance of safety at work, via a number of grassroots initiatives. Backed by the commitment shown by each of its facilities, the Group continued to strengthen the corporate safety culture. The Environment, Health, Safety and Sustainable Development policy was translated into all Group languages in order to be shared amongst all facilities and employees.

In order to develop a safety culture, it is vital for all Group employees to be aware of the importance of their personal involvement and focus their vigilance on the most significant risks.

Actions based on behavioural improvements were developed at a number of facilities:

- Safety patrols,
- Recording and review of near misses and hazardous situations,
- Daily meetings starting with a safety review,
- One danger reported per month,
- Personal protective equipment catalogues per workstation in several facilities.

A vast majority of facilities have also updated their risk maps by involving the employees concerned in defining preventive measures. A number of training courses were provided in health and safety at work, first aid and dealing with industrial accidents, particularly in France, Spain, Lithuania and Bulgaria.

A number of sites have developed and implemented operational procedures to reduce the risks related to machine operation, control of hazardous energy, ATEX zones, hazardous materials transportation, working at heights, the use of chemical products and the updating of Safety Sheets.

More specifically, the French marketing and R&D teams have taken awareness training on the procedure to follow for innovation and sales tastings.

A MAJOR FOCUS ON COLLISIONS AND TRAFFIC RISKS

An action plan designed to safeguard movements and eliminate potential collisions involving pedestrians, operators, transporters and vehicles has been developed for all Group production facilities and warehouses. Safety rules and procedures were established at Group level and then rolled out locally by the project teams. The sharing of best practices between teams, particularly with regard to technical solutions for protection and visualisation, as well as organisational solutions, have made this work quicker and more efficient. A vast majority of employees attended training and awareness sessions on the risks related to forklifts, the importance of respecting walkways and wearing personal safety equipment.

WORLD DAY FOR SAFETY AND HEALTH AT WORK

Since 2016, the Marie Brizard Wine & Spirits Group has organised events commemorating World Day for Safety and Health at Work, held on 28 April each year. Due to the lockdown following the COVID-19, this event was cancelled this year. Health conditions permitting, it will be held next year. However, awareness campaigns about good practices during a pandemic were carried out in 2020.

GOLDEN RULES

The Golden Rules aim to focus the attention of all employees on practices that could potentially lead to high-risk situations. Understanding these main risks and describing them in identical terms for all and in a simple and clear format helps to mobilise all employees working at every level.

Group facilities conducted technical improvement initiatives in work zones in order to reduce exposure to the risks targeted by the Golden Rules. The launch of these initiatives was accompanied with activities such as quiz sessions, presentations followed by games or surveys, displaying posters and projections of management films in order to spread the message to even the most remote facilities.

By way of example, one of the Golden Rules relates to the use of personal safety equipment: risk assessments helped to define per zone and per task the rules for wearing gloves, safety shoes, high-visibility jackets, ear protection, belts, harnesses and helmets, and to communicate these rules clearly via information sessions before putting them into practice.

3.5 OUR ENVIRONMENTAL ROLE

3.5.1 Overall environmental policy

Each subsidiary puts into practice and manages Group environmental policy on a local basis, depending on its business activities and local laws and regulations.

Subsidiaries comply with legal requirements and hold the required operating permits. In France, the facilities of Marie Brizard Wine & Spirits France (Lormont) and Gautier (Aigre) are subject to authorisation under the French ICPE environmental protection scheme. Audits are conducted to verify compliance with regulations and the related action plans are monitored monthly by the operations department.

The subsidiaries have taken out the insurance required for their activity to cover civil liability resulting from environmental damage.

The Marie Brizard Wine & Spirits Group takes care to avoid chronic or accidental soil pollution at all of its facilities, by ensuring proper storage and usage conditions for raw materials and by correctly managing rainwater and transformation process discharges.

Indicators including water and energy consumption and waste generation have been defined and are tracked monthly by all production facilities in order to optimise the use of these resources, identify anomalies and correct wastage and leaks. Investment choices include optimised resource consumption and by-product discharges.

Employee awareness campaigns are organised by circulating articles on sustainable development and via targeted meetings. Certain facilities produce or purchase renewable energy, which accounted for 66% of total energy consumption in 2020, compared to 38% in 2019.

3.5.2 Pollution

The Marie Brizard Wine & Spirits Group is aware of the impact of its operations on the environment and implements prevention measures to prevent any negative impact on the atmosphere, water and ground. Production facilities receive particular attention regarding these issues, especially in relation to regulations governing classified facilities in France and equivalent regulations in other countries.

3.5.3 Water pollution

All Marie Brizard Wine & Spirits Group production facilities have introduced programmes aimed at monitoring the status of wastewater, while over half of the production facilities have their own treatment plants managed in-house or by a specialist firm. The data gathered enables these facilities to monitor changes in water quality and, if necessary, guide choices of solutions for improvement and assess the efficiency of these solutions.

A preliminary wastewater treatment plant at our Lormont facility in France aims to decontaminate the facility's industrial discharges before they are collected by the municipal sewage system. Water analyses are conducted periodically and forwarded to the relevant authorities.

Samples are taken every day and the related pollution loads are monitored on a weekly, monthly and quarterly basis depending on the pollutant. The wastewater treatment plant operator forwards MBWS a monthly report including:

- a record of volumes treated, pollution loads, energy consumed and waste generated;
- an analysis of the water flowing in and out of the wastewater preliminary treatment plant by an outside laboratory, depending on the guidelines imposed;
- a report on any incidents that have affected the operation of the treatment plant: breakdown, maintenance, etc.

Every month, MBWS submits this report online via the reporting website (GIDAF) of the French ministry responsible for classified installations required to monitor their own operations. Every quarter, MBWS forwards the report to the local water board.

A number of facilities have implemented measures to limit material wastage of alcohol, fruit juice, distillation by-products, etc. in order to reduce the pollution load managed by treatment plants.

3.5.4 Noise pollution

The Marie Brizard Wine & Spirits Group has not identified any noise or light pollution that exceeds current standards. Nor has the Group incurred any administrative sanctions relating to this issue. However, the Group remains attentive to potential local requirements and is committed to abiding by the regulations.

3.5.5 Waste prevention and management

The Marie Brizard Wine & Spirits Group is continuing its waste reduction initiative through staff awareness training on sorting and recycling. In general terms, the waste from production facilities is placed into 'material' or energy recovery streams. A waste sorting system has been introduced by the subsidiaries for sorting recyclable materials such as glass, paper and cardboard, plastic, wood and metal.

Recycling efficiency is improving and waste sorting levels are increasing. Over the last three years the Group has reorganised the production facilities and phased out obsolete packing: this led to a significant (but one-off) increase in certain types of waste such as metal, wood and glass which was sent to recovery streams.

Indicators are used to monitor the development of appropriate recycling solutions and reduce the amount of waste generated. In 2020, the Group sorted about 8,204 tonnes of waste (compared to 3,434 tonnes in 2019), including 3,277 tonnes of paper and cardboard, 3,569 tonnes of glass, 177 tonnes of metal, 129 tonnes of plastic and 217 tonnes of wood.

3.5.6 Consumption of raw materials

The Marie Brizard Wine & Spirits Group monitors the sustainable use of the raw materials required for its operations and has established procedures to monitor and limit losses and prevent waste.

With support from Adelphe to the marketing, development and purchasing departments, we identified measures to reduce the impact of our packaging on the environment. The topics addressed were: knowledge of materials for which there is a recycling solution, consideration of disruptive components, use of our decision-making tools, use of recycled paper and cardboard, communication that raises awareness of sorting among consumers, media communication to support citizen awareness.

We have also conducted studies to incorporate eco-designed packaging, sorting instructions on labels and label materials, and minimise the use of glues, solvents and inks.

Work has been carried out for a number of years to reduce the weight of glass bottles used for our high-volume ranges. The latest glass bottle weight reduction was carried out in 2018 on the Sobieski range. The Group also continues to optimise the weight of cardboard packaging.

3.5.7 Energy consumption

The Marie Brizard Wine & Spirits Group is committed to reducing energy consumption at all of its facilities.

The total amount of renewable and non-renewable energy used by the Group in 2020 was down 52% versus 2019. This decline is largely due to the exclusion of Moncigale (Beaucaire facility) and the Polish businesses from the Group reporting scope.

The main types of energy used by the Group are natural gas (14%) and electricity (9% non-renewable and 3% renewable).

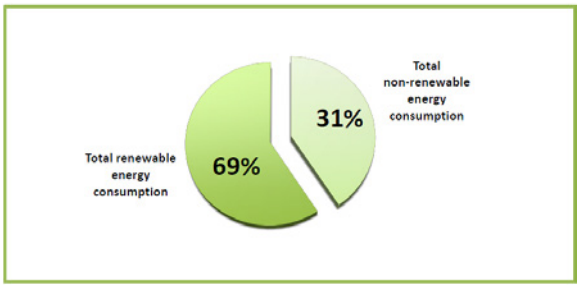
The other fossil fuels are:

- domestic fuel oil: 24.9 m3 in 2020, up due to a harsher winter in France,
- heavy fuel oil: up due to the use of an old boiler in addition to the biomass boiler at the Obeliai distillery in Lithuania,
- LPG, non-road diesel,
- petrol and diesel: up due to the expansion in alcohol production and delivery at the Obeliai distillery.

Toutefois, le Groupe utilise de l'énergie renouvelable à hauteur de 69 % du total, répartie entre :

- wood biomass (69%);
- cogeneration (biogas, 27%).
- Green electricity (4%)

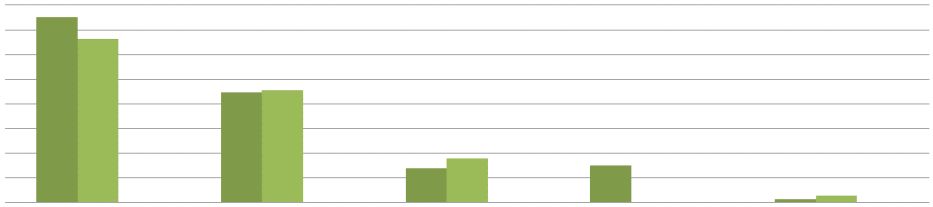
69% OF THE ENERGY CONSUMED AT MBWS IS RENEWABLE



These internally-produced renewable energies primarily come from the Obeliai distillery in Lithuania, where these procedures are implemented simultaneously using new rectification and distillation equipment. Excess electricity is sold and fed into the local grid.

Due to the sale of the Polish businesses which use a heat recovery system, the Group's renewable energy consumption decreased in 2020.

MBWS : renewable energy consumption 2019/2020 (kWh)



	TOTAL renewable energy consumption	Wood biomass	Cogeneration	Heat recovery	Green electricity
2019	37 567 500	22 392 000	6 964 568	7 534 966	675 966
2020	33 086 279	22 779 000	8 884 440		1 422 839
Change %	-12%	2%	28%		110%

In 2020, our bottling facility at Vilnius used electricity from a Lithuanian company which supplies energy from several sources, some of which are renewable (local hydroelectric power and wind farms located in Lithuania and Estonia).

Similarly, our Spanish company in Zizurkil used 100% green electricity.

At the other facilities, other initiatives targeting reduced energy consumption have been carried out for many years: heat pump installed in the bottling area at Aigre (France), new power lines in Stara Zagora (Bulgaria) and, at Lormont, optimising the operating configuration of energy-consuming equipment, adjusted heating and air conditioning times at the packaging facility, and detection of leaks in the compressed air system. Several facilities have switched to LED lighting or installed presence detectors.

Energy intensity ratio is one of the KPIs tracked by the Group and changes in the ratio are reviewed and discussed at monthly Operations meetings.

3.5.8 Circular economy

The generation of energy for internal use also enables us to recover and re-use waste or by-products.

These measures enable us not only to limit the use of fossil fuels, but also to contribute to circular economy projects.

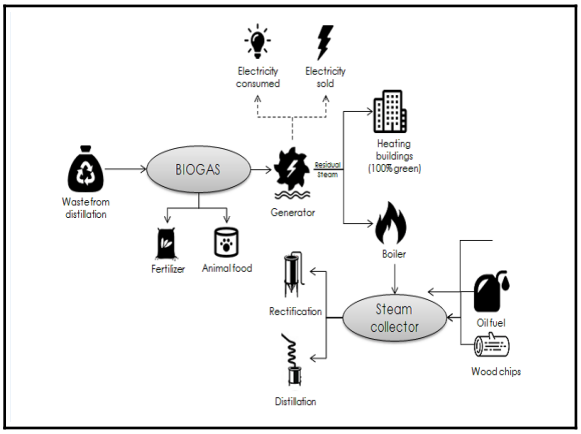
The circular economy model is based on creating positive value loops every time a material or product is used or re-used, before it is ultimately destroyed. It specifically emphasises extension of the useful life of products, use rather than ownership, and the re-use and recycling of components.

A DISTILLERY WHERE NOTHING IS WASTED!

The Obeliai distillery in Lithuania has installed two renewable energy generation plants that have created a genuine virtuous circle where nothing is wasted:

- A plant that generates steam from wood residue. Steam contributes to the operation of our distillation and rectification equipment;
- A biogas plant that generates energy from our own fermentation waste. The biogas is used in a generator to produce both electricity and steam. Electricity is partly consumed on site and partly fed into the local grid and sold. The steam generated is used partly to heat offices and partly for the on-site rectification and distillation processes. All heating at Obeliai is currently powered by green energy;
- The biogas plant also produces liquid residues which are then used as fertilisers by local farmers;
- All fermentation residue not consumed by the biogas plant is sold as animal fodder.

CIRCULAR ECONOMY PROCESS AT OBELIAI



3.5.9 Water consumption

Water is used as an ingredient in products and for cleaning processes. However, in view of its subsidiaries' operating locations, the Group has not identified any situations of water stress to date.

Water consumption is proportional to our production operations, as it may be used in technical installations (e.g. cooling systems), for tank and pipe cleaning and as an ingredient in certain beverages. Almost 69% of the 246,683 m3 of water consumed by the Group comes from our own sources: the vast majority of our production sites take water from their own wells.

Water consumption indicators are monitored at all production facilities. The facilities monitor and assess their water consumption in order to avoid any overruns, and steps are taken to reduce consumption.

At Zizurkil (Spain), technical improvements have been carried out to reduce water consumption during the product changeover phases on the bottling lines and during machinery and pipework cleaning operations. These improvements have increased the speed of these operations and reduced the amount of water consumed.

3.5.10 Land use

In 2020, the Group did not implement any project having a major impact on land use. Generally speaking, when a project is set up by the Group, a study is carried out to quantify its impact on land use, in accordance with the regulations, and measures are implemented accordingly to reduce this impact.

3.5.11 Food waste

Agricultural and natural products form the basis for our production: eliminating all kinds of food waste is one of the goals pursued on a daily basis by the teams working at our R&D laboratories and production and storage facilities. As far as possible, we recycle waste and by-products as compost for farming, animal fodder or for energy recycling, particularly through anaerobic digestion.

ATo minimise our impact and identify corrective measures wherever needed, all of our production facilities have introduced indicators to monitor wastage of principal ingredients such as wine, sugar, alcohol, cognac and cereal grains. There is a particular focus on alcohol waste and quantitative targets are tracked monthly by the industrial operations department.

Working groups at the plants have carried out initiatives to reduce alcohol loss by mapping liquid flows from reception until bottling. Losses are thereby tracked at all phases of the process and action plans are drawn up to reduce the amount of loss.

3.5.12 Climate change

Climate change, protecting biodiversity and related potential changes in regulations are a challenge in terms of procurement and guaranteeing production. The Group is insured against natural disasters such as floods, which could occur more often due to global warming.

The new building at Lormont was designed with a raised floor to protect the building from flooding. The floor is situated above the River Garonne 100-year flood level.

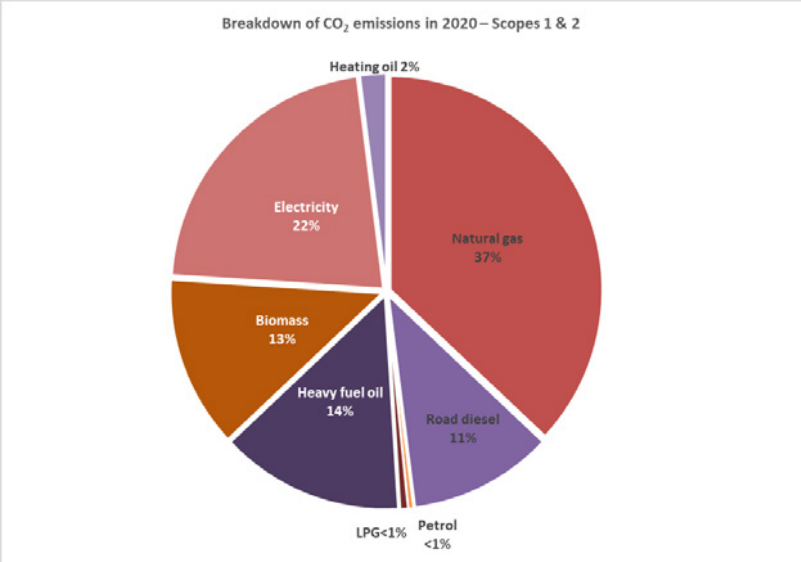
The Zizurkil facility in Spain is located in a flood area near the River Oria. To prevent flood risk (recurrence intervals of 100 and 500 years), the facility has built a 2.5 m high barrier. To further protect the facility against flood water, a tarmac cycle path has been built between the flood barrier and the banks of the Oria.

SCOPE 1 AND 2 EMISSIONS

Climate change is considerably impacted by energy consumption. For this reason, the Group has calculated its direct and indirect CO2 emissions from 2017 onwards.

Scope 1 and 2 CO2 emissions in 2020 totalled 4,428 tonnes of CO2 equivalent, accounting for 3% of all emissions generated by the Group. The major impact is due to emissions from the use of natural gas (37% of total Scope 1 and 2 emissions) and electricity consumption (22%).

These emissions are mainly generated by the facilities at Stara Zagora (Bulgaria), Vilnius and Obeliai (Lithuania) and Zizurkil (Spain). The Group generates renewable energies via its biogas and biomass plants, which have enabled it to reduce the use of fossil fuels. In particular, Obeliai (Lithuania) feeds a large amount of its surplus green electricity into the grid.



SCOPE 3 EMISSIONS AND THE LORMONT CARBON REPORT

With regard to Scope 3 CO_2 emissions (generated throughout our value chain including raw material production, business travel and product end of life), the Group has opted to focus on measuring emissions related to raw materials, packaging, internally generated waste and business travel. Emissions from raw materials and packaging were added to the calculation of Scope 3 emissions in 2020.

Scope 3 emissions represent over 95% of the Group's CO2 emissions and mainly come from raw materials and packaging.

With regard to upstream and intercompany chartered transport flows, initiatives are underway to determine the points at which the Group has a key impact on emissions reduction.

The Group drew up a carbon report for a pilot facility in order to identify the main sources of emissions. This analysis and calculation work was carried out at Lormont in France, a facility whose main activity is whisky bottling.

As a starting point, data was collected from all sources of emissions, including ingredient production and transport, packaging manufacture (bottles, boxes, labels, aluminium caps and crates) and transportation, on-site energy use, the carbon impact of buildings and procedures (machinery and IT), downstream transport of finished products, business travel, fuel consumption by salespeople and employee commuting.

The Lormont carbon report showed that, for our bottling site, CO_2 emissions are generated to a very large extent by the whisky production process (50%) followed by the glass production process for bottles (24%) and the transport of our finished products to customers (12%), bearing in mind that the figure for transportation is an estimate given that the Group does not control this part of the goods flow. All other sources accounted for less than 3% each of the facility's total emissions.

With regard to business travel, the Group encourages the use of available video-conferencing tools which enable us not only to optimise travel expenses and time management, but also to reduce our environmental footprint through lower CO_2 emissions. 2020 was significantly impacted by the health crisis: the Group made arrangements to restrict travelling to the strict minimum, in case of emergency, and to encourage working from home.

3.5.13 Protection of biodiversity

Human life has always relied on flora and fauna as a food source, in that people harvest the food they need from the natural environment. Biodiversity contributes, among other things, to the supply of numerous foodstuffs, raw materials for industry and medicines, as well as materials for construction and domestic use.

Our commitment as a company is vital to preserving and strengthening biodiversity, particularly within agricultural systems, in order to protect all of these vital services it provides.

SUSTAINABLE FARMING

Some wine producers who supply Maison Gautier hold regular meetings at the vineyard to discuss progress and crop vulnerability to disease during the current year. Their discussions cover the need for action and the quantity and quality of treatment applied in relation to the weather, with the goal of minimising the amount of treatment required. Maison Gautier supports and advises wine producers throughout all phases of grape production, thereby establishing a genuine working relationship built on trust and close proximity.

Furthermore, Maison Gautier has for many years prohibited the use of any chemical product for weeding, which is now done by hand.

HUMANS AND BEES

An abundance of bees is a sign of a healthy vineyard in a diverse ecosystem. Current best practices seek to increase diversity in the field in order to avoid disturbing ecosystems and promote pollination of local flora, including vines. Bees are therefore qualitative indicators for vineyards and cellars. Our winery, Bodegas Marqués del Puerto in Fuenmayor, is located on a migratory path used by bees. The bees naturally build hives in busy areas of the vineyard. As a result, they could pose a risk to employees or visitors allergic to bee stings.

Instead of using a system that may harm the environment, our wine growing team opted to offer shelter to the bees by installing 4 hives on the cellar roof, far from employees and visitors: these new homes have been warmly welcomed by our pollinating friends.

OUR ORGANIC PRODUCTS

The Vilnius facility in Lithuania has obtained the BIO certification awarded by EKOagros.

3.6 OUR ROLE IN THE COMMUNITY

The Marie Brizard Wine & Spirits Group is aware of its role in the communities of the regions in which it operates. This is a crucial role that enables the Group to contribute to the economic and social development of the regions in which its subsidiaries operate and to exploit these regions' heritage and local traditions.

In 2020, MBWS continued to invest in its facilities to ensure the safety of people and products and to streamline existing processes. These initiatives have boosted local business by encouraging employment, through the purchasing of raw materials and components, and the creation of start-ups.

3.6.1 Territorial, economic and social impact

In recent years, several Group facilities have undertaken modernisation programmes to accommodate new products or streamline ongoing processes.

In addition to this economic impact, the Marie Brizard Wine & Spirits Group is deeply rooted in the history and local traditions of its locations.

Maison Gautier has been making cognac since the 18th century, while Marie Brizard liqueur was created in Bordeaux in 1755 by a bold and creative woman of the same name. Domain Menada and its vineyards were founded in Bulgaria in 1901 and our Obeliai distillery in Lithuania in 1907.

This heritage is being increasingly exploited and is a source of pride for all employees at local level.

MAISON GAUTIER, AIGRE (FRANCE)

Gautier is one of the longest standing producers of cognac. Its history began in the 18th century, when the Gautier family produced barrels made of wood from the forest of Tronçais, renowned for the quality of its oak trees. In 1755, the family was granted royal permission to produce and King Louis XV signed the deed establishing the cognac house. The Maison Gautier was thereby founded and the cellars installed in the former watermill at Aigre overlooking the River Osme, where the facility is still located today.

The expertise employed at Aigre is based on traditional know-how used by a cellar master who draws from the interaction between natural resources in:

- the selection of locally produced cognac wines and "eau-de-vie",
- meticulous selection of oak casks,
- a long ageing process in the naturally humid environment of the traditional cellars.

Cognac Gautier actively showcases and promotes its know-how and origins by taking part in local trade and industry fairs organised in the Charente region such as the annual fair at Aigre, the village where the facility is located.

DOMAIN MENADA AND ITS VINEYARDS, STARA ZAGORA (BULGARIA)

The art of grape growing and winemaking dates from the time of the Thracians and is therefore deeply intertwined with the history of Bulgaria. The Domain Menada Winery, located in the Thracian Valley, was founded in 1901 and currently possesses one the three largest vineyard estates in the country. The Domain Menada vineyards are located in the central part of southern Bulgaria, near the town of Stara Zagora. The grapes are grown and picked in three different vineyards spanning over 426 hectares in the valley. 65% of the grapes used for wine production come from the domain's own vineyards and include Cabernet Sauvignon, Merlot and local grape varieties such as Rubin and Mavrud.

The whole process from grape cultivation to bottling is strictly monitored and controlled by our experts, in order to ensure optimum quality and taste.

Every year on 14 February, wine producers and grape growers celebrate St. Trifon Zarezan's Day (Trifon the Pruner). The origin of this tradition goes back a long way and is probably linked to Dionysus, the Thracian god of wine.

On this day, grape farmers visit their vineyards to prune the vines. The day marks the end of winter and the beginning of spring.

All employees of MBWS Bulgaria (respectively the employees of Domain Menada, Domain Menada Distribution, MBWS Bulgaria, Menada and Sakar Vineyards) visit the vineyards and the day ends with a celebratory meal in the restaurant.

3.6.2 Relations with persons or organisations concerned by the Company's business activities

At some facilities, the Marie Brizard Wine & Spirits Group has set up an arrangement with organisations that help disabled people unable to work in a conventional environment to consolidate their education and develop occupational skills.

RELATIONS WITH ORGANISATIONS PROVIDING ASSISTANCE TO DISABLED PERSONS

The Lormont facility (France) works with two centres that employ people with moderate disabilities. Their teams, which are managed by an in-house workshop supervisor, carry out various co-packing tasks (attaching stickers and tax stamps, re-palletisation, boxing, inserting items into pouches, inserting promotional glasses, etc.).

RELATIONS WITH HIGHER EDUCATION INSTITUTIONS

Several Group facilities regularly hire students as interns as part of their higher education courses.

COMMUNITY HARVEST AT STARA ZAGORA, BULGARIA

For the sixth year running, a community harvest was organised by the Stara Zagora vineyards: employees picked grapes on a non-working Saturday morning during the harvest period.

A sum of money was donated to charitable causes based on the number of hours spent by the participants, but also by employees who could not participate and by the Group.

70 employees and MBWS supported the following initiatives:

- Purchase of incubators for premature babies at the Stara Zagora hospital, and sterilisation and refrigeration equipment.
- Contribution to the purchase of a vehicle to carry paraplegic and paralysed children to and from the Stara Zagora crèche.
- Contribution towards the costs of surgery abroad for a young woman who is almost blind.

3.6.3 Subcontracting and suppliers

Relations with suppliers and subcontractors are based on respect for the values enshrined in the Marie Brizard Wine & Spirits Group's Code of Ethics and Conduct. Generally speaking, when subcontractors are used, management ensures proper compliance with the laws and sees that subcontractors pay attention to the impact of their actions on the environment and employee relations. Group suppliers of our most strategic purchases (whisky, wine, bottles, flavouring, caps, boxes) are frequently assessed and given a rating, at least once a year, in accordance with quality, price, innovation and service criteria. Since 2018, this assessment has also included the requirements set out in our "Supplier Ethical Charter". This charter was sent to all strategic suppliers and those considered to be at risk. It is now included in all new contracts and comprises four chapters:

- Health and safety,
- Working conditions,
- Environment,
- Ethics and transparency.

A 'quality / environment / health and safety certification' survey was sent to MBWS's strategic suppliers, enabling the progress made by these suppliers in these areas subject to certification and CSR initiatives to be measured. A score is assigned to the supplier on the basis of the questionnaire. Equal weighting is given to the CSR criteria and to the other four categories. Progress reviews are periodically held with strategic suppliers whose scores are not up to standard.

In 2020, MBWS continued with this dialogue by organising virtual meetings. The purpose of these reviews is to agree on areas of improvement based on assessment criteria, thereby building a long-term business relationship. Eventually, if no progress is made, MBWS reserves the right to break the contract with the supplier. In 2020, 84% of direct purchases (ingredients for product manufacture) from strategic suppliers were assessed by MBWS.

Furthermore, an analysis of supplier risks and their criticality is updated every year. An audit plan is drawn up by the purchasing and quality departments to audit the suppliers identified as most at risk.

The tender process for selecting new suppliers includes a questionnaire on "quality, environmental, health and safety certification".

In terms of subcontracting, MBWS France subcontracts a certain amount of product manufacture. All subcontractors are subject to yearly assessment and quality assurance control, just like other suppliers. In France, MBWS has partnered with an ESAT work-based support establishment for the packaging of certain products at Lormont.

3.6.4 Consumer health

The Marie Brizard Wine & Spirits Group develops its products with a view to increasingly exceeding customer expectations. Our guideline is to offer our customers and consumers trusted brands full of flavour and experiences.

In keeping with our values, we take all the necessary steps to control our in-house operations and achieve operational excellence.

R&D guidelines are drafted and put into practice at the three R&D units operated by the Marie Brizard Wine & Spirits Group. These guidelines enable us to standardise practices in terms of recipe development, compliance checks and accelerated ageing techniques, in order to bring to market products that comply with regulations and stay the course over time.

In 2020, Marie Brizard Wine & Spirits continued to revamp its product ranges, looking into ways of exploiting the use of natural flavours and colourants to fully meet growing consumer demand for products made from natural ingredients.

For the sake of transparency vis-à-vis consumers, the Group has decided to add the energy value per 30 ml glass and per 100 ml on all packs of finished products.

The operation and development of our Group are based on compliance with and promotion of the values enshrined in our quality systems:

- Continuous improvement of performance, driven by analysis of performance indicators;
- Compliance with applicable regulations in all markets and strict adherence to food safety guidelines;
- Customer satisfaction and consumer preferences: guaranteed optimum service in accordance with customer expectations;
- Recognition as the best supplier in its market segment.

The MBWS Group's production facilities refer to the ISO 9001 standard for the operation of their quality management system with the aim of continually increasing customer satisfaction and involving all employees in the drive for performance and improvement.

In 2020, 85% of MBWS facilities were ISO 9001 certified and 57% had also obtained GFSI-recognised certification in the area of food safety (IFS and/or BRC certification)

MBWS continued to keep a close eye on the risks of adulteration of these inputs through risk monitoring and assessment (compilation of risks based on geographical origin, scarcity of the ingredient, tension in the market for the material, etc.). Control plans have been adapted based on the results of these studies and audits were conducted with our suppliers via video-conferencing.

Controlling product and process quality is a key priority for the Group and MBWS is attentive to its customers' requirements. In 2020, the Group received 58 complaints from consumers.

The Group's guide on good practices on matters of food safety is used at all its production facilities to develop actions and reach the targeted standard. Investments to improve food safety are determined based on weaknesses encountered during the year and on the essential good practices set out in the guide.

Quality management software available to all France teams (400 active users) is currently being deployed at all Group entities. Practical, useful and ergonomic, this system is valued for guaranteeing up-to-date information at all times (procedures, processes, indicators, etc.). It also facilitates control and management of activities thanks to customisable workflows and offers flexible dashboards for monitoring the performance our organisation. This excellent communication tool offers interconnectivity between production facilities and supports experience-sharing to help drive efficiency within our businesses. The new ERP system installed at production facilities in France and Spain allows for full upstream and downstream traceability.

3.6.5 Crisis management

As a company operating in the alcoholic beverage sector, the Marie Brizard Wine & Spirits Group is exposed to standard risks and threats that may affect the Group's safety and stability. If a situation becomes critical, the company must be able to recover swiftly and efficiently whilst minimising the medium and long-term impacts. Resilience against potential impact scenarios is an essential prerequisite of success, which is why the Group has developed a "General Crisis Management" guide.

The Marie Brizard Wine & Spirits Group has identified a number of different types of incident liable to occur within the Group:

- Product safety: accidental quality control oversight, malicious interference with products, contamination, counterfeiting, etc.
- Health, safety and industrial relations: serious industrial accident, epidemic, strike, terrorist threat, bomb alert, etc.
- Operations: fire, explosion, flood, natural disaster, environmental accident, etc.
- Brand and company image: media, social networks, militant groups, competitors, etc.
- Information technology: system failure, hacking of confidential information, etc.
- Regulations: breach of regulations with consequent risk of legal proceedings, fines, etc.
- Economical and financial: profit warning, rumours of bankruptcy, etc.

The "General Crisis Management" guide defines potential risk scenarios, the solution to be implemented by the Group, each person's roles and responsibilities and the checklists to be applied, depending on the type of incident. The guide includes a "General Crisis Management" procedure and two procedures focused on consumer safety, "Food Safety" and "Product Recall".

Crisis committees are updated whenever necessary and each new member is informed about the procedure to follow.

Since 2020, MBWS has also adapted swiftly and flexibly to the situation ensuing from the COVID-19 crisis, which has generated health-related, financial and operational risks. Mobilising the entire organisation, MBWS implemented the required measures to protect employees' health and ensure continuity of business, in compliance with the regulatory requirements imposed by local authorities.

Following the outbreak of the health crisis, decisive action was taken by the Group:

- Group crisis committees were set up, meeting three times a week in March/April 2020, twice a week in May/June 2020 and every fortnight since September 2020.
- Crisis committees were also set up in subsidiaries to take into account the specific requirements of local governments alongside those of the Group.
- Comprehensive guides were circulated on good practices in the event of a pandemic, mask wearing and working from home in exceptional situations.
- A satisfaction survey was conducted among the subsidiary Managing Directors to assess the management of the health crisis and identify areas of improvement.
- Working from home arrangements were introduced for Group employees in compliance with local regulations.

For example, in France a number of procedures were put in place, accompanied by monthly memos, dissemination of health rules and specific procedures for the MBWS salesforce. Furthermore, a working group was set up to facilitate communication among all COVID-19 coordinators and share good practices. These COVID-19 coordinators were also given a one-day training course on the subject.

3.7 APPENDICES – REPORTING SCOPE, PERIOD AND METHOD

3.7.1 Statement scope and period

The information presented in our Statement covers the period from 1 January to 31 December 2020.

Given the nature of the Marie Brizard Wine & Spirits Group, it is necessary to organise a "variable-geometry" scope depending on the subject of the indicators.

Where applicable, it is accepted that companies that joined the Group after 1 January of the year in question are not included in the scope of this Statement. These companies will implement non-financial reporting procedures from the following year onwards. Companies closed down or sold during the year in question are not included.

In 2020, all entities included in the scope of the statement of non-financial performance form part of the financial scope of the Marie Brizard Wine & Spirits Group and are fully consolidated in the Group financial statements.

The following companies, sold in 2020, are therefore not taken into account: MBWS Polska, Polmos Lancut and Moncigale.

The exceptions are: the entities in Miami (United States, for all staff and health & safety data, except for workforce at the end of the period) and Fuenmayor (Spain, for all health & safety data) representing 1.3% of the workforce.

In order to improve clarity and provide a more accurate analysis of CSR data, some legal entities have been separated by "facility", mainly under the following categories: production, administration, distribution, storage, vineyard.

Quantitative information covers all the entities. It is worth noting that the environmental data only concerns our production facilities, to the exclusion of other facilities and vineyards.

3.7.2 Reporting standards

The non-financial reporting protocol describes the procedure for reporting Group social and environmental indicators for its business areas. The protocol also sets out internal guidelines for contributors and a set of guidelines for external verification of data.

The Marie Brizard Wine & Spirits Group has drawn up its own CSR reporting protocol, which is used in conjunction with the CSR information-gathering platform. It is revised in line with changes in regulations and feedback.

Data is gathered for each facility and consolidated at Group level. The rules for determining the CSR scope are specified in the section entitled "CSR scope". 2020 environmental data covers only the production facilities.

3.7.3 Data collection and reliability

In 2016, the Marie Brizard Wine & Spirits Group invested in a digital platform for collecting and analysing CSR data.

The platform has now been deployed at all facilities.

3.8 APPENDICES - DEFINITIONS

Year-end headcount

Headcount (or employees) corresponds to the individuals who have an employment contract with the entity (fixed-term or permanent contract, on a full or part-time basis, including employees on work-study contracts). Secondees, interns, temporary staff, service providers, consultants and other external staff are not recorded in headcount.

Headcount is recorded as the individuals who are physically present at the end of the period, and not on a full-time equivalent (FTE) basis.

Employees whose contracts expired in the evening of 31 December are recorded in the headcount present as at 31 December of the year in question.

Absenteeism

Absenteeism refers to employees who have missed one or more working days in part or in full as a result of:

- Illness, including travel accidents and occupational illness,
- Industrial accidents and travel accidents,
- Unjustified absence.

Excluding:

- Justified absence (paid and unpaid holiday, extra working time recovery, training leave, leave for family matters such as child's illness, birth, wedding, death, house move, etc.),
- Parental leave.
- Days of absence are counted in calendar days for industrial accidents and occupational illnesses and in working days for all other reasons for absence.

Hiring

Hires on fixed-term contracts concern individuals who accepted a fixed-term contract during the reporting period.

These individuals may be:

- external applicants who accepted a fixed-term contract ("hire");
- temporary staff who accepted a fixed-term contract ("hire");
- individuals on fixed-term contracts who agreed to a renewal of their fixed-term contract for reasons other than the foregoing ("re-hire").
- Permanent contract hires concern individuals who accepted a permanent contract during the period.

These individuals may be:

- external applicants who accepted a permanent contract ("hire");
- temporary staff who accepted a permanent contract ("hire");
- individuals on fixed-term contracts who accepted a permanent contract ("re-hire").

Lay-offs

Lay-offs concern persons working for the Company on permanent contracts whose employment contracts were terminated at the employer's initiative subject to payment of statutory compensation.

Mutually-agreed terminations and fixed-term contract expiries are not counted.

Other non-voluntary departures

Other non-voluntary departures include compulsory retirement, termination of probation period by the employer or early termination of the employment contract due to force majeure or death.

Voluntary departure

Voluntary departure includes resignation, mutually-agreed termination, voluntary retirement, termination of probation period by the employee, expiry of fixed-term contract, early termination of fixed-term contract by the employee, abandonment of position.

One-day fixed-term contracts

Bulgaria has a system of one-day fixed-term contracts: these contracts are excluded from published "hiring" and "departure" data as this is a seasonal contract specific to Bulgaria (grape-picking) and its inclusion would artificially inflate hiring and departure movements. In 2017, this exclusion accounted for 6 times the number of global hires (permanent and fixed-term contracts), bearing in mind that the same worker could sign a number of one-day contracts.

Industrial accidents

Number of accidents recorded during the year. Relapses resulting from previously recorded accidents (in Year N or earlier) are not recorded a second time. Likewise, an accident reported the previous year that continues to result in days of absence in the current year is not recorded again, as it was already recorded in the previous year. Travel accidents are not included.

Lastly, all accidents reported during the year are counted, regardless of whether they have been formally recognised by the social security organisation or equivalent body.

In the event that their recognition is rejected, these accidents are removed if the refusal is received prior to the close of the data reporting period.

The following formulas have been applied in order to calculate the frequency (FR) and severity (SR) rates:

- FR = number of recorded accidents with time off work over the year x 1,000,000/actual hours worked;
- SR = total number of days of absence due to industrial accidents x 1,000/actual hours worked.

Training

All training hours mentioned in the report concern training courses provided at local level and at Group level. Training courses for which no supporting documents were received at the reporting date or which were not recorded with a supporting document are not included.

Water and energy consumption

Water consumption relating to production processes and cooling systems has been included in this indicator in the case of the Group's production facilities.

Energy consumption is quantified for the production facilities.

This definition includes direct or primary sources of energy (e.g. gas) and indirect or transformed energy (e.g. electricity consumption), as well as renewable energy generated by our facilities.

The energy used to operate industrial vehicles (e.g. forklifts) and fuel consumption by commercial vehicles and company cars is also included.

Where actual consumption figures are not available, the facilities estimate their consumption based on past consumption or energy bills.

In 2017 a new "green power" indicator was introduced, corresponding to the contracts signed by Zizurkil and Vilnius.

CO_2 emissions

This term is used with regard to the record of greenhouse gas (GHG) emissions generated by a product or operation. Scopes 1, 2 and 3 distinguish the source of the greenhouse gas emissions, thus facilitating the identification of solutions:

- Scope 1 corresponds to direct emissions resulting from the burning of fossil fuels such as gas, oil, coal, etc. (e.g. heating, use of company cars, etc.).
- Scope 2 denotes indirect emissions related to consumption of electricity, heat or steam required for production processes.
- Scope 3 includes other indirect emissions including those upstream and downstream of the activity itself (logistics, waste generated, transport of goods and persons, etc.).

Emission factors are taken from the ADEME Base Carbone database as at 10/11/2017.

3.9 APPENDICES – KEY INDICATORS

Staff data

For the year 2020, Poland and the Beaucaire facility (Moncigale) have been excluded from the non-financial reporting scope.

Headcount	Brazil	Bulgaria	China	Denmark	Spain	France	Latvia	Lithuania	Poland	USA	TOTAL	Change (%)
Total year-end headcount - 2018	32	140	6	10	92	463	6	239	918	32	1938	
Total year-end headcount - 2019	29	142		9	48	414	6	199	418		1265	-35
Total year-end headcount - 2020	26	159		9	51	241	2	174		3	665	-47

Breakdown of headcount by age	2017	2018	2019	2020	Change 2019/ 2020 (%)
Under 35 years	594	533	301	165	-45
35 to 44 years	603	567	363	180	-50
45 to 54 years	498	494	356	181	-49
Aged 55 and over	324	327	253	139	-45

Breakdown of headcount by gender	2017	2018	2019	2020	Change 2019/ 2020 (%)
Women	700	659	488	282	-42
Men	1,319	1262	786	383	-51

Headcount	Unit	2017	2018	2019	2020	Change 2019/ 2020 (%)
Total hires	Number	678	555	392	123	-69
Total leavers	Number	838	625	457	157	-66
of which lay-offs	Number	93	76	44	52	+18

Remuneration	Unit	
Payroll 2018	€000	66,251
Payroll 2019	€000	56,259
Payroll 2020	€000	44,877
Change (%)	%	-20

Organisation of working hours	Unit	2017	2018	2019	2020	Change 2019/ 2020 (%)
Total employee overtime (paid and unpaid)	Hours	69,436.6	51,544.5	30,619	12,414	-59
Total actual employee hours worked	Hours	3,434,812	3,263,826	2,761,446	1,050,540	-62
Total number of days of absence	Working days	7,831	7656	5,366	7044	+31
Number of industrial accidents with time off work recorded over the year (incl. 5 “employee” accidents in 2020 and 0 “temporary worker” accidents)	Number	45	26	32	5	-84
Number of industrial accidents without time off work recorded over the year (incl. 4 “employee” accidents in 2020 and 0 “temporary worker” accident)	Number	21	9	7	4	-43
Number of occupational illnesses recorded over the year	Number	2	3	2	0	-100
Industrial accident severity rate (employees and temporary workers)	Rate	0.8	0.26	0.42	0.1	-76
Industrial accident severity rate (employees)	Rate	0.75	0.28	0.32	0.12	-62
Industrial accident frequency rate (employees and temporary workers)	Rate	13.1	7.48	14.21	4.21	-70
Industrial accident frequency rate (employees)	Rate	12.57	7.35	10.5	4.73	-55
Number of training hours completed	Hours	22,105	15,508	11,979	5062	-58
Number of training hours completed per employee	Hours/ employees			9.5	7.6	-20

Other employment indicators	Unit	2017	2018	2019	2020	Change 2019/ 2020 (%)
Disabled persons employed	Number	37	32.69	28.51	25	-12
Number of collective agreements signed during the year	Number	16	19	20	9	-55
Number of workplace safety/health agreements signed during the year	Number	1	1	0	1	

Environmental data

For the year 2020, Poland and the Beaucaire facility (Moncigale) have been excluded from the non-financial reporting scope.

Non-renewable energy consumption	Unit	2017	2018	2019	2020	Change 2019/ 2020 (%)
Electricity	kWh	13,019,493	12,077,762	16,800,948	4,199,797	-75
Heating oil	kWh	3,520,703	168,739	199,614	249,768	+25
Natural gas	kWh	45,855,107	44,381,255	41,594,874	6,693,772	-84
LPG	kWh	411,967	281,403	319,073	122,782	-62
Propane	kWh	28,627	1,329	0	0	
Road diesel	kWh	2,143,577	2,022,157	1,419,764	1,482,264	+4
Petrol	kWh	59,855	49,429	31,172	64,899	+108
Non-road diesel	kWh	1,273,785	308,289	322,938	30,993	-90
Fuel oil	kWh	1,644,049	2,991,866	540,693	1,958,585	+262
Total non-renewable energy consumption	kWh NCV	67,957,164	62,282,231	61,229,077	14,802,861	-76
Total non-renewable energy consumption	kWh/l			0.4	0.21	-48

Renewable energy consumption	Unit	2017	2018	2019	2020	Change 2019/ 2020 (%)
Consumption by cogeneration	kWh	3,406,532	7,908,184	6,964,568	8,884,440	+28
Consumption of biomass wood energy	kWh	24,903,840	26,612,860	22,392,000	22,779,000	+2
Consumption by heat recovery	kWh	6,818,517	7,355,066	7,534,966	0	
Green power consumption*	kWh	306,491	713,717	675,966	1,422,839	+110
Total renewable energy consumption	kWh NCV	35,435,380	42,589,827	37,567,500	33,086,279	-12
Total energy consumption	kWh NCV	103,392,544	104,872,058	98,796,577	47,889,140	-52

Greenhouse gas emissions (Scope 1 and 2)	Unit	2017	2018	2019	2020	Change 2019/ 2020 (%)
Scope 1 CO2 emissions	tCO2e	14,674	13,311	11,563	3437	-70
Scope 2 CO2 emissions	tCO2e	4,686	4,310	8,398	991	-88
Scopes 1 and 2 CO2 emissions	tCO2e	19,360	17,621	19,960	4428	-78

Water consumption	Unit	2017	2018	2019	2020	Change 2019/ 2020 (%)
Spring water	m3	424,421	408,107	525,402	169,273	-68
Mains water	m3	79,374	72,421	77,029	77,410	+0.5
Total water consumption	m3	503,795	480,528	602,431	246,683	-59
Total water consumption per litre of product (including formulation)	m3/l			3.9	3.48	-11

Consumption of raw materials	Unit	2017	2018	2019	2020	Change 2019/ 2020 (%)
Sugar	t	5,787	5,867	5,704	525	-91
Neutral alcohol	LPA	29,904,436	35,591,422	33,409,503	18,552,083	-44
Wine	hl	629,092	586,616	386,515	114,437	-70
Cereal grain	t	30,797	29177	22,756	28,634	+26

Waste	Unit			2019	2020	Change 2019/ 2020 (%)
Hazardous waste	t			19	16	-16
Non-hazardous waste	t			4,164	8379	+101

3.10 REPORT BY ONE OF THE STATUTORY AUDITORS, DESIGNATED AS THE INDEPENDENT THIRD-PARTY BODY, ON THE STATEMENT OF NON-FINANCIAL PERFORMANCE

To the General Meeting,

In our capacity as the statutory auditor of your company (hereinafter the "entity") designated as the independent third-party body, accredited by COFRAC under number 3-1049[7], we hereby present our report on the consolidated statement of non-financial performance relating to the financial year ended 31 December 2020 (hereinafter the "Statement"), presented in the entity's management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

RESPONSIBILITY OF THE ENTITY

It is the responsibility of the Board of Directors to prepare a Statement in accordance with the statutory and regulatory provisions, including presentation of the business model, a description of the principal non-financial risks, presentation of the policies applied in respect of these risks and the effects of these policies, including key performance indicators.

The Statement has been prepared by applying the entity's procedures (hereinafter the "Guidelines"), the major elements of which are presented in the Statement and may be consulted upon request at the entity's registered office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors. Furthermore, we have introduced a quality control system that includes documented policies and procedures aimed at ensuring compliance with the applicable statutory and regulatory provisions, corporate conduct rules and professional standards.

RESPONSIBILITY OF THE STATUTORY AUDITOR DESIGNATED AS THE INDEPENDENT THIRD-PARTY BODY

It is our duty, on the basis of our audit, to formulate a reasoned opinion drawing a conclusion expressing limited assurance of:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the accuracy of the information provided pursuant to Article R. 225-105 (I)(3) and (II) of the French Commercial Code, in particular the effects of the policies, including key performance indicators, and the actions relating to the principal risks, hereinafter the "Information".

It is not our duty, however, to issue an opinion on the entity's compliance with other applicable statutory and regulatory provisions, including those related to anti-corruption and tax evasion, or on the compliance of products and services with applicable regulations.

NATURE AND SCOPE OF THE WORK

Our audit as described below was conducted in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional standards issued by the French National Institute of Auditors regarding our engagement and international standard ISAE 3000[8]:

- We acquired an understanding of the activity of all entities included in the consolidation scope and of the degree of exposure to the main risks;
- We assessed the appropriateness of the Guidelines in terms of relevance, completeness, reliability, objectivity and comprehensibility, taking industry best practices into consideration, where applicable;
- We verified that the Statement covers each category of information referred to in Article L. 225-102-1 (III) in terms of social and environmental responsibility as well as respecting human rights and preventing corruption and tax evasion;
- We verified that the Statement presents the information provided for in Article R. 225-105 (II), where relevant to the main risks, and includes, where applicable, an explanation of the reasons for the omission of any information required pursuant to the second paragraph of Article L. 225-102-1 (III);
- We verified that the Statement presents the business model and a description of the main risks related to the activity of all the entities included in the consolidation scope, including, where relevant and proportionate, the risks generated by its business relations, products or services, as well as the policies, measures and effects, including key performance indicators related to the main risks;

(7) COFRAC Inspection Accreditation, no. 3-1049, the scope of which may be consulted on www.cofrac.fr

(8) ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*

- We consulted documentary sources and conducted interviews in order to:
  - assess the process of selecting and approving the main risks and the consistency of results, including the key performance indicators adopted, with regard to the main risks and policies presented;
  - corroborate the qualitative information (measures and results) we considered to be most relevant[9]. For some risks[10], we conducted our audit at the level of the consolidating entity; for other risks, we completed our work at the level of the consolidating entity and within a selection of entities[11];
- We verified that the Statement covers the consolidation scope, i.e. all the entities included in the consolidation scope pursuant to Article L. 233-16, subject to the limits set out in the Statement;
- We acquired an understanding of the internal control and risk management procedures implemented by the entity and we assessed the information-gathering process with regard to the completeness and accuracy of the Information;
- For the key performance indicators and the other quantitative results that we considered the most significant[12], we implemented:
  - analytical procedures whereby we verified the correct consolidation of the data collected as well as the consistency of the changes in this data;
  - detailed checks by means of sample tests in which we verified the correct application of the definitions and procedures and reconciled the data with supporting documentation. This work was carried out on a sample of contributing entities[11] and covers between 12% and 51% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement with regard to our knowledge of all the entities included in the consolidation scope.

We believe that the work we carried out by exercising our professional judgement enables us to draw a conclusion expressing limited assurance; a higher level of assurance would have required more extensive audit work.

MEANS AND RESOURCES

Our review was conducted by six people over a total period of approximately three weeks between December 2020 and April 2021.

In conducting our work, we called on assistance from our sustainable development and social responsibility experts. We conducted around a dozen interviews with individuals responsible for preparing the Statement.

CONCLUSION

Based on our work, we did not identify any material misstatements likely to call into question the fact that the consolidated statement of non-financial performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented in a fair manner, in accordance with the Guidelines.

Paris-La Défense, XX April 2021
KPMG S.A.

Anne Garans	Stephane Devin	Adrien Johner
Partner	Partner	Associé
Sustainability Services		

(9) Health measures implemented in response to the COVID-19 pandemic; Measures adopted to monitor employee development; Measures adopted to enhance employees' sense of belonging; Remote management training; Collective agreements signed; Actions taken to support employees as part of business restructuring; Actions taken to raise employee awareness of health and safety issues; Actions taken to reduce consumption of raw materials; Measures adopted to monitor the impact of the business on water resources and land use; Actions to adapt to climate change; Anti-corruption training; Mechanisms for assessing suppliers' ethical, social and environmental responsibility; Policies implemented to prevent tax evasion; Measures to raise employee awareness of the dangers of alcohol; Actions taken to raise consumer awareness of the composition of products sold; Evaluation of suppliers, particularly in terms of respect for human rights; Quality and food safety certifications in place; Consumer complaint handling systems.

(10) Handling the health crisis; Helping employees with changes; Corruption risk; Risk related to human rights; Risk related to preventing tax evasion; Responsible alcohol consumption; Responsible purchasing policies; Consumer health.

(11) Zizurkil (Spain); Vilnius Degtine (Lithuania); Lormont (France).

(12) Total year-end headcount; Breakdown of headcount by age and gender; Total hires; Total dismissals; Number of training hours completed per employee; Frequency rate of accidents with time off work (employees); Industrial accident severity (employees); Total non-renewable energy consumption per litre of product; CO_2 emissions (Scopes 1 and 2); Total water consumption per litre of product; Hazardous waste; Non-hazardous waste.

4

CONSOLIDATED FINANCIAL STATEMENTS

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4.1 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE 2020 FINANCIAL YEAR

Annual consolidated income statement

(€'000)	Note	31.12.2020	2019restated (1)
Revenues		**220,774**	**220,485**
Excise duties		(51,691)	(53,616)
Revenues excluding excise duties	4	**169,083**	**166,869**
Cost of goods sold		(97,474)	(97,915)
External expenses	5.1	(24,795)	(28,297)
Personnel expense	5.2	(32,028)	(40,927)
Taxes and levies		(1,989)	(2,044)
Depreciation and amortisation charges		(9,699)	(9,203)
Other operating income	5.3	4,127	7,832
Other operating expenses	5.3	(6,178)	(3,744)
Underlying operating profit/(loss)		**1,046**	**(7,428)**
Non-recurring operating income	5.4	8,587	5,861
Non-recurring operating expenses	5.4	(15,303)	(26,839)
Operating profit/(loss)		**(5,671)**	**(28,406)**
Income from cash and cash equivalents	5.5	89	25
Gross cost of debt	5.5	(2,934)	(2,197)
Net cost of debt		**(2,845)**	**(2,172)**
Other financial income	5.5	6,364	1,060
Other financial expenses	5.5	(1,870)	(258)
Net financial income/(expense)		**1,649**	**(1,370)**
Profit/(loss) before tax		**(4,023)**	**(29,776)**
Income tax	5.6	(1,511)	(433)
Net profit/(loss) from continuing operations		**(5,533)**	**(30,209)**
Net profit/(loss) from discontinued operations (1)		**(32,912)**	**(35,711)**
Net profit/(loss)		**(38,445)**	**(65,921)**
Group share		(38,465)	(65,926)
of which net profit/(loss) from continuing operations		(5,553)	(30,209)
of which net profit/(loss) from discontinued operations (1)		(32,912)	(35,711)
Non-controlling interests		20	5
of which net profit/(loss) from continuing operations		20	5
of which net profit/(loss) from discontinued operations			
Net earnings per share from continuing operations, Group share (€)	5.7	-€0.12	-€0.73
Diluted net earnings per share from continuing operations, Group share (€)	5.7	-€0.12	-€0.73
Net earnings per share, Group share (€)	5.7	-€0.86	-€1.60
Diluted net earnings per share, Group share (€)	5.7	-€0.86	-€1.60
Weighted average number of shares outstanding		44,571,246	41,249,151
Diluted weighted average number of shares outstanding		44,571,246	41,249,151

1) The 2019 financial statements have been restated for the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See Note 1.25 on the impact of applying this standard.

Annual statement of comprehensive income

(€'000)	31.12.2020	31.12.2019
Net profit/(loss) for the financial year	**(38,445)**	**(65,921)**
Items reclassifiable through profit & loss		
Cash flow hedges, net of tax	(86)	630
Translation differences	(2,333)	(214)
Items not reclassifiable through profit & loss		
Revaluation of defined benefit plan liabilities, net of tax	(175)	(102)
Items of other comprehensive income for the financial year, net of tax	**(2,594)**	**314**
Comprehensive income/(loss)	**(41,039)**	**(65,607)**
Of which:		
Group share	(41,059)	(65,597)
Share attributable to non-controlling interests	20	(10)

The amounts of comprehensive income/(loss) are shown net of tax.

Annual consolidated balance sheet

ASSETS

(€'000)	Note	31.12.2020	31.12.2019
Non-current assets			
Goodwill	6.1	14,704	15,039
Intangible assets	6.1	83,167	88,031
Property, plant and equipment	6.2	28,111	56,180
Financial assets	6.3	5,639	2,387
Non-current derivatives	6.12		
Deferred tax assets	5.6	1,225	1,328
Total non-current assets		**132,846**	**162,965**
Current assets			
Inventory and work-in-progress	6.4	37,811	53,991
Trade receivables	6.5	20,813	46,669
Tax receivables		554	1,735
Other current assets	6.6	22,123	32,686
Current derivatives	6.12	70	157
Cash and cash equivalents	6.7	42,075	26,193
Assets held for sale	1.25	12,900	
Total current assets		**136,346**	**161,431**
TOTAL ASSETS		**269,192**	**324,396**

LIABILITIES

(€'000)	Note	31.12.2020	31.12.2019
Shareholders' equity			
Share capital	6.8	62,578	89,396
Additional paid-in capital		66,711	66,710
Consolidated and other reserves		(14,083)	25,568
Translation reserves		(10,720)	(22,234)
Consolidated net profit/(loss)		(38,465)	(65,926)
Shareholders' equity (Group share)		**66,020**	**93,514**
Non-controlling interests		328	223
Total shareholders' equity		**66,348**	**93,737**
Non-current liabilities			
Employee benefits	6.9	3,150	5,533
Non-current provisions	6.10	3,926	3,238
Long-term borrowings – due in > 1 year	6.11	65,352	9,689
Other non-current liabilities	6.13	1,751	1,855
Non-current derivatives	6.12		
Deferred tax liabilities	5.6	17,879	16,424
Total non-current liabilities		**92,058**	**36,739**
Current liabilities			
Current provisions	6.10	7,049	10,178
Long-term borrowings – due in < 1 year	6.11	15,023	50,933
Short-term borrowings	6.11	5,287	12,292
Trade and other payables		34,777	63,719
Tax liabilities		5,667	481
Other current liabilities	6.13	32,584	56,315
Current derivatives	6.12	98	2
Liabilities held for sale	1.25	10,301	
Total current liabilities		**110,787**	**193,920**
TOTAL EQUITY AND LIABILITIES		**269,192**	**324,396**

Annual consolidated cash flow statement

(€'000)	31.12.2020	31.12.2019
Total consolidated net profit/(loss)	**(38,445)**	**(65,921)**
Eliminations:		
Depreciation and provisions	5,143	31,407
Fair value revaluation gains/losses	2,953	279
Gains/(losses) on disposals and dilution	20,840	8,550
Operating cash flow after net cost of debt and tax	**(9,508)**	**(25,685)**
Income tax charge/(income)	8,776	512
Net cost of debt	4,100	6,101
Operating cash flow before net cost of debt and tax	**3,368**	**(19,072)**
Change in working capital 1 (inventories, trade receivables/payables)	2,290	19,922
Change in working capital 2 (other items)	(898)	(17,524)
Tax paid	(335)	(301)
Cash flow from operating activities	**4,425**	**(16,975)**
Purchase of minority interests		(1,102)
Purchase of PP&E and intangible assets	(5,025)	(9,056)
Purchase of financial assets		187
Increase in loans and advances granted	(3,421)	(117)
Decrease in loans and advances granted	6,823	435
Disposal of PP&E and intangible assets	1,039	2,429
Impact of change in consolidation scope	1,733	(238)
Cash flow from investment activities	**1,148**	**(7,462)**
Capital increase		58,576
Purchase of treasury shares		13
New borrowings	29,371	235
Borrowings repaid	(12,356)	(5,356)
Net interest paid	(702)	(6,877)
Net change in short-term debt	(4,791)	(17,933)
Cash flow from financing activities	**11,521**	**28,658**
Impact of exchange rate fluctuations	(1,212)	140
Change in cash and cash equivalents	**15,882**	**4,361**
Opening cash and cash equivalents	26,193	21,832
Closing cash and cash equivalents	42,075	26,193
Change in cash and cash equivalents	**15,882**	**4,361**

Statement of changes in annual shareholders' equity

(€'000)	Share capital	Additional paid-in capital	Consolidated reserves	Revaluation of defined benefit plan liabilities	Fair value adjustments	Translation reserves	Treasury shares and redeemable share warrants	Shareholders' equity (Group share)	Non-controlling interests	Total shareholders' equity
Opening position at 01/01/2019	**56,677**	**175,712**	**(100,685)**	**376**	**(487)**	**(20,102)**	**(9,745)**	**101,746**	**1,601**	**103,347**
Profit/(loss) for the period			(65,926)					(65,926)	5	**(65,921)**
Translation differences						(199)		(199)	(15)	**(214)**
Items of other comprehensive income				(102)	630			528		**528**
Comprehensive income/(loss) for the period			(65,926)	(102)	630	(199)		(65,597)	(10)	(65,607)
Capital increase	32,719	25,786						**58,505**		58,505
Treasury shares							13	**13**		13
Stock option plan expenses										
Change in consolidation scope			1,983	(73)		(1,933)		**(23)**	(1,368)	**(1,391)**
Other changes		(134,788)	133,658					**(1,130)**		(1,130)
Transactions with shareholders	32,719	(109,002)	135,641	(73)		(1,933)	13	57,365	(1,368)	55,996
CLOSING POSITION AT 31/12/2019	**89,396**	**66,710**	**(30,970)**	**202**	**143**	**(22,234)**	**(9,732)**	**93,514**	**223**	**93,737**

(€'000)	Share capital	Additional paid-in capital	Consolidated reserves	Revaluation of defined benefit plan liabilities	Fair value adjustments	Translation reserves	Treasury shares	Shareholders' equity (Group share)	Non-controlling interests	Total shareholders' equity
Opening position at 01/01/2020	**89,396**	**66,710**	**(30,970)**	**202**	**143**	**(22,234)**	**(9,732)**	**93,514**	**223**	**93,737**
Profit/(loss) for the period			(38,465)					(38,465)	20	(38,445)
Translation differences						(2,333)		(2,333)		(2,333)
Items of other comprehensive income				(175)	(86)			(261)		(261)
Comprehensive income/(loss) for the period			**(38,465)**	**(175)**	**(86)**	**(2,333)**		**(41,059)**	**20**	**(41,039)**
Capital increase	(26,818)	1	26,820					3		3
Treasury shares							11	11		11
Stock option plan expenses										
Change in consolidation scope			(79)	(179)		13,846		13,588	84	13,673
Other changes			20		(57)			(37)		(37)
Transactions with shareholders	**(26,818)**	**1**	**26,761**	**(179)**	**(57)**	**13,846**	**11**	**13,565**	**84**	**13,650**
CLOSING POSITION AT 31/12/2020	**62,578**	**66,711**	**(42,674)**	**(151)**		**(10,720)**	**(9,721)**	**66,020**	**328**	**66,348**

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Marie Brizard Wine & Spirits (MBWS) is a société anonyme (French limited company) with a Board of Directors incorporated under French law and subject to the provisions of the French Commercial Code. MBWS shares are listed on the Paris (Euronext, Compartment B) and Warsaw (WSE) stock exchanges. The MBWS Group operates in the wine and spirits sector.

The Company's registered office is at 10-12 Avenue du Général de Gaulle, Charenton-Le-Pont (94220), France.

The consolidated financial statements for the year ended 31 December 2020 were approved by the Board of Directors on 27 April 2021.

Amounts are stated in thousands of euros, unless specified otherwise.

Note 1: Accounting rules and policies

Note 1.1: Accounting principles and policies applied

The consolidated financial statements of MBWS S.A. and its subsidiaries (the Group) were prepared in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union on 31 December 2020.

These standards include the standards approved by the IASB (International Accounting Standards Board), i.e. IFRS, IAS (International Accounting Standards) and their interpretations.

The accounting principles and policies applied to the consolidated financial statements for the year ended 31 December 2020 are identical to those applied to the consolidated financial statements for the previous year, except for the changes in accounting standards set out below.

IFRS STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE EUROPEAN UNION AND COMPULSORY FROM 1 JANUARY 2020

The following standards, interpretations and amendments are applicable to MBWS from 1 January 2020:

- Amendments to IFRS 3 "Definition of a Business";
- Amendments to IAS 1 and IAS 8 "Definition of Material";
- Interest Rate Benchmark Reform (IBOR) – Phase 1;
- Amendments to IFRS 16 "Covid-19-Related Rent Concessions";
- IFRS IC decision relating to IFRS 16 – Leases;
- Revised Conceptual Framework for Financial Reporting;
- Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform (Phase 1)".

PRINCIPAL STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION BUT NOT REQUIRING COMPULSORY APPLICATION AS OF 1 JANUARY 2020

None.

PRINCIPAL STANDARDS, AMENDMENTS AND INTERPRETATIONS PUBLISHED BUT NOT YET ADOPTED BY THE EUROPEAN UNION

The following standards, interpretations and amendments are applicable to MBWS after 31 December 2020:

- IFRS 17 "Insurance Contracts" (insurance and mutual sector);
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current";
- Amendment to IAS 16 "Property, Plant and Equipment –Proceeds before Intended Use";
- Amendments to IAS 37 "Onerous Contracts – Cost of Fulfilling a Contract";
- Annual improvements – 2018-2020 cycle (amendments to IFRS 16, IFRS 9, IAS 41 and IFRS 1);
- Amendment to IFRS 3 "Reference to the Conceptual Framework";
- Amendments to IFRS 17;
- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9".

Note 1.2: Changes in accounting policies

The MBWS Group had not applied any accounting changes at 31 December 2020.

Note 1.3: Going concern

BACKGROUND

For several years now, the MBWS Group has experienced financial difficulties due to significant operational challenges in Poland. This is reflected in the consolidated EBITDA losses (see Chapter 4, section 1.31 of the URD) of €11.9 million in 2017, €28.0 million in 2018 (€27.2 million restated) and €12.1 million in 2019 (€3.5 million restated), and positive EBITDA of €10.6 million in 2020 (after application of IFRS 16 and restatement pursuant to IFRS 5).

These difficulties prompted the Group to apply for intervention first by a conciliator, and then by a insolvency practitioner and the French Interministerial Industrial Restructuring Committee – two independent bodies that have overseen the process of seeking appropriate solutions during 2018-2020 to help resolve the Group's difficulties.

As at 31 December 2017, due to the difficulties described above, the Group was not in compliance with the covenants attached to the syndicated credit facility agreement signed on 26 July 2017 in respect of the €45 million medium-term loan ("Medium-Term Loan") and a €32.5 million revolving credit facility on which the Group was unable to draw as a result.

Accordingly, under the conciliator's supervision, in 2018 the Group concluded new financing arrangements with its bank partners and obtained a current account advance from MBWS shareholder Compagnie Financière Européenne de Prises de Participation ("COFEPP").

The cash problems experienced by Marie Brizard Wine & Spirits and its subsidiaries in France (Marie Brizard Wine & Spirits France, Moncigale and Cognac Gautier) also gave rise to tax and social security liabilities, regarding which a transitional repayment plan was approved by the Commission des Chefs de Services Financiers d'Île-de-France ("CCSF") on 27 June 2018, subject to the provision of guarantees. By way of a decision dated 27 June 2019, this plan was extended until full repayment of the aforementioned liabilities, which was completed in July 2020.

In addition to these measures, and with ongoing support from its main shareholder COFEPP, the MBWS Group undertook to consolidate its financial structure

As such:

- on 1 March 2019, COFEPP subscribed to a €37.7 million reserved capital increase. In April 2019, a short-term warrant programme was launched and subscribed by shareholders in an amount of €20.7 million (including €15 million subscribed by COFEPP). As a result of these transactions, at the end of 2020 COFEPP held 50.96% of the Company's share capital.
- On 2 February 2021, following the rights issue for a total subscribed amount of €100.9 million (€17.4 million in cash), COFEPP now holds 70.06% of the Company's share capital and 68.02% of the voting rights.

MAIN CHANGES IN RELATION TO OPERATIONS AS A GOING CONCERN

During the 2020 financial year, the following events (described in Note 2 Main highlights) also took place:

- The implementation of the 20 December 2019 agreement between MBWS and COFEPP for the following events:
  - Agreement to assign all MBWS lending bank receivables to COFEPP on 17 January 2020,
  - The provision by COFEPP, subject to conditions, of two cash advances to the MBWS Group, including a €15 million current account Advance 1 in January 2020, €7.4 million of which was for business requirements in Poland and €7.6 million for MBWS France's cash requirements, and a €17 million current account Advance 2, to be made available to MBWS around 17 March 2020 for the general cash requirements of the MBWS Group.

As this second advance was conditional on the cumulative fulfilment of certain conditions precedent, including the signing of a new Scotch whisky bulk supply agreement, which was only signed in 2021, COFEPP agreed to set up an interim Advance 1(b) of €10 million, €6 million of which was paid on 25 May 2020 and €4 million on 10 August 2020.

- A further current account advance with COFEPP of €8.2 million for the repayment by MBWS of certain borrowings relating to the Polish businesses. The first tranche was paid on 29 October 2020.

During the 2021 financial year, the following events (described in Note 7.5 Post-balance sheet events) also took place:

- Signing of a new Scotch whisky supply agreement on 12 January 2021, containing more favourable contractual terms for the Group. The signing of this agreement also made it possible to lift the condition precedent for the payment by COFEPP of the additional Advance 2 of €7 million. This payment was made on 18 January 2021, i.e. before the completion of the capital increase.
- Capital increase and increase in COFEPP's equity interest in MBWS on 2 February 2021. Following this operation, the Company's share capital amounted to €156.7 million, and COFEPP held 70.06% of the share capital and 68.02% of the voting rights.

This capital increase made it possible to capitalise (i) all the bank debt (excluding factoring) purchased by COFEPP from the Company's lending banks, i.e. €45 million, and overdraft facilities drawn down for a principal amount of €1.1 million, (ii) all current account advances paid or yet to be paid by COFEPP to the Company and its subsidiary MBWS France, for a total principal amount of €32 million, and (iii) the first tranche of the Poland Advance granted by COFEPP to the Company in the amount of €3 million.

The proceeds of the cash subscriptions for the capital increase paid by shareholders other than COFEPP, amounting to €17.4 million, were used to (i) repay the outstanding €5.2 million Poland Advance granted by COFEPP to the Company and, (ii) with the remaining amount, to finance the MBWS Group's operations.

After the repayment of the balance of the Poland Advance described above, COFEPP no longer holds any claims against the MBWS Group.

- Establishment of a new standstill on tax and social security liabilities by the CCSF of the Val de Marne region for €7.6 million in favour of MBWS France. This standstill was notified on 1 April 2021, by way of a staggered debt repayment plan, including a schedule of regular monthly payments of €316,000 over a two-year period, i.e. until the end of March 2023.

ASSESSMENT OF THE GOING CONCERN PRINCIPLE

The Group consolidated financial statements were prepared in accordance with the going concern principle, in view of the known situation as at the reporting date (as described above), including:

- the sale of the Polish business in October 2020 and Moncigale in February 2021, reducing the number of loss-making operations,
- and the latest estimates of the Group's 12-month cash requirements, including the capital increase that took place in early February 2021, and the repayment plan for the new standstill on part of MBWS France's tax and social security liabilities, in response to the evolving COVID-19 health crisis.

To handle the ongoing impacts of the pandemic (see Chapter 2 Risk factors), in 2020 the Group took advantage of certain support measures provided by the French government (in particular the deferral of social security contributions).

Note 1.4: Underlying valuation principles

The financial statements have been prepared according to the historical cost principle, with the exception of:

- certain financial assets and liabilities, measured at fair value;
- defined benefit plan assets, measured at fair value;
- non-current assets held for sale, measured and recognised at the lower of their carrying amount and fair value less costs to sell, when their sale is considered highly probable. These assets are no longer amortised as soon as they are classified as assets (or groups of assets) held for sale.

Note 1.5: Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements and estimates and to use assumptions that affect the accounting principles applied, as well as the valuation of assets, liabilities, income and expenses. Such estimates and assumptions are based on experience and on a set of criteria that management considers reasonable and realistic.

The underlying estimates and assumptions are reviewed on an ongoing basis. The impact of these reviews is recorded in the accounting period in which the reviews took place, or in future accounting periods, where applicable.

Information on the main judgements made when applying the accounting principles and on the main assumptions relating to the use of estimates is disclosed in the following notes:

- Note 1.3: Going concern
- Note 1.29: Deferred taxes
- Note 6.1: Impairment tests on non-financial assets
- Note 6.9: Valuation of pension commitments
- Note 6.10: Estimation of provisions

Note 1.6: Consolidation method

Entities over which the Group exercises exclusive control, directly or indirectly, are fully consolidated. Control exists where MBWS SA has the power to direct the entity's relevant business activities either directly or indirectly, with a view to influencing its exposure or its rights to variable returns from its involvement with that entity.

The financial statements of controlled entities are consolidated from the date on which control is obtained until the date on which control ceases.

Full consolidation enables all the assets, liabilities and income statement items of the companies concerned, plus the share in their income and equity attributable to MBWS SA, to be taken into account, after eliminating intra-Group transactions and income.

Transactions between consolidated companies, together with any internal income within the consolidated entity (including dividends), are eliminated.

Note 1.7: Translation method

TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS

The presentation currency of the Group's consolidated financial statements is the euro.

The financial statements of subsidiaries that use a different functional currency are translated into euros using the year-end method:

- Balance sheet items are translated into euros on the basis of the official closing exchange rates;
- Income statement items are translated using the average exchange rate for the financial year for each currency.

The resulting differences are entered under items of other comprehensive income as a corresponding entry to translation reserves in shareholders' equity, until the investments to which they relate are disposed of or written off.

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated at the exchange rates in effect on the transaction date. At financial year-end, monetary assets and liabilities in foreign currencies shown on the balance sheet are translated at the closing exchange rate. The resulting differences are entered in the income statement, with the exception of differences arising from transactions equivalent to net investment transactions, which are recognised as a translation difference in items of other comprehensive income.

Translation differences relating to commercial purchase and sale transactions are recorded in underlying operating profit/(loss). Exchange differences relating to financial transactions are recorded under net financial income/(expense).

Note 1.8: Presentation of current/non-current items

MBWS presents assets and liabilities in its consolidated balance sheet in accordance with a current/non-current classification.

An asset is considered as current if:

- it is used or sold as part of the normal operating cycle;
- it is held for trading over a period of less than 12 months following the financial year-end;
- it is a cash asset whose use is not subject to restrictions.

All other assets are classified as non-current.

A liability is considered as current if:

- it is settled as part of the normal operating cycle;
- it is settled within a period of 12 months following the financial year-end;
- or if the entity does not have an unconditional right to defer settlement of the liability for a period of at least 12 months following the financial year-end.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

Note 1.9: Business combinations and goodwill

Business combinations are recognised according to the acquisition method, pursuant to IFRS 3 revised. Identifiable assets and liabilities are recognised at their fair value on the acquisition date (barring exceptions) within an evaluation period of no more than 12 months from the acquisition date.

The difference between 1) the sum of the fair value of the consideration transferred by the purchaser plus the amount of non-controlling interests ("minority interests") in the acquired entity and 2) the balance of the identifiable assets and liabilities measured at fair value (barring exceptions) is recognised under goodwill. In the event that this difference is negative (badwill), it is recorded under income (profit) at the acquisition date.

The transaction expenses incurred by the Group as part of a business combination, such as business finders' fees, legal fees, due diligence fees and other professional and advisory fees, are expensed as incurred.

Changes in the percentage of the interest held by the Group in a subsidiary that do not result in a loss of control are recognised as equity transactions.

Note 1.10: Trademarks and other intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets include trademarks, software, patents, software licensing agreements and long-term leasehold rights on land in Poland. Trademarks are not amortised if their useful life can be considered as indefinite. Trademarks with a finite useful life, in view of their position on their respective markets and the measurement of their inherent operating risks, are amortised on a straight-line basis over their estimated useful life, which is usually 15 years.

Note 1.11: Property, plant and equipment

Land, buildings and plant are measured at cost less accumulated depreciation and impairment losses.

Depreciation of property, plant and equipment is calculated according to the straight-line method based on the component parts and their estimated useful life.

The average depreciation periods applied are as follows:

- Buildings (administrative and commercial): 10 to 50 years
- Fixtures and fittings: 3 to 15 years
- Equipment and tools: 5 to 20 years
- Other non-current assets: 3 to 10 years

Following the application of IFRS 16 as of 1 January 2019, non-current assets held under leases that substantially transfer the risks and rewards of ownership to the Group are recognised as non-current assets. These non-current assets are depreciated according to the straight-line method based on their estimated useful life, or the term of the lease if it is shorter. The corresponding liability is entered under liabilities (see Note 1.2 Changes in accounting policies).

The IFRS IC interpretation relating to the assessment of lease terms and depreciation of fixtures and fittings does not have a material impact on the MBWS financial statements.

Note 1.12: Biological assets

The Group's vineyards, mainly located in Bulgaria, are accounted for in the amount of €2.5 million under property, plant and equipment. Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants", applicable as of 1 January 2016, are designed to include bearer plants such as grape vines within the scope of IAS 16 rather than IAS 41.

The Group opted to measure bearer plants (grape vines) using the cost model. They are measured at cost and depreciated over their useful life.

Agricultural products (crops) are recognised in accordance with IAS 41 at fair value less estimated costs to sell, provided that a reliable price benchmark can be obtained, for example with reference to an active market. Fair value adjustments (gains or losses) are taken to profit or loss for the year and are not considered material.

The land on which the vines are grown is measured in accordance with IAS 16.

Note 1.13: Impairment of non-current assets

Goodwill and non-depreciable fixed assets, as well as assets not yet commissioned and the cash-generating units (CGUs) containing these items, are tested for impairment at least once a year at 31 December, and more often where there is an indication that the asset may be impaired. Other non-current assets are tested for impairment whenever there is evidence of impairment.

The test consists in comparing the recoverable amount of an asset or cash-generating unit with its carrying amount.

The recoverable amount of the CGU is the higher of the values determined in accordance with the following two methods:

- value in use, calculated by discounting the future cash flows generated by the asset tested or by the CGU
- fair value less costs to sell, obtained on the basis of market values of comparable assets or, where applicable, indicative offers received from interested third parties.

Value in use is calculated based on discounted future cash flows, determined on the basis of the 2021 budget approved by the Board of Directors and three-year growth assumptions approved by the Finance Department. The translation of these business forecasts into cash flows was based on a number of key assumptions and judgements aimed at determining the trend in the markets in which the Group operates. Discount and long-term growth rates derived from research on the sector in which the Group operates are applied in order to estimate value in use. The discount rates used are post-tax rates specific to each region and applied to post-tax cash flows.

For the purposes of this test, non-current assets that cannot be tested individually are grouped into CGUs, and the goodwill is allocated to the various CGUs (or group of CGUs). CGUs are uniform groups of assets whose ongoing use generates cash inflows that are mostly independent of the cash inflows generated by other asset groups. The MBWS Group has considered five CGUs corresponding to assets in the following five regions: France, Lithuania, Bulgaria, Spain and Brazil.

Where the recoverable amount of a CGU is lower than its carrying amount, the corresponding impairment loss is allocated first to goodwill and is recognised under operating profit on the "Non-recurring operating expenses" line.

Pursuant to IAS 36, the Group assesses the sensitivity of the values resulting from impairment tests on the CGUs to which material amounts of goodwill and/or intangible assets with an indefinite useful life or not yet commissioned are attached, to changes in the key assumptions used in these tests (terminal year operating margin) and the discount rates and long-term growth rates applied.

In the case of the assets tested, the assessment consists in (i) consecutively varying the key assumptions and rates selected and comparing the simulated recoverable amounts obtained with the carrying amount, in order to calculate the potential impairment for each asset, and (ii) determining the amount above which the value of the key assumption would have to be adjusted in order for the recoverable amount to be equal to the carrying amount.

Trademarks are tested separately from the other assets and CGUs.

The recoverable amount of a trademark is the higher of its fair value less disposal costs and its value in use. Value in use is determined by applying an implicit royalty rate obtained from benchmarking against other trademarks.

An impairment loss is reversed, except in the case of goodwill, if the information underlying the recoverable amount calculation changes (the increase in the carrying amount of an asset due to the reversal of an impairment loss is limited to the carrying amount after amortisation and depreciation that would have been determined if no impairment loss had been recognised in the first place).

Note 1.14: Financial assets

NON-CONSOLIDATED EQUITY INVESTMENTS

Non-consolidated equity investments are measured at fair value and changes in value are recognised either in shareholders' equity, under "Items not reclassifiable through profit & loss", or in the income statement under "Other financial income and expenses", depending on the option chosen by the Group for each investment.

Fair value corresponds to market price in the case of listed equity instruments, or estimated value in use in the case of unlisted equity instruments, as determined in accordance with the financial criteria most appropriate to the specific situation of each instrument.

LOANS AND RECEIVABLES

Loans and receivables primarily include other loans and receivables granted to non-consolidated entities, deposits in escrow and trade receivables. These instruments are initially measured at fair value plus directly assignable transaction costs and subsequently at amortised cost.

IMPAIRMENT OF FINANCIAL ASSETS

A financial asset is impaired if there is objective evidence that one or more events have had a negative impact on the asset's estimated future cash flows. The impairment of a financial asset measured at amortised cost corresponds to the difference between its carrying amount and the value of the estimated future cash flows discounted at the original effective interest rate for the financial assets.

A separate impairment test is carried out on each material financial asset.

Impairment losses are recognised under other financial income and expenses (provision charges and reversals).

Note 1.15: Inventory

Inventory is measured at the lower of its actual cost price and its net realisable value. The cost price includes purchase costs, processing costs and other costs incurred to bring the inventory to its present location and condition. The cost price is usually calculated according to the weighted average unit cost method.

Note 1.16: Trade receivables

Trade receivables are measured at fair value when they are initially recognised, and an impairment charge is recorded when their recovery is deemed to be uncertain. The methods currently used for the impairment of trade receivables make allowance for expected credit losses in the trade receivables portfolio. Furthermore, the risk is limited in view of the Group's policy on customer credit insurance. Consequently, the application of IFRS 9 with regard to these items has no material impact on the Group financial statements.

Trade receivables not due that are assigned under a factoring agreement and that do not meet the IAS 9 derecognition criteria are retained under "Trade and other receivables". A payable is recorded as a corresponding entry to the cash received.

Note 1.17: Cash and cash equivalents

Cash and cash equivalents include immediately available cash items, such as cash at bank, short-term deposits, units in UCITS funds and other short-term investments with a maturity of less than three months, which are not subject to any material risk of change in their value and meet the definition of cash equivalents.

To the extent that they are considered as financing, bank overdrafts are not included in cash and cash equivalents.

Note 1.18: Treasury shares

In accordance with IAS 32, treasury shares are recognised at their acquisition cost and deducted from consolidated shareholders' equity. Capital gains or losses realised on the sale of these shares are directly recorded in consolidated reserves at their value net of tax.

Note 1.20: Employee benefits

The Group contributes to pension and retirement benefit schemes in accordance with the laws and practices in each country in which it operates.

In the case of basic and other defined contribution schemes, the Group expenses the contributions payable as incurred and no provision is recorded, since the Group has no commitments in addition to the contributions paid.

In the case of defined benefit plans, the Group's commitments are the subject of balance sheet provisions that are determined on the basis of an actuarial valuation using the projected unit credit method, in accordance with IAS 19 revised, factoring in staff turnover rates, life expectancy rates and the foreseeable trend in remuneration.

The fair value of the plan assets is deducted from the balance sheet provisions.

The income and expense recorded in connection with defined benefit plans primarily corresponds to:

- the cost of the services performed during the period and, where applicable, past services, recognised under operating profit;
- the net interest expense on net liabilities (calculated by applying the discount rate used to value the commitments to the net liabilities determined at the beginning of the financial year), which is recognised under net financial income/(expense).

The revaluation of net liabilities (actuarial gains and losses) and the return on the plan assets, as well as any changes in the asset cap, excluding the amounts taken into account when calculating the net interest expense on net liabilities, are recognised in items of other comprehensive income.

Actuarial provisions are also recorded for a number of benefits, such as long-service awards and anniversary bonuses in various countries. Additions to provisions, including actuarial gains and losses, are recognised in the income statement.

Note 1.21: Provisions

In accordance with IAS 37, the Group records provisions as soon as present legal or constructive obligations arising from past events materialise, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and the amount of these outflows can be reliably estimated.

Provisions are mainly related to tax contingencies (concerning taxes and duties other than income tax) and employee and trade disputes.

Where the time value is material, the amount of the provision is calculated by discounting expected future cash flows at the pre-tax discount rate reflecting the market's current assessment of the time value of money and, where appropriate, the specific risk of the liability. The effects relating to the unwinding of the discount are recorded in financial expense.

Note 1.22: Financial liabilities

Financial liabilities primarily consist of current and non-current borrowings contracted with credit institutions. These financial liabilities are initially measured at fair value, less direct transaction costs.

They are subsequently measured at their amortised cost using the effective interest rate method.

Note 1.23: Financial derivatives

The Group uses financial derivatives to hedge its currency and interest rate risk. Accordingly, the Group uses contracts such as swaps or forwards, depending on the nature of the risks to be hedged.

In accordance with IFRS 9, all derivative instruments are recognised among other current assets or liabilities on the balance sheet, at their fair value, as determined on the basis of recognised market valuation methods or external prices obtained from financial institutions. Changes in fair value are entered in the income statement.

Some derivatives may be classified as hedging instruments:

- fair value hedges (hedging of currency and interest rate risk); in this case, changes in the fair value of the derivative and the hedged item are recorded in profit and loss over the same period;
- cash flow hedges (in the case of future sales or purchases); in this case, the "effective" portion of changes in the value of the derivative is recorded in items of other comprehensive income, with a corresponding entry to the fair value reserve, while the "ineffective" portion is recorded directly in profit and loss. The amounts recorded in the fair value reserve are subsequently taken to profit and loss when the hedged transaction is performed.

In order for a hedging instrument to be used as part of hedge accounting, it is necessary to determine and record a hedging relationship between this instrument and the hedged item, and to prove its effectiveness from the origination of the instrument and throughout its life, via recorded effectiveness tests.

Note 1.24: Investment subsidies

The option chosen to present investment subsidies is their recognition under deferred income, as authorised by IAS 20.

The subsidy is transferred to "Other operating income" over the useful life of the asset to which it is attached.

Note 1.25: Discontinued operations

An operation that is discontinued or classified as held for sale represents a material operation for the Group which is either sold or classified as an asset held for sale. Income statement items relating to these held-for-sale or discontinued operations are separated out in the financial statements for all the periods shown, if they are of a material nature for the Group.

In accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations), an asset is considered as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets or asset groups held for sale are presented separately on the balance sheet at the lower of carrying amount and fair value less costs to sell. These assets are no longer depreciated or amortised.

In October 2020, the Group sold all of its shares in MBWS Polska and Polmos Lancut to the United Beverages S.A. Group. As a result of this disposal, IFRS 5 criteria for considering MBWS Polska and Polmos Lancut as a separate major line of business discontinued within the MBWS Group have been met: the comparative income statement and items of other comprehensive income were restated in order to present this discontinued operation separately from continuing operations.

Following the sale, and under the distribution agreement signed with the purchaser, the Group continued to sell its products and purchase whisky: while intercompany transactions have been fully eliminated from the consolidated financial statements, management has opted to present these transactions so as to reflect the continuation of transactions with this company after the sale, in particular with regard to inter-segment sales and related costs.

On 14 October 2020, MBWS and Grands Vins JC BOISSET, parent company of the Boisset Group, signed a unilateral promise to purchase 100% of the shares of Moncigale SAS. The MBWS Group finalised this sale on 16 February 2021, the last remaining condition precedent having been lifted after the French antitrust authorities authorised the transaction.

As such, Moncigale has been recognised as a discontinued operation, giving rise to a restatement in the consolidated financial statements: its assets and liabilities are presented under "Assets/liabilities held for sale", and in the income statement, its contribution to consolidated net income is presented under "Net profit/(loss) from discontinued operations" for the years 2019 and 2020.

At 31 December 2020, and given the planned sale price, a €3 million asset impairment charge was recognised in the consolidated financial statements.

NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

(€'000)		2020	2019
Revenues excluding excise duties		**86,455**	**199,663**
	Poland	32,215	38,234
	Moncigale	54,240	71,773
	Sobieski Trade	-	89,656
Underlying operating profit/(loss)		**2,695**	**(22,672)**
	Poland	*4,177*	*(20,942)*
	Moncigale	*(1,482)*	*6*
	Sobieski Trade	-	*(1,736)*
Operating profit/(loss) excluding gains or losses on disposal and impairment of assets held for sale		**(3,321)**	**(2,210)**
	Poland	*(3,657)*	*(2,075)*
	Moncigale	*336*	*(36)*
	Sobieski Trade	-	*(99)*
Net cost of debt		**(1,255)**	**(4,104)**
	Poland	*(1,158)*	*(3,802)*
	Moncigale	*(97)*	*(127)*
	Sobieski Trade	-	*(175)*
Net financial income/(expense)		**(1,707)**	**(5,393)**
	Poland	*(1,612)*	*(4,782)*
	Moncigale	*(95)*	*(144)*
	Sobieski Trade	-	*(467)*
Profit/(loss) before tax		**(25,647)**	**(35,632)**
	Poland	*(21,453)*	*(28,163)*
	Moncigale	*(4,194)*	*(174)*
	Sobieski Trade		*(7,295)*
Income tax		**(7,265)**	**(79)**
Capital gains or losses on disposals		**(20,361)**	**(5,358)**
	Poland	*(20,361)*	*(365)*
	Sobieski Trade	-	*(4,993)*
Impairment of assets held for sale		**(2,953)**	**-**
	Moncigale	*(2,953)*	-
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS		**(32,912)**	**(35,711)**
	Poland	*(28,718)*	*(28,168)*
	Moncigale	*(4,194)*	*(248)*
	Sobieski Trade	-	*(7,295)*

CASH FLOW FROM/(USED BY) DISCONTINUED OPERATIONS

(€'000)	2020	2019 reported
Cash flow from operating activities	3,507	350
Cash flow from investment activities	(3,913)	(1,175)
Cash flow from financing activities	(5,993)	(465)
NET CASH FLOW FOR THE YEAR	**(6,399)**	**(1,290)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE DISCONTINUED OPERATION

(€'000)	2020
Moncigale	
Non-current assets	877
Other non-current assets	1,266
Current assets	10,757
TOTAL ASSETS HELD FOR SALE	**12,900**
Non-current liabilities	1,675
Current liabilities	8,626
TOTAL LIABILITIES HELD FOR SALE	**10,301**

Note 1.26: Revenue recognition

Customers obtain control of products at the moment when they are delivered to them and when they are received at their premises. Revenues are recognised at the time of delivery of the goods and their reception by the customer at its premises according to the applicable Incoterms.

Revenues are recorded net of any discounts and commercial benefits granted and net of sales taxes.

Pursuant to IFRS 15, some marketing costs owed to customers, including the costs of joint advertising campaigns with distributors, listing new products or point-of-sale promotional and advertising initiatives, are deducted from revenues if there is no distinct service where the fair value can be reliably measured.

Excise duties paid by the Group in respect of products included in Group inventory at the year-end date are kept under the inventory item.

Note 1.27: Operating profit/(loss)

Underlying operating profit/(loss) measures the recurring performance of the Group's operations, excluding material items which, due to their nature and unusual character, cannot be considered as being inherent to the Group's underlying performance. Underlying operating profit/(loss) corresponds to operating profit/(loss) less "Non-recurring operating income" and "Non-recurring operating expenses".

Non-recurring operating income and expenses correspond to unusual and infrequent transactions, limited in number but involving material amounts. They may include, for example:

- gains or losses on disposal of specific intangible assets or property, plant and equipment;
- impairment of specific intangible assets or property, plant and equipment;
- provisions related to a major dispute involving the company;
- specific restructuring expenses;
- specific refinancing expenses;
- items related to the reorganisation measures implemented in light of the Group's financial situation at 2018 year-end.

Note 1.28: Net financial income/(expense)

Net financial income/(expense) includes the gross cost of debt, income from cash and cash equivalents, other financial income and expense and changes in the fair value recorded for debt instruments.

All interest expenses are recorded in the year in which they are incurred.

Note 1.29: Deferred tax

In accordance with IAS 12, the Company reviews the need to recognise deferred tax on any temporary differences between the carrying amount of assets and liabilities and their tax bases.

Deferred tax liabilities are automatically recognised, whereas deferred tax assets are only recognised to the extent that their recovery is probable, primarily in view of the profit and loss forecasts prepared by the Group at each financial year-end.

The tax rate used is the statutory tax rate in effect at the date on which the temporary difference will reverse, i.e. usually the tax rate for the current financial year or the rate forecast for subsequent financial years, if it is known with certainty.

Note 1.30: Earnings per share

Earnings per share are calculated by dividing net profit, Group share, by the average number of shares outstanding during the financial year, after deducting treasury shares. Diluted earnings per share are calculated by including the impact of dilutive factors in the average number of shares outstanding.

Note 1.31: Indicators used to measure the Group's performance

The Group uses revenues excluding excise duties, gross margin and EBITDA as its main performance indicators. These indicators are calculated as follows:

REVENUES

Revenues excluding excise duties are recorded net of any discounts and commercial benefits granted and net of sales taxes.

GROSS MARGIN

The gross margin comprises revenues excluding excise duties less cost of goods sold.

LIKE-FOR-LIKE CHANGE

Like-for-like change corresponds to change:

- at constant exchange rates: adjusted for changes in exchange rates during the period (amounts in year N are translated at year N-1 exchange rates);
- at constant consolidation scope: adjusted for discontinued contracts, acquisitions and disposals.

EBITDA

(€'000)	31.12.2020	31.12.2019 Restated	
UNDERLYING OPERATING PROFIT/(LOSS)	**1,046**	**(7,428)**	**Consolidated income statement**
Items to be added back:			
- Depreciation and amortisation charges	9,699	9,203	Consolidated income statement
- Retirement provision	112	162	Note 5.2
- Additions to provisions	2,602	1,444	Note 5.3
Items to be excluded:			
- Provision reversals	(2,846)	(6,914)	Note 5.3
= EBITDA	**10,614**	**(3,534)**	

1) The 2019 financial statements have been restated for the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See Note 1.25 on the impact of applying this standard.

Note 2: Main highlights

Note 2.1: Agreement to assign MBWS lending bank receivables to COFEPP

On 17 January 2020, COFEPP signed a three-way agreement with MBWS and the MBWS lending banks to purchase receivables under the €45 million loan agreement signed on 26 July 2017 and currently outstanding overdrafts.

The assignment became effective in January 2020.

Under the same arrangements, COFEPP also confirmed the granting of a standstill to MBWS on all assigned bank receivables due to be capitalised as part of a planned capital increase. On 20 May 2020, this standstill was extended until 26 January 2021 to make allowance for the postponement of the planned capital increase following the postponement of the General Meeting called to approve the 2019 financial statements.

Following the signing of an agreement between MBWS SA and COFEPP on 20 December 2019, COFEPP agreed to provide MBWS with two conditional cash advances:

- current account Advance 1 amounting to €15 million, to be paid in January 2020 (bearing compounded interest at an annual rate of EURIBOR 3 month (*) + 425 bps), including €7.4 million provided for the requirements of Polish business operations and €7.6 million paid to MBWS France to cover cash requirements until mid-March 2020;
- current account Advance 2 amounting to €17 million (bearing compounded interest at an annual rate of EURIBOR 3 month (*) + 425 bps), and subject to conditions precedent, to be made available to MBWS around 17 March 2020 for the MBWS Group's general cash requirements

The COFEPP advances were secured by pledges in favour of COFEPP including (i) first, second and third-rank pledges of Marie Brizard and Sobieski trademarks, (ii) first, second and third-rank pledges of 100% of the Gaïa I shares and current account receivables between MBWS and Gaïa I and MBWS and Vilniaus Degtiné, (iii) first, second and third-rank pledges of 100% of the Cognac Gautier shares and current account receivables between MBWS France and Cognac Gautier, (iv) a first-rank pledge of current account receivables between MBWS and MBWS France and (v) a third-rank pledge of the William Peel trademark.

(*) Floored at zero

Note 2.2: Implementation of Advance 1 in the amount of €15 million and Advance 1(b) in May 2020 pending implementation of Advance 2 provided for under the 20 December 2019 agreement

IMPLEMENTATION OF ADVANCE 1 IN THE AMOUNT OF €15 MILLION IN JANUARY 2020

Following the signing of an agreement between MBWS SA and COFEPP on 20 December 2019 providing for two conditional cash advances, Advance 1 amounting to €15 million was set up to enable the Group to meet its cash requirements.

Also in accordance with this agreement, to which the subsidiary MBWS France adhered, COFEPP agreed with MBWS France on an initial current account advance for a principal amount of €7.6 million made available in mid-January to cover Q1 2020 cash requirements.

Moreover, in early February COFEPP made the balance of Advance 1 available to the Group via a second tranche of €7.4 million used to fund operations in Poland.

ESTABLISHMENT OF ADVANCE 1(B) IN MAY AND AUGUST 2020

As the conditions precedent applicable to Advance 2 had not yet been lifted in May 2020, in particular the condition to amend the Scotch whisky bulk supply agreement, still uncertain at that date, COFEPP agreed to amend the 20 December 2019 agreement by agreeing to the establishment of Advance 1(b), limited to a global cap of €10 million, to cover the Group's immediate cash requirements, in the form of:

(i) a firm commitment by COFEPP to immediately make available a current account advance of €6 million, paid on 25 May 2020 to MBWS (bearing compound interest at an annual rate of EURIBOR 3 month floored at zero + 425 bps);

(ii) a current account advance of €4 million on 10 August 2020

This Advance 1(b) of €10 million was deducted from Advance 2 in an amount of €17 million, which had not yet been paid as at 31 December 2020.

This advance was conditional upon fulfilment of all three of the following conditions precedent:

(i) the public creditors' agreement in principle to a standstill on a portion of the Group's tax and social security liabilities,

(ii) the amendment of the Scotch whisky bulk supply agreement between MBWS and a supplier, and

(iii) the stabilisation of estimated cash requirements for 2020,

it being noted that items (i) and (iii) were resolved at the end of 2020, and that item (ii) was resolved at the beginning of 2021 (see Post-balance sheet events).

Note 2.3: Recovery of an additional portion of the Trinidad and Tobago receivable

Background:

An investment with an initial value of €25 million for a two-year term was made on 10 July 2006 in the form of fixed-income commercial paper issued by Clico Investment Bank (CIB) in Trinidad and Tobago, a subsidiary of the CL Financial Group, which was a shareholder of MBWS at the time. The commercial paper was not redeemed upon maturity on 10 July 2008. The CL Financial Group was nationalised at the end of 2008 and CIB was placed in liquidation in 2011.

The commercial paper was therefore written off (€27,813,000 principal and interest) in the MBWS 2012 financial statements. The steps taken by the Company, as a creditor of CIB, had already led to the recovery of an initial portion of the receivable between June and December 2018, in the amount of around €13.4 million (107.9 million Trinidad dollars).

On 26 June 2020, MBWS Ltd (Group subsidiary in Trinidad) recovered an additional portion of its receivable against Clico Investment Bank in Trinidad and Tobago in the gross amount of 50.8 million Trinidad dollars (approximately €6.7 million).

This amount had not yet been converted into euros as of 31 December 2020. It may be converted in 2021, although the timing will have to take account of the low liquidity of this currency and the weak conversion rates at the start of the year. As a result, it will not have an immediate impact on the Group's short-term cash.

Note 2.4: Transfer of the MBWS registered office

The early termination of the lease for the registered office of the MBWS Group's holding company located at 27-29, rue de Provence in the 9th arrondissement of Paris, signed at the end of 2019 and which first entered into effect at the end of April 2020, has been postponed to mid-June 2020 owing to the COVID-19 lockdown measures still in force.

The lease for the new registered office at 10-12 Avenue du Général de Gaulle in Charenton-le-Pont (Val de Marne) was signed on 1 June. However, MBWS was only able to take possession of the premises from August 2020, as the major renovation work on the building was significantly impacted by delays caused by the lockdown in the second quarter.

In the meantime, MBWS leased shared office space near the Place de la République in Paris between June and August 2020.

Note 2.5: Agreement in principle concerning the amendment of the Scotch whisky bulk supply agreement between MBWS and a supplier

On 16 July 2020, following negotiations, MBWS reached a multi-year agreement in principle with its supplier on the amendment of its contract for the bulk supply of Scotch whisky. This agreement (a condition precedent for the release of the Advance 2 balance, currently amounting to around €7 million, without taking into account the additional payment of €1.5 million described above, in which case the balance of Advance 2 will be €5.5 million) was definitively finalised on 12 January 2021 (see Post-balance sheet events below).

Note 2.6: Agreement in principle with the CIRI to establish a tax and social security liability

An agreement in principle by the public creditors on a standstill covering a portion of the Group's social security and tax liabilities was approved by the French Interministerial Committee on Industrial Restructuring (CIRI) in September for a maximum amount of €7.5 million, the standstill arrangement having been set up in the last few months of 2020.

As a reminder, this condition, which has now been lifted, was one of three conditions precedent, along with (i) the amendment of a Scotch Whisky bulk supply agreement with an MBWS supplier and (ii) the stabilisation of 2020 estimated cash requirements, for the balance of Advance 2 being made available.

Note 2.7: Planned sale of Moncigale to the Boisset Group

On 13 October 2020, MBWS and Grands Vins JC Boisset, parent company of the Boisset Group, signed a unilateral promise to purchase 100% of the shares of Moncigale SAS.

This transaction was finalised in the first quarter of 2021 (see Post-balance sheet events), after informing and consulting employees and obtaining the approval of the French antitrust authorities.

At 31 December 2020, and given the planned sale price, a €3 million asset impairment charge was recognised in the consolidated financial statements in order to reduce the value of assets classified as held for sale to the lower of their carrying amount and fair value less costs to sell.

Due to the high probability of this sale, Moncigale meets the criteria of a discontinued operation under IFRS 5. In the 2020 financial statements, its assets and liabilities are presented under "Assets/liabilities held for sale". In the income statement, its contribution to consolidated net income is presented under "Net profit/(loss) from discontinued operations", the comparative period is also restated in the income statement, and the relevant information is presented in the notes.

Note 2.8: Sale of the Polish business to the United Beverages S.A. Group

MBWS's Polish business, in serious difficulty for a number of years, had neither the presence nor scale required to achieve medium or long-term profitability targets.

On 21 October 2020, MBWS sold all of its shares in MBWS Polska and a portion of its shares in Polmos Lancut to the United Beverages S.A. Group.

This agreement therefore represents a milestone in the ongoing execution of the 2019-2022 strategic plan. The agreement provides for the payment of a sale price in multiple instalments. Moreover, in view of the amount of net borrowings associated with the business sold, the immediate cash impact is negative in the short term and remains very limited in the long term.

This agreement gave rise to specific interim financing by the shareholder COFEPP (see below), the repayment schedule for which will be aligned with the payment schedule for the sale price.

The agreement also ensures that MBWS and the United Beverages Group will continue to work together closely as partners. More specifically, United Beverages will continue to produce Sobieski vodka (which remains an MBWS SA brand) for MBWS at the distilleries and bottling centre involved in the sale. In addition, a significant number of MBWS's international brands will be imported by United Beverages under a new distribution agreement.

As a result, the Polish business (including sold companies MBWS Polska and Polmos Lancut) was considered a discontinued operation at the end of 2020. This discontinued operation is presented separately under the 2020 income statement, the comparative period has been restated, and the necessary disclosures can be found in the notes.

Note 2.9: New current account advance with COFEPP relating to the disposal of the Polish businesses

Following the repayment by MBWS of certain borrowings taken out to finance the Polish businesses, thereby meeting the aforementioned conditions precedent, and in order to enable the Company to continue operating as a going concern, it entered into an agreement with COFEPP covering a new current account advance in the principal amount of €8.2 million (bearing compound interest at an annual rate of EURIBOR 3 month floored at zero + 425 bps) to be paid in three successive and firm tranches of €3 million, €3 million and €2.2 million respectively (the first tranche having been paid on 29 October 2020) and prior to the completion of the capital increase (as defined below).

The Poland Advance will be made available to MBWS France pursuant to the terms of a current account advance agreement entered into on the same day between MBWS and MBWS France. The Poland Advance is secured by a first-rank pledge of receivables granted by MBWS to COFEPP relating to the current account receivables resulting from the sums made available to MBWS France by MBWS, which are themselves secured by a second-rank pledge on the William Peel trademarks granted by MBWS France to MBWS. It may be (i) fully or partly converted into ordinary shares as part of the capital increase or (ii) if not capitalised, repaid, if applicable, from the proceeds of cash subscriptions to the capital increase by shareholders other than COFEPP (See Post-balance sheet events below).

Note 2.10: COVID-19 pandemic

In early January 2020, the emergence of a novel coronavirus (COVID-19) was announced by the Chinese health authorities and the WHO. The virus is actively circulating in various countries where the MBWS Group operates, and restrictive measures have been taken.

The COVID-19 pandemic resulted in travel restrictions and lockdown measures in several countries, with impacts on economic activity.

MBWS's priority is to ensure the health and safety of its partners and employees. Stringent precautions and hygiene measures have been introduced at all its facilities, in line with WHO recommendations and government directives in the countries where the Group operates.

As such, after initially limiting access to its facilities to employees performing business-critical tasks and who cannot work from home, MBWS has gradually been able to adapt the operation of its production facilities, sales networks and support services to the economic needs of its sector, under strict health and safety conditions.

The Group is constantly monitoring the situation, including regular updates, in order to adapt the measures taken depending on how the pandemic unfolds. The Group has shown agility, in particular in limiting potential supply chain disruptions, in its industrial or downstream logistics operations, and in meeting the needs of its customers.

The impact of the health crisis and its consequences on the Group's 2020 performance is mixed, both from the perspective of business and distribution networks, and in terms of its geographical regions.

In the first half of the year, Central and Eastern European subsidiaries mainly benefited from specific bulk sales of distillate and rectified alcohol for the production of disinfectants, which compensated for the slowdown in activity. In terms of MBWS's core business, sales of spirits fared well with major retailers and supermarkets, whereas out-of-home and/or traditional outlets were adversely impacted by store opening and travel restrictions imposed by local government authorities in response to the virus.

Annual sales results (including the application of IFRS 5) comprise net revenues of €169.1 million (up 2.0% vs 2019 on a like-for-like basis, including €136.4 million for the Brand business, down 7.1% vs 2019), confirming that the effects of the pandemic are under control and that MBWS's business has a certain resilience and adaptability.

In 2020, MBWS completed all the required applications for government support schemes set up in each of its European countries to help businesses adapt staff costs to lower levels of activity during the crisis, while preserving jobs.

In view of the changing circumstances, MBWS has taken the necessary steps to limit the effects of the pandemic on its business and cash position.

Note 3: Change in consolidation scope

The main changes in consolidation scope during the year include the sale of Polish entities MBWS Polska and its wholly owned subsidiary Polmos Lancut on 21 October 2020. As such, the 2019 and 2020 income statements have been restated to present the contribution of these entities to net income under "Net profit/(loss) from discontinued operations" (see Note 1.25).

Note 4: Segment information

The financial information for each segment is presented along the same lines as the internal reporting process used to measure the Group's performance. The Group's businesses are presented under the following two categories:

- "Brand business": wine and spirits production and/or marketing operations, by Group subsidiaries;
- "Other business": complementary production and/or marketing operations that enable Group subsidiaries to optimise their performance and profitability (private label, bulk, subcontracting, other sales and services, etc.).

	BRAND BUSINESS						
(€'000)	Western Europe, Middle East and Africa	Central and Eastern Europe	Americas	Asia Pacific	OTHER BUSINESS	HOLDING COMPANY	31.12.2020
Revenues	**90,546**	**72,918**	**21,913**	**2,700**	**32,698**		**220,774**
Excise duties	(62)	(48,395)	(3,234)				**(51,691)**
Revenues excluding excise duties	**90,484**	**24,524**	**18,679**	**2,700**	**32,698**		**169,083**
Underlying operating profit/(loss)	**6,427**	**2,732**	**2,098**	**(74)**		**(10,136)**	**1,046**
Goodwill	14,704						**14,704**
Intangible assets	72,980	425	624			9,138	**83,167**
Property, plant and equipment	12,362	14,645	943	5		156	**28,111**
NON-CURRENT ASSETS	**100,046**	**15,070**	**1,567**	**5**		**9,294**	**125,981**

	BRAND BUSINESS						
(€'000)	Western Europe, Middle East and Africa	Central and Eastern Europe	Americas	Asia Pacific	OTHER BUSINESS	HOLDING COMPANY	2019 restated
Revenues	**99,234**	**75,173**	**24,586**	**2,544**	**18,947**		**220,485**
Excise duties	(110)	(47,752)	(5,753)				**(53,616)**
Revenues excluding excise duties	**99,124**	**27,420**	**18,833**	**2,544**	**18,947**		**166,869**
Underlying operating profit/(loss)	**5,445**	**467**	**(1,227)**	**(190)**	**(3)**	**(11,921)**	**(7,428)**
Goodwill	14,704	335					**15,039**
Intangible assets	75,605	640	881			10,905	**88,031**
Property, plant and equipment	17,570	36,364	1,764	25	(9)	466	**56,180**
NON-CURRENT ASSETS	**107,878**	**37,339**	**2,645**	**25**	**(9)**	**11,371**	**159,250**

Note 5: Notes to the income statement

Note 5.1: External expenses

(€'000)	31.12.2020	2019 restated [1]
Marketing and promotion	(5,322)	(5,431)
Rent and maintenance	(1,182)	(3,624)
Transport	(4,161)	(4,680)
Other external services	(14,129)	(14,553)
EXTERNAL EXPENSES	**(24,795)**	**(28,288)**

(1) The 2019 financial statements have been restated for the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See Note 1.25 on the impact of applying this standard.

Note 5.2: Personnel expense

(€'000)	31.12.2020	2019 restated [1]
Payroll	(23,853)	(31,348)
Social security and personal insurance charges	(8,063)	(9,416)
Retirement provisions	(112)	(162)
PERSONNEL EXPENSE	**(32,028)**	**(40,927)**

(1) The 2019 financial statements have been restated for the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See Note 1.25 on the impact of applying this standard.

	31.12.2020	31.12.2019
AVERAGE HEADCOUNT DURING THE YEAR	**1,187**	**1,199**

Besides the disposal of the Polish entities, the 2020 reduction in headcount is due to restructuring operations at MBWS France.

Note 5.3: Other operating income and expenses

Other operating income and expenses are analysed as follows:

(€'000)	Income	Expense	31.12.2020	2019 restated [1]
Provisions and reversals	2,846	(2,602)	245	5,470
Other operating income and expenses	1,281	(3,577)	(2,296)	(1,386)
	4,127	**(6,178)**	**(2,051)**	**4,084**

(1) The 2019 financial statements have been restated for the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See Note 1.25 on the impact of applying this standard.

Provisions and reversals mainly concern reversals of impairment charges on traded goods inventories in France (€0.5 million) and reversals of provisions on receivables in Spain (€0.2 million). Other operating expenses mainly include a loss of €0.8 million on the disinfectant production business in Lithuania.

Note 5.4: Non-recurring operating income and expenses

(€'000)	Income	Expense	31.12.2020
Impairment of goodwill, PP&E and intangible assets	847	(2,338)	(1,491)
Restructuring income and expenses	4,786	(9,942)	(5,157)
Gains/losses on asset disposals, acquisition costs	2,954	(3,023)	(69)
NON-RECURRING OPERATING INCOME AND EXPENSES	**8,587**	**(15,303)**	**(6,716)**

(€'000)	Income	Expense	2019 restated [1]
NON-RECURRING OPERATING INCOME AND EXPENSES	**5,861**	**(26,839)**	**(20,978)**

(1) The 2019 financial statements have been restated for the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See Note 1.25 on the impact of applying this standard.

Net restructuring expenses mainly correspond to compensation for the termination of employment contracts at certain Group entities, as well as payments offset by the related write-backs of provisions for the restructuring plan approved in 2019 at the MBWS France subsidiary (Lormont facility).

Impairment of goodwill, property, plant and equipment and intangible assets mainly include the impairment of trademarks held by the Group, following the impairment tests carried out (see Note 6.1).

Note 5.5: Net financial income/(expense)

(€'000)	Income	Expense	31.12.2020	2019 restated [1]
Income from cash and cash equivalents	89		89	25
Interest and similar charges		(2,934)	(2,934)	(2,197)
Net cost of debt	**89**	**(2,934)**	**(2,845)**	**(2,172)**
Provisions and reversals	6,340		6,340	453
Exchange gains/losses		(2,008)	(2,008)	(505)
Other financial income and expenses	24	137	162	854
	6,364	**(1,870)**	**4,494**	**802**
NET FINANCIAL INCOME/(EXPENSE)	**6,453**	**(4,804)**	**1,649**	**(1,370)**

(1) The 2019 financial statements have been restated for the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See Note 1.25 on the impact of applying this standard.

Net cost of debt mainly comprises interest on bank loans and leases.

€6.3 million under provisions and reversals corresponds to the write-back of a provision following the partial recovery of financial receivables.

Note 5.6: Income tax

BREAKDOWN OF THE TAX CHARGE

(€'000)	31.12.2020	2019 restated [1]
Current tax	(627)	(198)
Deferred tax	(884)	(235)
INCOME TAX (CHARGE)/CREDIT	**(1,511)**	**(433)**

(1) The 2019 financial statements have been restated for the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. See Note 1.25 on the impact of applying this standard.

RECONCILIATION OF THE TAX CHARGE

(€'000)	31.12.2020	2019 reported
Total consolidated net profit/(loss)	**(38,445)**	**(65,921)**
Deduction of profit/(loss) from discontinued operations	(32,912)	
Income tax (charge)/credit	(1,511)	(512)
Pre-tax net profit/(loss)	**(4,023)**	**(65,409)**
Current tax rate applicable to the parent company	*28.0%*	*32.02%*
Theoretical tax (charge)/credit at the statutory rate	**1,126**	**20,944**
Impact of permanent differences	(1,947)	1,312
Impact of use of tax losses not previously recognised	342	601
Recognition /derecognition of tax-loss carryforwards not previously recognised	-	3,732
Impact of unrecognised tax losses for the year	(2,118)	(29,549)
Impact of differences between foreign and French tax rates	472	712
Impact of changes in deferred tax rates	-	(2,257)
Impact of unrecognised taxes	(590)	4,020
Impact of tax credits	1,204	(79)
Other impacts		54
EFFECTIVE TAX (CHARGE)/CREDIT	**(1,511)**	**(512)**

At 31 December 2020, the Group's total tax loss amounted to €359 million: the Group recognised €27 million, i.e. a net DTA of €5.4 million.

Note 5.7: Earnings per share

NET EARNINGS, GROUP SHARE AND NET EARNINGS FROM CONTINUING OPERATIONS, PER SHARE

(€'000 unless specified otherwise)	31.12.2020	31.12.2019 Restated
Numerator *(€'000)*		
Net profit/(loss), Group share	(38,465)	(65,926)
Net profit/(loss) from continuing operations, Group share	(5,553)	(30,215)
Denominator *(number of shares)*		
Number of shares outstanding	44,571,246	41,249,151
Number of shares outstanding after dilution	44,571,246	41,249,151
Earnings per share *(€)*		
Net earnings per share, Group share (€)	-€0.86	-€1.60
Diluted net earnings per share, Group share (€)	-€0.86	-€1.60
Net earnings per share from continuing operations, Group share (€)	-€0.12	-€0.73
Diluted net earnings per share from continuing operations, Group share (€)	-€0.12	-€0.73

Note 6: Notes to the balance sheet

Note 6.1: Intangible assets and goodwill

(€'000)	31.12.2019	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	31.12.2020
Goodwill	145,483				59	(2,136)	(151)	143,255
Concessions and patents	1,963	37			112	(480)		1,632
Usage rights on concessions and patents	973							973
Trademarks	138,247		(10)		80	(4,700)	(2,082)	131,535
Other intangible assets	24,148	649	(303)		(2,020)	(2,899)	(208)	19,368
Right-of-use assets – other intangible assets	111				(111)			
Gross value	**310,925**	**686**	**(313)**		**(1,880)**	**(10,215)**	**(2,441)**	**296,762**
Goodwill	(130,445)				(59)	1,824	130	(128,550)
Concessions and patents	(1,481)			(51)	(199)	417	16	(1,298)
Usage rights on concessions and patents	(195)			(195)				(390)
Trademarks	(61,459)		10	(2,305)	(24)	5,976	506	(57,296)
Other intangible assets	(14,237)		56	(2,227)	2,080	2,772	200	(11,357)
Right-of-use assets – other intangible assets	(37)				36			(1)
Depreciation and provisions	**(207,854)**		**66**	**(4,778)**	**1,834**	**10,989**	**852**	**(198,892)**
NET VALUE	**103,070**	**686**	**(247)**	**(4,778)**	**(46)**	**774**	**(1,589)**	**97,871**

(€'000)	31/12/2018 (1)	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	31.12.2019
Goodwill	173,293				(1)	(28,123)	314	145,483
Concessions and patents	1,943	14	(1)		989	(11)	2	2,936
Trademarks	138,200		(7)				54	138,247
Other intangible assets	20,844	3,646	(76)		(16)	(174)	36	24,259
Right-of-use assets – other intangible assets								
Gross value	**334,281**	**3,660**	**(84)**		**972**	**(28,308)**	**406**	**310,925**
Goodwill	(158,256)					28,122	(311)	(130,445)
Concessions and patents	(1,462)		1	(226)	6	6	(1)	(1,676)
Trademarks	(58,341)		7	(3,084)			(41)	(61,459)
Other intangible assets	(12,563)		73	(1,772)	(94)	154	(35)	(14,237)
Right-of-use assets – other intangible assets				(37)				(37)
Depreciation and provisions	**(230,622)**		**81**	**(5,082)**	**(88)**	**28,283**	**(388)**	**(207,854)**
NET VALUE	**103,657**	**3,660**	**(4)**	**(5,082)**	**884**	**(26)**	**18**	**103,070**

(1) IFRS 16: As the Group has elected to apply the simplified retrospective approach, the 2018 financial statements have not been restated for the application of IFRS 16 – Leases. See Note 1.2 on the impact of applying this standard.

GOODWILL

Goodwill is derived from historical acquisitions of companies and brands made by the MBWS Group, the largest items being Marie Brizard and William Peel.

TRADEMARKS

At 31 December 2020, the carrying amount of trademarks was €74.2 million. The principal trademarks valued were the Marie Brizard trademarks acquired by the Group in 2006.

The William Peel trademark is pledged to a bank as security for the loan taken out by the Group in July 2017, €45 million of which remains due.

Leasehold rights

Long-term leasehold rights on land in Poland meet the criteria for recognising an intangible asset under IFRS and are amortised over the 99-year period of the long-term lease.

IMPAIRMENT OF NON-CURRENT ASSETS

Pursuant to IAS 36, impairment tests were carried out as at 31 December 2020 on all intangible assets with an indefinite useful life (goodwill and trademarks) and any other non-current assets showing evidence of impairment. The procedures followed for these tests are explained in Note 1.13.

For the value in use, the cash management plans used are determined on the basis of the 2021 budget approved by the Board of Directors and three-year growth assumptions approved by the Finance Department. The key assumptions used to prepare these plans include expected growth rates for the wine and spirits sector (perpetual growth rate), operating margins and the Group's ability to achieve its business forecasts.

The Group also uses the relief from royalty method for impairment tests on trademarks. The key assumptions used to establish the amounts of these royalties include expected perpetual growth rates and royalty rates.

Impairment tests were carried out on each of the Group's trademarks, goodwill and CGUs in respect of 2020, as a result of which an impairment charge of €2.3 million was recognised against trademarks.

The primary data and assumptions used for impairment testing of CGUs are the following:

(€'000)	Method to determine the recoverable amount	Carrying amount of goodwill at 31/12/2020	Carrying amount of trademarks at 31/12/2020	2020 discount rate	Perpetual growth rate
France	Value in use	14,705	74,239	8.3%	1%-1.7%
Lithuania	Value in use	-	-	8.7%	1%
Bulgaria	Fair value	-	-	9.1%	1%
Spain	Fair value	-	-	8.9%	1%
Brazil	Fair value	-	-	10.9%	1%

SENSITIVITY TESTING

Changes in value in use resulting from changes in the assumptions adopted for impairment testing are shown below:

(€'000)	50 bp increase in post-tax discount rate	50 bp decrease in perpetual growth rate	50 bp decrease in operating margin
France	(6,690)	(7,173)	(7,010)
Lithuania	(2,134)	(2,296)	(3,634)
Changes in CGU value in use	**(8,823)**	**(9,469)**	**(10,644)**

(€'000)	50 bp increase in post-tax discount rate	50 bp decrease in perpetual growth rate	50 bp decrease in royalty rate
Changes in trademark value in use	**(9,785)**	**(10,473)**	**(4,593)**

As at 31 December 2020, a €2.3 million impairment charge was recorded against the Marie Brizard, Old Lady's and Glen Roger's trademarks. The cumulative sensitivity effects presented above would result in additional impairment charges of €5.2 million against the Marie Brizard trademark.

Note 6.2: Property, plant and equipment

(€'000)	31.12.2019	First-time application of IFRS 16	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	31.12.2020
Land	8,111		9	(723)		(1,212)	(34)	(245)	5,907
Right-of-use assets – land	1,723					34	(849)	(60)	848
Buildings	80,097		381	(816)		(17,108)	(24,660)	(1,938)	35,956
Right-of-use assets – buildings	8,635		1,654			(6,022)	(1,852)	(140)	2,276
Plant, machinery and equipment	94,628		2,219	(893)		(6,378)	(38,191)	(2,428)	48,956
Right-of-use assets – plant, machinery and equipment	11,274		320			(10,394)		(373)	828
Other PP&E	11,887		161	(974)		(10,013)	(2,775)	(209)	(1,923)
Right-of-use assets – other PP&E	4,159		153	(440)		(407)	(800)	(204)	2,461
PP&E in progress	10,141		1,484	(33)		362	(1,742)	(58)	10,153
Gross value	**230,655**		**6,380**	**(3,879)**		**(51,137)**	**(70,902)**	**(5,654)**	**105,461**
Land	(1,675)				(819)	1,689			(805)
Right-of-use assets - land	-			313	(71)	(479)	104	7	(126)
Buildings	(65,634)			535	(3,396)	23,621	16,523	1,384	(26,970)
Right-of-use assets – buildings	(2,651)				(1,695)	2,723	1,002	55	(566)
Plant, machinery and equipment	(84,451)			2,027	(4,166)	12,213	31,315	2,130	(40,931)
Right-of-use assets – plant, machinery and equipment	(1,599)				(1,024)	2,146		23	(455)
Other PP&E	(14,453)			837	3,764	2,251	1,926	176	(5,499)
Right-of-use assets – other PP&E	(3,568)			418	(1,018)	1,857	671	115	(1,525)
PP&E in progress	(443)				(31)				(474)
Depreciation and provisions	**(174,474)**			**4,130**	**(8,457)**	**46,020**	**51,540**	**3,890**	**(77,350)**
NET VALUE	**56,180**		**6,380**	**251**	**(8,457)**	**(5,117)**	**(19,362)**	**(1,764)**	**28,111**

(€'000)	31/12/2018 (1)	First-time application of IFRS 16	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	31.12.2019
Land	10,093			(62)		(61)	(1,868)	9	8,111
Right-of-use assets – land	1,147	1,298		(731)				9	1,723
Buildings	71,146		330	(453)		13,667	(4,910)	316	80,097
Right-of-use assets – buildings	7,574	12,995	1,477	(13,411)					8,635
Plant, machinery and equipment	93,683		982	(517)		2,038	(1,853)	295	94,628
Right-of-use assets – plant, machinery and equipment	2,990	406	196	(428)		8,030		80	11,274
Other PP&E	17,189		368	(2,390)		888	(4,251)	83	11,887
Right-of-use assets – other PP&E	11,163	2,068	591	(465)		(9,236)		37	4,159
PP&E in progress	26,383		2,284	(2,336)		(16,204)	(3)	17	10,141
Gross value	**241,368**	**16,768**	**6,229**	**(20,793)**		**(878)**	**(12,884)**	**846**	**230,655**
Land	(1,792)				(135)	61	196	(4)	(1,675)
Buildings	(54,241)			216	(8,372)	(4,722)	1,706	(221)	(65,634)
Right-of-use assets – buildings	(5,945)	(267)		5,717	(3,157)	228	785	(13)	(2,651)
Plant, machinery and equipment	(82,828)			587	(4,035)	(317)	2,433	(290)	(84,451)
Right-of-use assets – plant, machinery and equipment	(1,332)			56	(416)	94			(1,599)
Other PP&E	(17,939)			2,066	(1,925)	1,002	2,390	(46)	(14,453)
Right-of-use assets – other PP&E	(1,131)	14		471	(1,515)	(1,398)	9	(19)	(3,568)
PP&E in progress	(6,709)			20	1,017	5,234		(5)	(443)
Depreciation and provisions	**(171,917)**	**(253)**		**9,133**	**(18,538)**	**182**	**7,518**	**(599)**	**(174,474)**
NET VALUE	**69,451**	**16,515**	**6,229**	**(11,660)**	**(18,538)**	**(697)**	**(5,366)**	**247**	**56,180**

(1) IFRS 16: As the Group has elected to apply the simplified retrospective approach, the 2018 financial statements have not been restated for the application of IFRS 16 – Leases. See Note 1.2 on the impact of applying this standard.

Increases in non-current assets mainly concern the lease of new offices at 10-12 avenue du Général de Gaulle in Charenton-le-Pont with the owner COFEPP, which was signed on 1 August 2020 in the amount of €1.7 million.

Note 6.3: Financial assets

(€'000)	31.12.2019	Acquisitions/ increases	Disposals/ decreases	Net charges	Other changes	Change in consolidation	Translation differences	31.12.2020
Equity investments	7,699		(173)		18	(803)	449	7,190
Other long-term securities	17				(7)			10
Other financial assets	15,633	3,394	(6,805)		666	473	(490)	12,870
Other receivables	11,112		(4,862)					6,250
Gross value	**34,462**	**3,394**	**(11,840)**		**677**	**(330)**	**(41)**	**26,321**
Equity investments	(7,362)		171					(7,191)
Other financial assets	(13,601)		6,340		20			(7,241)
Other receivables	(11,112)		4,862					(6,250)
Impairment charges	**(32,075)**		**11,373**		**20**			**(20,681)**
NET VALUE	**2,387**	**3,394**	**(467)**		**697**	**(330)**	**(41)**	**5,640**

(€'000)	31.12.2018	Acquisitions/ increases	Disposals/ decreases	Net charges	Other changes	Change in consolidation	Translation differences	31.12.2019
Equity investments	7,407				310	(67)	50	7,699
Other long-term securities	17							17
Other financial assets	15,963	117	(428)		(316)	299	(2)	15,633
Other receivables	11,339		(227)					11,112
Gross value	**34,726**	**117**	**(655)**		**(6)**	**232**	**48**	**34,462**
Equity investments	(7,362)							(7,362)
Other financial assets	(13,954)		353					(13,601)
Other receivables	(11,112)							(11,112)
Impairment charges	**(32,428)**		**353**					**(32,075)**
NET VALUE	**2,298**	**117**	**(302)**		**(6)**	**232**	**48**	**2,387**

EQUITY INVESTMENTS

Equity investments primarily correspond to investments in companies with no operations or companies that are in the process of being shut down. All of these securities have been fully written off.

OTHER FINANCIAL ASSETS

Other financial assets primarily correspond to the commercial paper purchased from Clico Investment Bank in 2006.

Note 6.4: Inventory and work-in-progress

The breakdown of inventory and work-in-progress at year-end was as follows:

(€'000)	31.12.2020	31.12.2019
Raw materials	20,380	29,703
Work-in-progress	5,732	4,994
Semi-finished and finished goods	8,596	16,338
Traded goods	4,300	13,511
Gross value	**39,009**	**64,546**
Raw materials	(415)	(2,906)
Work-in-progress	-	(109)
Semi-finished and finished goods	(392)	(1,570)
Traded goods	(390)	(5,970)
Impairment charges	**(1,197)**	**(10,555)**
NET VALUE	**37,811**	**53,991**

As at 31 December 2019, Moncigale and the Polish entities' inventories and work-in-progress came to €8 million and €6.5 million, respectively.

Note 6.5: Trade receivables

(€'000)	31.12.2020	31.12.2019
Trade receivables	22,199	50,451
Impairment of trade receivables	(1,386)	(3,782)
NET TRADE RECEIVABLES	**20,813**	**46,669**

As at 31 December 2019, net trade receivables at Moncigale and the Polish entities amounted to €3.3 million and €20.8 million, respectively.

Some Group companies, primarily in France, have signed direct factoring agreements with their main customers, in order to boost the performance of their key operating working capital indicators.

Off-balance sheet factoring agreements meet the derecognition conditions set out in IFRS 9. Accordingly, the trade receivables assigned are not shown under balance sheet assets. The amount received as at 31 December 2020 in consideration for assigned receivables not due was €20.5 million, compared with €66.1 million as at 31 December 2019.

Note 6.6: Other current assets

(€'000)	31.12.2020	31.12.2019
Advances and payments on account	7,051	7,791
Payroll and tax receivables	3,245	9,036
Short-term deposits	146	
Other receivables	14,750	19,925
Gross value	**25,192**	**36,752**
Other receivables	(3,069)	(4,066)
Impairment charges	**(3,069)**	**(4,066)**
NET VALUE	**22,123**	**32,686**

Note 6.7: Cash and cash equivalents

(€'000)	31.12.2020	31.12.2019
Cash equivalents	513	3
Cash	41,562	26,190
CASH AND CASH EQUIVALENTS	**42,075**	**26,193**
of which unavailable cash under bank covenants or local regulations, or not convertible in the short term (e.g. deposit denominated in TTD)	*€10.0m*	*€9.7m*

Note 6.8: Shareholders' equity

Breakdown of share capital and dilutive instruments

	31.12.2020	31.12.2019
Share capital *(€)*	62,578,382	89,395,808
Number of shares	44,698,844	44,697,904
Par value *(€)*	1.4	2
Treasury shares		
Number of shares	127,437	113,400

Shares held at the end of 2020 are shares held in registered accounts. The treasury shares held by the Group have no voting or dividend rights.

POTENTIAL DILUTION

	31.12.2020	31.12.2019
Number of shares comprising the share capital	**44,698,844**	44,697,904
Potential dilution from exercise of warrants	-	-
Potential dilution from bonus shares	0	0
Potential dilution from bonus performance shares		
Potential dilution from exercise of stock options	0	0
Potential number of shares	**44,698,844**	**44,697,904**
SHARE CAPITAL IN EUROS *(PAR VALUE OF €1.4)*	**62,578,382**	**89,395,808**

There was no potential dilution from share warrants as at 31 December 2020, as the exercise price was higher than the average share price for the 2019 financial year.

SHARE WARRANTS AS AT 31 DECEMBER 2020

	Conversion ratio	Subscription price per share	Exercise price per warrant	Final exercise date	31.12.2020	31.12.2019
Long-term share warrants	0.43	3.00	1.30	30/09/2022	37,722,407	37,724,569
BSA 2023	1.00	25.00	25.00	31/12/2023	1,659,772	1,659,772
NUMBER OF SHARE WARRANTS OUTSTANDING					**39,382,179**	**39,384,341**

INFORMATION ON STOCK OPTION AND BONUS SHARE PLANS

	12/03/2015 PLAN	12/03/2015 PLAN	1 July 2016 PLAN	01/07/2016 PLAN B	01/07/2016 PLAN C	1 July 2016 PLAN
Type of options/shares	Purchase	Bonus	Bonus	Bonus	Bonus	Bonus
Performance criteria	Yes	No	Yes	Yes	Yes	No
Employment criteria	Yes	Yes	Yes	Yes	Yes	Yes
Number of options/shares that may be granted initially	529,729	529,729	566,363	566,363	566,363	566,363
Number of beneficiaries	26	469	22	4	1	469
Allotment date	12/03/2015	12/03/2015	01/07/2016	20/09/2016	25/04/2017	01/07/2016
Start date for exercise of options	30/06/2015	12/03/2022	30/06/2019	30/06/2019	30/06/2019	01/07/2022
Number of options/shares initially allotted	**480,000**	**9,380**	**419,000**	**27,200**	**39,000**	**4,690**
Number of options exercised/shares vested	(42,000)	(20)	(407,000)	(27,200)	(39,000)	
Number of options/shares cancelled	(365,000)	(760)	(12,000)			(360)
Number of options/shares outstanding as at 31/12/2019	**73,000**	**8,600**	**0**	**0**	**0**	**4,330**
Exercise price (€)	10.64	N/A	N/A	N/A	N/A	N/A
Expiry date	12/03/2020	N/A	30/06/2024	30/06/2024	30/06/2024	N/A
EXPENSE RECORDED FOR STOCK OPTIONS AND SHARES FOR 2018 (€'000)						

Note 6.9: Employee benefits

The Group's commitments comprise end-of-career benefits and long-service awards. These defined benefit plans are accounted for in accordance with IAS 19 revised.

The two main countries concerned by employee benefits are France and Poland.

As at 31 December 2020, the commitments amounted to €3.1 million.

SUMMARY OF ASSUMPTIONS USED TO CALCULATE COMMITMENTS

The basic assumptions for the actuarial calculations were determined with the help of actuaries in each country. The assumptions taken into account for 2020 and 2019 break down as follows for each region:

	31.12.2020	31.12.2019	
	France	France	Poland
Discount rate	0.35%	0.7%	2.0%
Inflation rate	2.0%	2.0%	2.0%
Wage inflation	2.5%	2.5%	2.5%-3.5%
Staff turnover and mortality	INSEE 2014-2016	Birth/death rates table 2012-2014	2016 social security office table and Polish statistics office table

CHANGE IN ACTUARIAL LIABILITY

(€'000)	31.12.2020	31.12.2019
Opening actuarial liability	**5,730**	**6,034**
Current service cost	392	553
Interest on actuarial liability	31	107
Plan settlement/curtailment	(40)	(925)
Actuarial (gains) and losses	125	220
Benefits paid	(152)	(208)
Change in consolidation scope	(2,715)	(62)
Other changes		(3)
Translation differences		12
Closing actuarial liability	**3,370**	**5,730**
Fair value of plan assets at beginning of period	**197**	**257**
Contributions paid by the Group	159	(37)
Benefits paid	(135)	(42)
Interest income		4
Plan settlement/curtailment		
Actuarial (gains) and losses		14
Fair value of plan assets at end of period	**220**	**196**
PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS	**3,150**	**5,533**

(€'000)	31.12.2020	31.12.2019
Current service cost	392	553
Actuarial (gains) and losses on other long-term benefits	(48)	70
Plan settlement/curtailment	(40)	(925)
Interest on actuarial liability	31	107
Expected return on plan assets	(1)	(4)
CHARGE FOR THE YEAR	**333**	**(199)**

Note 6.10: Provisions

(€'000)	31.12.2019	Charges	Reversal (prov. used)	Reversal (prov. not used)	Other changes	Change in consolidation	Translation differences	31.12.2020
Provisions for pensions and employee benefits(see Note 6.9)	**5,533**	**1,581**	**(1,516)**		**(1,359)**	**(1,011)**	**(78)**	**3,150**
Social security provisions	529	740	(563)					706
Other non-current provisions	2,709	510						3,219
Other non-current provisions	**3,238**	**1,250**	**(563)**					**3,925**
Social security provisions – due in < 1 year	7,117	2,780	(3,975)	(45)				5,877
Other provisions – due in < 1 year	3,060	465	(2,222)	(44)			(88)	1,171
Current provisions	**10,177**	**3,245**	**(6,197)**	**(89)**			**(88)**	**7,048**

(€'000)	31.12.2018	Charges	Reversal (prov. used)	Reversal (prov. not used)	Other changes	Change in consolidation	Translation differences	31.12.2019
Provisions for pensions and employee benefits (see Note 6.9)	**5,776**	**747**	**(1,074)**		**133**	**(62)**	**13**	**5,533**
Social security provisions	706	275	(397)	(55)	-	-	-	529
Other non-current provisions	(1)	2,710	-	-	-	-	-	2,709
Other non-current provisions	**705**	**2,985**	**(397)**	**(55)**	**-**	**-**	**-**	**3,238**
Social security provisions – due in < 1 year	1,793	6,756	(957)	(475)	-	-		7,117
Other provisions – due in < 1 year	2,260	2,476	(1,675)	(86)	89	-	(3)	3,060
Current provisions	**4,053**	**9,232**	**(2,632)**	**(561)**	**89**	**-**	**(3)**	**10,177**

SOCIAL SECURITY PROVISIONS

Social security provisions mainly relate to the reorganisation of the France sales force announced at the end of June 2019. They amounted to €5.3 million at 31 December 2020, down €2.3 million from 31 December 2019. This reduction is a result of the expenses incurred in the execution of this plan.

Note 6.11: Borrowings

Group borrowings amounted to €85.7 million at 31 December 2020, including €4 million in lease liabilities, up €12.8 million from 31 December 2019. This increase results from the cash advance granted by COFEPP for business requirements (see Note 1.2 Going concern). At 31 December 2020, borrowings mainly consisted of the senior loan, under which €45 million has been drawn, transferred to COFEPP from MBWS's lending banks under the agreement signed on 17 January 2020 (see Note 1.2 Going concern). At 31 December 2020, Group net debt amounted to €43.6 million.

BREAKDOWN OF BORROWINGS BY TYPE AND MATURITY

(€'000)	31.12.2020	Current	Non-current	31.12.2019	Current	Non-current
Senior debt	-	-	-	45,119	45,119	-
Other medium to long-term borrowings	76,359	13,802	62,557	224	224	-
Lease liabilities	4,016	1,221	2,795	15,279	5,590	9,689
Short-term financing and overdrafts	5,287	5,287	-	12,292	12,292	-
Gross debt	**85,662**	**20,310**	**65,352**	72,914	63,225	9,689
Cash & cash equivalents	**(42,075)**	**(42,075)**	**-**	**(26,193)**	**(26,193)**	**-**
NET BORROWINGS	**43,587**	**(21,765)**	**65,352**	**46,721**	**37,032**	**9,689**

At 31 December 2019, the senior debt was classified as current due to non-compliance with financing covenants at the 2017 closing date and the agreements subsequently concluded with bank partners. At 31 December 2020, the maturity of the financing granted by COFEPP, including the assignment of senior debt, is based on the agreements between the MBWS Group and COFEPP, as the conditions precedent for the capital increase had not been lifted as of 31 December 2020.

BREAKDOWN OF BORROWINGS BY CURRENCY

(€'000)	31.12.2020	31.12.2019
Euro	82,264	52,760
Polish zloty	-	16,555
Other currencies	3,398	3,599
TOTAL BORROWINGS	**85,662**	**72,914**

Note 6.12: Financial instruments and management of financial risk

ACCOUNTING CLASSIFICATION AND MARKET VALUE OF FINANCIAL INSTRUMENTS

The following table presents the fair value of financial assets and liabilities, as well as their carrying amount.

The Group distinguishes between three categories of financial instruments based on the valuation methods used. It uses this classification, in accordance with international accounting standards, to present the characteristics of the financial instruments recognised on the balance sheet at fair value through profit or loss at the closing date:

- Level 1: financial instruments quoted in active markets;
- Level 2: financial instruments for which the fair value assessment calls for valuation techniques based on observable market data;
- Level 3: financial instruments for which the fair value assessment calls for valuation techniques based on non-observable data (inputs with a value resulting from assumptions not based on transaction prices observable on the markets, on the same instrument or on observable market data available at year-end) or which are only partially observable.

		BREAKDOWN BY ACCOUNTING CLASSIFICATION				
(€'000)	VALUATION LEVEL	Fair value through profit or loss	Fair value through equity	Financial assets at amortised cost	Liabilities at amortised cost	Carrying amount 31/12/2020
Assets:						
Non-consolidated equity investments	Level 3		(1)			**(1)**
Other financial assets				5,640		**5,640**
Trade receivables				20,813		**20,813**
Other current assets				22,123		**22,123**
Asset derivatives	Level 2		70			**70**
Cash & cash equivalents				42,075		**42,075**
Liabilities:						
Long-term borrowings					80,375	**80,375**
Short-term borrowings					5,287	**5,287**
Liability derivatives	Level 2		98			**98**

		BREAKDOWN BY ACCOUNTING CLASSIFICATION				
(€'000)	VALUATION LEVEL	Fair value through profit or loss	Fair value through equity	Financial assets at amortised cost	Liabilities at amortised cost	Carrying amount31/12/2019
Assets:						
Non-consolidated equity investments	Level 3		338			338
Other financial assets				2,050		2,050
Trade receivables				46,669		46,669
Other current assets				32,686		32,686
Asset derivatives	Level 2	21	136			157
Cash & cash equivalents				26,193		26,193
Liabilities:						
Long-term borrowings					60,621	60,621
Short-term borrowings					12,292	12,292
Liability derivatives	Level 2		2			2

The valuation methods adopted for financial instruments are as follows:

- Other non-financial assets: the carrying amounts are a reasonable approximation of fair value.
- Derivatives: fair value is determined according to the standard valuation methods including market conditions at year-end.

MANAGEMENT OF FINANCIAL RISK

Liquidity risk

At 31 December 2020, Group cash and cash equivalents amounted to €42.1 million. Group financing arrangements include long-term borrowings (assignment of senior debt to COFEPP), short-term credit facilities and factoring agreements. Current market conditions and the losses recorded by the Group have curtailed its refinancing options, thereby giving rise to liquidity risk. The Group's financial capacity therefore depends on a return to profitability and positive cash flows (see Notes 1.3 and 6.11).

The following table presents the maturity of each financing arrangement:

(€'000)	Amounts outstanding at 31/12/2020	< 1 year	2 years	3 years	4 years	5 years +
Senior debt						
Other medium to long-term borrowings	76,359	13,802	62,557			
Finance leases	4,016	1,221	1,255	381	395	764
Short-term financing and overdrafts	5,287	5,287				
TOTAL GROSS DEBT	**85,662**	**20,310**	**63,812**	**381**	**395**	**764**

Market risk

Market risk corresponds to the risk that changes in market prices, such as exchange rates, interest rates and the price of equity instruments, will affect Group earnings or the value of financial instruments held. The main market risk that the Group faces is currency risk. The Group is exposed to currency risk insofar as sales, purchases, receivables and borrowings are denominated in a different currency to the functional currency of each Group entity. The functional currencies of Group entities are primarily the euro, the Polish zloty and the US dollar. The types of transaction listed above are mainly denominated in euro, Polish zloty, US dollar and pound sterling.

The Group's main exposure relates to purchases of whisky in pounds sterling.

The Group opted not to hedge its exposure to currency risk: at 31 December 2020, it no longer held any derivative instruments. At 31 December 2019, currency derivatives eligible for hedge accounting essentially covered future purchases in other currencies and were presented either in assets under "Asset derivatives" or liabilities under "Liability derivatives".

(€'000)	31.12.2020	Current	Non-current	31.12.2019	Current	Non-current
Asset derivatives	**70**	**70**		**157**	**157**	
Asset derivatives – at fair value through profit or loss						
Asset derivatives – cash flow hedge	70	70		136	136	
Asset derivatives – fair value hedge				21	21	
Liability derivatives	**98**	**98**		**2**	**2**	
Liability derivatives – at fair value through profit or loss						
Liability derivatives – cash flow hedge	98	98		2	2	
Liability derivatives – fair value hedge						
TOTAL DERIVATIVES	**(28)**	**(28)**		**155**	**155**	**(143)**

(€'000 unless specified otherwise)		Nominal value	Fair value – assets	Fair value – liabilities	Net value 31/12/2020	Net value 31/12/2019
Forward currency purchases / Options	6	£m	70	(98)	(28)	155
Other						
TOTAL FOREIGN EXCHANGE DERIVATIVES			**70**	**(98)**	**(28)**	**155**

Risk relating to shares and other financial investments

The Group has no financial investments likely to be exposed to the risk of price fluctuations.

Counterparty risk on financial transactions

The Group may be exposed to counterparty risk, including on temporary cash investments,

the value of hedging instruments and the recovery of trade receivables.

The Group selects its counterparties in a thorough and diverse manner in order to limit its exposure.

The counterparty risk relating to trade receivables is limited, due to the significant number of customers included in the portfolio and their geographical diversification.

The ageing schedule for trade receivables as at 31 December 2020 and 2019 was as follows:

(€'000)	31.12.2020	Not due	< 90 days	overdue	90-180 days	overdue	> 180 days	overdue
Trade receivables	22,199	16,795	3,815		274		1,315	
Impairment charges	(1,386)		(15)		(3)		(1,368)	
NET TRADE RECEIVABLES	**20,813**	**16,795**	**3,800**		**271**		**(53)**	

(€'000)	31.12.2019	Not due	< 90 days	overdue	90-180 days	overdue	> 180 days	overdue
Trade receivables	50,541	36,938	8,983		178		4,352	
Impairment charges	(3,782)	(12)	(234)		(51)		(3,484)	
NET TRADE RECEIVABLES	**46,669**	**36,926**	**8,749**		**127**		**867**	

Note 6.13: Other liabilities

OTHER NON-CURRENT LIABILITIES

(€'000)	31.12.2020	31.12.2019
Investment subsidies	1,471	1,807
Other	280	49
OTHER NON-CURRENT LIABILITIES	**1,751**	**1,855**

OTHER CURRENT LIABILITIES

(€'000)	31.12.2020	31.12.2019
Advances and down payments received	1,516	4,158
Tax and social security payables (incl. excise duty)	26,800	45,551
Deferred income	61	75
Other payables	4,207	6,531
OTHER CURRENT LIABILITIES	**32,584**	**56,315**

Note 7: Additional information

Note 7.1: Pledging of assets and off-balance sheet commitments

PLEDGES

Country	Nature of the obligation	Nature of the assets	Value of pledge at 31/12/2020 *(€'000)*
France	COFEPP Advances	Pledge of trademarks, securities and current account receivables	40,200
	COFEPP senior loan	Pledge of trademarks, securities and current account receivables	45,000
	Bank loan	Inventory	2,784
Bulgaria	Credit facility	Real estate	6,753
Lithuania	Loans and credit facilities	Real estate, warehouse, inventories, operating receivables, current account deposit, right to use the Sobieski trademark in Vilnius	22,000
Denmark	Credit facility	Inventory	302

OFF-BALANCE SHEET COMMITMENTS

The William Peel trademark pledge made to banks as security for the loan taken out by the Group in July 2017 for a principal amount of €45 million, still outstanding, was transferred to COFEPP in January 2020 following the three-way agreement on the assignment of the Group's French bank debt.

Liability guarantee

A liability guarantee of €453,000 was granted in connection with the sale of Galerie Alkoholi sp. z o.o. by Sobieski Trade to Carrefour.

Alcohol duty deposits

In some countries where Group subsidiaries operate (France, Poland, Lithuania, Bulgaria and Denmark), deposits must be paid to Customs as security for payment of excise duties on alcohol. These deposits are generally paid by insurance companies and banks on behalf of the subsidiaries concerned.

Long-term purchase commitments

Cognac Gautier has contracted long-term commitments to purchase cognac raw materials.

MBWS France has contracted long-term commitments to purchase whisky raw materials.

Moncigale has entered into three-year commitments to purchase wine.

(€'000)	31.12.2020	< 1 year	1 to 3 years	> 3 years
Commitments relating to the issuer's operating activities				
Commitment to purchase raw materials	235,424	41,144	49,106	145,175

Note 7.2: Litigation and contingent liabilities

DISPUTE RELATING TO THE KRUPNIK TRADEMARK

Proceedings for unfair competition were initiated by Polish subsidiary Destylarnia Sobieski against Toorank Polska sp. z o.o. on grounds of this company's illegal use of the Krupnik trademark.

The Polish Trademark Office took the arguments of our subsidiary into account, deciding to uphold protection of the trademark and thus recognise its validity. This decision reinforces our subsidiary's exclusive rights over the Krupnik trademark, as well as its standing with regard to future trademark infringement.

However, proceedings initiated by the Polish subsidiary Destylarnia Sobieski with regard to unfair competition and the illegal use of the Krupnik trademark by Toorank Polska are still pending. On 5 October 2017, the Court issued a provisional ruling banning Toorank from selling any beverages under the Krupnik trademark. Toorank appealed against this ruling on 27 November 2017.

Proceedings before the Warsaw Court of Appeal are ongoing.

Following the disposal of the Polish entities, the Group believes it is no longer exposed to this risk.

DISPUTE IN UKRAINE

The Company's Ukrainian subsidiary, Belveder Ukraine LLC, was placed in court-ordered liquidation in January 2014, on the basis of a ruling handed down by the Kiev Commercial Court following proceedings instituted at the request of one of the company's creditors in July 2011.

MBWS holds around 85% of Belveder Ukraine LLC's overall debt.

Belveder Ukraine LLC's assets (including shares in the subsidiaries owned by the company in liquidation and assets belonging to its subsidiaries, which are now controlled by the liquidator appointed by the Kiev Commercial Court) were transferred to a third party outside the Company's control in November 2014.

Following several proceedings initiated by the Company, the Kiev Court upheld the Company's claims in early April 2015, (i) overturned the November 2014 sale of its assets in Ukraine and (ii) ordered the liquidation proceedings to be reopened.

This decision was upheld by the Ukraine High Commercial Court on 22 March 2016. However, several decisions have been handed down since then, including one approving the resale of assets by the first purchaser, despite the first sale having been declared invalid.

Proceedings were still pending at the reporting date.

YELKENCI DISPUTE

On 25 July 2016, Mr Yelkenci, director of Turkish subsidiary Belvedere Icecek until January 2010, requested that the Company pay him the indemnities owed under an employment contract and reimburse him for amounts he allegedly paid on behalf of the subsidiary, liquidated in 2011.

Following a hearing held on 19 November 2019, the Créteil Commercial Court dismissed Mr Yelkenci's indemnity claim. The Group believes it is no longer exposed to this risk.

OTHER POINTS

On 11 April 2019, the French antitrust authorities conducted unannounced visits and seizures at the Company's premises as part of an investigation into suspected anti-competitive practices, namely the exchange of information between (i) COFEPPand MBWS and between (ii) MBWS and Castel, in breach of cartel regulations. The Company provided all available information and remained at the disposal of the investigation department of the French antitrust authorities to provide any additional information. As part of this procedure, the Group had also contested the legality of the order of the liberty and custody judge, which was the basis of the visit and seizures, and of the manner in which the visit and seizures were conducted, before the Paris Court of Appeal. In a ruling dated 9 December 2020, the Paris Court of Appeal upheld the order handed down by the liberty and custody judge and dismissed the Company's appeal.

To date, the Company has received no information from the French antitrust authorities as to whether the matter is being pursued or not. In any case, since April 2019 the Company has undergone no further investigations by the French antitrust authorities. If the antitrust authorities were to pursue the matter, it would be difficult at this stage to assess its potential impact on MBWS. Therefore, no provision has been recognised in the Company's financial statements to date.

Note 7.3: Related parties

Material transactions with related parties mainly include transactions with subsidiaries of the COFEPP group. In 2020, they comprised:

- advances and borrowings granted by COFEPP, described under Highlights in Notes 2.1 and 2.2, including borrowings of €45 million, overdraft facilities drawn down in a principal amount of €1.1 million, and €28 million in advances;
- raw material purchases (€4.7 million in 2020 versus €5.3 million in 2019);
- sales of finished goods (€8.7 million in 2020 versus €5.5 million in 2019);
- off-balance sheet commitments of €2.4 million.

Note 7.4: List of consolidated companies as at 31 December 2020

			MARIE BRIZARD WINE & SPIRITS		
POLAND	**Method**	**Interest**	**FRANCE**	**Method**	**Interest**
MBWS Polska	Not consolidated	-	MBWS France	FC	100.00%
Destylernia Sobieski	Not consolidated	-	Cognac Gautier	FC	100.00%
			Moncigale	FC	100.00%
Polmos Lancut	Not consolidated	-			
Domain Menada Sp. Z.o.o.	Not consolidated	-	**SPAIN**	**Method**	**Interest**
			MBWS España SA	FC	99.45%
			UNITED STATES	**Method**	**Interest**
			Imperial Brands	FC	100.00%
BULGARIA	**Method**	**Interest**			
MBWS Bulgaria	FC	100.00%	**DENMARK**	**Method**	**Interest**
Domain Menada Distribution	FC	100.00%	MBWS Scandinavia	FC	100.00%
Domain Menada	FC	100.00%	**BRAZIL**	**Method**	**Interest**
Domain Menada Vineyards	FC	100.00%	Dubar	FC	100.00%
Sakar Vineyards	FC	100.00%			
			OTHER REGIONS	**Method**	**Interest**
LITHUANIA	**Method**	**Interest**	Sobieski Trading Shanghai (China)	FC	100.00%
Prekyba Alkoholiniais Gėrimai Uab	FC	100.00%	Sobieski Sarl (France)	FC	100.00%
Prekių Ženklų Valdymas Uab	Not consolidated	-	SVI (France)	FC	100.00%
Vilniaus Degtiné AB	FC	98.91%	MBWS HK Ltd. (Hong Kong)	FC	100.00%
			GAIA I (France)	FC	100.00%
			GAIA II (France)	FC	100.00%
			OMEGA I (France)	FC	100.00%
			MBWS International (France)	FC	100.00%
			MBWS Ltd (Trinidad and Tobago)	FC	100.00%

Note 7.5: Post-balance sheet events

SIGNING OF A NEW SCOTCH WHISKY SUPPLY AGREEMENT

On 12 January 2021, after extensive discussions under the 16 July 2020 agreement, MBWS signed a new contract with its main bulk supplier of Scotch whisky, replacing the existing contract.

This new agreement redefines the Group's minimum annual purchase commitments in terms of volume, compared with those initially planned for 2021 and subsequent years under the terms of the previous contract.

These purchase commitments currently represent almost all of the Group's Scotch whisky supply requirements for its brands William Peel and Sir Pitterson.

Given the minimum contractual purchase commitments it provides for, this new contract also includes a renegotiation clause in the event that any significant and unforeseeable events beyond the Group's control affect its ability to meet said volume commitments.

Furthermore, and pursuant to the terms of the refinancing agreement entered into on 20 December 2019 between the Company and COFEPP, the amount of €7 million under Advance 2 was paid by COFEPP on 18 January 2021, i.e. before the completion of the capital increase. The payment of this advance was conditional on the signing of this new contract.

CAPITAL INCREASE AND INCREASE IN COFEPP'S EQUITY INTEREST IN MBWS

On 14 January 2021, MBWS launched a capital increase by way of payment in cash and by offsetting receivables, with shareholder preferential subscription rights, for a maximum total gross amount, including issue premium, of €105.4 million; seven preferential subscription rights entitle the holder to subscribe for a statutory entitlement of 11 new shares at a price of €1.50 per share.

Following this transaction, the gross amount of the capital increase (including issue premium) amounted to €100.9 million and resulted in the issuance of 67,248,517 new shares at a price of €1.50 each, i.e. approximately 95.74% of the maximum amount of the capital increase, including 54,942,019 new shares requested under statutory entitlements and 12,306,498 new shares requested as additional securities by the shareholders of the Company and assignees of preferential subscription rights. The request for additional securities was therefore granted in full.

Majority shareholder COFEPP acquired 5,244,692 preferential subscription rights and subscribed for 44,039,072 new shares under its statutory entitlement. It was allocated all 11,614,644 additional new shares requested.

The Company's share capital following the capital increase is therefore €156,726,305.40, made up of 111,947,361 shares with a par value of €1.40 each. Following the capital increase, COFEPP holds 78,433,683 shares representing 70.06% of the Company's share capital and 68.02% of the voting rights.

This capital increase made it possible to capitalise (i) all the bank debt (excluding factoring) purchased by COFEPP from the Company's lending banks, namely the loan taken out on 26 July 2017 for a principal amount of €45 million, and overdraft facilities drawn down for a principal amount of €1.1 million, (ii) all current account advances paid or yet to be paid by COFEPP to the Company and its subsidiary MBWS France, for a total principal amount of €32 million, and (iii) the first tranche of the Poland Advance granted by COFEPP to the Company in the amount of €3 million.

The proceeds of the cash subscriptions for the capital increase paid by shareholders other than COFEPP, amounting to €17.4 million, will be used to (i) repay the balance of €5.2 million on the Poland Advance granted by COFEPPto the Company, and (ii) with the remaining amount, finance the MBWS Group's operations.

After the €5.2 million repayment of the balance of the Poland Advance, COFEPP no longer holds any claims against the MBWS Group.

FINALISATION OF THE SALE OF MONCIGALE TO THE BOISSET GROUP.

On 16 February 2021, MBWS finalised the sale of 100% of its shares in Moncigale SAS (owner of the Fruits and Wines and Rosé Moncigale brands) to Grands Vins JC BOISSET, the last remaining condition precedent having been lifted, following authorisation from the French antitrust authorities for this transaction.

ESTABLISHMENT OF A NEW STANDSTILL ON TAX AND SOCIAL SECURITY LIABILITIES

Following the public creditors' agreement in principle to a standstill on a portion of the Group's tax and social security liabilities, approved by the French Interministerial Committee on Industrial Restructuring (CIRI) in September for an agreed amount of €7.5 million, the Committee of Chief Financial Officers (CCSF) for the Val de Marne region approved, in a committee meeting held on 19 March 2021, an amount of €7.6 million in favour of MBWS France, as notified on 1 April, by way of a staggered debt repayment plan including a schedule of regular monthly payments of €316,000 over a two-year period, i.e. until the end of March 2023.

A first-tier mortgage on the Lormont facility (belonging to MBWS France) is being set up in favour of the French Government Department for Business (DGE), URSSAF and other social security organisations as collateral for the tax and social security liabilities owed by the Group subsidiary MBWS France.

COVID-19 PANDEMIC

As in 2020, restrictions imposed to curb the spread of the virus could continue to impact MBWS's business in some markets in 2021, particularly in out-of-home consumption networks, to which the Group is partially exposed in global terms.

The uncertainty surrounding the development of the Covid-19 pandemic prevents the Group from assessing the precise impact of the health crisis on its 2021 forecasts.

Given the uncertainty surrounding Covid-19, the Group has taken measures to limit the effects of the pandemic, including containing its cost base, adopting a strict policy of preserving and controlling its cash flow, and assessing potential additional requirements.

Note 7.6: Statutory Auditors' fees

	31.12.2020				31.12.2019			
(€'000)	**Mazars**	**%**	**KPMG**	**%**	Mazars	%	KPMG	%
Statutory auditors	**488**	**86%**	**396**	**79%**	**717**	**99%**	**435**	**94%**
of which MBWS SA	260	46%	238	48%	290	40%	264	57%
of which subsidiaries	228	40%	159	32%	427	59%	171	37%
Non-audit services*	**81**	**14%**	**102**	**21%**	**4**	**1%**	**20**	**4%**
of which MBWS SA	81	14%	102	21%	3	1%	20	4%
of which subsidiaries	-	0%	-	0%	1	0%	-	0%
Other services	**-**	**0%**	**-**	**0%**	**-**	**0%**	**-**	**0%**
TOTAL	**569**	**100%**	**498**	**100%**	**721**	**100%**	**465**	**100%**

** work carried out in relation to the prospectus and the SNFP*

4.2 STATUTORY AUDITORS' REPORT ON THE 2019 CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditors' report on the 2019 consolidated financial statements

Financial year ended 31 December 2020

To the General Meeting of Marie Brizard Wine & Spirits,

OPINION

In execution of the engagement entrusted to us by your General Meetings, we have audited the consolidated financial statements of Marie Brizard Wine & Spirits S.A. for the year ended 31 December 2020, as appended to this report.

We hereby certify that, with regard to IFRS as adopted within the European Union, the consolidated financial statements are in order and accurate, and give a true and fair view of the results of operations of the group comprising the persons and entities included in the consolidation scope during the year then ended and the financial position and assets and liabilities of said group at the end of the period.

The opinion expressed above is consistent with the terms of our report to the Audit Committee.

BASIS OF OPINION

Terms of reference

We conducted our audit in accordance with professional standards applicable in France. We consider that the evidence we have gathered is sufficient and appropriate to form the basis for our opinion.

Our responsibilities in accordance with these standards are set out in the section of this report entitled "Statutory auditors' responsibilities regarding the audit of the consolidated financial statements".

Independence

We conducted our audit in accordance with the rules on independence laid down in the French Commercial Code and the French Code of Ethics for Statutory Auditors during the period from 1 January 2020 to the date of publication of our report. We did not provide any services prohibited under Article 5(1) of Regulation (EU) No. 537/2014.

BASIS FOR OUR ASSESSMENT – KEY AUDIT MATTERS

Due to the global Covid-19 pandemic, this year's financial statements were prepared and audited under special conditions. This crisis, and the extraordinary measures taken in response to the public health emergency, are having numerous consequences for companies, particularly with regard to their operations and financing, as well as creating more uncertainty over their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and the way in which audits are conducted.

In this complex and changing situation, and in accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code on the basis for our assessment, we draw your attention to the key audit matters relating to the risks of material misstatement which, in our professional opinion, were the most significant for the audit of the consolidated financial statements, as well as our response to those risks.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed herein. We express no opinion on individual items comprising these consolidated financial statements taken in isolation.

Classification and measurement of discontinued operations under IFRS 5

Risk identified

As at 31 December 2020, current assets held for sale amounted to €12.9 million and the corresponding liabilities to €10.3 million.

As mentioned in Note 2.8, on 21 October 2020 the MBWS Group sold all of its shares in MBWS Polska and Polmos Lancut to the United Beverages S.A. Group. As a result, the Polish business (including sold companies MBWS Polska and Polmos Lancut) was considered a discontinued operation at the end of 2020. Its contribution to consolidated net income and the proceeds of the sale are presented under "Net profit/(loss) from discontinued operations" in the 2020 income statement. The comparative period has also been restated and the relevant information is presented in the notes.

As described in Note 2.7, on 13 October 2020 MBWS and Grands Vins JC Boisset signed a unilateral agreement for the purchase of 100% of the Moncigale S.A.S. shares. This transaction was finalised in the first quarter of 2021. At 31 December 2020, and given the negotiated sale, a €3 million impairment charge for Moncigale's assets was recognised in the consolidated financial statements. Due to the high probability of this sale, Moncigale meets the criteria of a discontinued operation under IFRS 5. In the 2020 financial statements, its assets and liabilities are presented under "Assets/liabilities held for sale". In the income statement, its contribution to consolidated net income is presented under "Net profit/(loss) from discontinued

operations", the comparative period is also restated in the income statement, and the relevant information is presented in the notes.

We considered the Company's assessment of the application of IFRS 5 to these two transactions a key audit matter, in the light of:

- their materiality in the Group's financial statements, and
- the restatement to separate profit/(loss) from discontinued operations from profit/(loss) from continuing operations.

Audit procedures implemented to address this risk

Our audit procedures mainly consisted in:

- verifying the appropriateness of the main data and assumptions underlying the IFRS 5 classification, in particular through interviews with management, inspecting the minutes of Board of Directors meetings and analysing available documentation on purchase offers;
- assessing the identification and presentation of all the items of assets and liabilities, cash flow and net profit/(loss) after tax of the businesses sold or held for sale;
- reconciling the amount recorded under assets held for sale, net of related liabilities, with available documentation on tender offers received or estimated sales prices for the business concerned.

We also assessed the appropriateness of the disclosures in Note 1.25 "Discontinued operations" to the consolidated financial statements.

Measurement of goodwill and trademarks

Risk identified

As at 31 December 2020, the value of goodwill and trademarks amounted to €14.7 million and €74.2 million, respectively, together accounting for 33% of the balance sheet total. The main trademarks valued on the MBWS consolidated balance sheet were Marie Brizard and William Peel.

As explained in Note 1.10 to the consolidated financial statements, trademarks are not amortised if their useful life is considered to be indefinite.

As explained in Note 1.13 to the consolidated financial statements, goodwill and trademarks having an indefinite useful life are tested for impairment at least once a year and more often if there is evidence of impairment.

Goodwill impairment testing consists in comparing the recoverable amount of a cash-generating unit (CGU) to which goodwill is attached with its carrying amount. The recoverable amount of the CGU is the higher of the values determined in accordance with the following two methods:

- value in use, calculated by discounting the future cash flows generated by the asset tested or by the CGU;
- fair value less costs to sell, obtained on the basis of market values of comparable assets or, where applicable, indicative offers received from interested third parties.

As explained in Note 6.1 and 6.2 to the consolidated financial statements, these goodwill impairment tests are based on future cash flow projections calculated on the basis of the 2021 budget approved by the Board of Directors and 3-year growth assumptions approved by the Finance Department. The translation of these business forecasts into cash flows was based on a number of key assumptions and judgements aimed at determining the trend in the markets in which the Group operates. Discount and long-term growth rates derived from research on the sector in which the Group operates are applied in order to estimate value in use. The discount rates used are post-tax rates specific to each region and applied to post-tax cash flows.

Trademark impairment is tested separately from other assets and CGUs on the basis of a calculation of an implicit royalty rate obtained from benchmarking against other trademarks.

We considered the measurement of goodwill and trademarks to be a key audit matter on account of its materiality in the Group financial statements and because this measurement required significant judgement by management.

Audit procedures implemented to address this risk

We acquired an understanding of the process of drawing up the future cash flow projections used as a basis for impairment testing on these non-current assets.

In the case of material trademarks and CGUs, we performed the following procedures:

- reconciling the amount of capital invested subject to testing with the accounts;
- reconciling the data used in the tests with the data used to draw up the provisional budgets approved by the Board of Directors;
- with reference to past performance and our knowledge of the environment in which the entity operates, assessing the assumptions underlying the cash flow projections, particularly those regarding revenues and operating margin;
- with the help of our expert appraisers, assessing the appropriateness of the discount rates and long-term growth rates, the discounted cash flow calculation model and the mathematical reliability of the calculations;
- assessing the sensitivity tests carried out by the Group with regard to certain assumptions, the results of which are set out in Note 6.1 to the consolidated financial statements;
- verifying whether the consolidated financial statements for the year ended 31 December 2020 duly reflect the results of impairment testing.

Lastly, we assessed the appropriateness of the information provided under Note 6.1 on the measurement of goodwill and trademarks.

Going concern

Risk identified

The 2020 consolidated financial statements were prepared on a going concern basis.

As stated in Note 1.3 to the consolidated financial statements, this assessment is based on:

- a reduction in loss-making operations following the disposals of the Polish businesses in October 2020 and Moncigale in February 2021, and
- the latest estimates of the Group's cash requirements.

These 12-month estimates (until March 2022) include the capital increase that took place in early February 2021, the repayment plan for the new standstill on a portion of the tax and social security liabilities of the subsidiary MBWS France, and the effects of the evolving Covid-19 health crisis.

Given the Group's previous financial and operational difficulties, as well as the complex and changing situation due to the COVID-19 health crisis, we considered the application of the going concern principle a key audit matter, as it relies on management's assumptions and judgement and presents an inherent cash flow forecasting risk.

Audit procedures implemented to address this risk

We obtained and assessed the appropriateness of management's assessment of the Group's ability to continue operating as a going concern over the 12 months following year-end.

We:

- reviewed the process for preparing the 12-month cash flow forecasts until the end of March 2022, used as the basis for the going concern assessment;
- compared the closing cash position at 2020 year-end and the cash position at the end of March 2021 with the estimated cash requirements on the same dates prepared by the Company;
- assessed the consistency of these cash flow forecasts with the data used to draw up the provisional budgets approved by the Board of Directors and the strategic plan;
- assessed the main assumptions underlying the cash requirement estimates in the light of our knowledge of the Company/Group and the management team's plans, such as repayments under the tax and social security standstill for a portion of the liabilities of the subsidiary MBWS France;
- interviewed management about their knowledge of events or circumstances subsequent to 31 December 2020 that might affect the Group's ability to continue operating as a going concern.

Lastly, we assessed the appropriateness of the information provided under Note 1.3 relating to the Company's going concern assessment.

SPECIFIC VERIFICATIONS

In accordance with the professional standards applicable in France, we also performed the specific verifications required by statutory and regulatory provisions relating to information on the Group contained in the Board of Directors' management report.

We have no comment to make on the fair presentation of that information and on its consistency with the consolidated financial statements.

We certify that the statement of non-financial performance required under Article L.225-102-1 of the French Commercial Code is included in the information on the Group presented in the management report, on the understanding that, in accordance with the provisions of Article L.823-10 of said Code, the information contained in this statement has not been verified for fairness or consistency with the consolidated financial statements and must be reviewed by an independent third-party body.

OTHER VERIFICATIONS OR INFORMATION REQUIRED BY LAW AND REGULATIONS

Format of the consolidated financial statements to be included in the annual financial report

In accordance with Article 222-3 (III) of the AMF General Regulation, the Company's management has informed us of its decision to postpone the application of the single electronic reporting format as defined by European Delegated Regulation No. 2019/815 of 17 December 2018 to financial years beginning on or after 1 January 2021. As such, this report does not include a statement on the compliance with this format of the consolidated financial statements to be included in the annual financial report, referred to in Article L.451-1-2 (I) of the French Monetary and Financial Code.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of Marie Brizard Wine & Spirits S.A. by your General Meeting on 8 August 2008, in the case of Mazars, and on 30 June 2015, in the case of KPMG.

As at 31 December 2020, Mazars was in the 13th consecutive year of its appointment and KPMG was in its 6th year.

RESPONSIBILITIES OF MANAGEMENT AND PERSONS INVOLVED IN CORPORATE GOVERNANCE WITH REGARD TO THE CONSOLIDATED FINANCIAL STATEMENTS

It is management's responsibility to prepare consolidated financial statements that present a true and fair view, in accordance with IFRS as adopted in the European Union, and to implement the internal control it deems necessary to ensure the preparation of consolidated financial statements that are free of material misstatements, whether the result of fraud or error.

In preparing the consolidated financial statements, management is required to assess the company's ability to continue its operations, to present, in these statements, where applicable, the requisite information with regard to continuity of business and to apply the going concern principle, unless there is the intention to liquidate the company or discontinue its operations.

It is the responsibility of the Audit Committee to monitor the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and, where applicable, of the internal audit system, as regards the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES REGARDING THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our goal is to obtain reasonable assurance that these consolidated financial statements, taken as a whole, are free of material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, the guarantee that an audit performed in accordance with professional standards enables systematic detection of all material misstatements. Misstatements may result from fraud or error and are deemed material when they may reasonably be expected, when taken either individually or together, to influence economic decisions taken by users of the financial statements on the basis thereof.

As specified in Article L.823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist in guaranteeing the viability or quality of your company's management.

Within the scope of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises his or her professional judgement throughout this audit. Furthermore:

- the auditor identifies and assesses the risks that the consolidated financial statements contain material misstatements, whether resulting from fraud or error, defines and implements audit procedures to address those risks, and gathers the evidence that the auditor deems necessary and appropriate upon which to base his or her opinion. The risk of not detecting a material misstatement resulting from fraud is more serious than the risk of not detecting a material misstatement resulting from error, since fraud may involve collusion, falsification, deliberate omission, misrepresentation or the circumvention of internal control;
- the auditor examines the aspects of the internal control system that are relevant to the audit, in order to define the audit procedures appropriate in the circumstances but not for the purpose of expressing an opinion on the efficacy of the internal control system;
- the auditor assesses the appropriateness of the accounting methods adopted and the reasonableness of the accounting estimates made by management, as well as the related information provided in the consolidated financial statements;
- the auditor assesses the appropriateness of management's application of the going concern principle and, according to the information gathered, the existence or absence of material uncertainty regarding events or circumstances liable to jeopardise the company's ability to continue its operations. This assessment is based on information gathered up until the date of the auditor's report, provided, however, that any subsequent circumstances or events could jeopardise business continuity. If the auditor finds that material uncertainty exists, the auditor draws the attention of the readers of the auditor's report to the information provided in the consolidated financial statements regarding this uncertainty or, if such information is not provided or is irrelevant, issues a qualified opinion or disclaimer of opinion;
- the auditor assesses the presentation of the consolidated financial statements, taken as a whole, and assesses whether they reflect the underlying transactions and events so as to give a true and fair view thereof;
- concerning financial information regarding the businesses or entities included in the consolidation scope, the auditor gathers the information the auditor deems sufficient and appropriate in order to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on those financial statements.

Report to the Audit Committee

We report to the Audit Committee on the scope of the audit and the audit programme implemented, as well as the findings based on our work. We also draw the Committee's attention to any material internal control deficiencies we have identified, as regards procedures relating to the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee also contains information on the risks of material misstatement that we deemed to have been the most significant for the audit of the consolidated financial statements and which therefore constitute key audit matters, which we are required to set out herein.

We also submit to the Audit Committee the declaration set out in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and the French Code of Ethics for Statutory Auditors. If necessary, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

The Statutory Auditors

Paris-La Défense, 30 April 2021
KPMG Audit
KPMG S.A. department

Stéphane Devin
Partner

Paris-La Défense, 30 April 2021
Mazars

Erwan Candau
Partner
Adrien Johner
Partner

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PARENT COMPANY FINANCIAL STATEMENTS

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5.2 STATUTORY AUDITORS' REPORT ON THE 2020 COMPANY FINANCIAL STATEMENTS 143

5.1 PARENT COMPANY FINANCIAL STATEMENTS AND NOTES FOR THE 2020 FINANCIAL YEAR

Balance sheet assets

		31/12/2020			31/12/2019
(€000)	Note	Gross	Amort. & depr.	Net	
Concessions, licences and patents		11,168	4,349	6,819	8,160
Goodwill		136,289	136,289		
Other intangible assets		839	115	724	948
Total intangible assets	**3.1**	**148,296**	**140,753**	**7,542**	**9,109**
Buildings					259
Technical facilities, equipment & industrial tooling		13	4	8	10
Other PP&E		246	241	5	55
PP&E in progress					
Advances and prepayments					
Total property, plant & equipment	**3.1**	**259**	**245**	**14**	**324**
Other equity investments		261,119	146,408	114,711	112,634
Receivables related to equity investments		21,543	21,541	1	
Loans		7		7	7
Other		10,667	7,240	3,426	424
Total financial assets	**3.1**	**293,335**	**175,190**	**118,145**	**113,065**
TOTAL NON-CURRENT ASSETS		**441,890**	**316,188**	**125,701**	**122,497**
Traded goods					
Inventory & work-in-progress	**3.2**				
Advances and payments on account	3.2	425		425	32
Trade receivables	3.2	1,170	264	907	8,077
Other receivables	3.2	118,158	33,611	84,548	82,052
Investment securities	3.3	304	125	179	182
Cash	3.3	18,624		18,624	9,423
Prepaid expenses	3.4	930		930	639
Trade receivables		**139,612**	**34,000**	**105,612**	**100,405**
TOTAL CURRENT ASSETS		**139,612**	**34,000**	**105,612**	**100,405**
Deferred charges					185
Unrealised foreign exchange losses	3.4	754		754	730
TOTAL		**582,256**	**350,188**	**232,067**	**223,818**

Balance sheet equity & liabilities

(€000)	Note	31/12/2020	31/12/2019
Share capital		62,578	89,396
Issue, merger and contribution premiums		67,916	67,915
Legal reserve		4,185	4,185
Retained earnings/(losses)		(2,980)	
Profit/(loss) for the financial year		(34,635)	(29,800)
TOTAL SHAREHOLDERS' EQUITY	**4.2**	**97,064**	**131,696**
Provisions for contingencies		6,188	5,795
Provisions for charges		344	281
TOTAL PROVISIONS FOR CONTINGENCIES & CHARGES	**4.3**	**6,532**	**6,076**
Other bonds			
Loans & borrowings – credit institutions	4.4	309	47,219
Other loans & borrowings	4.4		
Trade payables	4.4	2,835	6,321
Tax and social security payables	4.4	8,652	3,525
Fixed asset liabilities & related accounts	4.4	1,945	2,496
Other payables	4.4	112,919	23,613
Deferred income	4.5	1,811	2,567
TOTAL LOANS & BORROWINGS		**128,471**	**85,742**
Unrealised foreign exchange gains	4.5	1	304
TOTAL		**232,067**	**223,818**

Income statement

(€000)	Note	2020	2019
Sales of traded goods			
Sales of goods & services		7,717	7,458
Net revenues	5.1	7,717	7,458
Capitalised production		30	355
Reversals of provisions and D/A charges, expense transfers		267	1,622
Other income		854	1,130
OPERATING INCOME		**8,869**	**10,565**
Purchase of traded goods			
Change in inventory			
Other external purchases	5.1	(12,077)	(19,726)
Taxes, levies and similar charges		(330)	(272)
Wages and salaries		(3,953)	(5,001)
Social security contributions	5.1	(2,154)	(2,377)
Depreciation, amortisation & provisions on fixed assets		(2,352)	(2,442)
Provisions on current assets			
Provisions for contingencies & charges			
Other expenses		(574)	(56)
OPERATING EXPENSES		**(21,441)**	**(29,873)**
OPERATING PROFIT/(LOSS)		**(12,572)**	**(19,308)**
Income from investments		1,356	43,424
Other securities & receivables on fixed assets			1
Other interest & similar income		16	
Provision reversals & expense transfers		170,306	653
Positive foreign exchange differences		970	1,552
Net proceeds from the disposal of financial securities			20
FINANCIAL INCOME	**5.2**	**172,648**	**45,649**
Depreciation, amortisation & provisions		(57,499)	(34,982)
Interest and similar charges		(7,804)	(2,102)
Negative foreign exchange differences		(3,935)	(1,665)
Net expenses relating to the disposal of financial securities		(19,033)	
FINANCIAL EXPENSE	**5.2**	**(88,271)**	**(38,749)**
NET FINANCIAL INCOME/(EXPENSE)	**5.2**	**84,376**	**6,900**
UNDERLYING PROFIT/(LOSS) BEFORE TAX		**71,804**	**(12,408)**
On operating transactions			
On capital transactions		18,201	919
Provision reversals and expense transfers		2,428	648
NON-RECURRING INCOME	**5.3**	**20,629**	**1,567**
On operating transactions		(9,090)	(180)
On capital transactions		(111,253)	(13,864)
Depreciation, amortisation & provisions		(2,745)	(4,921)
NON-RECURRING EXPENSE	**5.3**	**(123,087)**	**(18,964)**
NET NON-RECURRING INCOME/(EXPENSE)	**5.3**	**(102,459)**	**(17,397)**
PROFIT/(LOSS) BEFORE TAX	**5.3**	**(30,654)**	**(29,805)**
Income tax	5.4	(3,981)	5
Employee profit-sharing			
NET PROFIT/(LOSS)		**(34,635)**	**(29,800)**

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The notes set out below form an integral part of the parent company financial statements for the financial year ended 31 December 2020, which cover a period of 12 months. These financial statements were approved by the Board of Directors on 27 April 2021 and will be submitted to the next General Meeting for approval.

The balance sheet total before appropriation of earnings amounts to €232,067,368.64 and the Company posted a net loss of €34,635,411.00.

The Company prepares consolidated financial statements.

Note 1: Main highlights

Note 1.1: Agreement to assign MBWS lending bank receivables to COFEPP

Pursuant to this agreement, on 17 January 2020 COFEPPsigned a three-way agreement between MBWS, COFEPPand the MBWS lending banks to assign to COFEPP the bank receivables under the €45 million loan agreement signed on 26 July 2017 and currently outstanding overdrafts.

The assignment became effective in January 2020.

Under the same arrangements, COFEPP also confirmed the grant to MBWS of a standstill on all assigned bank receivables due to be capitalised as part of a planned capital increase. On 20 May 2020, this standstill was extended until 26 January 2021 to make allowance for the postponement of the planned capital increase following the postponement of the General Meeting called to approve the 2019 financial statements.

Following the signing of an agreement between MBWS SA and COFEPP on 20 December 2019, two conditional cash flow advances were provided for by COFEPP in favour of MBWS:

- current account Advance 1 amounting to €15 million to be paid in January 2020 (bearing compounded interest at an annual rate of EURIBOR 3 month (*) + 425 bps), including €7.4 million provided for the requirements of Polish business operations and €7.6 million paid to MBWS France to cover cash requirements until mid-March 2020;
- current account Advance 2 amounting to €17 million (bearing compounded interest at an annual rate of EURIBOR 3 month (*) + 425 bps), and subject to conditions precedent, to be made available to MBWS around 17 March 2020 to cover the MBWS Group's general cash flow requirements.

The COFEPP advances were secured by pledges in favour of COFEPP including (i) first, second and third-rank pledges of Marie Brizard and Sobieski trademarks, (ii) first, second and third-rank pledges of all Gaia I shares and current account receivables between (a) MBWS and Gaia I and (b) MBWS and Vilnius Degtine, (iii) first, second and third-rank pledges of all Cognac Gautier shares and current account receivables between MBWS France and Cognac Gautier, (iv) a first-rank pledge of current account receivables between MBWS and MBWS France and (v) a third-rank pledge of the William Peel trademark.

(*) Floored at zero

Note 1.2: Implementation of Advance 1 in the amount of €15 million and Advance 1(b) in May 2020 pending implementation of Advance 2 provided for under the 20 December 2019 agreement

ESTABLISHMENT OF ADVANCE 1 IN THE AMOUNT OF €15 MILLION IN JANUARY 2020

Following the signing of an agreement between MBWS SA and COFEPP on 20 December 2019 providing for two conditional cash advances, Advance 1 amounting to €15 million was set up to enable the Group to meet its cash requirements.

In accordance with the same agreement, to which the subsidiary MBWS France adhered, COFEPP agreed with MBWS France on an initial current account advance for a principal amount of €7.6 million made available in mid-January to cover Q1 2020 cash requirements

Moreover, in early February COFEPP made the balance of Advance 1 available to the Group via a second tranche of €7.4 million used to fund operations in Poland.

ESTABLISHMENT OF ADVANCE 1(B) IN MAY AND AUGUST 2020

As the conditions precedent applicable to Advance 2 had not yet been lifted in May 2020, in particular the condition to amend the Scotch whisky bulk supply agreement, still uncertain at such date, COFEPPagreed to amend the 20 December 2019 agreement by agreeing to the establishment of Advance 1(b), limited to a global cap of €10 million, to cover the Group's immediate cash requirements, in the form of:

(i) a firm commitment by COFEPP to immediately make available a current account advance of €6 million, paid on 25 May 2020 to MBWS (bearing compounded interest at an annual rate of EURIBOR 3 month floored at zero + 425 bps);

(ii) a current account advance of €4 million paid on 10 August 2020.

This paid Advance 1(b) of €10 million was deducted from the €17 million Advance 2, which had not yet been paid as at 31 December 2020.

This advance was conditional upon fulfilment of all three of the following conditions precedent:

(i) the public creditors' agreement in principle to a standstill on part of the Group's tax and social security liabilities,

(ii) amendment of the Scotch whisky bulk supply agreement between MBWS and a supplier, and

(iii) the stabilisation of estimated cash requirements for 2020,

it being noted that points (i) and (iii) were resolved at the end of 2020, point (ii) having also been resolved at the beginning of 2021 (see "Post-balance sheet events").

Note 1.3: Recovery of an additional portion of the Trinidad and Tobago receivable

Background:

An investment with an initial value of €25 million for a two-year term was made on 10 July 2006 in the form of fixed-income commercial paper issued by Clico Investment Bank (CIB) in Trinidad and Tobago, a subsidiary of the CL Financial Group, which was a shareholder of MBWS at the time. The commercial paper was not reimbursed upon maturity on 10 July 2008. The CL Financial Group was nationalised at the end of 2008 and CIB was liquidated in 2011.

The commercial paper was therefore written off (€27,813,000 principal and interest) in the MBWS 2012 financial statements. The steps taken by the Company, as a creditor of CIB, had already led to the recovery of an initial portion of the receivable between June and December 2018, in the amount of around €13.4 million (107.9 million Trinidad dollars).

On 26 June 2020, MBWS Ltd (Group subsidiary in Trinidad) recovered an additional portion of its receivable against Clico Investment Bank in Trinidad and Tobago in the gross amount of 50.8 million Trinidad dollars (approximately €6.7 million).

This amount had not yet been converted into euros as at 31 December 2020 and may be converted in 2021, within timeframes that must take account of the low liquidity of this currency and weak conversion rates at the start of the year, meaning that there will be no immediate impact on Group short-term cash.

Note 1.4: Transfer of the MBWS registered office

The early termination of the lease on the MBWS Group holding company premises located at 27-29 Rue de Provence, Paris 9th arrondissement, signed at the end of 2019 and due to come into force at the end of April 2020, has been postponed to mid-June 2020 due to ongoing COVID-19 lockdown measures.

Although the lease for the new registered office at 10-12 Avenue du Général de Gaulle, Charenton-le-Pont (Val-de-Marne) was signed on 1 June, MBWS was only able to take possession of the premises from August 2020, as the major renovation work on the building was significantly delayed due to the Q2 lockdown.

In the meantime, MBWS leased shared office space near the Place de la République in Paris between June and August 2020.

Note 1.5: Agreement in principle concerning the amendment of the Scotch whisky bulk supply agreement between MBWS and a supplier

On 16 July 2020, following negotiations with one of its whisky suppliers, MBWS reached a long-term agreement in principle on the amendment of its agreement for the bulk supply of Scotch whisky. This agreement (a condition precedent for the release of the Advance 2 balance, amounting to around €7 million, without taking into account the additional €1.5 million payment described above, in which case the balance of Advance 2 will be €5.5 million) was finalised on 12 January 2021 (see "Post-balance sheet events" below) and affects the supply of whisky to the MBWS France subsidiary.

Note 1.6: Agreement in principle with the CIRI for the constitution of a tax and social security liability

An agreement in principle by the public creditors on a standstill covering a portion of the Group's social security and tax liabilities was approved by the CIRI in September for a maximum amount of €7.5 million; the standstill arrangement set up in the last few months of 2020.

As a reminder, this condition, which has now been lifted, was one of three conditions precedent for release of the balance of Advance 2, along with (i) the amendment of a bulk Scotch whisky supply agreement with an MBWS supplier and (ii) the stabilisation of 2020 estimated cash requirements.

Note 1.7: Sale of Polish business to the United Beverages S.A. group

MBWS's Polish business, in serious difficulty for a number of years, had neither the presence nor scale required to achieve medium or long-term profitability targets.

On 21 October 2020, MBWS sold all of its shares in MBWS Polska and a portion of its shares in Polmos Lancut to the United Beverages S.A. group.

This agreement represents a milestone in the ongoing execution of the 2019-2022 strategic plan. It provides for the payment of a sale price in multiple instalments. The agreement gave rise to specific interim financing by shareholder COFEPP(see below), for which the repayment schedule will be aligned with the sale price payment schedule.

Furthermore, the transaction resulted in a €122.5 million capital loss on the sale of shares.

The agreement also ensures that MBWS and United Beverages will continue to work closely together as partners. More specifically, United Beverages will continue to produce Sobieski vodka (which remains an MBWS SA brand) for MBWS at the distilleries and bottling centre concerned by this sale. In addition, a significant number of MBWS's international brands will be imported by United Beverages under a new distribution agreement.

Note 1.8: New current account advance from COFEPP relating to the disposal of the Polish businesses

Following the repayment by MBWS of certain borrowings taken out to finance the Polish businesses, thereby meeting the aforementioned conditions precedent, and to enable the Company to continue operating as a going concern, the Company entered into an agreement with COFEPPand firm tranches of €3 million, €3 million and €2.2 million (the first tranche having been paid on 29 October 2020) and prior to the completion of the capital increase (as defined below).

The Poland Advance will be made available to MBWS France pursuant to a current account advance agreement entered into on the same day between MBWS and MBWS France. The Poland Advance is secured by a first-rank pledge of receivables granted by MBWS to COFEPP relating to the current account receivables resulting from the sums provided to MBWS France by MBWS, which are themselves secured by a second-rank pledge on the William Peel trademarks granted by MBWS France to MBWS. The advance may be (i) fully or partly converted into ordinary shares as part of the Capital Increase or, (ii) if not capitalised, repaid, if applicable, from the proceeds of cash subscriptions to the Capital Increase by shareholders other than COFEPP (see "Post-balance sheet events").

Note 1.9: Handling of the COVID-19 pandemic

In early January 2020, the discovery of a new coronavirus (COVID-19) was announced by the Chinese health authorities and the WHO. The virus is actively circulating in multiple countries where the MBWS Group operates, and restrictive measures have been taken.

The COVID-19 pandemic resulted in travel restrictions and lockdown measures in several countries, with impacts on economic activity.

The health crisis did not have a material impact on the MBWS SA holding company full-year financial statements.

In 2020, MBWS completed all the required applications for government assistance schemes set up in all European countries to help businesses adapt staff costs to lower levels of business during the crisis, whilst preserving jobs.

In view of the changing circumstances, MBWS has taken the required initiatives to limit the effects of the pandemic on its cash position.

Note 2: Accounting principles and policies

The parent company financial statements for the year ended 31 December 2020 were prepared in accordance with the provisions of the French Commercial Code and the French General Chart of Accounts (ANC Regulation 2018-01 of 20 April 2018 amending Regulation 2016-07 of 4 November 2016).

The accounting policies were applied in compliance with the prudence principle, in accordance with the basic assumptions of:

- Going concern,
- Consistency of presentation,
- Accrual basis of accounting,
- Compliance with the general rules for preparing and presenting annual financial statements.

The basic method used to value items entered in the accounts is the historical cost method.

Note 2.1: Going concern

THE BACKGROUND

For several years now, the Marie Brizard group (the "Group") has experienced financial difficulties due to significant operational challenges in Poland, reflected by consolidated EBITDA losses of €11.9 million in 2017, €28.0 million in 2018 (€27.2 million restated) and €12.1 million in 2019 (€3.5 million restated) and positive EBITDA of €10.6 million in 2020 (after application of IFRS 16 and restatement pursuant to IFRS 5).

These difficulties prompted the Group to apply for intervention by a conciliator, then later by a mediator/adviser, and by the Interministerial Industrial Restructuring Committee, two independent bodies that have overseen the process of seeking appropriate solutions during 2018-2020 to help resolve the Group's difficulties.

As at 31 December 2017, due to the aforementioned difficulties, the Group was not in compliance with the covenants attached to the syndicated credit facility agreement signed on 26 July 2017 in respect of the €45 million medium-term loan ("Medium-Term Loan") and a €32.5 million revolving credit facility on which the Group was unable to draw as a result.

Accordingly, under the conciliator's supervision, in 2018 the Group concluded new financing arrangements with its bank partners and obtained a current account advance from MBWS shareholder Compagnie Financière Européenne de Prises de Participation ("COFEPP").

The cash problems experienced by Marie Brizard Wine & Spirits SA and its subsidiaries in France (Marie Brizard Wine & Spirits France, Moncigale and Cognac Gautier) also gave rise to tax and social security liabilities, regarding which a transitional repayment plan was approved by the Commission des Chefs de Services Financiers d'Île-de-France ("CCSF") on 27 June 2018, subject to the provision of guarantees. By way of a decision dated 27 June 2019, this plan was extended until full repayment of the aforementioned liabilities, which was completed in July 2020.

In addition to these measures, and with ongoing support from its main shareholder COFEPP, the MBWS Group undertook to consolidate its financial structure

As such:

- On 1 March 2019, COFEPP subscribed to a €37.7 million reserved capital increase. In April 2019, a short-term warrant programme was launched and subscribed by shareholders in an amount of €20.7 million (including €15 million subscribed by COFEPP). As a result of these transactions, at the end of 2020 COFEPP held 50.96% of the Company's share capital.
- On 2 February 2021, following the share capital increase with shareholders' preferential subscription rights (rights issue) for a total subscribed amount of €100.9 million (including €17.4 million in cash), COFEPP now holds 70.06% of the Company's share capital and 68.02% of the voting rights.

MAIN CHANGES IN RELATION TO OPERATION AS A GOING CONCERN

During the 2020 financial year, the following events (described in Note 2 "Main highlights") also took place:

- Implementation of the 20 December 2019 agreement between MBWS and COFEPP allowing the following events to occur:
  - Agreement to assign all MBWS lending bank receivables to COFEPP on 17 January 2020,
  - Provision of two conditional cash advances by COFEPP to the MBWS Group, including a current account Advance 1 of €15 million in January 2020, €7.4 million of which was for business requirements in Poland and €7.6 million for MBWS France's cash flow needs, and a current account Advance 2 of €17 million to be made available to MBWS around 17 March 2020 to cover MBWS Group's general cash flow requirements.

As this second advance was conditional on the cumulative fulfilment of certain conditions precedent, including the signing of a new bulk Scotch whisky supply agreement, which was only signed in 2021, COFEPP agreed to set up an interim Advance 1(b) of €10 million, €6 million of which was paid on 25 May and €4 million on 10 August 2020

- A further €8.2 million current account advance from COFEPP to allow MBWS to repay certain borrowings attached to the Polish businesses. The first tranche was paid on 29 October 2020.

During the 2021 financial year, the following events (described in Note 7.5 "Post-balance sheet events") have also taken place:

- Signing of a new Scotch whisky supply agreement on 12 January 2021, containing more favourable contractual conditions for the Group. The signing of this agreement also made it possible to lift the condition precedent for payment of the €7 million balance of Advance 2 by COFEPP. This payment was made on 18 January 2021, before the completion of the capital increase.
- Capital increase and increase in COFEPP's equity interest in MBWS on 2 February 2021: Following this operation, the Company's share capital amounted to €156.7 million and COFEPP held 70.06% of the share capital and 68.02% of the voting rights.

This capital increase made it possible to capitalise (i) all the bank debt (excluding factoring) purchased by COFEPP from the Company's bank lenders, amounting to €45 million, and overdraft facilities drawn down for a principal amount of €1.1 million, (ii) all current account advances paid or owed by COFEPP to the Company and its subsidiary MBWS France, for a total principal amount of €32 million, and (iii) the first tranche of the Poland Advance granted by COFEPP to the Company in the amount of €3 million.

The proceeds of the Capital Increase cash subscriptions paid by shareholders other than COFEPP, amounting to €17.4 million, made it possible to (i) repay the outstanding €5.2 million Poland Advance granted by COFEPP to the Company and (ii) finance the MBWS Group's operations with the remaining amount.

After repayment of the balance of the Poland Advance described above, COFEPP no longer holds any claims against the MBWS Group.

- Establishment of a new standstill on tax and social security liabilities by the Val-de-Marne region CCSF for €7.6 million in favour of MBWS France. Notice of this standstill was served on 1 April 2021, by way of a staggered debt repayment plan, including a schedule of regular monthly payments of €316,000 over a two-year period, i.e. until the end of March 2023.

ASSESSMENT OF THE GOING CONCERN PRINCIPLE

The Group annual financial statements were prepared in accordance with the going concern principle, in view of the known situation as at the balance sheet date as described above, including:

- the disposal of the Polish business in October 2020 and Moncigale in February 2021, reducing the number of loss-making operations;
- the latest estimates of the Group's 12-month cash requirements, including the early February 2021 capital increase and the repayment plan for the new standstill on part of MBWS France's tax and social security liabilities, in response to the evolving COVID-19 health crisis.

To handle the ongoing impact of the pandemic (see Chapter 2 "Risk factors"), in 2020 the Group took advantage of certain support measures provided by the French government (in particular the deferral of social security payments).

Note 2.2: Intangible assets

Intangible assets primarily consist of trademarks valued at their purchase cost, software and goodwill (see Note 3.1.1 "Goodwill").

If the current value of an intangible asset falls below its net book value, that value is reduced to the current value via an impairment charge. The current value is the estimated value determined in accordance with the market value and/or the value in use determined on the basis of expected discounted cash flows.

An impairment test is performed at each year-end and at each interim period-end, if there is any evidence that an intangible asset may have lost a significant amount of its value.

Software is amortised on a straight-line basis over a three-year period.

Note 2.3: Property, plant and equipment

Property, plant and equipment is valued at purchase cost.

Depreciation is calculated on a straight-line basis depending on the estimated useful life. The depreciation period for each category of asset breaks down as follows:

	Term
Buildings	20 years
Building fixtures and fittings	10 or 3 years
Equipment and tools	5 years
Transportation equipment	5 years
Office and computer equipment	3 years
Office furniture	5 years
Other PP&E	6 years
Trademark and model filing	10 years

Note 2.4: Non-current financial assets

The purchase cost of securities is equivalent to the amount of the remuneration paid to the vendor. The Company does not capitalise security acquisition costs; these costs are therefore expensed.

Receivables relating to investments correspond to medium and long-term loans granted to the subsidiaries, which are formally set down in an agreement.

A provision for impairment of equity investments is recorded when their fair value is lower than their purchase cost at the financial year-end. The fair value of equity investments corresponds to their value in use for the Company. Value in use is measured on the basis of the share of the subsidiary's equity, its economic and financial potential as calculated by discounting future cash flows and, if necessary, the fair value of its assets.

Discounted future cash flows are determined on the basis of the 2021 budget approved by the Board of Directors and three-year growth assumptions approved by the Finance Division. The translation into cash flows was based on a number of key assumptions and judgements aimed at determining trends in Group markets. As a result, actual cash flows may differ from the estimated forecast cash flows used in order to determine value in use. Discount and long-term growth rates derived from assessments of the sector in which the Group operates are applied in order to estimate the value in use of non-current financial assets. The Company applied discount rates of 8.3% and 9.1% respectively for MBWS France and MBWS Bulgaria and a long-term growth rate of 1% for the 2020 financial year.

If the fair value of equity investments in a subsidiary becomes negative, an impairment charge equal to the negative fair value is recognised, first against "Receivables related to equity investments" and then against current accounts, in addition to the full write-off of the shares.

Note 2.5: Receivables and payables

Receivables are recorded at their nominal value; a provision for impairment is charged where the fair value is lower than the net book value.

MBWS pools cash and financing requirements for all Group subsidiaries.

Note 2.6: Foreign currency transactions

Foreign currency receivables and payables are converted into euros at the year-end closing rate, matched by a corresponding entry under the translation differences account on the balance sheet. Only unrealised foreign exchange losses are covered by provisions in the income statement (where appropriate, on the basis of a global position), except where the transaction is covered by a currency hedge, in which case the provision covers only the unhedged amount.

Foreign currency cash (including bank accounts and subsidiary current accounts) is converted at the closing rate and all unrealised gains and losses are recorded in the income statement.

Since 1 January 2017, exchange gains and losses on trade receivables and payables, previously recognised under net financial income/(expense), have been recorded under operating profit/(loss). The exchange gains and losses item under net financial income/(expense) is now reserved for transactions of a financial nature (foreign currency loans and borrowings, cash, current accounts, etc.).

Note 2.7: Financial instruments

See Note 6 - Derivatives

CURRENCY DERIVATIVES CONTRACTED TO HEDGE CURRENCY RISK AT GROUP COMPANIES

In 2017, MBWS SA set up a central cash management scheme designed to enable Group subsidiaries to hedge their transactional currency exposure. To this end, MBWS SA contracts currency derivatives with subsidiaries at their request (known as "internal derivatives"). These internal derivatives generate currency exposure for MBWS SA. This exposure is managed proactively by contracting reverse transactions on the market in order to obtain better exchange rates than the rates applied in the internal contracts.

All currency derivatives contracted under this scheme are classified as isolated open-position transactions in accordance with Article 628-18 of the French General Chart of Accounts (PCG). Fair value changes in isolated open-position transactions are recorded on the balance sheet with a matching entry under translation differences.

CURRENCY DERIVATIVES CLASSIFIED AS HEDGING INSTRUMENTS

The differences arising from changes in the value of hedging instruments are posted to the income statement in accordance with the income and expenses generated by the hedged item.

Accordingly, fair value changes in currency derivatives used to hedge foreign currency current accounts are recorded on the balance sheet with a matching entry on the income statement, in a manner symmetrical to the valuation of current accounts in the income statement.

In the income statement, currency futures premiums and discounts are spread over the duration of the hedging relationship under net financial income/(expense).

Note 2.8: Provisions for contingencies and charges

In accordance with the provisions of CRC Regulation 2000-06 on liabilities, which are included in ANC Regulation 2014-03, the Company records provisions as soon as a present, legal or constructive obligation arising from a past event materialises, where it is likely that an outflow of resources representing economic benefits will be necessary to settle the obligation, and where the amount of this outflow can be reliably estimated.

Note 2.9: Pension commitments

Pension commitments are measured and recorded in accordance with ANC Recommendation 2013-02 on the rules for recording and measuring pension commitments and related benefits. The actuarial valuation of defined benefit plans is performed by an independent actuary. The present value of employee benefit commitments is calculated using the projected unit credit method, taking into account factors such as staff turnover, life expectancy and the foreseeable trend in remuneration.

The liability corresponding to the Company's net employee benefit commitment is recorded under provisions for contingencies and charges under balance sheet liabilities.

Note 2.10 Investment securities

Investment securities are measured at cost. Where applicable, provisions are recorded, in accordance with the type of security, to cover the difference between their book value and closing value or, if lower, their net asset value.

Note 3: Notes on balance sheet assets

Note 3.1: Non-current assets

NOTE 3.1.1 CHANGE IN NON-CURRENT ASSETS (GROSS VALUE) IN 2020

(€000)	31/12/2019	Increase	Decrease	31/12/2020
Patents, licences and trademarks	833			833
Software	9,651	1,517		11,168
Goodwill	136,289			136,289
PP&E in progress	1,063	340	1,397	6
TOTAL INTANGIBLE ASSETS	**147,836**	**1,857**	**1,397**	**148,296**

(€000)	31/12/2019	Increase	Decrease	31/12/2020
Buildings	388		388	
Equipment and tools	13			13
Transportation equipment				
Office and computer equipment	246			246
PP&E in progress				
Advances and prepayments				
TOTAL PROPERTY, PLANT AND EQUIPMENT	**646**		**388**	**259**

(€000)	31/12/2019	Increase	Decrease	31/12/2020
Equity investments	305,534	67,675	112,089	261,119
Receivables related to equity investments	26,404	2	4,863	21,543
Deposits & guarantees	14,011	32	6,659	7,384
Other capitalised financial receivables		3,290		3,290
TOTAL NON-CURRENT FINANCIAL ASSETS	**345,948**	**70,999**	**123,611**	**293,336**

Intangible assets:

Intangible assets with a gross value of €148,296,000 break down as follows:

- Goodwill of €136,289,000 arising from the transfer of all assets and liabilities of Duke Street Capital France 2, the company that owned MBWS, on 30 June 2006. This goodwill has been fully written off.
- Software valued at €11,168,000: the Company has developed software in-house and has installed a Group-wide ERP system.

Equity investments:

See breakdown in Note 9 - List of subsidiaries and equity investments.

Purchases during the year totalled €67,675,000:

- Capital increases totalling €63,121,000 at MBWS Polska and Polmos Lancut;
- €3,330,000 capital increase at Gaia I;
- Purchase of MBWS International shares contributed by MBWS France (€1,224,000).

Decreases during the year totalled €112,089,000:

- Disposal of Sobieski Spolka and Polmos Lancut shares (book value €107,700,000) at a sale price of €4,249,000;
- Sale of Vilnius Degtine shares (book value €2,994,000) to subsidiary Gaia I at a sale price of €3,330,000;
- Decrease in MBWS France shares relating to the contribution of MBWS International shares (€1,223,000);
- Liquidation of two inactive Russian subsidiaries (€172,000).

Receivables related to equity investments:

The liquidation of the two inactive Russian subsidiaries resulted in a decrease of €4,862,000.

The balance of "Receivables related to equity investments" primarily consists of:

- advances to MBWS Bulgaria amounting to €15,041,000;
- a €5 million loan to Belveder Ukraine.

These receivables related to equity investments have been fully written off (see table below).

Escrow deposits:

The escrow deposit primarily corresponds to the commercial paper subscribed with Clico Investment Bank in 2006.

This deposit has been fully written off.

NOTE 3.1.2 CHANGE IN AMORTISATION, DEPRECIATION AND IMPAIRMENT CHARGES ON NON-CURRENT ASSETS

(€000)	31/12/2019	Increase	Decrease	31/12/2020
Patents, licences and trademarks	115			115
Software	2,323	2,026		4,349
Goodwill	136,289			136,289
TOTAL INTANGIBLE ASSETS	**138,727**	**2,026**		**140,753**

(€000)	31/12/2019	Increase	Decrease	31/12/2020
Buildings	129	27	155	
Equipment and tools	3	1		4
Transportation equipment				
Computer equipment and furniture	191	50		241
Advances and prepayments				
TOTAL PROPERTY, PLANT AND EQUIPMENT	**323**	**78**	**155**	**245**

(€000)	31/12/2019	Increase	Decrease	31/12/2020
Equity investments	192,900	56,307	102,798	146,408
Deposits & guarantees	13,580		6,340	7,240
Receivables related to equity investments	26,403		4,862	21,541
TOTAL NON-CURRENT FINANCIAL ASSETS	**232,883**	**56,307**	**114,000**	**175,190**

Impairment charges and reversals on non-current financial assets in 2020 result from the application of the policy described in Note 2.4 and primarily concern the following subsidiaries:

- Impairment charges on equity investments in MBWS Polska/Polmos Lancut (€54,749,000), Dubar (€1,273,000) and MBWS Scandinavia (€168,000);
- Impairment reversal on equity investments in MBWS Polska/Polmos Lancut of €99,328,000 at the time of their disposal, and in Imperial Brands for €3,298,000.

Following the sale of Polish entities MBWS Polska/Polmos Lancut, there are no remaining provisions for non-current financial assets concerning them.

Note 3.2: Statement of receivables and current assets

RECEIVABLES AND CURRENT ASSETS

(€000)	Gross amount 31/12/2020	< 1 year	> 1 year
Non-current assets			
Receivables related to equity investments	21,543		21,543
Loans	7		7
Other financial assets *	10,667		10,667
Current assets & prepaid expenses			
Trade receivables	1,170	1,170	
Of which Group receivables	1,162	1,162	
Of which non-Group receivables	8	8	
Other receivables	118,158	118,158	
*Of which Group receivables ****	*116,244*	*116,244*	
*Of which non-Group receivables ***	*1,914*	*1,914*	
Cash instruments - Assets			
Prepaid expenses	930	930	
TOTAL RECEIVABLES AND CURRENT ASSETS	**152,475**	**120,259**	**32,216**

(*) Other financial receivables correspond to the receivable against Polmos Lancut;

(**) Other non-Group receivables primarily correspond to VAT receivables against the Government, advances to staff and miscellaneous debtors;

(***) This item mainly includes current account advances to the following companies: MBWS France (€50,029,000), Sobieski SARL (€23,058,000), MBWS Bulgaria (€11,460,000), Cognac Gautier (€10,646,000), Gaia I (€7,550,000) and MBWS Ltd Trinidad (€5,454,000).

CHANGE IN IMPAIRMENT OF CURRENT ASSETS

(€000)	31/12/2019	Increase	Decrease	31/12/2020
Impairment of subsidiaries' current accounts	88,789	422	55,601	33,611
Impairment of other current accounts				
Impairment of treasury shares and redeemable warrants held	137	125	137	125
Impairment of other receivables				
Impairment of SOP treasury shares				
Impairment of trade receivables	349		86	264
Impairment of inventory				
TOTAL IMPAIRMENT OF CURRENT ASSETS	**89,276**	**548**	**55,824**	**34,000**

The €55,601,000 decrease in impairment on subsidiary current accounts primarily corresponds to the transfer of 2019 provisions relating to MBWS Polska/Polmos Lancut to provisions on securities at the time of the capital increases carried out in 2020, before the disposal of said subsidiaries. Following the sale of the Polish entities, there are no remaining provisions concerning them.

The €422,000 increase in the impairment charge on subsidiaries' current accounts was mainly due to the decrease in Sobieski SARL net assets.

Note 3.3: Investment securities and cash

INVESTMENT SECURITIES

(€000 unless specified otherwise)	Unit value at31/12/2020 (€)	Market value	Gross value	Impairment/ provision
Category				
Investment funds				
Treasury shares	1.484	130	119	
Treasury shares held for stock options	1.484	60	185	125

At 31 December 2020, Marie Brizard Wine & Spirits SA held 127,437 treasury shares, 40,166 of which were assigned to the bonus performance share plan. These 40,166 shares are subject to future vesting in the form of bonus shares. Treasury shares were valued at the trading price.

CASH

The total cash amount of €18,624,000 corresponds mainly to bank account balances.

Note 3.4: Accrued income and prepaid expenses

(€000)	31/12/2020	31/12/2019
Prepaid expenses	930	639
Unrealised foreign exchange losses	754	730
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	**1,684**	**1,370**

Prepaid expenses cover services paid for in advance, rental payments, insurance premiums and maintenance.

Note 4: Notes on balance sheet liabilities

Note 4.1: Share capital

	Number	Par value (€)
Opening number of shares - 31/12/2019	44,697,904	2
Shares issued	940	2
Shares redeemed or cancelled		
CLOSING NUMBER OF SHARES - 31/12/2020	**44,698,844**	**1.40**

- The exercise of short and long-term warrants resulted in the issuance of 940 shares with a non-material impact on shareholders' equity.
- The 30 November 2020 Extraordinary General Meeting voted to reduce the share par value from €2 to €1.40 by subtracting the difference from the "Retained earnings" account.

Note 4.2: Appropriation of 2019 earnings

The General Meeting resolved to allocate the €29,800,000 net loss recorded in 2019 to retained earnings/(losses), thereby reducing this account from €0 to €(29,800,000). It also resolved to partially clear the "Retained earnings/(losses)" account by reducing the share par value from €2 to €1.40, resulting in a €26,819,000 decrease in the share capital.

(€000)	31/12/2019	Appropriation of earnings	Dividend distribution	Other changes	31/12/2020
Share capital	89,396			(26,817)	62,578
Issue, merger and contribution premiums	(25,247)			1	(25,246)
2019 profit/(loss)	(29,800)	29,800			
Retained earnings/(losses)		(29,800)		26,819	(2,980)
Legal reserve	4,185				4,185
SB share warrants	93,162				93,162
2020 profit/(loss)				(34,635)	(34,635)
TOTAL SHAREHOLDERS' EQUITY	**131,696**			**(34,632)**	**97,064**

The Company's shareholders' equity amounted to €97,064,000 as at 31 December 2020 compared to share capital of €62,578,000. Shareholders' equity therefore amounts to more than half of the share capital.

Note 4.3: Provisions

The provisions for contingencies and charges items break down as follows:

(€000)	31/12/2019	Increase	Reversals used	Reversals not used	31/12/2020
Provisions for litigation	4,967	2,619	1,923	368	5,296
Provisions for exercisable SOPs					
Provisions for foreign exchange losses	705	770	705		770
Provisions for pension commitments	281	63			344
Other provisions for contingencies	122				122
of which provisions relating to equity investments	122				122
of which other provisions					
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	**6,076**	**3,452**	**2,628**	**368**	**6,532**

Provisions for contingencies and charges amounted to €6,532,000 at the end of 2020 compared with €6,076,000 at the end of 2019, and primarily consisted of:

- a €707,000 provision relating to employment disputes;
- a one-off provision of €1,320,000;
- a €1,760,000 provision relating to an alcohol purchase dispute;
- a €1,300,000 provision relating to a service dispute.

Note 4.4: Liabilities

(€000)	Gross amount 31/12/2020	< 1 year	1 to 5 years	> 5 years
Banks	309	309		
Trade payables	2,835	2,835		
Tax and social security payables	8,652	8,652		
Cash instruments - Liabilities	98	98		
Other payables	116,578	61,622	54,956	
TOTAL LIABILITIES	**128,472**	**73,516**	**54,956**	

Other payables amounting to €116,578,000 mainly relate to a €68,450,000 debt owed to shareholder COFEPP and current accounts included in the cash management scheme set up in 2016: MBWS France (€36,177,000), MBWS España (€3,981,000) and MBWS International (€2,851,000).

At 31 December 2020, the maturity of the financing granted by COFEPP, including the assignment of senior debt, is based on the agreements between the MBWS Group and COFEPP, as the conditions precedent for the capital increase had not been lifted by 31 December 2020.

NOTE 4.4.1 LIABILITIES REPRESENTED BY BILLS OF EXCHANGE

None

NOTE 4.4.2 ACCRUED EXPENSES INCLUDED IN BALANCE SHEET ITEMS

	Gross amount 31/12/2020 (€000)
Loans and borrowings – Credit institutions:	**3**
• *Accrued bank interest*:	*3*
Trade payables:	**1,994**
• *Miscellaneous supplier invoices pending:*	*1,994*
Tax and social security liabilities:	**2,137**
• *Provisions for paid leave*:	*498*
• *Provisions for other payroll expenses*:	*784*
• *Social security organisations and paid leave charges*:	*834*
• *Other tax charges payable*:	21

Note 4.5: Accrued expenses and deferred income

(€000)	31/12/2020	31/12/2019
Deferred income	1,811	2,567
Unrealised foreign exchange gains	1	304
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	**1,812**	**2,871**

Deferred income covers royalties for trademark licences paid in advance by licensee subsidiaries.

Note 5: Notes to the income statement

Note 5.1: Operating profit/(loss)

Breakdown of revenues excluding tax

(€000)	2020
France	3,032
Exports	4,685
TOTAL REVENUES	**7,717**

Revenues correspond to intra-Group services invoiced by MBWS to its subsidiaries under service agreements: corporate service fees, ERP, IT and leases.

Other external purchases

Other external purchases totalling €12,077,000 mainly comprise the following:

- fees: €7,297,000,
- finance lease expenses: €2,684,000.

Note 5.2: Net financial income/(expense)

Net financial income of €84,376,000 breaks down as follows (€000):

Expenses:	88,271
Interest on loans:	*55*
Interest on Group current and term accounts:	*95*
COFEPP interest*:*	*1,925*
Bank interest:	*4*
Loss on receivables related to equity investments:	*5,714*
Foreign exchange losses:	*3,936*
Expenses for disposals of securities:	*19,033*
Other financial expenses:	*11*
Additions to provisions for impairment of financial assets:	*1,558*
Additions to provisions for impairment of current accounts:	*55,171*
Additions to provisions for financial contingencies and charges:	*770*

Income:	172,648
Interest on Group current and term accounts:	*1,353*
Income from related receivables:	*2*
Foreign exchange gains:	*970*
Other financial income:	*16*
Reversals of provisions for impairment of financial assets:	*114,853*
Reversals of provisions for impairment of current accounts:	*54,749*
Reversals of provisions for financial contingencies and charges:	*705*

The net financial provision charge for the financial year amounted to €112,808,000, primarily related to the following items:

- Equity investments in MBWS Polska/Polmos Lancut: €(44,579,000); Imperial Brands: €(3,298,000); and Dubar: €1,273,000;
- The Vremena Goda receivable related to equity investments: €(4,862,000);
- MBWS Polska current accounts: €(54,749,000);
- The Clico receivable: -(€6,340,000).

No dividends were received in 2020. In 2019, MBWS received €40,200,000 in dividends from its subsidiary MBWS France.

The €19,033,000 loss on the disposal of investment securities corresponds to the loss on shares in Polish subsidiaries subscribed in Q3 2020 to be sold to United Beverages.

Note 5.3: Net non-recurring income/(expense)

The Company posted a net non-recurring expense of €102,459,000, broken down as follows (€000):

Expenses:	123,087
Other expenses relating to operating transactions:	*9,090*
Net value of assets sold:	*232*
Disposal of equity investments:*	*110,866*
Loss on treasury shares:	*62*
Miscellaneous non-recurring expenses:	*93*
Additions to provisions for non-recurring impairment charges:	*2,744*

** This disposal involved the sale of MBWS Polska, Polmos Lancut and Vilnius Degtine shares and the liquidation of Vremena Goda (see Note 2.2.6)*

Income:	20,629
Disposal of equity investments:*	*7,578*
Gains on treasury shares:	*37*
Miscellaneous non-recurring income:	*10,586*
Reversal of provisions for non-recurring impairment charges:	*2,428*

** This disposal involved the sale of MBWS Polska, Polmos Lancut and Vilnius Degtine shares (see Note 2.2.6).*

Note 5.4: Breakdown of corporation tax

(€000)	Profit/(loss) before tax	Tax group (charge)/income	Net profit/(loss) after tax
Underlying profit/(loss)	71,804	(3,981)	67,823
Net non-recurring income/(expense)	(102,459)		(102,459)
TOTAL	**(30,654)**	**(3,981)**	**(34,635)**

The tax consolidation arrangements are explained in Note 7 “Other information”.

Note 5.5: Impact of exceptional tax assessments (€000)

Net profit/(loss) for the financial year:	**(34,635)**
Corporation tax charge:	(3,981)
PROFIT/(LOSS) BEFORE TAX:	**(30,654)**

The tax charge for the 2020 financial year amounted to €4 million after taking tax consolidation income into account.

INCREASES AND DECREASES IN FUTURE TAX LIABILITIES:

(€000)	Base amount	Tax
Increase:		
Unrealised foreign exchange losses	2,449	686
Decrease:		
Provisions not deductible in year of recognition	2,712	759
Unrealised foreign exchange gains	2,062	577

TAX LOSS CARRYFORWARDS

At 31 December 2020, tax loss carryforwards under the tax consolidation arrangements amounted to €274.8million, down €23 million from 31 December 2019.

Note 6: Off-balance sheet commitments

Commitments given:

Country	Beneficiary	Nature of the obligation	Nature of the asset	Value of commitment at 31/12/2020 (€000)
France	COFEPP	Advances	Pledges of trademarks, securities and current account receivables	40,200
TOTAL COMMITMENTS GIVEN				**40,200**

Commitments received

Country	Guarantee	Nature of the obligation	Nature of the asset	Value of commitment at 31/12/2020 (€000)
France	COFEPP	Advances	Pledge of trademarks, securities and current account receivables	40,200
TOTAL COMMITMENTS RECEIVED				**40,200**

Derivatives

CASH MANAGEMENT SCHEME

	local currency millions					€000	
	GBP	PLN	USD	USD/PLN	Other currencies	NBV	Fair value
Derivatives contracted with bank counterparties						**0**	**0**
Purchase						0	0
Sale						0	0
Derivatives contracted with Group companies	**6**	**0**	**0**	**0**	**0**	**(98)**	**(98)**
Purchase	6					(98)	(98)
Sale							
TOTAL	**6**	**0**	**0**	**0**	**0**	**(98)**	**(98)**

Note 7: Other information

Management remuneration

The remuneration paid to management is not stated, as it would lead to the disclosure of individual remuneration.

Headcount

	2020 average headcount
Non-executives	1
Executives	29
AVERAGE HEADCOUNT DURING THE YEAR	**30**

Identity of the parent company that consolidates the Company's financial statements

Marie Brizard Wine & Spirits SA is the consolidating parent company. The Company's registered office is located at 10/12 Avenue du Général de Gaulle, Charenton-le-Pont (94220), France (SIRET 38069521300054). The consolidated financial statements may be viewed on www.mbws.com.

Tax consolidation

Marie Brizard Wine & Spirits SA opted for the company grouping tax consolidation regime provided for in Article 223A of the French General Tax Code as from 1 January 2006.

The companies included for tax consolidation purposes are: Sobieski SARL, Marie Brizard Wine & Spirits France, Cognac Gautier, Moncigale, MBWS International, Omega I, Gaia I and Gaia II.

The consolidated tax group incurred a tax charge of €3,981,000.

Affiliated companies and equity investments

	AMOUNT RELATING TO THE COMPANIES	
(€000)	Affiliates	Other equity-related companies
Items		
Equity investments	261,119	
Provisions on equity investments	(146,408)	
Receivables related to equity investments	21,543	
Provisions on related receivables	(21,541)	
Trade receivables	1,162	
Provisions on trade receivables	(257)	
Other receivables (current and term accounts)	116,244	
Provisions on other receivables	(33,611)	
Trade payables	(344)	
Payables to customers		
Other payables (current and term accounts)	(112,798)	
Income from equity investments		
Other financial income	1,370	
Financial expense	(7,733)	

The transactions referred to in Articles 831-3 and 832-12, 11 of ANC Regulation 2010-02 were entered into under arm's length conditions.

Note 8: Post-balance sheet events

SIGNING OF A NEW SCOTCH WHISKY SUPPLY AGREEMENT

On 12 January 2021, after protracted discussions and as part of the 16 July 2020 agreement, MBWS signed a new agreement with its main bulk supplier of Scotch whisky, replacing the existing agreement.

This new agreement redefines the Group's minimum annual purchase commitments in terms of volume, compared to those initially planned for 2021 and subsequent years under the terms of the previous agreement.

These purchase commitments currently represent almost all of the Group's Scotch whisky supply requirements for the William Peel and Sir Pitterson brands.

Given the minimum contractual purchase commitments it provides for, this new agreement also includes a renegotiation clause, in the event that any significant and unforeseeable events beyond the Group's control affect its ability to meet said volume commitments.

Furthermore, pursuant to the refinancing agreement entered into on 20 December 2019 between the Company and COFEPP, the €7 million balance under Advance 2 was paid by COFEPP on 18 January 2021, i.e before the completion of the capital increase. The payment of this advance was conditional on the signing of this new agreement.

CAPITAL INCREASE AND INCREASE IN COFEPP'S EQUITY INTEREST IN MBWS

On 14 January 2021 MBWS launched a cash capital increase by way of payment in cash and set-off against receivables, with shareholder preferential subscription rights, for a maximum total gross amount of €105.4 million including issue premiums; seven preferential subscription rights entitle the holder to subscribe to a statutory entitlement of 11 new shares at a price of €1.50 per share.

Following this transaction, the gross amount of the Capital Increase (including issue premiums) was €100.9 million and resulted in the issuance of 67,248,517 new shares at a price of €1.50 each, i.e. approximately 95.74% of the maximum amount of the Capital Increase, including 54,942,019 New Shares requested under statutory entitlements and 12,306,498 New Shares requested as additional securities by the shareholders of the Company and assignees of preferential subscription rights. The request for additional securities was therefore granted in full.

Majority shareholder COFEPP acquired 5,244,692 preferential subscription rights, subscribed 44,039,072 New Shares under its statutory entitlement and was allocated all 11,614,644 additional New Shares requested.

The Company's share capital following the Capital Increase is therefore €156,726,305.40, made up of 111,947,361 shares with a par value of €1.40 each. Following the Capital Increase, COFEPP holds 78,433,683 shares representing 70.06% of the Company's share capital and 68.02% of the voting rights.

This capital increase made it possible to capitalise (i) all the bank debt (excluding factoring) purchased by COFEPP from the Company's bank lenders, namely the loan taken out on 26 July 2017 for a principal amount of €45 million, and overdraft facilities drawn down for a principal amount of €1.1 million, (ii) all current account advances paid or owed by COFEPP to the Company and its subsidiary MBWS France, for a total principal amount of €32 million, and (iii) the first tranche of the Poland Advance granted by COFEPP to the Company in the amount of €3 million.

The proceeds of the Capital Increase cash subscriptions paid by shareholders other than COFEPP, amounting to €17.4 million, will make it possible to (i) repay the outstanding €5.2 million Poland Advance granted by COFEPPto the Company and (ii) finance the MBWS Group's operations with the remaining amount.

After repayment of the €5.2 million balance of the Poland Advance, COFEPP no longer holds any claims against the MBWS Group.

ESTABLISHMENT OF A NEW STANDSTILL ON TAX AND SOCIAL SECURITY LIABILITIES

Following the public creditors' agreement in principle to a standstill on part of the Group's tax and social security liabilities, approved by the CIRI in September for an agreed amount of €7.5 million, at a committee meeting held on 19 March 2021 the Val-de-Marne region CCSF approved an amount of €7.6 million in favour of MBWS France, as notified on 1 April, by way of a staggered debt repayment plan including a schedule of regular monthly payments of €316,000 over a two-year period, i.e. until the end of March 2023.

A first-tier mortgage on the Lormont facility (belonging to MBWS France) is being set up in favour of the government corporate department (DGE) and URSSAF social security department to secure tax and social security liabilities owed by MBWS France and the MBWS Group.

COVID-19 PANDEMIC

As in 2020, restrictions imposed to curb the spread of the virus could continue to impact MBWS's business in some markets in 2021, particularly in out-of-home consumption networks, to which the Group is partly exposed in global terms.

The uncertain development of the pandemic prevents the Group from assessing the precise impact of the health crisis on its 2021 forecasts.

Given the uncertainty surrounding COVID-19, the Group has taken steps to limit the effects of the pandemic, including containing its cost base, a strict policy of preserving and controlling cash and assessing potential additional requirements.

Note 9: List of subsidiaries and equity investments

31/12/2020 (€000)	Country	Share capital	Other shareholders' equity	% held	Book value of shares held		Revenues	Profit/ (loss)	Gross value of loans and advances	Endorsements and guarantees (granted)/ received	Dividends received
					Gross	Net					
MBWS Bulgaria	Bulgaria	12,525	(12,287)	100%	12,525			(52)	26,501		
Dubar	Brazil	2,171	431	100%	5,281	2,602	2,347	(155)			
Sobieski Trading China	China	850	(1,326)	100%	800			(66)	305		
MBWS Scandinavia	Denmark	350	433	100%	3,031	783	2,157	(199)	130		
MBWS Hong Kong	Hong Kong			100%				76			
MBWS France	France	17,477	25,355	100%	169,493	82,408	89,645	(2,961)	50,029	45,000	
MBWS España	Spain	15,926	(1,225)	99%	13,557	13,557	25,289	(1,075)			
Sobieski SARL	France	8	(23,064)	100%	8			(273)	23,058		
Gaia I	France	3,331	(116)	100%	3,331	3,215		(108)	7,550		
Gaia II	France	1	(13)		1			(5)	16		
MBWS International	France	1,224	883		1,224	1,224	9,415	963	368		
Prekyba Alkoholiniais Gerimai UAB	Lithuania	1,922	1,562	100%	1,886	1,886	22,180	795			
Belveder Ukraina	Ukraine	n/a	n/a	100%	6,316		n/a	n/a	5,057		
MBWS Limited	Trinidad	n/a	n/a	100%			n/a	n/a	5,454		
Sobieski USA	United States	n/a	n/a	100%	1		n/a	n/a	2,898		
Imperial Brands	United States	42,376	(33,430)	100%	43,636	9,036	16,473	(3,188)			
Other					30				16,420		
TOTAL					**261,119**	**114,711**			**137,787**	**45,000**	

5.2 STATUTORY AUDITORS' REPORT ON THE 2020 COMPANY FINANCIAL STATEMENTS

Financial year ended 31 December 2020

To the General Meeting of Marie Brizard Wine & Spirits SA,

OPINION

In execution of the engagement entrusted to us by your General Meetings, we have audited the financial statements of Marie Brizard Wine & Spirits SA for the year ended 31 December 2020, as appended to this report.

We hereby certify that, in accordance with French accounting rules and principles, the parent company financial statements are in order and accurate and give a true and fair view of the results of the Company's operations for the financial year ended and the Company's financial position, assets and liabilities at the end of said financial year.

The opinion expressed above is consistent with the terms of our report to the Audit Committee.

BASES OF OPINION

Terms of reference

We conducted our audit in accordance with professional standards applicable in France. We consider that the evidence that we have gathered is sufficient and appropriate to form the basis for our opinion.

Our responsibilities in accordance with these standards are set out in the section of this report entitled "Statutory Auditors' responsibilities regarding the audit of the parent company financial statements".

Independence

We have performed our audit in compliance with the rules of independence set out in the French Commercial Code and the French Code of Ethics for statutory auditors, for the period running from 1 January 2020 to the date of issue of our report, and in particular we have not provided services prohibited under Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT MATTERS

Due to the global COVID-19 pandemic, this year's financial statements were prepared and audited under special conditions. The ongoing crisis and exceptional measures implemented under the state of health emergency have had numerous consequences on businesses, particularly on their revenues and financing, in addition to increased uncertainty about their future outlook. Some of these measures, such as travel restrictions and remote working arrangements, also impacted companies' internal organisation and the manner in which audits were carried out.

In this complex and constantly evolving environment, and in accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code on the justification of our assessments, we wish to draw your attention to the key audit matters relating to the risk of material misstatements which, in our professional opinion, were the most significant for the audit of the annual parent company financial statements and to our responses with regard to these risks.

These assessments were made as part of our audit of the parent company financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed herein. We express no opinion on individual items comprising these parent company financial statements taken in isolation.

Valuation of equity investments

Description of risk identified

The net value of equity investments at 31 December 2020 was €114.7 million, amounting to 49% of the balance sheet total.

As stated in Note 2.4 to the parent company financial statements, a provision for impairment of equity investments is recorded when their fair value is lower than their purchase cost at the financial year-end. The fair value of equity investments corresponds to their value in use for the Company. Value in use is measured on the basis of the share of the subsidiary's equity, its economic and financial potential as calculated by discounting future cash flows and, if necessary, the fair value of its assets.

Discounted future cash flows are determined on the basis of the 2021 budget approved by the Board of Directors and three-year growth assumptions approved by the Finance Division. The translation of these business forecasts into cash flows is based on a number of key assumptions and judgements aimed at determining the trend in Group markets.

If the fair value of equity investments in a subsidiary becomes negative, an impairment charge equal to the negative fair value is recognised, first against "Receivables related to equity investments" and then against current accounts, in addition to the full write-off of the shares.

We considered that the valuation of equity investments was a key audit matter due to their materiality in the Company's financial statements and the judgement required in order to assess their fair value.

Audit procedures implemented to address this risk

We reviewed the procedures implemented by the Company in order to determine the fair value of equity investments.

In the case of valuation based on the share of equity, our work consisted mainly in verifying that the amount of equity used for the valuation was consistent with the financial statements of the relevant entities.

In the case of valuation based on discounted future cash flows, our work consisted mainly in:

- with reference to past performance and our knowledge of the environment in which the entity operates, assessing the assumptions underlying the cash flow projections, particularly those regarding revenues and operating margin;
- with the help of our expert appraisers, assessing the appropriateness of the discount rates and long-term growth rates, the discounted cash flow calculation model and the mathematical reliability of the calculations.

We performed the following tasks in addition to assessing the fair value of equity investments:

- We assessed the recoverability of receivables related to equity investments with regard to the analyses conducted on these equity investments;
- We examined the recognition of provisions for contingencies in cases where the Company is obliged to bear the losses of a subsidiary posting negative shareholders' equity.

Furthermore, we verified the correct recognition of any impairment losses identified by management in the parent company financial statements and we assessed the appropriateness of the information provided in the notes to the financial statements.

Going concern

Description of risk identified

The 2020 financial statements were prepared on a going concern basis.

As stated in Note 2.1 to the parent company financial statements, this assessment is based on:

- a reduction in loss-making operations following the disposal of the Polish businesses in October 2020 and Moncigale in February 2021, and
- the latest estimates of the Group's cash requirements.

These 12-month estimates (until March 2022) include the capital increase that took place in early February 2021, the repayment plan for the new standstill on part of the MBWS France subsidiary's tax and social security liabilities, and the effects of the evolving COVID-19 health crisis.

Given the Company's long-standing financial and operational difficulties and the complex and changing context of the COVID-19 health crisis, we considered the application of the going concern principle a key audit matter, as it relies on management's assumptions and judgement and presents an inherent cash flow forecasting risk.

Audit procedures implemented to address this risk

We obtained and assessed the appropriateness of management's assessment of the Group's ability to continue operating as a going concern over the 12 months following year-end.

In particular, we:

- reviewed the process for preparing the 12-month cash flow forecasts until the end of March 2022, which were used as the basis for the going concern assessment;
- compared the 2020 closing cash position and the cash position at the end of March 2021 with the estimated cash requirements on the same dates prepared by the Company;
- assessed the consistency of these cash flow forecasts with the data used to draw up the provisional budgets approved by the Board of Directors and the strategic plan;
- assessed the main assumptions underlying the cash requirement estimates in light of our knowledge of the Company/Group and the management team's plans, such as repayments under the tax and social security standstill covering a portion of MBWS France's liabilities;
- interviewed management about their knowledge of events or circumstances subsequent to 31 December 2020 that might affect the Group's ability to continue operating as a going concern.

Lastly, we assessed the appropriateness of the information provided under Note 2.1 relating to the Company's assessment of continued operation as a going concern.

SPECIFIC VERIFICATIONS

We also performed the specific verifications required by statutory and regulatory provisions, in accordance with the professional standards applicable in France.

Information provided in the management report and other documents sent to shareholders regarding the parent company's financial position and financial statements

We have no observations to make on the fairness of the information provided in the Board of Directors' management report and in the other documents sent to shareholders regarding the parent company's financial position and financial statements or on the consistency of this information with the parent company financial statements.

We hereby certify the fair presentation of the information regarding late payments referred to in Article D. 441-6 of the French Commercial Code and the consistency of such information with the parent company financial statements.

Report on corporate governance

We hereby certify that the Board of Directors' report on corporate governance contains the information required under Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

We have checked the consistency of the information provided, in accordance with Article L. 22-10-9 of the French Commercial Code, on the remuneration and benefits paid or granted to corporate officers and on the commitments granted in their favour with the financial statements or with the underlying data used to prepare the financial statements and, where appropriate, with the information gathered by your Company from companies controlled by it and included in the consolidation scope. We hereby certify the accuracy and fair presentation of this information on the basis of this work.

Regarding information concerning factors that your Company has considered liable to have an impact in the event of a public tender or exchange offer, which is provided in application of the provisions of Article L. 22-10-11 of the French Commercial Code, we have verified the consistency of such information with the documents from which it was derived and which were forwarded to us. On the basis of our work, we have no matters to report regarding this information.

Other information

In accordance with French law, we verified that the required information regarding the acquisition of equity investments and controlling interests and the identity of the holders of share capital and voting rights has been duly disclosed in the management report.

Other verifications or information required by law and regulations

Format of the parent company financial statements to be included in the annual financial report

In accordance with Article 222-3 (III) of the AMF General Regulation, the Company's management has informed us of its decision to postpone the application of the single electronic reporting format as defined by Commission Delegated Regulation No. 2019/815 of 17 December 2018 to financial years beginning on or after 1 January 2021. As such, this report does not include a statement on whether the parent company financial statements to be included in the annual financial report, as referred to in Article L. 451-1-2 (I) of the French Monetary and Financial Code, comply with this format.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of Marie Brizard Wine & Spirits SA by your General Meeting on 8 August 2008, in the case of Mazars, and on 30 June 2015, in the case of KPMG.

As at 31 December 2020, Mazars was in the 13th consecutive year of its appointment and KPMG was in its 6th year.

Responsibilities of management and persons involved in corporate governance with regard to the parent company financial statements

It is management's responsibility to prepare parent company financial statements presenting a true and fair view in accordance with French accounting rules and principles and to establish the internal control procedures it deems necessary for the preparation of parent company financial statements that are free of material misstatements, whether due to fraud or error.

In preparing the parent company financial statements, management is required to assess the Company's ability to continue its operations, to present, in these statements, where applicable, the requisite information with regard to continuity of business and to apply the going concern principle, unless there is the intention to liquidate the Company or discontinue its operations.

It is the responsibility of the Audit Committee to monitor the process for the preparation of financial information and the effectiveness of internal control and risk management systems, and, where applicable, of the internal audit system, as regards the procedures relating to the preparation and processing of accounting and financial information.

The parent company financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities regarding the audit of the parent company financial statements

Audit objective and approach

It is our responsibility to prepare a report on the parent company financial statements. Our goal is to obtain reasonable assurance that these parent company financial statements, taken as a whole, are free of material misstatements. Reasonable assurance corresponds to a high level of assurance, without, however, the guarantee that an audit performed in accordance with professional standards enables systematic detection of all material misstatements. Misstatements may result from fraud or error and are deemed material when they may reasonably be expected, when taken either individually or together, to influence economic decisions taken by users of the financial statements on the basis thereof.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist in guaranteeing the viability or quality of your Company's management.

Within the scope of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises his or her professional judgement throughout this audit. Furthermore:

- the auditor identifies and assesses the risks that the parent company financial statements contain material misstatements, whether resulting from fraud or error, defines and implements audit procedures to address these risks, and gathers the elements the auditor deems necessary and appropriate upon which to base the

auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is more serious than the risk of not detecting a material misstatement resulting from error, since fraud may involve collusion, falsification, deliberate omission, false representations or the circumvention of internal control;

- the auditor examines the aspects of the internal control system that are relevant to the audit, in order to define the audit procedures appropriate in the circumstances but not for the purpose of expressing an opinion on the efficacy of the internal control system;
- the auditor assesses the appropriateness of the accounting methods adopted and the reasonableness of the accounting estimates made by management, as well as the related information provided in the parent company financial statements;
- the auditor assesses the appropriateness of management's application of the going concern principle and, according to the information gathered, the existence or absence of material uncertainty regarding events or circumstances liable to jeopardise the Company's ability to continue its operations. This assessment is based on information gathered up until the date of the auditor's report, provided, however, that any subsequent circumstances or events could jeopardise business continuity. If the auditor finds that material uncertainty exists, the auditor draws the attention of the readers of the auditor's report to the information provided in the parent company financial statements regarding this uncertainty or, if such information is not provided or is irrelevant, issues certification with reservations or refuses to certify;
- the auditor assesses the presentation of the parent company financial statements, taken as a whole, and assesses whether they reflect the underlying transactions and events in such a way as to give a true and fair view thereof.

Report to the Audit Committee

We submit a report to the Audit Committee defining the scope of the audit work and the audit programme implemented, as well as the findings based on our work. We also draw the Committee's attention to any material internal control deficiencies we have identified, as regards procedures relating to the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee also contains information on the risks of material misstatements that we deemed to have been the most significant for the audit of the parent company financial statements and which therefore constitute key audit matters, which we are required to set out herein.

We also submit to the Audit Committee the declaration set out in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the French Code of Ethics for statutory auditors. If necessary, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

The Statutory Auditors

Paris-La Défense, 30 April 2021
KPMG Audit
KPMG S.A. department
Stéphane Devin
Partner
Adrien Johner
Partner

Paris-La Défense, 30 April 2021
Mazars
Erwan Candau
Partner

6

BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

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On the recommendation of the Remuneration and Appointments Committee, at its meeting on 27 April 2021 the Board of Directors approved this report on corporate governance, which was prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code, and instructed its Chairman to present it to the General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2020.

6.1 GOVERNANCE

To the Shareholders,

Pursuant to the provisions of paragraph 6 of Article L. 225-37 of the French Commercial Code, we hereby report to you on the following matters in accordance with Articles L. 22-10-8 to L. 22-10-11 of said Code:

- The adoption of the Corporate Governance Code;
- The composition of the Board of Directors and the conditions for preparing and organising the work performed by your Board of Directors;
- The limits that your Board has set on the powers of the Chief Executive Officer;
- The specific terms and conditions relating to shareholder participation in General Meetings;
- The corporate officer remuneration policy for 2021 and information regarding remuneration and benefits paid or granted to corporate officers in respect of 2020;
- Factors likely to have an impact in the event of a public tender offer;
- Agreements entered into between a manager or major shareholder of the Company and one of its subsidiaries;
- The procedure applicable to unrestricted agreements entered into in the ordinary course of business and on arm's length terms; and
- Current financial authorisations granted by the General Meeting to the Board of Directors.

6.2 BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

6.2.1 Corporate Governance Code

Regarding matters of corporate governance, the Company shall refer to the Middlenext Corporate Governance Code. This code may be consulted on www.middlenext.com.

The Company undertakes to implement the recommendations made by the Middlenext Corporate Governance Code.

The table below explains in detail why certain recommendations in the Middlenext Code have temporarily not been applied, on the understanding that the other recommendations of said Code are duly complied with.

Explanations regarding temporary non-application of certain provisions of the Middlenext Code

Subject of recommendation	Middlenext Code recommendation	Reasons for non-application of recommendation
It is recommended that, once per year, the Chairman of the Board of Directors invites the members to express their views on the operation of the Board and any committees and on the preparation of its work.	R11	In 2019 and 2020, the Board conducted no specific review of its operation. Following changes made to the composition of the Board at the General Meetings held on 31 January 2019 and 27 June 2019 and in view of the other strategic items on the agenda of Board meetings, the Board is completing a self-assessment in 2021.
It is recommended that the exercise of all or some stock options and the vesting of all or some bonus shares to senior executives be subject to relevant performance criteria that reflect the Company's medium to long-term interests and are assessed over a significant period of time.	R18	The remuneration policy for 2021 (see Section 6.3.1 below) provides that the grant of bonus shares to the Chief Executive Officer may not be subject to performance criteria.

Given that Directors' terms of office will expire in a phased manner, in 2021 for almost half of its members and in 2025 for the other half, the Company considers that it is in compliance with Recommendation R2 of the Middlenext Code.

Although it complies with Middlenext Code Recommendation R3 that at least two independent directors should sit on the Board of Directors, the Company does not follow Middlenext Code prescriptions on the ratio of independent directors for boards of a certain size, with the minimum ratio of independent directors being a third of the Board members. The Company does not intend to change the composition of its Board, which currently consists of 2 independent members out of 12 members, or a ratio of 17% independent members.

6.2.2 Composition of the Board of Directors and conditions for preparing the work performed by your Board of Directors

Internal rules of procedure

The internal operation of the Board of Directors, including the organisation of the information process for the members of the Board and its relations with senior management, is governed by internal rules of procedure.

This report sets out the main features of these internal rules of procedure.

Composition of the Board of Directors

Our Board of Directors currently consists of twelve members.

The members of the Board of Directors are: Rita Maria Zniber since 16 September 2014, Serge Héringer since 30 June 2015, Guillaume de Belair since 30 June 2015, Jean-Pierre Cayard since 30 June 2015, Edith Cayard since 21 September 2016, Hachem Belghiti since 21 June 2016, Sylvia Bernard since 12 May 2017, Tierny Financial Advisory since 10 May 2019, Pascale Anquetil since 1 March 2019, Anna Luc since 1 March 2019, Cyril Cahart since 1 March 2019 and Georges Graux since 1 March 2019.

In view of the structure of the Company's share capital and in accordance with the recommendations of the Middlenext Corporate Governance Code, the Board of Directors includes two independent directors (Tierny Financial Advisory represented by Jacques Tierny and Guillaume de Belair).

The criteria selected to determine the independence of a Director are as follows:

- they are not and have not been, within the last five years, an employee or executive corporate officer of the Company or a company in its group;
- they do not have and have not had, within the last five years, a significant business relationship with the Company or its group (customer, supplier, service provider, creditor, banker, etc.);
- they are not a major shareholder in the Company and do not hold a significant percentage of its voting rights;
- they do not have a close relationship or close family tie with a corporate officer or major shareholder;
- they have not been an auditor of the Company within the last six years.

Lastly, the Company pays particular attention to the balance between men and women on its Board of Directors. Accordingly, 41.6% of the current members of the Board of Directors are women.

No Director of the Company represents the employees.

Evaluation of the Board

The internal rules of procedure provide that "once a year, the Board shall include an item on its meeting agenda to debate its operations. A formal assessment is carried out every three years. This review also includes a review of the special committees set up by the Board."

During the first half of 2021, the Board of Directors conducted an assessment of its work.

Transparency rules

Pursuant to the internal rules of procedure, each member of the Board of Directors is required to be a shareholder in an individual capacity and to hold at least 200 Company shares. If they do not hold these shares when they take up their appointment, they must use their attendance fees to purchase them.

The following Directors have reported that they currently hold the following shares in the Company:

- Tierny Financial Advisory, represented by Jacques Tierny: no shares
- Jean-Pierre Cayard and Edith Cayard: 78,433,683 shares via COFEPP holding company;
- COFEPP, represented by Sylvia Bernard: 78,433,683 shares;
- Rita Maria Zniber: 1,300 shares;
- Serge Héringer: 500 shares;
- Guillaume de Belair: 11,000 shares;
- Hachem Belghiti: 2300 shares;
- Pascale Anquetil: no shares;
- Anna Luc: no shares;
- Cyril Cahart: no shares;
- Georges Graux: no shares.

The members of the Board of Directors are periodically informed of the provisions introduced by Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, Article L. 621-18-2 of the French Monetary and Financial Code and the articles of the AMF General Regulation that directly concern them.

Accordingly, the Directors must report directly to the AMF any transaction involving the purchase, disposal, subscription to or exchange of the Company's equity securities within three business days following the performance of such a transaction, as well as any transactions performed in related financial instruments. This requirement applies to the members of the Board of Directors, the Chief Executive Officer, the members of the Executive Committee and any private individuals and legal entities related to them within the meaning of the regulations in effect. Accordingly, it also applies to transactions performed by a) the Director's spouse, if they are not legally separated, or civil partner, b) children over whom the

Director exercises parental authority, or who share the same address as the Director, either permanently or on an alternating basis, or who are effectively and permanently dependent, c) relatives by blood or marriage who have shared the same address as the Director for at least one year prior to the date of the transaction in question, d) any legal entity (including a trust, fiduciary or partnership governed by the laws of France or another country) in which the Director or related person exercises management responsibilities (e.g. as manager, Board member, etc.), or which is directly or indirectly controlled by the Director or related person, or which has been established for the benefit of the Director or related person, or whose economic interests are substantially the same as those of the Director or related person.

The Directors must also familiarise themselves with the closed periods that apply to the Company's securities and with their obligations to the market, as set out in the regulations in effect.

A Director is required to inform the Compliance Officer appointed by the Board of Directors of any potential or actual conflict of interest with the Company and its subsidiaries. The Director in question shall abstain from voting on the corresponding resolution.

A Director's personal involvement in a transaction in which the Company is directly involved, or of which they have become aware as a Director, will be made known to the Board prior to the completion of that transaction.

Furthermore, Directors will refrain from trading in the Company's securities during the 30 calendar day period prior to the announcement of the annual and half-yearly results, and during the 15 calendar day period prior to the quarterly results publication; they may resume trading on the day following the public announcement of the results.

Frequency of meetings

Article 16 of the Company's Articles of Association specifies that the Board of Directors will meet as often as the Company's interests require it to do so.

The Board of Directors met 11 times during the 2020 financial year.

The timetable for the Board of Directors' meetings, the main items on the agenda of those meetings and the Directors' attendance during the 2020 financial year were as follows:

27 January 2020

- Fourth quarter 2019 forecast revenues;
- Attendance rate: 83%.

5 March 2020

- Other business;
- Attendance rate: 91%.

22 April 2020

- Update on 2019 financial statement preparation schedule;
- Update on the Company's financing;
- Update on draft press releases relating to the publication of the 2019 financial statements and COVID-19 in particular;
- Attendance rate: 91%.

28 April 2021

- Q1 revenues update;
- Update on the schedule for the preparation and approval of the 2019 financial statements and related publications;
- COVID update;
- Attendance rate: 91%.

26 May 2020

- Review of Audit Committee report;
- Review and approval of the parent company financial statements for the year ended 31 December 2019;
- Proposal for the appropriation of earnings;
- Review and approval of the consolidated financial statements for the year ended 31 December 2019;
- Regulated agreements and commitments referred to in Articles L. 225-38 et seq. of the French Commercial Code;
- Review of watch points under the Middlenext Code;
- Approval of the procedure for evaluating agreements entered into in the ordinary course of business referred to in Article L. 225-39 of the French Commercial Code;
- Approval of the management report, the Group management report and the various reports of the Board of Directors, including the report on corporate governance provided for by Article L. 225-37 paragraph 6 of the French Commercial Code;
- Approval of the forward-looking management documents;
- On the recommendation of the Remuneration and Appointments Committee, review and adoption of items of the remuneration policy for all Company corporate officers;
- Review of the achievement of performance criteria and approval of the remuneration paid or allocated to all corporate officers during the financial year ended in respect of their office at the Company, and other information referred to in Article L. 225-37-3 of the French Commercial Code, on the advice of the Remuneration and Appointments Committee;
- Annual update on the Company's policy in terms of professional and wage equality, pursuant to the provisions of Article L. 225-37-1 of the French Commercial Code;
- Attendance rate: 91%.

6 July 2020

- Update on negotiations with a supplier;
- Attendance rate: 91%.

23 September 2020

- Other business;
- Attendance rate: 91%.

12 November 2020

- Recognition of the completion of the capital increase for a nominal amount of €1,720 carried out by issuance of 860 shares through the exercise of 1,978 Long-Term Warrants;
- Attendance rate: 91%.

30 November 2020

- Answering of written questions received from shareholders.
- Attendance rate: 91%.

11 December 2020

- 2021 budget.
- Attendance rate: 91%.

22 December 2021

- Postponement of the start date of the proposed capital increase;
- Approval of press release wording;
- Attendance rate: 91%.

Convening of the Directors

An annual Board meeting schedule is prepared at the end of the financial year prior to the year in question. The timetable for Board meetings is subsequently confirmed by agreement during the previous meeting, at the latest. The members of the Board of Directors are then convened to each meeting via email, around eight days in advance.

The Statutory Auditors are invited to the meetings of the Board of Directors called to approve the half-yearly and annual financial statements and to any other meeting where their presence is required.

Provision of information to Directors

To enable every Director to fulfil their assignment, and so take decisions in full knowledge of the facts and make an effective contribution to Board meetings, a complete information pack is sent to them prior to each meeting.

This pack includes documents that provide the requisite information regarding each item on the agenda.

Each Director shall receive all of the information necessary for the performance of his/her assignment and may request and obtain any documents he/she considers appropriate. Directors are kept informed on an ongoing basis as required between Board meetings.

For this purpose, all Directors may request from the Chairman or the Chief Executive Officer, within appropriate time limits, information to ensure useful participation on the points given on the Board of Directors meeting agenda and any other information enabling them to fulfil their duties.

The Directors are entitled to meet the Company's main executives in the absence of the executive corporate officers, provided that they inform the latter beforehand.

Any Director may, if he/she deems necessary, and at the Company's expense, receive training on the Company, its jobs and business activity as well as the role of a Director.

Holding of meetings

The meetings of the Board of Directors are held at the Company's registered office. The Board may decide to hold a meeting at another location specified in the invitation, on the recommendation of the Chairman and in accordance with the Company's Articles of Association.

Under the provisions of Article L. 225-37 of the French Commercial Code, Article 16-II of the Articles of Association and Article 4.1 of the Board of Directors' internal rules of procedure, Board meetings may be held using video-conference or telecommunications technology. However, voting by video-conference or via telecommunications technology is prohibited in the case of resolutions regarding the approval of the parent company or consolidated financial statements and the appointment or dismissal of the Chairman of the Board of Directors, Chief Executive Officer or Deputy Chief Executive Officers.

Directors who take part in the Board of Directors meeting via video-conference or telecommunications technology that enables them to be identified and that guarantees their actual participation in compliance with the technical specifications provided for by the regulations will be considered present for the purposes of calculating quorum and majority.

In 2020, most Board of Directors meetings were held by conference call.

Furthermore, in accordance with the option granted by Article L. 225-37 of the French Commercial Code, as amended by French Law 2019-744 of 19 July 2019 (the "Soihili" Act), the Extraordinary General Meeting of 30 July 2020 approved the amendment of Article 16 of the Articles of Association, "Board meetings", to enable the Board of Directors to adopt certain decisions by written consultation of the Directors. As such, in accordance with the law, the Board of Directors may also adopt certain decisions falling within its remit by way of written consultation, namely: -the provisional appointment of members of the Board of Directors;-the authorisation of sureties, endorsements and guarantees granted by the Company;-the decision to amend the Articles of Association, subject to delegation of authority by the Extraordinary General Meeting, to bring them in line with statutory and regulatory provisions;-convening the General Meeting;-changing the location of the registered office within the same region (French "département").

The Board of Directors did not carry out any written consultations in 2020.

Persons invited to attend Board meetings

All members of the Company's Executive Committee and a number of Company managers attended some Board meetings during the financial year, depending on the topics addressed at the meeting. During the 2020 financial year, the Chief Executive Officer attended all meetings of the Board of Directors.

Lastly, a number of the Company's advisers and consultants were invited to Board meetings to provide answers to the members' questions.

Authorisation of regulated agreements by the Board of Directors

During the financial year ended, several regulated agreements were signed or amended by the Company. These agreements are subject to prior authorisation by the Board of Directors and are audited by the Company's Statutory Auditors and mentioned in their special report.

Minutes of the meetings

The minutes of each Board meeting are drawn up at the end of the meeting and a draft is sent to the Directors together with the notice of the next meeting, at which the minutes of the previous meeting are approved.

Committees set up within the Board of Directors

Prior to the 2019 financial year, the Board of Directors had two committees: the Audit Committee and the Remuneration and Appointments Committee.

On 28 February 2019 the Board of Directors set up a Strategic and Commercial Committee.

In addition, on 10 January 2019 the Board of Directors set up an ad hoc committee composed of independent directors tasked with liaising with the independent expert and issuing an opinion to the Board of Directors concerning the capital increase reserved for COFEPP, which was finally completed on 1 March 2020.

The Board of Directors determines the composition and attributes of each committee. These committees are designed to facilitate the working of the Board and make an effective contribution to the preparation of decisions.

The committees are responsible for reviewing issues that the Board of Directors or its Chairman submit for this purpose, preparing the Board of Directors' work relating to these issues and reporting their conclusions to the Board of Directors in the form of reports, proposals, information and recommendations.

The committees shall have a strictly consultative role. The Board of Directors assesses at its own discretion any follow-up measures that it intends to take in relation to the conclusions presented by the committees. Each Director is free to vote as he/she thinks fit without being tied to studies, investigations or reports and is not bound by any recommendations made by the committees.

Any remuneration for the members of the committees is determined by the Board.

The Audit Committee

Chairman: Jacques Tierny.

Members: Jean-Pierre Cayard, Guillaume de Belair.

Number of independent members: 2

The Chairman of this committee is an independent director. The purpose of this committee is to help the Board of Directors monitor issues relating to the preparation and audit of the accounting and financial information. The committee reviews the financial statements and ensures the relevance and consistency of the accounting policies applied for the preparation of the Company's consolidated and parent company financial statements. Without prejudice to the Board's powers, the Audit Committee:

- Monitors the financial information preparation process and, where necessary, issues recommendations to ensure its integrity;
- Monitors the efficiency of internal control and risk management systems and, where applicable, internal audit procedures relating to the preparation and processing of accounting and financial information, without compromising the independence of the Internal Audit function;
- Issues recommendations to the Board regarding the Statutory Auditors proposed for appointment by the General Meeting and regarding the reappointment of one or more Statutory Auditors when this is envisaged;
- Monitors the Statutory Auditors' performance of their assignment and follows up on the observations and findings issued by the French auditors supervisory body (Haut Conseil du Commissariat aux Comptes) following its inspections;
- Verifies the Statutory Auditors' compliance with the applicable independence criteria and implements any measures required;
- Approves the services provided other than certification of the financial statements;
- Reports periodically to the Board on the performance of its assignments. The Audit Committee also reports on the results of the financial statement certification assignment, the manner in which this assignment contributed to the integrity of financial information and the role played by the committee in this process. The committee promptly notifies the Board of any problems encountered.

The Audit Committee held three meetings during the 2020 financial year, on 25 May, 28 September and 16 December, with the participation of the Statutory Auditors where applicable.

The attendance rate was 100% for each of these meetings.

The main issues addressed during these meetings were as follows:

- Review of the half-yearly financial statements, the full-year parent company and consolidated financial statements, the management report and the notes to the financial statements,
- Review of financing,
- Review of the various internal control and audit tasks and risk factors
- Monitoring of regulatory changes,
- Review of transactions with related parties and regulated agreements, where applicable.

The Remuneration and Appointments Committee

Chairman: Edith Cayard chairs the Remuneration and Appointments Committee.

Members: Rita Maria Zniber, Jacques Tierny.

Number of independent members: 1

The role of the Remuneration and Appointments Committee is to:

- select, assess and propose to the Board candidates for the position of Director, Chairman of the Board, Vice-Chairman and Chief Executive Officer, as well as candidates for membership and chairmanship of the Committees;
- draw up a succession plan for executive corporate officers, in order to be in a position to recommend succession solutions to the Board, particularly in the event of an unforeseen vacancy;
- put forward recommendations and proposals to the Board regarding the following matters: remuneration, the pension and personal insurance scheme, supplementary pensions, other entitlements of the Company's executive corporate officers, the allotment of bonus or performance shares and stock options;
- determine the procedures for setting the variable portion of the remuneration payable to the executive corporate officers and monitor their application;
- recommend a general policy for allotting bonus or performance shares and stock options, and determine the frequency of such allotments depending on the categories of beneficiaries;
- review the system for allocating attendance fees among the Board members;
- inform senior management of its opinion on the remuneration paid to senior executives.

The Remuneration and Appointments Committee held one meeting during the 2020 financial year.

The Strategic and Commercial Committee

A new Strategic and Commercial Committee was established on 28 February 2019.

Members: Cyril Cahart (Chairman), Hachem Belghiti, Edith Cayard and Sylvia Bernard.

The role of the Strategic and Commercial Committee is to:

- participate in determining the Company's strategy and monitoring its implementation;
- review external growth and investment projects likely to impact business activity;
- maintain continuous dialogue with senior management on changes in Company strategy and take the initiative to request that all Board members be informed whenever an issue becomes significant;
- ensure that senior management takes all considerations into account in its planning and decision-making and reviews all possible options;
- bring together experts to examine proposed commercial and strategic opportunities.

It is not the role of the Strategic and Commercial Committee to rule on operations that may, where applicable, be submitted to an ad hoc committee of independent directors. The Strategic and Commercial Committee may consult external experts, at the Company's expense, after informing the Board or the Chairman of the Board, and is responsible for reporting to the Board on such consultations.

No meetings of the Strategic and Commercial Committee were held during the year 2020.

Ad hoc committee

In accordance with resolution "A" adopted by the Ordinary and Extraordinary General Meeting on 31 January 2019, the Company's Board of Directors set up an ad hoc committee composed solely of independent directors to help the Board implement asset disposal plans whenever:

- one or more assets earmarked for disposal exceed a value of €20 million or the assets in question represent over 5% of the Company's consolidated revenues (as at 31 December
- 2017 or 30 June 2018) or
- a conflict of interest is or is liable to be identified in connection with the disposal of one or more of the Company's assets (including in the event of an offer by a shareholder, corporate officer, employee, any intermediary or any associated entity or company), irrespective of the aforementioned materiality thresholds.

The ad hoc committee will be assisted by financial or legal advisers other than the Company's usual advisers, in order to obtain an independent opinion on the advantages of the transaction and its valuation or the contemplated terms, and in order to confirm that the sale of the assets in question, taken separately and/or all together, would not impair the Company's ability to develop and execute its strategy.

The ad hoc committee will issue a reasoned opinion to the Board of Directors regarding the assessment of each offer submitted for the acquisition of one or more Company assets. In any event, such opinion shall be submitted together with a report prepared by one or more independent experts on the valuation and terms of disposal of the relevant asset(s), whenever a conflict of interest is identified (including in the event of an offer by a shareholder, corporate officer, employee, any intermediary or any associated entity or company).

The ad hoc committee composed of Tierny Financial Advisory, represented by Jacques Tierny, and Guillaume de Belair, independent directors, held two meetings in 2020, on 6 July and 23 September.

The purpose of these two meetings was to issue an opinion to the Board of Directors on the proposed sale (i) of 100% of the capital of MBWS Polska, which owns the Krupnik brand, and of Polmos Lancut and (ii) of 100% of the capital of Moncigale, which owns the Fruits and Wine brand amongst others, each of which represented more than 5% of the Group's consolidated revenues.

As part of its assignment, the ad hoc committee reviewed the work and analysis of tax and legal experts different from the Company's usual legal experts. Following its assignment, the ad hoc committee found that each of these proposed sales was in line with the objectives of the strategic plan aiming, among other things, to refocus the Group's business on core profitable businesses. It therefore issued a favourable opinion on each project. Furthermore, the ad hoc committee did not identify any conflict of interest between the Company and any of its shareholders or corporate officers as part of its review of the proposed sales.

6.2.3 Limitations on the Chief Executive Officer's powers

The limitations on the Chief Executive Officer's powers are stated in the Board of Directors' internal rules of procedure.

Article 18-I of the Articles of Association specifies that the general management of the Company is the responsibility either of the Chairman of the Board of Directors or of another private individual, who may or may not be a Director, appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Company has decided to separate the roles of Chairman of the Board of Directors and Chief Executive Officer. During its meeting on 2 March 2018, the Company's Board of Directors decided to temporarily modify the Company's corporate governance model for one individual to be able to hold the dual roles of Chairman and Chief Executive Officer and appointed Benoît Hérault as Chief Executive Officer of the Company. Following the arrival of Andrew Highcock on 29 October 2018, the duties of the Chief Executive Officer and Chairman of the Board of Directors were once again separated.

The Chief Executive Officer shall represent the Company in its dealings with third parties and shall be vested with full powers within the limits of the corporate purpose, subject, however, to the powers expressly assigned by law to General Meetings.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

In accordance with an internal measure that cannot be enforced against third parties, the Chief Executive Officer must ensure that, before binding the Company, he/she has the consent of the Board of Directors for transactions that fall outside the framework of day-to-day management, and specifically for:

(i) any capital increase or issuance of equity securities or securities giving access to the Company's share capital, regardless of their nature, acting on a delegation of authority granted by the General Meeting of Shareholders, without prejudice to the Board's option to sub-delegate that authority to the Chief Executive Officer, or to the Deputy Chief Executive Officers, where applicable, as well as any issuance of securities in any of the subsidiaries for the benefit of a third party;

(ii) any financing for the benefit of the Company or any of its subsidiaries in an amount that exceeds €5,000,000 for medium and long-term financing and €2,000,000 for overdrafts, loans and short-term financing, or any higher threshold determined by the Board. For the purposes of this paragraph, the term "financing" refers to any of the following transactions (excluding cash pooling, factoring and choice of banks, which are the responsibility of senior management):

(a) all borrowings;

(b) any bond, debt security, promissory note, securitised loan or other similar instrument;

(c) any finance lease or lease-purchase agreement, or any other agreement considered as a finance lease in accordance with general international accounting principles;

(d) the purchase of any asset, to the extent that the price is payable following the purchase or taking possession of that asset, if the procedures for paying the price amount to a means of financing the purchase of the asset;

(e) any security, compensation undertaking or similar assurance covering the financial loss incurred by any person in relation to any factor mentioned above, except for contracts or agreements entered into in the normal course of business;

(f) any other transaction that has the commercial impact of a liability (e.g. call or put options or other financial instruments);

(g) any acquisition, disposal, merger or joint venture by the Company or any of its subsidiaries for an enterprise value of over €1,500,000, or any measure aimed at disposing of an asset owned by the Company or any of its subsidiaries with a unit book value or market value of over €1,500,000, provided that each individual transaction, with the exception of similar disposals or disposal measures, involves existing businesses and regions in which the Company or the subsidiaries already operate;

(h) setting up operations in any new territory, or launching a new business activity (except for the introduction of any new product, which is the responsibility of senior management);

(i) any proposal or payment of a dividend or any other kind of distribution to the Company's shareholders;

(j) any capital expenditure with a unit value of over €2,500,000;

(k) any capital expenditure that results in exceeding the annual budget approved and/or amended, where applicable, by the Board;

(l) the signing, amendment, cancellation or termination of a service provision agreement, pension commitment, employment contract with a corporate officer of the Company or any of its subsidiaries, or any agreement to their direct or indirect benefit, for an amount exceeding €200,000, on the understanding that "key employee" means any person whose gross annual remuneration exceeds €180,000;

(m) any restructuring process involving the Company or any of its subsidiaries where the cost exceeds €1,500,000;

(n) selecting the beneficiaries of stock option, bonus share or other share ownership schemes, where the arrangements have been approved by the General Meeting of Shareholders, and any amendment to such schemes; the creation and introduction of any new stock option, bonus share or other share ownership schemes;

(o) the granting of any security, surety, endorsement or guarantee by the Company or any of its subsidiaries that exceeds the amount determined by the Board on an annual basis, or, if no such amount has been determined, that exceeds an annual amount of €1,000,000; and

(p) the signing of any contract with a term of more than 3 years.

Furthermore, the Chief Executive Officer has set up an Executive Committee, the composition of which has been submitted to the Board of Directors for approval. The role of this Executive Committee is to assist the Chief Executive Officer on an ongoing basis from an operating standpoint, in terms of both taking and implementing decisions.

6.2.4 Offices and positions held by the corporate officers during the financial year

At the Company's General Meeting on 31 July 2020, Rita Zniber's term of office as Director was renewed for a term of six years ending at the close of the Ordinary General Meeting of shareholders to be held in 2026 to approve the financial statements for the year ended 31 December 2025.

Therefore, following the General Meetings of 27 June 2017, 31 July 2019 and 31 July 2020, members of the Company's Board of Directors are as follows:

Rita Maria Zniber	Current offices
Independent director No **Date of appointment** Appointed at the General Meeting of 16 September 2014 Appointed Vice-Chairman on 30 June 2015 **Term of office expiry date** Ordinary General Meeting convened to approve the financial statements for the year ended 31 December 2025 **Position** Member of the Remuneration and Appointments Committee	• Chairman and Chief Executive Officer of Diana Holding • Director of Atlas Bottling Company • Director of Seven Up • Director of Atlantic Packaging • Director of Abc DIS • Chairman of the Board of Directors of Mr Renouvo • Chairman of the Board of Directors of Ebertec • Chairman of the Board of Directors of Thalvin • Chairman of the Board of Directors of Domaines Ouled Thaleb • Chairman of the Board of Directors of Celliers de Meknes • Chairman of the Board of Directors of Beverage corporation • Chairman of the Board of Directors of Roslane Hotel • Chairman of the Board of Directors of Maassera Brahim Zniber • Chairman of the Board of Directors of Domaines Zniber • Chairwoman of HUQOOL JZ • Chairman of the Board of Directors of Découvertes & Loisirs • Chairman of the Board of Directors of SAFEPIC • Director of Société Nouvelle de Volailles • Director of SES Warren • Chairman of the Board of Directors of ASAT • Managing Partner of Domaine Namir • Managing Partner of Domaine Tala • Managing Partner of Boufekrane Winery • Managing Partner of Zayanes Winery • Managing Partner of Domaine de Triffa • Managing Partner of Domaines Viticoles du Gharb • Managing Partner of Domaine Livia • Managing Partner of Riad de la Clémentine • Joint Managing Partner of K'Ozibar • Managing Partner of Zniber Compost • Managing Partner of Zniber Nursery • Managing Partner of Akaragro • Managing Partner of Celliers du Gharb • Managing Partner of Viticole du Sais • Joint Managing Partner of Olivim • Managing Partner of Roslane Assets • Managing Partner of Ebertec Overseas • Managing Partner of Berkane Packaging • Managing Partner of Berkane Trading • Managing Partner of Milk Iqbal • Joint Managing Partner of K'ozibar • Managing Partner of Milk Juba • Managing Partner of Terre d'Amandes • Managing Partner of Avocador **Offices held over the past five years:** • *None*

** Companies listed in France*

*** Companies listed outside France*

Hachem Belghiti	Current offices
Independent director No	• Director of Diana Holding • Chief Executive Officer • Roslane Wine & Spirits • Celliers de Meknes • Ebertec • Domaines Viticoles
Date of appointment Co-opted to replace Mehdi Bouchaara at the Board of Directors meeting of 9 May 2016, co-option ratified by the General Meeting of 21 June 2016	
Term of office expiry date Ordinary General Meeting convened to approve the financial statements for the year ended 31 December 2024	
Position Member of the Strategic and Commercial Committee as of 1 March 2019	**Offices held over the past five years:** • Chief Executive Officer of Ebertec

Serge Héringer	Current offices
Independent director No	• Member of the Executive Board and CFO of Caisse d'Epargne de Bourgogne Franche-Comté • Chief Executive Officer of Russell Investments, Southern Europe and Africa • Managing Director of Natixis Corporate and Investment Bank
Date of appointment Appointed at the General Meeting of 30 June 2015	
Term of office expiry date Ordinary General Meeting convened to approve the financial statements for the year ended 31 December 2020	
Position Director of Diana Holding	**Offices held over the past five years:** • None

Guillaume de Belair	Current offices
Independent director Yes	• Chairman of Panda Equity Research, France
Date of appointment Appointed at the General Meeting of 30 June 2015	
Term of office expiry date Ordinary General Meeting convened to approve the financial statements for the year ended 31 December 2020	
Position Member of the Audit Committee	**Offices held over the past five years:** • Chairman and member of the Executive Board of Riber, France

Jean-Pierre Cayard	Current offices
Independent director No	• Dir. of Albioma Galion, France • Dir. of Albioma Saint Pierre, France • Chairman of Aveze, France • EXCOM, Banchereau Gastro, France • Chairman of Bardinet, France • Chairman of Bourdouil, France • Director of Bruggeman, Belgium • Director of BSA, Spain • Chairman of Busnel, France • Chairman of Casanis, France • Board chairman, Celebrity, Italy • Chairman of CFHS, France • Chairman and Chief Executive Officer of COFEPP, France • Chairman of Da Silva, Portugal • EXCOM, Dillon, France • Board chairman, Dilmoor, Italy • EXCOM, Distillerie de la Tour, France • Partner of DRM 2015, France • CEO of Ducastaing, France • Chairman of Duval, France • Director of EABP, France • Director of EAMP, France • EXCOM, Financière Mascarin, France • Director of Gardel, France • Director of GEDESA, Spain • Director of Glen Livet, United Kingdom • Director of Glen Moray, United Kingdom • Director of Glen Turner, United Kingdom • Managing Partner of Gran Cruz, Portugal • Managing Partner of Gran Cruz Turismo, Portugal • Chairman of Justino Henriques, Portugal • Director of L5 First, United Kingdom • Director of Martinho, Portugal • Director of Mascarin Développement, France • Chairman of NSCR, France • Managing Partner of Opteam Spirit, France • Board chairman, Perlino, Italy • CEO of Peureux, France • Chairman of Quinta de Ventozelo, Portugal • Director of RABMG, France • Managing Partner of Repaire de Bacchus, France • Chairman of Rhumerie du Verso, France • Chairman of Rivière du Mat, France • Chairman of RMSJ, France • Chairman of Saint Benoît Energies Vertes, France • Chairman of SBANA, France • Managing Partner of SCI Bercy Reflets, France • Managing Partner of SCI Héritier Guyot, France • Chairman of Sedra, France • EXCOM, SLAUR-Sardet, France • Director of SPC Litte, France
Date of appointment Appointed at the General Meeting of 30 June 2015	
Term of office expiry date Ordinary General Meeting convened to approve the financial statements for the year ended 31 December 2020	
Position Member of the Audit Committee	

Jean-Pierre Cayard	Current offices
	• Director of SPCRG, France • Director of SRMG, France • Chairman of St Raphael, France • EXCOM, Sucrière des Antilles, France • Chairman of SVS LM, France • Managing Partner of UNIAO, Portugal • Director of VDNM, Chile
	Offices held over the past five years:
	• None

Edith Cayard	Current offices
Independent director No	• EXCOM, Bardinet, France • Director of BSA, Spain • Sup. Bd., COFEPP, France • EXCOM, Dillon, France • Director of Dilmoor, Italy • Chairman of Ducastaing, France • Director of EABP, France • Director of EAMP, France • Director of SIS, France • EXCOM, SLAUR-Sardet, France
Date of appointment Appointed at the General Meeting of 21 June 2016	
Term of office expiry date Ordinary General Meeting convened to approve the financial statements for the year ended 31 December 2021	
Position Chairman of the Remuneration and Appointments Committee as of 1 March 2019 Member of the Strategic and Commercial Committee as of 1 March 2019	**Offices held over the past five years:** None

COFEPP, represented by Sylvia Bernard	Current offices
Independent director No	• Director of BRUGGEMAN SA, Belgium • Director of BSA SA, Spain • DIR of COFEPP, France • Director of SIS, France • EXCOM, SLAUR SAS, France
Date of appointment Co-opted at the Board of Directors meeting of 12 May 2017 to replace DF Holding, co-option ratified at the General Meeting of 27 June 2017	
Term of office expiry date Ordinary General Meeting convened to approve the financial statements for the year ended 31 December 2020	
Position Member of the Strategic and Commercial Committee as of 30 April 2019	**Offices held over the past five years:** • None

Tierny Financial Advisory, represented by Jacques Tierny	Current offices
Independent director Yes	• None
Date of appointment Co-opted at the Board of Directors meeting of 10 May 2020 to replace Jacques Tierny, co-option ratified at the General Meeting of 27 June 2019	
Term of office expiry date Ordinary General Meeting convened to approve the financial statements for the year ended 31 December 2020	
Position Chairman of the Audit Committee as of 12 June 2018 Member of the Remuneration and Appointments Committee as of 1 March 2019	**Offices held over the past five years:** • Director of Bio Santé, Switzerland: • Director, • LCL Obligations Euro bond fund (Amundi Group)

Georges Graux	Current offices
Independent director No	• EXCOM Chairman, Bardinet SAS, France • Director of ALBIOMA GALION SAS, France • Director of Celebrity SA, Italy • Director of Dilmoor SA, Italy • Director of GEDESA SA, Spain • Member of the Executive Committee of Financière Mascarin SAS, France • Member of the Executive Committee of WineandCo • Director of Mascarin Développement SA, France • Director of Perlino SA, Italy • Chairman of Preaux SAS, France • Managing Partner of Vergers de Normandie SARL, France
Date of appointment Appointed at the General Meeting of 31 January 2019, effective as of 1 March 2019 Chairman as of 1 March 2019	
Term of office expiry date Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2024	
Position Chairman of the Board of Directors as of 1 March 2019	**Offices held over the past five years:** • None

Pascale Anquetil	Current offices
Independent director No **Date of appointment** Appointed at the General Meeting of 31 January 2019, effective as of 1 March 2019 **Term of office expiry date** Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2024 **Position**	• None **Offices held over the past five years:** • None

Anna Luc	Current offices
Independent director No **Date of appointment** Appointed at the General Meeting of 31 January 2019, effective as of 1 March 2019 **Term of office expiry date** Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2024 **Position**	• None **Offices held over the past five years:** • None

Cyril Cahart	Current offices
Independent director No **Date of appointment** Appointed at the General Meeting of 31 January 2019, effective as of 1 March 2019 **Term of office expiry date** Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2024 **Position** Chairman of the Strategic and Commercial Committee	• Director of Bruggeman SA, Belgium • Managing Partner of Kidibul International **Offices held over the past five years:** • None

Following the transfer of the Company's registered office, the Directors' business address is now 10-12 Avenue du Général de Gaulle - 94220 Charenton-le-Pont, France.

Background information on the Directors

Rita Maria Zniber: Ms Zniber has headed Diana Holding, the largest wine producing group and the 7th largest group in Morocco, since April 2014. Diana Holding generates revenues of over MAD 3 billion and over 6,500 direct jobs. The group primarily operates in the agri-industrial sector, where it has over 8,000 hectares of farmland. Ms Zniber aims to make Diana Holding a major player in the Moroccan agri-industry sector.

Hachem Belghiti: Mr Belghiti holds a Master of International Business Engineering from EDHEC and the Graduate School of Management of Brittany in Brest. He was Deputy Chief Executive Officer of Comanav Ferry from 2008 to 2012, before being appointed Chief Executive Officer of Ebertec from 2012 to 2015. By Board of Directors' decision on 9 May 2016, Mr Belghiti was co-opted to replace Medhi Bouchaara as member of the Marie Brizard Wine & Spirits Board of Directors.

Serge Héringer: Mr Héringer is a financial expert and holds an MBA and a CFA. He is a senior banker and provided assistance to the Belvédère Group between 1999 and 2004.

Guillaume de Belair: Mr de Belair holds a degree from the French Financial Analysts' Society (SFAF) and has gained around 20 years' professional experience in investment banking at Natixis, specialising in proprietary asset management. From 2016 to 2018 he was Chairman and member of the Executive Board at Riber. He has also been Chairman of Panda Equity Research since 2015.

Jean-Pierre Cayard: Mr Cayard is a graduate of HEC and holds a Law degree. Mr Cayard is manager of the COFEPP group (Compagnie Financière Européenne des Prises de Participations).

Edith Cayard: Ms Cayard holds a diploma as a pharmacist-biologist graduate and is currently Vice-Chairman of the Supervisory Board of Compagnie Financière Européenne de Prises de Participations (COFEPP).

Edith Cayard and Jean-Pierre Cayard are married. They are the parents of Sylvia Bernard. There are no other family ties between the persons mentioned in this section.

Sylvia Bernard: A graduate of HEC, Sylvia Bernard has significant experience in marketing with a strong international orientation. After a few years working in China, she joined the head office of La Martiniquaise group as the International Marketing Director. She is currently Managing Director of Compagnie Financière Européenne de Prises de Participations (COFEPP).

Jacques Tierny: permanent representative of Tierny Financial Advisory, a graduate of HEC, and the FGV Sao Paulo and NYU International Programme, Jacques Tierny previously served as CFO for Michelin and Casino Group before joining KPMG as head of Valuation and Strategic Finance. From 2007 to 2018 he was Vice-Chairman and CFO of Gemalto.

Georges Graux: Georges Graux holds a DECS Higher Accounting Studies Diploma and served as Financial Control Manager at BMG Music France and CFO at EMI Music. He is currently CFO of COFEPP.

Pascale Anquetil: A graduate of the Lille Ecole Supérieure de Commerce, Pascale Anquetil has been Administration and Finance Manager of COFEPP since 1991.

Anna Luc: A graduate of ESSEC business school, Anna Luc joined Groupe La Martiniquaise-Bardinet as Marketing Development Manager in 1994. She has been Marketing Manager of La Martiniquaise for the French market since 2008.

Cyril Cahart: Cyril Cahart holds a Masters' degree in economics and business management and a DESS diploma in marketing. He has served as Commercial Director of Bacardi-Martini France and Operations Director France for Groupe La Martiniquaise COFEPP. Since 2009, he has been Operations Director France / CEO Benelux (P. Bruggeman NV / Inspirit Premium Drinks BV) of Groupe La Martiniquaise COFEPP.

Background information on Andrew Highcock, Chief Executive Officer

Andrew Highcock	Current offices
Position Chief Executive Officer	• None
Date of appointment or most recent reappointment Appointed at the Board of Directors meeting on 27 July 2018 with effect from 29 October 2018	
Term of office expiry date Appointed for an indefinite term	
Other positions held at the Company	
Other positions held outside the Company Group and non-Group	**Offices held over the past five years:** • Chairman of Kompania Piwowarska

Before joining the Group in 2018, Andrew Highcock was Chairman of the Polish company Kompania Piwowarska. He has more than 20 years of experience in senior management, particularly in Western and Eastern Europe, the Middle East and Canada, at companies such as Diageo, Maxxium and SAB Miller.

To the Company's knowledge, no current member of the Board of Directors or senior management has been the subject of:

- a conviction for fraud for at least the past five years;
- bankruptcy, receivership or liquidation proceedings, either as the director of a company or as a corporate officer, for at least the past five years;
- a conviction and/or official public sanction issued by statutory or regulatory authorities for at least the past five years.

Furthermore, to the Company's knowledge, no corporate officer has been prevented by a court from acting as a member of one of the administrative, management or supervisory bodies of a public company or from being involved in the management or conducting the business affairs of a public company for at least the past five years.

Potential conflicts of interest within administrative bodies and senior management

Following completion of the capital increase reserved for COFEPP on 1 March 2019, COFEPP obtained control of the Company and, notably, holds a majority of positions on the Company's Board of Directors. As such, in order to prevent any conflict of interest arising from this situation, the 31 January 2019 General Meeting resolved under resolution "A" that the Board of Directors should set up an ad hoc committee solely composed of independent directors, primarily in the event of a situation where a conflict of interest between the Company and COFEPP was or was liable to be identified in connection with the disposal of one or more of the Company's assets (see Section 6.2.2 above). Furthermore, as in any company where a major shareholder is a competitor, customer or major supplier, regulatory procedures exist to prevent and manage situations of conflict of interest, including the regulated agreement procedure and the procedure applicable to unrestricted agreements entered into in the ordinary course of business and on arm's length terms (see Section 6.6 below).

As part of the sale of the Polish businesses and the proposed sale of Moncigale, the ad hoc committee of the Board of Directors, made up exclusively of independent directors, did not find any conflict of interest between the Company and its major shareholder and director, COFEPP.

Furthermore, as part of the implementation of its strategic plan, the Company has signed three new distribution agreements with entities owned by COFEPP, in Spain since April 2019 and in France since 1 March 2020. These distribution agreements, which provide for subcontracting of the sales force, were entered into in the ordinary course of business and on arm's length terms and are similar to those that the Company has signed with other Group partners.

Still as part of the implementation of its strategic plan and in order to lower its operating cost base and overheads, the Company transferred its registered office to COFEPP's premises in Charenton-le-Pont, pursuant to a contract for the lease of commercial premises for a period of nine years at an annual rent of €220,000 (net of taxes). This lease contract is an agreement entered into in the ordinary course of business and on arm's length terms.

To the Company's knowledge, there is no other conflict between the private interests of the members of the Company's administrative bodies and the Company's interests.

Arrangements or agreements entered into with major shareholders or with customers, suppliers or other parties providing for the appointment of members of the Company's administrative or management bodies

In accordance with the firm agreement on the recapitalisation of the Company signed on 21 December 2018 between COFEPP and the Company, the Company agreed to submit the appointment of members representing COFEPPto the Company's General Meeting, subject to the condition precedent of completion of the capital increase reserved for COFEPP, such that COFEPP would be represented by a majority of the members of the Board of Directors. COFEPP proposed the appointment of the following representatives to the 31 January 2019 General Meeting. Their terms of office began on 1 March 2019 following completion of said capital increase:

- Pascale Anquetil, COFEPP Administration and Finance Manager;
- Anna Luc, Marketing Director France, La Martiniquaise;
- Cyril Cahart, COO France/CEO Benelux, COFEPP; and
- Georges Graux, CFO, COFEPP.

Trading in the Company's shares by corporate officers, equivalent persons and related persons

During the financial year ended 31 December 2020, no corporate officer, equivalent person or related person reported any transactions in the Company's shares to the French Financial Markets Authority (AMF) or the Company.

However, as part of the capital increase with shareholders preferential subscription rights completed on 4 February 2021, which was the subject of the prospectus approved on 13 January 2021 under number 21-013 by the AMF, the following declarations have been made to the AMF and the Company:

- On 21 January 2021, COFEPP acquired, on Euronext Paris, 4,444,692 preferential subscription rights at a unit price of €0.0263 (see AMF notice no. 2021DD728825 dated 22 January 2021);
- On 20 January 2021, COFEPP acquired, on Euronext Paris, 800,210 preferential subscription rights at a unit price of €0.0139 (see AMF notice no. 2021DD728833 dated 22 January 2021); and
- On 4 February 2021, COFEPP subscribed, on Euronext Paris, to 55,653,716 new ordinary shares of the Company at a unit price of €1.50 (see AMF notice no. 2021DD730814 dated 4 February 2021).

Restrictions on disposal of Company shares applicable to members of a management or supervisory body or senior management

To the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors or senior management regarding disposal of the Company shares they hold within a given timeframe.

Service contracts between members of administrative, management or supervisory bodies and the Company or any of its subsidiaries

As of the date this document was published, there were no service contracts between members of the Board of Directors or senior management and the Company or any of its subsidiaries providing for the granting of benefits under such contracts.

6.2.5 Procedures relating to shareholder participation in General Meetings

The procedures regarding shareholder participation in General Meetings are defined in Articles 9, 11, 12 and 25 to 30 of the Company's Articles of Association.

6.3 REMUNERATION

6.3.1 Remuneration and benefits granted to corporate officers in respect of the 2021 financial year

Pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy for 2021 is presented to you below. This policy has been approved by the Board of Directors and will be submitted for approval by the General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2020 (prospective vote).

The remuneration policy is approved annually by the Board of Directors on the recommendation of the Remuneration and Appointments Committee. The contents of this policy, including in particular the performance criteria and targets defined in order to determine the amount of variable remuneration awarded to the Chief Executive Officer, are reviewed at least once a year by the Remuneration and Appointments Committee, in order to ensure that they correspond to the Group's targets and strategy. At the end of each year, the Remuneration and Appointments Committee checks that the remuneration policy as approved by the General Meeting has been duly implemented and, in particular, that the level of achievement of variable remuneration performance criteria has been duly taken into account. For further details on the composition and remit of the Remuneration and Appointments Committee, see Section 6.2.2 above.

The 2021 remuneration policy remains unchanged compared to 2020, with the exception of performance criteria applicable to the Chief Executive Officer's annual variable remuneration. As mentioned previously, the 31 July 2020 Combined General Meeting of the Company's shareholders approved the resolution on the remuneration policy applicable to executive corporate officers for 2020 by an 82.19% majority, and the resolution on disclosures referred to in Article 22-10-9 of the French Commercial Code by a 99% majority.

Remuneration policy for the 2021 financial year

1. REMUNERATION POLICY WITH RESPECT TO THE CHAIRMAN OF THE BOARD OF DIRECTORS

The remuneration policy with respect to the Chairman of the Board of Directors is approved by the Board of Directors on the recommendation of the Remuneration and Appointments Committee.

The Chairman of the Board of Directors shall not hold an employment contract with the Company or Group companies.

Mr Georges Graux has performed the duties of Chairman of the Board of Directors since 1 March 2019. The Chairman of the Board of Directors was appointed for a six-year term ending at the close of the General Meeting called to approve the 2024 financial statements. The Chairman of the Board of Directors may removed from office at any time by the Board of Directors.

No remuneration or benefits will be awarded for the performance of his duties.

2. REMUNERATION POLICY WITH RESPECT TO THE CHIEF EXECUTIVE OFFICER

The remuneration awarded to the Chief Executive Officer is approved by the Board of Directors on the recommendation of the Remuneration and Appointments Committee, on the basis of benchmarks.

The remuneration awarded to the Chief Executive Officer is determined in accordance with the following principles designed to ensure compatibility with the Company's interests, the development of its business strategy and its sustainability:

- remuneration consistent with the Chief Executive Officer's level of responsibility, skills and experience such as to ensure a competitive offer compared to other companies operating in the same sector as the Group;
- remuneration ensuring that the interests of the Group, its shareholders and the Chief Executive Officer are aligned by making a large portion of his remuneration conditional on the Group's performance. Accordingly, the variable and exceptional remuneration awarded to the Chief Executive Officer is based on the Group's objectives. These objectives set by the Board of Directors are reviewed every year and shared with all Group employees.

Based on these criteria, on 27 April 2021 the Board of Directors resolved, on the recommendation of the Remuneration and Appointments Committee, to submit for your approval the remuneration policy for the Chief Executive Officer in respect of the 2021 financial year, as set out below.

The Chief Executive Officer shall not hold an employment contract at the Company or Group companies.

The Chief Executive Director's remuneration includes a fixed and variable portion and may be supplemented by exceptional remuneration, the allotment of stock options and bonus shares and commitments made by the Company in his favour.

Lastly, in the event that a new Chief Executive Officer is appointed during the year, barring potential changes to take such person's particular circumstances into account (e.g. levels of experience and responsibility, etc.) that do not require approval by the Ordinary General Meeting of the Company's shareholders, the principles and terms of the remuneration policy approved for the Chief Executive Officer shall also apply to the newly appointed Chief Executive Officer.

As of 29 October 2018, Mr Andrew Highcock was appointed Chief Executive Officer of the Company for an indefinite term. The Chief Executive Officer may be dismissed at any time by the Board of Directors.

Annual fixed remuneration

Fixed remuneration is intended to reflect the Chief Executive Officer's experience, the duties entrusted to him and the commitment expected of him.

The Chief Executive Officer's fixed remuneration, which is determined by the Board of Directors after consideration of benchmarks, will amount to a gross annual amount of €370,000 divided into 12 monthly instalments.

In the event of the appointment of a Chief Executive Officer who was not previously a French tax resident, he or she may receive, in addition to the fixed remuneration mentioned above, an "impatriation" bonus of an annual amount of €160,720 divided into 12 monthly instalments.

Annual variable remuneration

Variable remuneration will also be awarded to the Chief Executive Officer as a reward for his contribution to the Group's growth and financial performance in respect of the relevant financial year. This remuneration will comprise a portion determined based on qualitative criteria, and a portion subject to predefined qualitative criteria.

The total amount will be determined by the Board of Directors on the basis of objectives defined by it as well as performance criteria. However, the total annual variable remuneration shall not exceed 70% of the gross annual fixed remuneration (excluding impatriation bonus).

The Chief Executive Officer's variable remuneration will comprise:

- A portion determined on the basis of qualitative criteria, representing a maximum of 10% of the total variable remuneration;
- A quantitative portion subject to the fulfilment of performance criteria, representing a minimum of 90% of the total variable remuneration.

The qualitative criteria are based on non-financial indicators related to the Group's strategy.

Performance criteria are based on financial indicators consisting of EBITDA, net profit after tax and SG&A.

The non-financial indicators related to Group strategy and the level of achievement of quantifiable financial criteria have been precisely defined but are not publicly disclosed for confidentiality reasons.

Every year, the actual award of variable remuneration to the Chief Executive Officer will be submitted to the Board of Directors for appraisal in light of the aforementioned performance criteria.

Pursuant to the second paragraph of Article L. 22-10-34 of the French Commercial Code, payment of the aforementioned variable remuneration for 2021 will be subject to approval by the Ordinary General Meeting of shareholders.

Exceptional remuneration

Exceptional remuneration, intended to reward an exceptional transaction or financial performance achieved during the year, may be allocated by the Board of Directors to the Chief Executive Officer. However, said exceptional remuneration shall not exceed 50% of the fixed remuneration due in respect of the 2021 financial year.

Pursuant to the second paragraph of Article L. 22-10-34 of the French Commercial Code, payment of the aforementioned exceptional remuneration for 2021 will be subject to approval by the Ordinary General Meeting of shareholders.

Bonus shares

In respect of his office, the Chief Executive Officer may be allotted bonus shares, which shall vest at the end of a minimum period, to be defined by the Board of Directors acting under the authority granted by the General Meeting of Shareholders, on the condition that he still works at the Company at the end of this period, and which may or may not be subject to performance criteria.

Accordingly, the Board of Directors set the following terms for 2021:

- Maximum amount: the value of bonus shares cannot be more than ten times the amount of fixed remuneration;
- Vesting period: at least 1 year following the share allotment date;
- Lock-in period: at least 1 year following the vesting date;
- Lock-in provisions: 10% of bonus shares vested must be held in registered form until the end of the Chief Executive Officer's term of office;
- Performance criteria: where applicable, financial and/or non-financial criteria as determined by the Board of Directors when the plan is set up.

Stock options

The Company reserves the right to allocate stock options to the Chief Executive Officer, in respect of his office, instead of the bonus shares provided for above.

Subject to the specific features of this type of instrument, options could be granted under the same terms and limits, including with regard to the amount, as provided for above in the case of bonus shares.

As such, the number of stock options liable to be granted to the Chief Executive Officer in respect of the 2021 financial year would be determined by the Board of Directors, each granting entitlement to subscribe for or purchase one Company share, for a unit price calculated based on the average opening price of the Company's share over the 20 trading sessions preceding the Board of Directors meeting.

Benefits in kind

The Chief Executive Officer may also receive the following benefits in kind:

- use of a company car, in accordance with the Company policy currently in force;
- a standard unemployment insurance policy taken out with an independent body, in the form of a GSC guarantee;
- a monthly housing bonus declared under payroll in the form of a benefit in kind subject to social security and tax charges;
- the welfare benefits in effect at the Company in terms of pension, personal protection and top-up health insurance;
- professional liability insurance in accordance with standard terms and conditions;
- reimbursement of tax adviser fees.

Commitments in respect of the Chief Executive Officer

The Chief Executive Officer is liable to benefit from commitments in relation to the termination of his duties, in the form of severance package schemes and/or non-compete compensation agreements.

Accordingly, on the recommendation previously issued by the Remuneration and Appointments Committee, the Board of Directors meeting of 21 December 2018 authorised the commitments payable or liable to be payable to Andrew Highcock, Chief Executive Officer, as a result of the termination of his duties, namely a severance payment in the event of his dismissal as Chief Executive Officer or the non-renewal of his appointment, plus non-compete compensation as consideration for Andrew Highcock's agreement not to work, for a duration of 12 months throughout Europe, as an employee or otherwise, director or corporate officer, in a company whose business activity is in direct or indirect competition with that of the MBWS Group, namely the production or distribution of wine and spirits.

These commitments, details of which are set out below, were approved by the Ordinary and Extraordinary General Meeting of Shareholders on 31 January 2019.

Severance package:

The Company has agreed to pay the Chief Executive Officer, in the event of his removal from office or the non-renewal of his appointment, severance pay equal to his average gross remuneration (including fixed remuneration on the basis of a maximum of three hundred and seventy thousand euros (€370,000), variable remuneration and the impatriation bonus on the basis of a maximum of one hundred and sixty thousand, seven hundred and twenty euros (€160,720) over the six (6) months preceding the date the appointment is terminated or not renewed, on the understanding that the award of this severance pay is subject to the achievement of performance criteria related to MBWS Group operations.

Non-compete compensation:

As consideration for a non-compete undertaking (on the understanding that the Company may waive said undertaking within one (1) month following his departure, in which case no compensation will be payable), the Chief Executive Officer may receive, as of the effective termination of his duties (or at the end of his notice period, if applicable), gross monthly compensation equal to 50% of his average gross monthly remuneration (including fixed and variable remuneration) over the twelve (12) months preceding the effective termination of his duties.

6.3.2 Remuneration policy applicable to Directors

Members of the Board of Directors are appointed for a six-year term. Their duties end at the close of the Ordinary General Meeting called to approve the financial statements for the previous financial year and held during the year in which said Director's term of office expires. They may be dismissed at any time by the Ordinary General Meeting of Shareholders.

As mentioned earlier, the General Meeting of Shareholders of 31 January 2019 set the amount of attendance fees for the current financial year, to be divided between the Directors, at one hundred and fifty thousand euros (€150,000) pending further decision. This amount was not modified in 2020. There is no plan to revise this amount for 2021.

The Board of Directors allocates the annual fixed amount (former attendance fees) to the Directors, and may allocate an additional amount to the Directors who are members of the special committees in consideration of the time that they devote to these committees, within the overall limit approved by the General Meeting of Shareholders and on the recommendation of the Remuneration and Appointments Committee.

In addition, in accordance with the provisions of Article L. 225-46 of the French Commercial Code, the Board of Directors may allocate exceptional remuneration to its members for special assignments or appointments (i.e. falling outside the normal framework of their duties and not of permanent nature) that may be assigned to them.

On 27 April 2021 the Board of Directors decided to renew the 2020 remuneration policy and that only independent directors would receive attendance fees. This remuneration consists of an annual amount of €30,000 divided into a fixed portion of €15,000 and a variable portion of €15,000 allocated in accordance with actual attendance of Board meetings. It is also proposed that fixed remuneration of €15,000 be awarded to the Chairman of the Audit Committee.

The amount of unallocated attendance fees for the 2020 financial year was €75,000. The remuneration paid to each Director is set out in the following paragraph, on the understanding that no Director has ever held or holds an employment contract with the Company or with any affiliated company.

6.3.3 Summary of remuneration and benefits paid to corporate officers in 2020

In accordance with the provisions of Article L. 22-10-9 (I) of the French Commercial Code, information on the remuneration and other benefits paid or granted by the Company and Group companies to corporate officers of the Company in 2020 is presented below.

The remuneration and other benefits paid or granted to corporate officers in 2020 were in compliance with the remuneration policy approved by the Board of Directors and ratified by the Company's Annual General Meeting on 31 July 2020.

In application of Article L. 22-10-34 of the French Commercial Code, this information will be submitted for approval by the shareholders at the Annual General Meeting called to approve the financial statements for 2020 (retrospective votes).

The remuneration paid to the Company's senior managers and corporate officers is set out below, in accordance with the principles of the Middlenext Corporate Governance Code and current regulations.

1. REMUNERATION AND BENEFITS PAID TO THE CHIEF EXECUTIVE OFFICER

Andrew Highcock has been Chief Executive Officer of the Company since 29 October 2018. His term of office is for an indefinite period. He may be removed from office by the Board of Directors at any time, in accordance with statutory provisions. He has no employment contract with the Company and has not received any remuneration from a company included in the Company's consolidation scope within the meaning of Article L. 233-16 of the French Commercial Code.

Pursuant to the provisions of Article L. 22-10-34 (II) of the French Commercial Code, the General Meeting called to approve the financial statements for 2020 will be asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of all kind paid or granted to Andrew Highcock in respect of his appointment as Chief Executive Officer during the year ended 31 December 2020, as presented in detail below.

The total remuneration awarded to Andrew Highcock for 2020 forms part of the Company's long-term strategy and allows the interests of the Chief Executive Officer to be aligned with those of the Company and its shareholders. No deviation or exception from the approved remuneration policy for 2020 has been made.

Table 1: Summary of remuneration, stock options and shares granted to the Chief Executive Officer

	2019	2020
Andrew Highcock		
Chief Executive Officer[1]		
Remuneration payable in respect of the financial year *(details in Table 2)*	€896,317	€882,283
Value of deferred variable remuneration granted during the financial year	-	
Value of options granted during the financial year *(details in Table 4)*	-	
Value of bonus shares granted (*details in Table 6*)	-	
Valuation of other long-term remuneration plans	-	
TOTAL	**€896,317**	**€882,283**

[1] *Andrew Highcock took up his appointment as the Company's Chief Executive Officer on 29 October 2018.*

As stated earlier, in application of the remuneration policy approved by the Board of Directors on 26 May 2020, on the recommendation of the Remuneration and Appointments Committee, and ratified by the Ordinary and Extraordinary General Meeting on 31 July 2020, the remuneration awarded to the Chief Executive Officer for 2020 was structured around a fixed portion and a variable portion, potentially combined with exceptional remuneration and the allotment of stock options, bonus shares, benefits in kind and commitments made by the Company in his favour.

Table 2 - Chief Executive Officer's remuneration

Andrew Highcock	2019		2020	
Chief Executive Officer[13]	**Remuneration payable**	**Remuneration paid**	**Remuneration payable**	**Remuneration paid**
Fixed remuneration [14]	€530,720	€517,327	530,720	530,720
Annual variable remuneration	€259,000		259,000*	259,000**
Deferred variable remuneration				
Exceptional remuneration				
Remuneration for appointment as a Director				
Benefits in kind	€106,597	€106,597	92,563	92,563
TOTAL	**€896,317**	**€623,924**	**882,283**	**882,283**

** Annual variable remuneration to be paid in 2021 in respect of the 2020 financial year.*

*** Annual variable remuneration paid in 2020 in respect of the 2019 financial year.*

Fixed remuneration/impatriation bonus

Under the 2020 remuneration policy, fixed remuneration in respect of the 2020 financial year was €370,000 gross, spread over 12 months. Furthermore, in the event of the appointment of a Chief Executive Officer who was not previously a French tax resident, he or she might receive, in addition to the fixed remuneration mentioned above, an "impatriation" bonus of an annual amount of €160,720 per year, divided into 12 monthly instalments.

In accordance with the approved remuneration policy for 2020, Andrew Highcock received fixed remuneration amounting to €370,000 and an impatriation bonus of €160,720 in respect of the 2020 financial year.

Variable remuneration

Under the 2020 remuneration policy, variable remuneration awarded to the Chief Executive Officer for 2020 could amount to up to 70% of annual gross fixed remuneration, capped at €259,000.

On the recommendation of the Remuneration and Appointments Committee, and after assessing the achievement of performance criteria set by the Board of Directors for 2020, in particular those relating to the Group's growth and financial performance and the development of its assets, the Company's Board of Directors noted that both qualitative and quantitative criteria had been fulfilled and, as such, decided that variable remuneration amounting to €259,000, representing 70% of the fixed remuneration, would be awarded to the Chief Executive Officer in respect of the 2020 financial year.

Exceptional remuneration

Under the 2020 remuneration policy, exceptional remuneration intended to reward an exceptional transaction or financial performance achieved during the year may be allocated by the Board of Directors to the Chief Executive Officer. However, said exceptional remuneration should not exceed 50% of the fixed remuneration due in respect of the 2020 financial year, i.e. €185,000.

No exceptional remuneration was awarded to the Chief Executive Officer by the Board of Directors in respect of the 2020 financial year.

Attendance fees

Not applicable

Benefits in kind

The Chief Executive Officer received various benefits in kind in respect of 2020 (company car, unemployment insurance, housing benefits, tax assistance, personal protection and top-up health insurance). These benefits in kind represent €92,563.

Table 4 - Stock options granted to the Chief Executive Officer by the Company and all Group companies during the 2019 and 2020 financial years

Not applicable: the Chief Executive Officer was granted no stock options during the 2019 and 2020 financial years.

Table 5 - Stock options exercised by the Chief Executive Officer during the 2019 and 2020 financial years

Not applicable

Table 6 - Bonus shares granted to the Chief Executive Officer during the 2019 and 2020 financial years

Not applicable: the Chief Executive Officer was granted no bonus shares during the 2019 and 2020 financial years.

(13) Andrew Highcock took up his appointment as the Company's Chief Executive Officer on 29 October 2018.
(14) Including impatriation bonus for the year

Table 7 - Bonus shares granted to the Chief Executive Officer that became available for sale during the 2019 and 2020 financial years

Not applicable

Table 11 – Employment contract and commitments made by the Company and all Group companies in favour of the Chief Executive Officer

	Employment contract		Supplementary pension scheme		Compensation or benefits due or liable to be due as a result of termination or change of duties		Compensation relating to a non-compete clause	
Executive corporate officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Andrew Highcock		X		X	X[1]		X [1]	
Chief Executive Officer								
Start of term: 29 October 2018								
End of term: indefinite period								

[1] See Section 6.3.1 above for further details.

Total amounts covered by provisions or recognised for the purpose of paying pensions, retirement and other benefits

(€000)	2019	2020
Expenses relating to post-employment benefits	-	-
Expenses relating to severance pay	None	None

2. REMUNERATION AND BENEFITS PAID TO THE CHAIRMAN OF THE BOARD OF DIRECTORS

Georges Graux was appointed Chairman of the Board of Directors with effect from 1 March 2019. He received no compensation or remuneration during the year in respect of his office. No employment contract was entered into between Mr Graux and the Company and he received no remuneration from a company included in the Company's consolidation scope within the meaning of Article L. 233-16 of the French Commercial Code.

Table 1 - Summary of remuneration, stock options and shares granted to the Chairman of the Board of Directors

	2019	2020
Georges Graux		
Chairman of the Board of Directors [2]		
Remuneration payable in respect of the financial year *(details in Table 2)*	€0	€0
Value of deferred variable remuneration granted during the financial year		
Value of options granted during the year		
Value of bonus shares granted		
Valuation of other long-term compensation plans		
TOTAL	**€0**	**€0**

[2] *Georges Graux has performed the duties of Chairman of the Board of Directors since 1 March 2019.*

Upon the appointment of Georges Graux, it was agreed that, as a member designated by COFEPP, the Company's controlling shareholder, he would perform his duties without remuneration.

Table 2 - Remuneration awarded to the Chairman of the Board of Directors

Georges Graux	2019		2020	
Chairman of the Board of Directors	Remuneration payable	Remuneration paid	Remuneration payable	Remuneration paid
Fixed remuneration	€0	€0	€0	€0
Annual variable remuneration	-	-	-	-
Deferred variable remuneration	-	-	-	-
Exceptional remuneration	€0	€0	€0	€0
Attendance fees	-	-	-	-
Benefits in kind	€0	€0	€0	€0
Total	**€0**	**€0**	**€0**	**€0**

Table 11 – Employment contract and commitments made by the Company and all Group companies in favour of the Chairman of the Board of Directors

	Employment contract		Supplementary pension scheme		Compensation or benefits due or liable to be due as a result of termination or change of duties		Compensation relating to a non-compete clause	
Executive corporate officers	Yes	No	Yes	No	Yes	No	Yes	No
Georges Graux		X		X		X		X
Chairman of the Board of Directors								
Start of term: 1 March 2019								

3. REMUNERATION AND BENEFITS PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS

Table 3 - Remuneration allocated for appointment as a Director and other remuneration received by non-executive corporate officers

	2019	2020
Rita Maria Zniber		
Director		
Attendance fees		
Other remuneration	-	
Hachem Belghiti		
Director		
Attendance fees		
Other remuneration	-	
Guillaume De Belair	€30,000	€30,000
Director		
Attendance fees	**€30,000**	**€30,000**
Other remuneration		
Anna Luc		
Director		
Attendance fees		
Other remuneration		
Edith Cayard		
Director		
Attendance fees		
Other remuneration		
COFEPP, represented by Sylvia Bernard		
Director		
Attendance fees		
Other remuneration		
Serge Héringer		
Director		
Attendance fees		
Other remuneration		
Tierny Financial Advisory, represented by Jacques Tierny	€45,000	€45,000
Director		
Attendance fees	**€45,000**	**€45,000**
Other remuneration		
Pascale Anquetil		
Director		
Attendance fees		
Other remuneration		
Attendance fees		
Other remuneration		
Cyril Cahart		
Director		
Attendance fees		
Other remuneration		

4. ALLOTMENT HISTORY - STOCK OPTIONS AND BONUS SHARES

Table 8 - Summary of stock options and bonus shares allotted as at the end of 2020

General Meeting date	PLAN 1 16/09/2014
Date of Board of Directors meeting	12/03/2015
Total number of bonus shares	480,000
Of which corporate officers:	
Jean-Noël Reynaud, former Chief Executive Officer	110,000
Start date for exercise of options/shares	20% from 2015 20% from 2016 60% from 2018
Expiry date	12/03/2020
Subscription or purchase price	€10.64
Exercise terms	1 option for 1 share
Number of shares subscribed at 31/12/2020	42,000
Aggregate number of cancelled or lapsed options/shares	438,000
Balance of options/shares outstanding at 31 Dec. 2020	0

Table 9: Stock options granted in 2020 to the top 10 employees who are not eligible corporate officers, and options exercised by these persons during the 2020 financial year

None.

Table 10: Allotment history - bonus shares

General Meeting date	Plan 1 16/09/2014	Plan 2 21/06/2016 (Preference shares)(*)	Plan 3 21/06/2016
Date of Board of Directors meeting	12/03/2015	01/07/2016	01/07/2016
Total number of bonus shares	9,380	4,852 preference shares conferring potential entitlement to 485,200 ordinary shares at the maximum conversion ratio	4,690
Of which corporate officers:	0	0	0
Share vesting date	12/03/2017	30/06/2019	01/07/2017
End of lock-in period	12/03/2022	30/06/2024	01/07/2022
Number of shares vested at 31/12/2020	8,600	4732 preference shares conferring potential entitlement to 473,200 ordinary shares at the maximum conversion ratio	4,330
Aggregate number of cancelled or lapsed shares	760	120 preference shares	360
Outstanding bonus shares awarded at year-end	0	0	0

(*): When *COFEPP*acquired control of the Company on 1 March 2019, automatic conversion at the maximum conversion ratio was recognised in accordance with the plan rules. Accordingly, each preference share conferred entitlement to 100 ordinary shares, entailing a total of 473,200 ordinary shares in the Company.

Conditions for the allotment of options and bonus shares subject to performance criteria

12 MARCH 2015 PLAN

480,000 stock options were allotted to 26 Group managers, including Chief Executive Officer Jean-Noël Reynaud, who received 110,000 options.

Each option gives the beneficiary the right to subscribe for or purchase one share in Marie Brizard Wine & Spirits at an exercise price of €10.64 per share, calculated on the basis of the average opening price for the Marie Brizard Wine & Spirits share over the 20 trading sessions preceding the date of the Board of Directors meeting.

The options allotted can only be exercised in stages, and subject to the fulfilment of performance criteria, under the following conditions:

A maximum of 20% of the options allotted could be exercised in 2015, in view of the achievement of a defined amount of consolidated underlying operating profit in respect of the financial year ended 31 December 2014, based on the consolidated financial statements for the same year. This 20% portion was indeed allotted.

A maximum of 20% of the options allotted could be exercised in 2016, in view of the achievement of a defined consolidated EBITDA margin level, based on the consolidated financial statements for the financial year ended 31 December 2015. This allocation represented 25% of the total.

A maximum of 60% of the options allotted could be exercised in 2018, subject to achievement of a defined consolidated EBITDA margin level, based on the consolidated financial statements for the financial year ended 31 December 2017. Since these performance targets were not achieved, no option could be exercised.

1 JULY 2016 PLAN

4,852 preference shares granting entitlement to a maximum of 485,200 ordinary shares were allotted to 27 Group managers, including Jean-Noël Reynaud, Chief Executive Officer, who received 1,284 preference shares granting entitlement to a maximum of 128,400 ordinary shares, subject to the fulfilment of performance criteria or in the event of a change of control.

The preference shares allotted may only be converted subject to the fulfilment of performance criteria, under the following conditions (or in the event of a change of control):

Achievement of a consolidated EBITDA margin of at least 15% in respect of the financial year ended 31 December 2018; and,

Achievement of a weighted share price equal to at least the lower limit, i.e. twenty-two euros (€22) per share (the upper limit being thirty-three euros (€33)).

In the event of a major transaction (successful public tender offer, delisting of the Company share or takeover) the plan states that the aforementioned conditions will be deemed fulfilled and the preference shares will be automatically converted into ordinary shares at the maximum conversion ratio exactly two years after the vesting date, or on the date on which the relevant major operation is carried out if this is later.

Following the increase in COFEPP's equity stake, which constituted a major transaction as set out above, the preference shares were converted into ordinary shares on 1 August 2019 and allotted to the beneficiaries.

6.3.4 Equity ratios

In accordance with Article L. 22-10-9 (I) 6 of the French Commercial Code, the ratios between the remuneration awarded to the Chairman of the Board of Directors and Chief Executive Officer and the average and median amount of remuneration awarded to MBWS employees (on a full-time basis) and annual changes in these ratios are presented below.

Year	2016	2017	2018	2019	2020
Methodology			Amounts paid during the year		
Headcount sample	44	50	53	29	30
Corporate officer	Jean-Noël Reynaud	Jean-Noël Reynaud	Jean-Noël Reynaud	Andrew Highcock	Andrew Highcock
Corporate officer gross annual (€)	570,851	464,534	308,000	517,327	530,720
Employee average gross annual (€)	88,313	94,421	93,738	106,508	92,850
Corporate officer gross annual / employee average gross annual	6.46	4.92	3.29	4.86	5.72
Employee median gross annual (€)	95,699	103,000	95,917	106,851	95,000
Corporate officer gross annual/ employee median gross annual	5.97	4.51	3.21	4.86	5.59

2017: Increase in headcount in accordance with BiG2018 plan targets

2018 and 2019: Fall in earnings, restructuring and reduction in headcount, replacement of corporate officer

Significant change in headcount from 53 to 29, negative impact of earnings on variable remuneration, median > average remuneration trend opposite to market trend, apparent correction in 2019;

Pay package: amounts paid in respect of year N, gross base;

Headcount selected:

- *Present (12 months);*
- *Arrivals during the year, annualised;*
- *Part-time converted to full-time basis;*
- *Departures during the year are excluded.*

	2016	2017	2018	2019	2020
Andrew Highcock					
Chief Executive Officer since 29 October 2018					
Remuneration (€)			530,724[15]	789,720[16]	789,720
Ratio over average remuneration			5	7.4	7.96
Ratio over median remuneration			5.7	7.4	7.92
Corporate officer	Benoît Hérault	Benoît Hérault	Benoît Hérault	Benoît Hérault	Georges Graux
Remuneration (€)[17]	100.000	100.000	64.500	65.500	0
Average remuneration paid to Company employees (€)	88,313	94,421	93,738	106,508	99,196
Median remuneration paid to Company employees (€)	95,699	103,000	95,917	106,851	99,760
EBITDA (€000)	17,141	(11,947)	(27,173)	(12,090)	10,614

The Company determined the equity ratios in respect of each executive corporate officer as follows:

- Scope: Company headcount; the selected sample includes employees present on a 12-month basis, new arrivals on an annualised basis and part-time employees converted to a full-time basis. Employees leaving the Company during a given year are excluded.
- Period covered: 2016 to 2020.
- Remuneration covered: (i) numerator - fixed remuneration, variable remuneration, exceptional bonuses and other benefits awarded in respect of year N; (ii) denominator - fixed remuneration, variable remuneration, exceptional bonuses and other benefits awarded in respect of year N.
- Average ratio for year N: ratio between the gross annual remuneration awarded to each executive corporate officer and the average gross annual remuneration awarded to the Company's employees (FTE basis);
- Median ratio for year N: ratio between the gross annual remuneration awarded to each executive corporate officer and the median gross annual remuneration awarded to the Company's employees (FTE basis).

(15) This amount has been annualised to take into account the start date of 29 October 2018; it includes remuneration for corporate office plus annual variable remuneration.

(16) This amount includes fixed remuneration for corporate office (€370,000), the "impatriation" bonus (€160,720 including €147,237 paid in 2019) and variable remuneration (€259,000 paid in April 2020).

(17) This amount includes attendance fees and additional remuneration related to his consultancy assignment.

6.4 DESCRIPTION OF 2020 REGULATED AGREEMENTS

6.4.1 List of regulated agreements authorised and executed during the year ended 31 December 2020:

SIGNING OF A NEW €8.2 MILLION CURRENT ACCOUNT ADVANCE BETWEEN THE COMPANY AND COFEPP

Following the Company's reimbursement of certain borrowings related to the Polish activities that allowed the lifting of the aforementioned conditions precedent relating to the sale of the Group's businesses in Poland and to allow the Company to continue as a going concern, on 22 October 2020 the Company signed a new current account advance with COFEPP, major shareholder and director of the Company (the "**Poland Advance**"). It is also agreed, under the terms of a current account advance agreement signed on the same day between MBWS and MBWS France, that the Poland Advance will be made available to MBWS France, a wholly owned subsidiary of the Company.

The terms of the Poland Advance are as follows:

- Amount disbursed: €8.2 million, as principal, paid in three successive firm tranches of €3 million, €3 million and €2.2 million respectively, by the end of October, end of November and before the completion of the Company's capital increase with shareholders' preferential subscription rights (rights issue) of a maximum aggregate amount (including issue premium) of €105.3 million, via the issue of new ordinary shares to be subscribed in cash and/or by offsetting receivables, for a unit subscription price of €1.50 (**the Capital Increase"**);
- Interest: compounded interest at an annual rate of EURIBOR 3 month floored at zero + 425 bps;
- Term: 21 January 2023 at midnight (Paris time), on the understanding that the Poland Advance may be (i) fully or partly converted into ordinary shares as part of the Capital Increase or (ii) if not capitalized, repaid, if applicable, from the proceeds of cash subscriptions to the Capital Increase by shareholders other than COFEPP;
- Collateral: first-rank pledge of receivables granted by MBWS to COFEPP relating to the current account receivables resulting from the amounts made available to MBWS France by MBWS, which are themselves secured by a second-rank pledge on the William Peel trademarks granted by MBWS France to MBWS. The different security interests granted to COFEPP to secure the advances made under the Poland Advance will remain effective until full repayment and the payment of any amount of any type whatsoever payable to COFEPP in respect of the said advance.

The disbursement of the Poland Advance enabled the Company to continue operating as a going concern.

This advance was authorised by the Board of Directors on 20 October 2020 and signed on 22 October 2020.

Persons concerned: COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

SIGNING OF AN AMENDMENT TO THE INVESTMENT AGREEMENT INITIALLY SIGNED ON 20 DECEMBER 2019 BETWEEN THE COMPANY AND COFEPP (THE "AGREEMENT") FOR THE PURPOSE OF EXTENDING THE VALIDITY OF SAID AGREEMENT

This amendment was signed on 22 October 2020 between the Company and COFEPPin order to take account of the fact that certain conditions precedent relating to Bridge 2 had not been lifted and the major delay thus caused at the end of 2020 in the timing of the launch of the Company's capital increase announced on 20 December 2019, which would be carried out with preferential subscription rights for a maximum aggregate amount of €105.3 million (issue premium included), via the issue of new ordinary shares to be subscribed in cash and/or by offsetting debts and for a unit subscription price of €1.50 (the "**Capital Increase**"). The aforementioned amendment has the effect of extending the deadline for lifting the conditions precedent applicable to Bridge 2 to 15 December 2020 and to extend the validity of the Agreement to 31 January 2021.

This amendment was authorised by the Board of Directors on 20 October 2020 and signed on 22 October 2020.

Persons concerned: COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

SIGNING OF AN AMENDMENT TO THE INVESTMENT AGREEMENT INITIALLY SIGNED ON 20 DECEMBER 2019 BETWEEN THE COMPANY AND COFEPP (THE "AGREEMENT") FOR THE PURPOSE OF EXTENDING THE VALIDITY OF SAID AGREEMENT

This amendment was signed on 22 December 2020 between the Company and COFEPP in order to take account of the fact that, at said date, the last condition precedent relating to Bridge 2 had not been lifted or waived. This condition precedent concerned the formalisation of the agreement in principle on the amendment of a contract for the bulk supply of Scotch whisky between the Company and one of its suppliers, and the major delay thus caused in the timing of the launch of the Capital Increase announced by the Company on 20 December 2019. The aforementioned amendment has the effect of (i) extending the deadlines for lifting the conditions precedent applicable to Bridge 2 and for opening the Capital Increase subscription period, respectively to 10 March 2021 and 15 March 2021, (ii) extending the validity of the Agreement to 31 March 2021, and (iii) clarifying the terms for the possible signing of the agreement with the supplier, namely that such an agreement shall not be deemed signed if it did not allow the Company to make a sustainable recovery.

This amendment was authorised by the Board of Directors on 22 December 2020 and signed on the same day.

Persons concerned: COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

6.4.2 List of regulated agreements entered into during 2020 and not previously authorised by the Board of Directors:

None.

6.4.3 List of regulated agreements authorised by the Board of Directors during the financial year ended 31 December 2020 and not yet signed:

None.

6.4.4 Regulated agreements authorised by the Board of Directors after the year ended 31 December 2020:

None.

6.4.5 List of previously approved regulated agreements that remained in effect during the financial year ended 31 December 2020:

AGREEMENT SIGNED BETWEEN THE COMPANY AND COFEPP ON A FURTHER INVESTMENT IN THE COMPANY BY COFEPP, AFTER AUTHORISATION BY THE BOARD OF DIRECTORS ON 20 DECEMBER 2019, PROVIDING FOR:

- an initial current account advance from COFEPPof €15 million (bearing compounded interest at an annual rate of EURIBOR 3 month + 425 bps), to be paid by 17 January 2020 (**"Bridge 1**");
- a second current account advance from COFEPP of €17 million (bearing compounded interest at an annual rate of EURIBOR 3 month + 425 bps), to be paid by 17 March 2020 ("**Bridge 2**");
- the grant of a number of security interests to COFEPP over MBWS and MBWS France assets to secure Bridges 1 and 2, namely first- or second-rank pledges of the Sobieski, Marie Brizard and William Peel trademarks, pledges of shares in MBWS France, Cognac Gautier and Vilnius Degtine, first-rank pledges of outstanding current account receivables between MBWS and Vilnius Degtine and between MBWS France and Cognac Gautier, and a personal guarantee by MBWS covering amounts owed by MBWS France under Bridge 1;
- a commitment by COFEPP to underwrite up to 75% (i.e. €79 million including issue premium) of a rights issue for a total maximum amount of €105.3 million (including issue premium). This agreement provides that COFEPP'sinvestment would be subject to conditions precedent, including prior approval by MBWS's lending banks for the assignment of their receivables under the €45 million loan agreement signed on 26 July 2018 to COFEPP and the completion of a capital increase with shareholder preferential subscription rights (rights issue) by the Company for a total maximum amount of €105.3 million (including issue premium). This agreement was signed on 20 December 2019 and was not applied in 2019.

Under the terms of the different current account advances granted to the Company by COFEPP, the following security interests have been granted:

Advance	Date	Amount in principal	Debtor	Security interests
Bridge 1	17/01/2020	€7.6m	MBWS France	First-rank pledge of the "*Marie Brizard*" trademarks
				First-rank pledge of 100% of the shares of Cognac Gautier
				First-rank pledge of outstanding current account receivables between MBWS and Cognac Gautier
	05/02/2020	€7.428m	MBWS	First-rank pledge of the "*Sobieski*" trademarks
				First-rank pledge of outstanding current account receivables between MBWS and Gaïa I and MBWS and Vilnius Degtine
				First-rank pledge of 100% of Gaïa I shares
Bridge 1 (b)	20/05/2020		MBWS	Second-rank pledge of the "*Sobieski*" trademarks
		€6m[18]		Second-rank pledge of 100% of Gaïa I shares
	06/08/2020	€4m[19]	MBWS	First-rank pledge of outstanding current account receivables between MBWS and MBWS France, which are themselves secured by a second-rank pledge of 100% of the shares of Cognac Gautier and a second-rank pledge of the "*Marie Brizard*" trademarks
Bridge 2	at the latest before the opening of the capital increase subscription period	€6.972m[20]	MBWS	First-rank pledge of 100% of the shares of MBWS France
				Third-rank pledge of the "*Sobieski*" trademarks
				First-rank pledge of outstanding current account receivables between MBWS and MBWS France, which are themselves secured by a third-rank pledge of 100% of the shares of Cognac Gautier and third-rank pledges of the "*Marie Brizard*" and a "*William Peel*" trademarks

The different security interests granted to COFEPP to guarantee the advances under Bridge 1 and Bridge 2 will remain effective until full repayment and payment of any amount of any type whatsoever payable to COFEPP in respect of said advances.

The performance of the aforementioned agreement and all related security interests ended on 4 February 2021, the date of completion of the €100.9 million rights issue.

This rights issue made it possible to incorporate into the Company's capital all current account advances paid by COFEPP to the Company and its subsidiary MBWS France under Bridge 1 and Bridge 2, for a total principal amount of €32 million.

Persons concerned: COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc, Pascale Anquetil, Georges Graux, Cyril Cahart.

(18) Amount paid in respect of Advance 1 (b), on an interim basis, to take into account the delay in lifting the conditions precedent applicable to Bridge 2 and charged against the total amount of €17 million provided for under Bridge 2

(19) Amount paid in respect of Advance 1 (b), on an interim basis, to take into account the delay in lifting the conditions precedent applicable to Bridge 2 and charged against the total amount of €17 million provided for under Bridge 2.

(20) Initial amount of €17 million less the surplus paid under Advance 1 (€0.028 million) and Advance 1 (b).

SIGNING OF AN AMENDMENT TO THE INVESTMENT AGREEMENT INITIALLY SIGNED ON 20 DECEMBER 2019 BETWEEN THE COMPANY AND COFEPP (THE "AGREEMENT") FOR THE PURPOSE OF PAYING AN ADVANCE ("BRIDGE 1 (B)"):

On 14 May 2020 the Board of Directors authorised the signing of an amendment to the investment agreement signed on 20 December 2019 between the Company and COFEPP. This amendment provides for the payment of a current account advance, "Bridge 1 (b)", by COFEPP, capped at €10 million and deducted from the €17 million advance provided for under Bridge 2, not yet paid at the date of the amendment, as well as the provision of guarantees to COFEPP.

This agreement approved by the General Meeting of 31 July 2020 was applied during the year: the Bridge 1 (b) advance was paid in two instalments of €6 million in May 2020 and €4 million in August 2020.

The performance of the Agreement and its amendments ended on 4 February 2021, the date of the Capital Increase whereby all current account advances paid by COFEPP under Bridge 1, Bridge 1 (b) and Bridge 2, representing a total principal amount of €32 million, were incorporated into the Company's capital.

Persons concerned:

COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

6.5 AGREEMENTS ENTERED INTO BETWEEN A CORPORATE OFFICER OR MAJOR SHAREHOLDER AND A SUBSIDIARY

In accordance with the provisions of Article L. 225-37-4, 2° of the French Commercial Code, the Company hereby states that, to the best of its knowledge, apart from (i) the agreement entered into on 20 December 2019 between MBWS France, the Company and COFEPP relating to a new investment in the Company by COFEPP and (ii) agreements entered into in the ordinary course of business and on arm's length terms, no other agreements have been entered into, directly or via an intermediary, between (a) the Chief Executive Officer, one of the Directors or one of the shareholders holding over 10% of the Company's voting rights and (b) another company controlled by the Company within the meaning of Article L. 233-3 of the French Commercial Code.

6.6 PROCEDURE APPLICABLE TO UNRESTRICTED AGREEMENTS ENTERED INTO IN THE ORDINARY COURSE OF BUSINESS AND ON ARM'S LENGTH TERMS

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, the Board of Directors has approved and implemented a procedure for periodically assessing whether agreements deemed to have been entered into in the ordinary course of business and on arm's length terms meet the requisite criteria.

Under this procedure, the Legal Division individually reviews each draft agreement to determine whether it is subject to the regulated agreements procedure, if it is an agreement entered into with a wholly owned subsidiary or if it meets the criteria set down in the Charter for classification as an agreement entered into in the ordinary course of business and on arm's length terms. As part of this review, the Finance Division may request the opinion of the Company's Statutory Auditors.

Every year, prior to the accounts closing procedure for the year ended, the Legal Division forwards a list of agreements entered into in the ordinary course of business and on arm's length terms, plus comments where applicable, to the Audit Committee. If, during the course of its annual review, the Audit Committee considers that a given agreement no longer meets the criteria applicable to agreements entered into in the ordinary course of business and on arm's length terms, it refers the matter to the Board of Directors. As applicable, the Board reclassifies the agreement as a regulated agreement, ratifies it and submits it to the next General Meeting for ratification, based on the special report prepared by the Statutory Auditors, in accordance with the provisions of Article L. 225-42 of the French Commercial Code.

It is hereby specified that, in accordance with Article L. 225-39 of the French Commercial Code, persons having a direct or indirect interest in the agreement shall not take part in its assessment.

6.7 OTHER INFORMATION

6.7.1 Factors liable to have an impact in the event of a public tender offer

Agreements liable to result in a change of control

There are presently no agreements liable to result in a change of control.

Shareholder agreements and concerted actions

To the Company's knowledge, there is no concerted action between the Company's shareholders.

Factors liable to have an impact in the event of a public tender offer

Factors liable to have an impact in the event of a public tender offer are set out below, in accordance with Article L. 22-10-11 of the French Commercial Code.

Structure of the Company's share capital

Following the implementation of the agreement dated 31 December 2018 between the Company and Compagnie Financière Européenne de Prises de Participations (COFEPP), the Company is controlled by COFEPP within the meaning of Article L. 233-3 (I) of the French Commercial Code: on the date hereof, COFEPP holds 78,433,683 Company shares representing, as at 4 February 2021, the same number of voting rights, i.e. 70.06% of the Company's share capital and 67.99% of its voting rights.

Restrictions on the exercise of voting rights and on share transfers pursuant to the Articles of Association or agreement clauses brought to the Company's attention in application of Article L. 233-11 of the French Commercial Code

None

Direct or indirect holdings in the Company's share capital

A breakdown of the Company's shareholder structure is set out in paragraph 2.5.1 of this document.

List of holders of any securities that confer special control rights and description of those rights

None

The system of control of any employee share scheme where the control rights are not exercised by the employees

None

Agreements between shareholders that are known to the Company and which may result in restrictions on the transfer of securities and the exercise of voting rights

To the Company's knowledge, there is no agreement between shareholders that could result in restrictions on the transfer of shares and on the exercise of voting rights in the Company.

Rules governing the appointment and replacement of Board members and the amendment of the Articles of Association

In accordance with the provisions of Article 13 of the Articles of Association, the members of the Board of Directors are appointed or re-appointed by the Ordinary General Meeting of Shareholders for a period of six years; their dismissal may be decided by the Ordinary General Meeting of Shareholders at any time.

In accordance with the terms of Article L. 225-96, paragraph 1 of the French Commercial Code, only the Extraordinary General Meeting is authorised to amend any of the provisions of the Articles of Association. However, we would remind you:

- of the option granted to the Board of Directors (see Article 4 of the Articles of Association) to transfer the registered office within the same region (French "département") or to a neighbouring region, subject to approval of this decision by the next Ordinary General Meeting; and
- that the General Meeting may delegate its powers to the Board of Directors, as part of the financial authorisations that are requested on an annual basis.

Powers of the Board of Directors in the event of a public tender offer

On 30 November 2020, the Ordinary and Extraordinary General Meeting of Shareholders granted the Board of Directors a series of financial delegations and authorisations to issue and buy back Company shares. A list of these authorisations is provided in Section 6.7.2 of this document. It is noted that these delegations and authorisations may be used freely by the Board of Directors, even when a public tender offer is underway.

Agreements entered into by the Company that are liable to be amended or terminated in the event of a change in control of the Company

The Company and/or its subsidiaries have signed agreements including change of control clauses, which therefore offer the contracting partner the option to terminate these agreements in the event of a change in control of the Company.

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

With the exception of the severance package that may be paid, subject to the fulfilment of performance criteria, to Andrew Highcock in the event of his dismissal or the non-renewal of his appointment as Chief Executive Officer (see Section 6.3 of this document), the Company has made no other commitments towards the members of the Board of Directors or the Chief Executive Officer, with regard to compensation or benefits due or liable to be due as a result of or following the termination of or a change in their appointments, which could have an impact in the event of a public tender offer.

6.7.2 Summary table of current authorisations granted to the Board of Directors for capital increase transactions

Date of General Meeting	Type of authorisation	Authorised nominal amount	Authorisation valid for	Authorisation used during the year
31 July 2020 (14th resolution)	Delegation of authority to be granted to the Board of Directors to reduce the share capital by cancelling treasury shares	10% of the share capital per twenty-four (24)-month period	26 months	None
30 November 2020 (2nd resolution)	Delegation of authority to be granted to the Board of Directors to increase the share capital via the issuance - with preferential subscription rights - of ordinary shares and/or securities giving direct or indirect access to the Company's share capital	€120 million, on the understanding that the aggregate maximum nominal value of capital increases likely to be carried out pursuant to this delegation and those to be given under the third, fourth and seventh to tenth resolutions below is set at €120 million	26 months	Authorisation used by the Board of Directors on 8 January 2021. Capital increase of 4 February 2021 for a nominal amount €94,147,923.8.
30 November 2020 (3rd resolution)	Delegation of authority to be granted to the Board of Directors to increase the share capital via the issuance, without preferential subscription rights, of ordinary shares and/or securities giving direct or indirect access to the Company's share capital, as part of public offering(s) other than those provided by Article L. 411-2 the French Monetary and Financial Code	€100 million, on the understanding that this amount will be charged against the aggregate ceiling set out in the second resolution above	26 months	None
30 November 2020 (4rd resolution)	Delegation of authority to be granted to the Board of Directors to increase the share capital via the issuance, without preferential subscription rights, of ordinary shares and/or securities giving direct or indirect access to the Company's share capital, by way of public offering(s) as provided by Article L. 411-2.1 of the French Monetary and Financial Code	€12 million, on the understanding that this amount will be charged against the nominal ceiling of capital increases without preferential subscription rights set out in the third resolution above and against the aggregate ceiling set out in the second resolution above Securities issues are also limited by law to 20% of the share capital per year	26 months	None
30 November 2020 (5rd resolution)	Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a share capital increase with or without preferential subscription rights	Up to 15% of the initial issue and subject to the global ceiling provided for in the second resolution above and also subject to the ceiling(s) mentioned in the resolution by virtue of which the initial issue has been decided	26 months	None
30 November 2020 (6rd resolution)	Authorisation granted to the Board of Directors, in the event of issuance without shareholder preferential subscription rights subject to the terms of the third and fourth resolutions, to set the issue price, within a limit of 10% of the share capital, and under the terms set by the General Meeting	10% of the share capital per twelve (12)-month period as per the ceiling(s) mentioned in the resolution by virtue of which the issue has been decided	26 months	None
30 November 2020 (7rd resolution)	Delegation of authority to be granted to the Board of Directors to issue, without shareholder preferential subscription rights, ordinary shares and/or securities giving direct or indirect access to the Company's share capital, in consideration for securities contributed to the Company in the context of a public exchange offer initiated by the Company on the securities of another company	€12 million, on the understanding that this amount will be charged against the aggregate ceiling set out in the second resolution above	26 months	None
30 November 2020 (8rd resolution)	Delegation of authority to be granted to the Board of Directors to issue ordinary shares and/or securities giving access to the Company's share capital, as remuneration for contributions in kind made to the Company consisting of equity securities or securities giving access to the share capital of other companies	Statutory limit of 10% of the Company's share capital on the date of issuance, on the understanding that this amount will be charged against the aggregate ceiling set out in the second resolution above	26 months	None
30 November 2020 (9rd resolution)	Delegation of authority to be granted to the Board of Directors to increase the share capital by capitalisation of additional paid-in capital, reserves, retained earnings or other amounts of which the capitalisation is allowed	It may not exceed the amount of the sums that may be incorporated into the share capital at the date of the Board of Directors meeting that exercises this authority, on the understanding that this amount will count towards the global ceiling provided for in the second resolution	26 months	None
30 November 2020 (10rd resolution)	Delegation of authority to be granted to the Board of Directors to increase the share capital via the issuance of shares reserved for employees, with waiver of preferential subscription rights in favour of said employees	3% of the share capital, on the understanding that this amount is charged against the aggregate ceiling set out in the second resolution above	26 months	None
30 November 2020 (11th resolution)	Authorisation granted to the Board of Directors to grant existing or future bonus shares to selected beneficiaries from among salaried employees and executive corporate officers	6% of the Company's share capital at the date of the General Meeting	38 months	None

6.8 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

To the General Meeting of Marie Brizard Wine & Spirits ("MBWS"),

In our capacity as the Company's Statutory Auditors, we hereby submit our report concerning regulated agreements.

It is our responsibility to inform you, based on the information that has been provided to us, of the characteristic features, the main terms and conditions, and the reasons justifying the benefit for the Company of the agreements that have been disclosed to us, or of which we may have become aware during our assignment. It is not our responsibility to issue an opinion on their usefulness and legitimacy, or to ascertain whether other agreements exist. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess whether these agreements are appropriate and should be approved.

We are further required to inform you, if applicable, of disclosures required under Article R. 225-31 of the French Commercial Code concerning transactions during the financial year ended pertaining to agreements previously approved by the General Meeting.

We performed the checks that we considered necessary regarding this assignment in view of the professional standards issued by the French National Institute of Auditors. These checks consisted in verifying that the information provided to us is consistent with the source documents from which it was extracted.

Agreements subject to the approval of the General Meeting

AGREEMENTS AUTHORISED AND SIGNED DURING THE FINANCIAL YEAR ENDED

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the year ended and previously authorised by your Board of Directors.

Signing of a "Poland Advance" between the Company and COFEPP

Persons concerned:

COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

Type, terms and purpose:

On 20 October 2020 the Board of Directors authorised the signing of an agreement with COFEPP, majority shareholder and member of the Company's Board of Directors, for a new current account advance (the "Poland Advance"), following the repayment by the Company of certain borrowings relating to the Polish businesses, as part of the disposal of the Group's activities in Poland, and in order to enable the Company to continue operating as a going concern. It is also agreed, under the terms of a current account advance agreement signed on the same day between MBWS and MBWS France, that the Poland Advance will be made available to MBWS France, a wholly owned subsidiary of the Company.

The terms of the Poland Advance are as follows:

- ***Amount disbursed***: €8.2 million, as principal, paid in three successive firm tranches of €3 million, €3 million and €2.2 million respectively, by the end of October 2020, end of November 2020 and before the completion of the Company's capital increase with shareholders' preferential subscription rights (rights issue) of a maximum aggregate amount (including issue premium) of €105.3 million, via the issue of new ordinary shares to be subscribed in cash and/or by offsetting receivables, for a unit subscription price of €1.50 (the "Capital Increase");
- ***Interest***: compounded interest at an annual rate of EURIBOR 3 month floored at zero + 425 bps;
- ***Due date***: 21 January 2023, on the understanding that the Poland Advance may be (i) fully or partly converted into ordinary shares as part of the Capital Increase or (ii) if not capitalized, repaid, if applicable, from the proceeds of cash subscriptions to the Capital Increase by shareholders other than COFEPP;
- ***Collateral***: first-rank pledge of receivables granted by MBWS to COFEPP relating to the current account receivables resulting from the amounts made available to MBWS France by MBWS, which are themselves secured by a second-rank pledge on the William Peel trademark granted by MBWS France to MBWS. The different security interests granted to COFEPP to guarantee the advances made under the Poland Advance will remain effective until full repayment and the payment of any amount of any type whatsoever payable to COFEPP in respect of the said advance.

This advance was signed on 22 October 2020 and entered into effect during the year: the Poland Advance was paid in two instalments of €3 million on 29 October 2020 and €5.2 million on 3 February 2021.

Interest expenses related to the Poland Advance amounted to €22,700 in 2020.

The agreement ended in 2021 following the capitalisation of the Poland Advance in the amount of €3 million, as part of the 4 February 2021 Capital Increase, and the repayment of the balance of the Poland Advance in the amount of €5.2 million on 3 February 2021. This repayment was made possible by €17.4 million in cash subscriptions to the Capital Increase by shareholders other than COFEPP.

Reasons justifying the benefit of the commitment for the Company:

The disbursement of the Poland Advance enabled the Company to continue operating as a going concern.

Signing of an amendment to the investment agreement initially signed on 20 December 2019 between the Company and COFEPP **(the "Agreement") for the purpose of extending the validity of said agreement**

Persons concerned:

COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

Type, terms and purpose:

On 20 October 2020 the Board of Directors authorised the signing of an amendment to the investment agreement signed on 20 December 2019 (the "Agreement", described in more detail below) between the Company and COFEPP. This amendment takes into account the fact that certain conditions precedent relating to the payment of the €17 million "Bridge 2" current account advance had not been fulfilled, resulting in the postponement of the Capital Increase until the end of 2020. The remaining terms of the Agreement are unchanged.

This agreement was entered into on 22 October 2020 and was not applied during the year. The Agreement was further amended to extend its validity period, as signed on 20 December 2019 (described below).

The performance of the Agreement and its amendments is described in more detail below, and ended on 4 February 2021, the date of the Capital Increase whereby all current account advances paid by COFEPP under Bridges 1 and 2, representing a total principal amount of €32 million, were incorporated into the Company's capital.

Reasons justifying the benefit of the commitment for the Company:

The Agreement signed with COFEPP on 20 December 2019 provided for the payment of two advances, including a "Bridge 2" current account advance of €17 million, for which the conditions precedent had not been met at the date of the amendment, resulting in the postponement of the Capital Increase. This amendment extends the deadline for lifting the conditions precedent applicable to the payment of Bridge 2 to 15 December 2020 and extends the validity of the Agreement to 31 January 2021.

Signing of an amendment to the investment agreement initially signed on 20 December 2019 between the Company and COFEPP **(the "Agreement") for the purpose of extending the validity of said agreement**

Persons concerned:

COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

Type, terms and purpose:

On 22 December 2020 the Board of Directors authorised the signing of an amendment to the investment agreement signed on 20 December 2019 (the "Agreement", described in more detail below) between the Company and COFEPP. This amendment takes into account the fact that the final condition precedent for the payment of the €17 million "Bridge 2" current account advance had not been lifted or waived. The amendment relates to the formalisation of the agreement in principle on the amendment of a bulk Scotch Whisky supply contract entered into between the Company and one of its suppliers, and the resulting delay in the launch of the Company's Capital Increase.

This amendment has the effect of (i) extending the deadlines for lifting the conditions precedent applicable to the payment of Bridge 2 and for opening the Capital Increase subscription period, respectively to 10 March 2021 and 15 March 2021, (ii) extending the validity of the Agreement to 31 March 2021, and (iii) clarifying the terms for the possible signing of the agreement with the supplier, namely that such an agreement shall not be deemed signed if it did not allow the Company to make a sustainable recovery. The remaining terms of the Agreement are unchanged.

This agreement was entered into on 22 December 2020 and was not applied during the year.

The performance of the Agreement and its amendments is described in more detail below, and ended on 4 February 2021, date of the capital increase having made it possible to capitalise all current account advances paid by COFEPPunder Bridges 1 and 2, for a total principal amount of €32 million.

Reasons justifying the benefit of the commitment for the Company:

The Agreement signed with COFEPP on 20 December 2019 provided for the payment of two advances, including a €17 million "Bridge 2" current account advance, for which the final condition precedent had not been met at the date of the amendment, resulting in the postponement of the Capital Increase. This amendment extends the deadline for lifting the last condition precedent applicable to the payment of Bridge 2 to 10 March 2021 and extends the validity of the Agreement to 31 March 2021.

Agreements already approved by the General Meeting

AGREEMENTS APPROVED IN PREVIOUS FINANCIAL YEARS

a) Agreements that continued to be performed during the year ended

In application of Article R. 225-30 of the French Commercial Code, we have been notified that the performance of the following agreements approved by the General Meeting in previous financial years continued during the financial year ended.

As required by law, we hereby notify you that the Board of Directors did not conduct the annual review of agreements entered into and authorised in previous financial years that continued to be performed during the year ended, as provided for by Article L. 225-40-1 of the French Commercial Code.

Signing of an investment agreement on 20 December 2019 between the Company and COFEPP ***(the "Agreement")***

Persons concerned:

COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc, Pascale Anquetil, Georges Graux, Cyril Cahart.

Type, terms and purpose:

On 20 December 2019 the Board of Directors authorised the signing of an agreement between MBWS and COFEPP on the main terms and conditions of a new investment by COFEPP in MBWS, including the payment of two current account advances (Bridges 1 and 2) totalling €32 million to the Company, the granting of a number of security interests to COFEPP over MBWS and MBWS France assets in order to secure the advances, and a commitment by COFEPP to underwrite up to 75% (i.e. €79 million including issue premium) of a capital increase with preferential subscription rights (rights issue) for a total maximum amount of €105.3 million (including issue premium).

This agreement approved by the General Meeting of 31 July 2020 was applied during the year, giving rise to:

- the payment of current account Bridges 1 and 2 by COFEPP in the amount of €25 million (including €10 million paid on an interim basis under Bridge 1 (b) described in more detail below, taking into account the delay in meeting the conditions precedent for Bridge 2). In addition, the remaining €7 million was paid out in 2021;
- the granting of a number of security interests to COFEPP over MBWS and MBWS France assets to secure Bridges 1 and 2, valid until the repayment of the two advances;
- subscription by COFEPP of €83.5 million of the €100.9 million Capital Increase completed on 4 February 2021. This capital increase made it possible to incorporate into the Company's capital all current account advances paid by COFEPP under Bridges 1 and 2, for a total principal amount of €32 million.

Interest expenses related to Bridges 1 and 2 amounted to €0.6 million in 2020.

Given the amount of subscriptions to the Capital Increase, it was not necessary to call the guarantee given by COFEPP to underwrite 75% of the Capital Increase.

Following the capitalisation of Bridges 1, 1 (b) and 2 and the Poland Advance (described in more detail above) in the amount of €3 million, and the repayment of the balance of the Poland Advance on 3 February 2021, COFEPP no longer has any financial claims on the MBWS Group.

The Agreement and its amendments, as well as all related security interests, ended on 4 February 2021, the date on which the Capital Increase was completed.

Signing of an amendment to the investment initially signed on 20 December 2019 between the Company and COFEPP ***(the "Agreement") for the purpose of paying an advance ("Bridge 1 (b)")***

Persons concerned:

COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Ana Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

Type, terms and purpose:

On 14 May 2020 the Board of Directors authorised the signing of an amendment to the investment agreement signed on 20 December 2019 (the "Agreement", described in more detail above) between the Company and COFEPP. This amendment provides for the payment of a current account advance, "Bridge 1 (b)", by COFEPP, capped at €10 million and deducted from the €17 million advance provided for under Bridge 2, not yet paid at the date of the amendment, as well as the provision of guarantees to COFEPP.

This agreement approved by the General Meeting of 31 July 2020 was applied during the year: the Bridge 1 (b) advance was paid in two instalments of €6 million in May 2020 and €4 million in August 2020.

Interest expenses related to Bridge 1 (b) amounted to €0.2 million in 2020.

The performance of the Agreement and its amendments described in more detail above ended on 4 February 2021, the date of the Capital Increase whereby all current account advances paid by COFEPP under Bridge 1, Bridge 1 (b) and Bridge 2, representing a total principal amount of €32 million, were incorporated into the Company's capital.

b) Agreements that were not performed during the year ended

None.

The Statutory Auditors

Mazars
Paris La Défense, 30 April 2021

Erwan Candau
Partner

KPMG
Paris La Défense, 30 April 2021

Stéphane Devin
Partner

Adrien Johner
Partner

6.9 INFORMATION ON THE STATUTORY AUDITORS

6.9.1 Incumbent Statutory Auditors

Mazars

Member of the Versailles Regional Association of Statutory Auditors
Exaltis - 61 rue Henri Regnault - 92075 Paris la Défense
Represented by Erwan Candau

First appointed on: 8 August 2008
Most recently re-appointed on: 31 July 2020
Appointment expires on: 31 December 2025

KPMG

Member of the Versailles Regional Association of Statutory Auditors
Tour EQHO - 2 avenue Gambetta - 92066 Paris la Défense
Represented by Stéphane Devin and Adrien Johner

First appointed on: 30 June 2015
Appointment expires on: 31 December 2020

6.9.2 Alternate Statutory Auditors

Salustro Reydel
Alternate to KPMG
Tour EQHO - 2 avenue Gambetta - 92066 Paris la Défense

First appointed on: 30 June 2015
Appointment expires on: 31 December 2020

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GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

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7.1 GENERAL INFORMATION ON MARIE BRIZARD WINE & SPIRITS SA

7.1.1 Corporate name and LEI code

The Company's corporate and trade name is "MARIE BRIZARD WINE & SPIRITS".
The LEI code of Marie Brizard Wine & Spirits is 969500XQM2JOWHKWI437.

7.1.2 Trade and Companies Register, SIRET and EU VAT number

The Company has been registered since 24 July 2020 in the Créteil Trade and Companies Register under number 380 695 213. The Company was previously registered in the Paris Trade and Companies Register.
The Company's SIRET number is 38069521300047. The APE code is 4676 Z.
The Company's EU VAT number is FR85380695213.

7.1.3 Term of the Company

The Company was incorporated on 8 February 1991 for a term of 99 years (i.e. until 8 February 2090), unless prematurely dissolved or extended as decided at an Extraordinary General Meeting of shareholders.

7.1.4 Registered office, legal form and telephone number of registered office

The Company's registered office is at 10-12 Avenue du Général Charles de Gaulle, 94220 Charenton-Le-Pont, France.
Registered office telephone number: +33 (0)1 46 82 05 05
The Company was incorporated in the form of a French limited company (société anonyme) with a Board of Directors.

7.1.5 Website

The Company's website address is http://fr.mbws.com.
The information shown on the website does not form part of the URD unless it is incorporated by reference herein.

7.1.6 Legislation governing the Company's activities - Country of origin

The Company is a French company governed by the provisions of the French Commercial Code. Its registered office is situated at 10-12 Avenue du Général de Gaulle, 94220 Charenton le Pont, France.

7.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

7.2.1 Company objects (Article 2 of the Articles of Association)

The objects of the Company are:

- The importing and exporting of all food and industrial products and all manufactured products and items, either on its own behalf or in the capacity of an agent;
- The acquisition by the Company of a direct or indirect interest, through contributions in kind, purchase of or subscription to securities, shares or rights in a company, merger, joint venture or otherwise, in any company or enterprise having a similar or related purpose;
- And generally all commercial, industrial, investment, real estate and financial transactions directly or indirectly related to the corporate purpose that could contribute to the development of the company.

7.2.2 Provisions regarding the Board of Directors (Articles 13 to 20)

ARTICLE 13 – BOARD OF DIRECTORS

I - The Company shall be managed by a Board of Directors consisting of at least three and no more than eighteen members.

During the existence of the Company, the Directors shall be appointed or re-appointed by the Ordinary General Meeting of shareholders.

II – Their terms of office shall last for six years. The duties of a Director shall end at the close of the Ordinary General Meeting called to approve the financial statements for the previous financial year and held during the year in which said Director's term of office expires.

Directors may always be re-appointed.

They may be dismissed at any time by the Ordinary General Meeting.

No person may be appointed as a Director if, having reached the age of 70, more than one third of the members of the Board of Directors would be over that age as a result of their appointment. If, when a Director reaches the age of 70, the aforementioned proportion of one third is exceeded, the oldest Director shall be considered to have resigned at the close of the next Ordinary General Meeting.

III – Directors may be individuals or legal entities; a legal entity, at the time of its appointment as a Director, must designate a permanent representative subject to the same conditions and obligations and with the same responsibilities as if he/she were a Director in his/her own right, without prejudice to the joint and several liability of the legal entity represented; the permanent representative's term of office shall be assigned for the term of the legal entity represented; it must be renewed whenever the legal entity's term of office is renewed.

If the legal entity terminates the appointment of its representative, it is required to notify the Company of this termination, without delay by registered letter, and state the identity of its new permanent representative; the same shall apply in case of death, resignation or prolonged incapacity of the permanent representative.

IV – If one or more Directors' seats fall vacant between two General Meetings as a result of death or resignation, the Board of Directors may make one or more provisional appointments.

The appointments of Directors made by the Board of Directors shall be subject to ratification by the next Ordinary General Meeting. If they are not ratified, the resolutions voted and the actions performed by the Board prior to the General Meeting shall nevertheless remain valid.

If only one or two Directors remain in office, the Director or Directors, or otherwise the Statutory Auditors, shall immediately convene an Ordinary General Meeting of shareholders for the purpose of appointing additional member(s) of the Board.

The Director appointed to replace another shall remain in office solely for the remaining period of his/her predecessor's term of office.

V – A Director who is an individual may not belong to a total of more than five Boards of Directors, save the exceptions provided for by law. The calculation also includes positions of Chief Executive Officer, member of the Executive Board, sole managing director or member of the Supervisory Board at French limited companies held by the individual in question.

Save exceptions provided for by law, the position of permanent representative of a legal entity Director or Supervisory Board member shall be included in the calculation of the number of offices held by said individual.

A Company employee may be appointed as a Director if their contract of employment pre-dates their appointment and corresponds to genuine employment.

In the event of a merger or demerger, the contract of employment may have been entered into with one of the merged companies or with the demerged company.

The number of the Company's Directors bound to the Company by a contract of employment shall not exceed one third of the Directors holding office.

ARTICLE 14 – DIRECTOR'S SHARES

The Directors are not required to hold any shares in the Company.

ARTICLE 17 – POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall determine the strategies that guide the Company's operations and shall ensure that they are implemented. Subject to the powers specifically assigned to General Meetings of shareholders and within the limits of the company objects, the Board shall deal with any issue related to the proper operation of the Company and shall settle any matters concerning it through its discussions.

In its dealings with third parties, the Company shall be bound even by actions of the Board of Directors that are not related to the company objects, unless it proves that the third party was aware that the action exceeded those objects, or could not be unaware of this fact given the circumstances, although the sole publication of the Articles of Association shall not constitute sufficient proof thereof.

The Board of Directors may carry out any checks and verifications it considers appropriate.

Each Director shall receive all of the information necessary for the performance of his/her assignment and may request and obtain any documents he/she considers appropriate.

The Board of Directors may delegate authority to any persons of its choice within the limit of the powers conferred to the Board by law and under the present Articles of Association.

It may decide to create committees responsible for reviewing matters that the Board or its Chairman shall submit to their review for an opinion.

The Board of Directors shall have full power to authorise the Chairman and Chief Executive Officer to assign any sureties as security for any bonds issued or to be issued by the Company.

ARTICLE 18 – SENIOR MANAGEMENT

I – The senior management of the Company is assumed, under his/her responsibility, by the Chairman of the Board of Directors or by another individual, who may or may not be a Director, appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors shall choose between the two general management options referred to in the previous paragraph, and shall appoint a Chief Executive Officer, where applicable.

The shareholders and third parties shall be informed of this choice under the conditions provided for by law and the regulations.

If general management is assumed by the Chairman of the Board of Directors, all of the following provisions relating to the Chief Executive Officer shall apply to the former.

The Chief Executive Officer's term of office shall be fixed by the Board of Directors, subject to the Board's right to remove the Chief Executive Officer from office and the Chief Executive Officer's right to step down before the end of his/her term of office.

The term of the functions of a Chief Executive Officer may not exceed that of his/her term of office as a Director.

No one may simultaneously hold more than one position as Chief Executive Officer of limited companies that have their registered office in France, except in specific cases provided for by law.

No one over the age of 70 may be appointed as Chief Executive Officer. Furthermore, if the incumbent Chief Executive Officer reaches this age, he/she shall be deemed to have resigned automatically at the close of the next meeting of the Board of Directors.

The Chief Executive Officer shall represent the Company in its dealings with third parties and shall be vested with full powers within the limits of the company objects, subject, however, to the powers expressly assigned by law to General Meetings.

In dealings with third parties, the Chief Executive Officer is empowered to bind the Company even through actions that are not related to the company objects, unless the Company proves that the third party was aware that the action exceeded those objects, or could not be unaware of this fact given the circumstances, although the sole publication of the Articles of Association shall not constitute sufficient proof thereof.

The Chief Executive Officer may delegate part of his/her powers to as many persons as he/she shall see fit.

In the event of the death or temporary incapacitation of the Chief Executive Officer, the Board of Directors may delegate the duties of Chief Executive Officer to a Director or to the Chairman. In the event of incapacitation, this delegation of powers shall be for a limited period, and shall be renewable. In the event of death, it shall remain valid until a new Chief Executive Officer is elected.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

II – At the proposal of the Chief Executive Officer, the Board of Directors may appoint Deputy Chief Executive Officers, who must be individuals, chosen from among the Directors or outside of their number, up to a limit of five Deputy Chief Executive Officers.

Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors, at the proposal of the Chief Executive Officer; in case of the latter's death, resignation or dismissal, they shall retain their functions and responsibilities until the appointment of a new Chief Executive Officer, unless the Board decides to the contrary.

The extent and term of the powers granted to the Deputy Chief Executive Officers shall be determined by the Board of Directors with the agreement of the Chief Executive Officer.

Where a Deputy Chief Executive Officer is also a Director, their term of office as Deputy Chief Executive Officer may not exceed their term of office as Director.

Deputy Chief Executive Officers shall have the same powers as the Chief Executive Officer in relation to third parties.

No one over the age of 70 may be appointed as Deputy Chief Executive Officer. Furthermore, if an incumbent Deputy Chief Executive Officer reaches this age, they shall be deemed to have resigned automatically at the close of the next meeting of the Board of Directors.

ARTICLE 19 – REMUNERATION OF THE DIRECTORS, CHAIRMAN, CHIEF EXECUTIVE OFFICER, DEPUTY CHIEF EXECUTIVE OFFICERS AND REPRESENTATIVES OF THE BOARD OF DIRECTORS

I – The Ordinary General Meeting may allocate to Directors, as remuneration for their directorship, a fixed annual amount decided at this General Meeting without being bound by previous decisions. This remuneration is recognised under operating expenses.

The fixed annual amount is distributed among the Directors in accordance with the law.

II – The remuneration paid to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers shall be determined by the Board of Directors.

Such remuneration may be either fixed, proportional or both fixed and proportional.

III – The Board of Directors may also allocate special remuneration for specific duties or mandates assigned to its members; such remuneration, also recognised under operating expenses, is then subject to the special procedure applicable to regulated agreements.

No remuneration, whether permanent or otherwise, other than that which is provided for under this article may be allocated to the Directors, unless they are bound to the Company by a contract of employment under the conditions permitted by law.

ARTICLE 20 – AGREEMENTS BETWEEN THE COMPANY AND A DIRECTOR, CHIEF EXECUTIVE OFFICER OR DEPUTY CHIEF EXECUTIVE OFFICER

1. Any agreement made directly or indirectly between the Company and:

- its Chief Executive Officer, any of its Deputy Chief Executive Officers or any of its Directors,
- any of its shareholders holding more than 10% of the voting rights, or
- a company controlling a shareholder company holding more than 10% of the voting rights,

shall constitute a regulated agreement subject to prior authorisation by the Board of Directors if it does not correspond to a normal transaction carried out on arm's length terms. The Chief Executive Officer, Deputy Chief Executive Officer, Director or shareholder in question shall be required to inform the Board as soon as he/she becomes aware of an agreement that is subject to authorisation.

Such a person may not take part in the voting concerning the authorisation requested. These agreements shall be subject to the approval of the General Meeting of shareholders under the conditions provided for by law.

This shall also be the case when one of the aforementioned persons has an indirect interest in the agreement and when an agreement is entered into between the Company and a company of which any such person is the owner, a partner with unlimited liability, Manager, Chief Executive Officer, Deputy Chief Executive Officer, Member of the Executive Board, Director or Member of the Supervisory Board, or in which such person exercises a general management role.

2. Any agreement falling within the field of application of regulated agreements as defined above, but concerning a normal transaction entered into on arm's length terms, must be communicated by the party concerned to the Chairman of the Board of Directors, unless the agreement is not material for any of the parties in terms of its purpose or financial implications. The Chairman of the Board of Directors shall then forward a list of these agreements and their purpose to the Board of Directors, the Statutory Auditors and any shareholder so requesting.
3. Members of the Board of Directors other than legal entities are not permitted to take out loans from the Company, in any form whatsoever, or to have the Company grant them a current account or other overdraft or offer a guarantee or endorsement to cover their commitments to third parties.

The same prohibition applies to the Chief Executive Officer, Deputy Chief Executive Officers and the permanent representatives of legal entities holding office as Director. It also applies to spouses, ascendants and descendants of the persons covered by this article, as well as to any intermediary.

7.2.3 Provisions regarding General Meetings (Articles 22 to 29)

ARTICLE 22 – GENERAL MEETINGS

The collective decisions of shareholders shall be made during the General Meetings, which shall be defined as ordinary, extraordinary or separate, depending on the type of decisions they are required to take.

Separate General Meetings are attended by the shareholders of a predetermined share class, in order to approve any change to the rights attached to shares in that class. These meetings shall be convened and shall deliberate under the same conditions as for Extraordinary General Meetings.

Any duly constituted General Meeting shall represent the entire shareholder body.

General Meeting resolutions are binding on all shareholders, even if absent, dissenting or incapacitated.

ARTICLE 24 – AGENDA

I - The agenda for General Meetings shall be prepared by the person convening the meeting.

II - One or more shareholders representing at least the percentage of share capital specified by law and acting in accordance with statutory conditions and time limits may request the inclusion of draft resolutions in the agenda for the General Meeting, via registered letter with acknowledgement of receipt.

III - The General Meeting may not vote on an issue that has not been entered on the agenda, nor may the agenda be changed if there is a second notice of meeting. It may, however, in all circumstances, dismiss one or more Directors and proceed to their replacement.

ARTICLE 25 – ADMISSION TO GENERAL MEETINGS – PROXY

Every shareholder shall have the right, upon proving his/her identity, to participate in General Meetings regardless of the number of shares that he/she holds, by attending in person, by returning a postal ballot form or by appointing a proxy, provided that:

- in the case of registered shares, the shares are registered in the Company's share register in the name of the shareholder or intermediary appointed to act on their behalf pursuant to paragraph 7 of Article L. 228-1 of the French Commercial Code;
- for holders of bearer shares, their shares are registered in the name of the shareholder or their registered intermediary, pursuant to Article L 228-1(7) of the French Commercial Code, in the bearer share accounts held by the duly appointed intermediary,

on the second business day prior to the General Meeting at midnight, Paris time.

ARTICLE 26 – ATTENDANCE SHEET – OFFICERS – MINUTES

I – An attendance sheet containing the information required by law shall be kept at each General Meeting.

This attendance sheet, duly signed by the shareholders present and the proxies and stating the powers given to each proxy and, if applicable, the postal voting forms, shall be certified as correct by the officers of the meeting.

II - General Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by a Deputy Chairman or a Director specially appointed for this purpose by the Board.

If the meeting is convened by any of the Statutory Auditors, it shall be chaired by one of them.

In all cases, where no person is entitled or appointed to chair the General Meeting, it shall elect its own chairman.

The duties of teller shall be performed by two shareholders present who agree to do so and who, either on their own account or as proxies, possess the largest number of votes.

The officers thus appointed shall appoint a secretary, who need not be a shareholder.

The officers shall be responsible for checking, certifying and signing the attendance sheet, ensuring that the discussions are held properly, dealing with any incidents that occur during the meeting, checking the votes cast, ensuring that they are compliant and ensuring that the minutes are drawn up.

III - The minutes shall be drawn up and copies or extracts of the deliberations shall be issued and certified in accordance with the law.

ARTICLE 27 – QUORUM – VOTING – NUMBER OF VOTES

I – In Ordinary and Extraordinary General Meetings, the quorum shall be calculated on the basis of all shares comprising the share capital or, in the case of Separate General Meetings, all shares of the class in question, less any shares stripped of voting rights pursuant to statutory provisions.

When calculating the quorum in the event of a postal vote, consideration may only be given to ballots received by the Company before the General Meeting is held, under the conditions and deadlines determined by decree.

II – The voting rights attached to shares are proportional to the share capital that they represent. Where all the shares have the same par value, each equity share or dividend share shall carry entitlement to one vote.

Any holder of fully-paid up registered shares, who can prove registration in their name for at least the previous four (4) years, shall enjoy double voting rights as provided for by law. Furthermore, in the event of a capital increase via the capitalisation of reserves, profits or additional paid-in capital, double voting rights will be granted to the new bonus registered shares allotted to a shareholder, where they are entitled to this right, as soon as they are issued.

Any share converted into a bearer share or where the ownership is transferred shall forfeit the double voting right.

Transfer through succession, liquidation of communal property between spouses or inter vivos gift to a spouse or relative entitled to inherit an estate shall not cause the acquired right to be forfeited and shall not interrupt the four-year period provided for under this article.

III – If the shares have been pledged, the voting right shall be exercised by the owner of the securities.

The issuing company may not vote using shares it has subscribed to, acquired or accepted as security and these shares are not taken into account in calculating the quorum.

IV - The voting process shall be held and the votes cast by show of hands, by "sitting and standing" or by roll call, as decided by the officers of the General Meeting.

ARTICLE 28 – ORDINARY GENERAL MEETINGS

I - The Ordinary General Meeting is the meeting convened to take any decisions that do not involve amendments to the Articles of Association. It shall meet at least once a year, according to the statutory and regulatory deadlines in force, to approve the financial statements for the previous financial year.

II – When convened for the first time, the Ordinary General Meeting may only validly deliberate if the shareholders present, represented or voting by post hold at least one-fifth of the shares to which voting rights are attached. If the meeting is convened for the second time, no quorum is required. The meeting shall pass resolutions via a majority of the votes of the shareholders present or represented, including shareholders voting by post.

ARTICLE 29 – EXTRAORDINARY GENERAL MEETINGS

I - Only the Extraordinary General Meeting shall be entitled to amend the Articles of Association in all the provisions thereof. However, it may not increase the shareholders' commitments, except in the case of transactions resulting from an exchange of shares or a reverse share split duly decided upon and executed.

II – Extraordinary General Meetings may only pass resolutions if the shareholders present, represented or voting by post hold, when the meeting is convened for the first time, one quarter and, when convened for the second time, one fifth of the voting shares. If the latter quorum is not obtained, the second Extraordinary General Meeting may be postponed to a date no later than two months following the date on which it was convened. It shall rule by a two-thirds majority of the votes of the shareholders present or represented, including shareholders voting by post.

It shall rule by a two-thirds majority of the votes of the shareholders present or represented, including shareholders voting by post.

III – By way of statutory exemption to the foregoing, a General Meeting that decides to increase the capital by capitalisation of reserves, profits or additional paid-in capital may pass resolutions under the quorum and majority conditions applicable to Ordinary General Meetings.

Furthermore, in an Extraordinary General Meeting convened to vote on the approval of a contribution in kind or the granting of a special benefit, the contributor or the beneficiary whose shares do not carry voting rights shall not be entitled to vote, either on their own behalf or as a proxy, and each of the other shareholders shall have a number of votes equal to the shares that they own without this number exceeding ten; a shareholder's proxy shall have the votes that they hold under the same conditions and up to the same limit.

In the case of contributions in kind or grants of special benefits, one or more independent appraisers shall be appointed by the courts at the request of any interested party.

IV - If several classes of share exist, no change may be made to the rights attached to shares in any of these classes without a valid vote at an Extraordinary General Meeting open to all shareholders and, furthermore, without a valid vote in a General Meeting open only to the holders of shares in the class in question.

7.2.4 Conditions governing changes in the share capital pursuant to the Articles of Association (Article 7)

ARTICLE 7 – CHANGES TO THE SHARE CAPITAL

I - The share capital may be increased in all ways and by all means authorised by the law.

Only the Extraordinary General Meeting is authorised to pass a resolution to increase the share capital, based on a report from the Board of Directors containing the disclosures required by law.

Pursuant to the law, shareholders have a preferential right to subscribe for shares in cash issued as part of a capital increase in proportion to the number of shares that they hold. They may waive this right on an individual basis. Shareholders also have an option to subscribe for additional shares if expressly authorised by a General Meeting resolution.

Unless agreed otherwise, entitlement to new shares following the capitalisation of reserves, profits or additional paid-in capital belongs to the legal owner, subject to the rights of the beneficiary.

II - Extraordinary General Meetings may also authorise or resolve on a reduction in the share capital for any reasons and by any means, subject to any creditors' rights. Under no circumstances, however, may a share capital reduction infringe shareholder equality.

A share capital reduction, irrespective of the reason, whereby the share capital falls below the statutory minimum may only be decided if a condition precedent is established providing for a capital increase aimed at restoring the amount of share capital to at least the statutory minimum, unless the Company adopts a different legal form that does not require the share capital to exceed the amount of share capital following the reduction.

Otherwise, any interested party may apply to the courts to have the Company wound up. The court may not order the Company to be wound up if the amount of share capital has been restored to the statutory minimum by the day on which the court rules on the merits.

7.2.5 Other information

- Clauses liable to affect the control of the Company:

The Company's Articles of Association do not contain any provisions that enable a change in control to be delayed, deferred or prevented.

7.3 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

7.3.1 Current shareholder structure

Breakdown of share capital and voting rights at 31 March 2021

Shareholders	Number of shares	% of sharecapital held	Number of theoretical voting rights	% of votingrights held
COFEPP[1]	78,433,683	70.06%	78,433,683	67.99%
BDL Capital Management[2]	7,423,610	6.63%	7,423,610	6.43%
Diana Holding[3]	3,940,000	3.52%	7,140,000	6.19%
Other	22,151,675	19.79%	22,358,134	19.38%
TOTAL	**111,948,968**	**100%**	**115,355,427**	**100%**

Breakdown of share capital and voting rights for the past three financial years

	Situation at 31/12/2020			Situation at 31/12/2019			Situation at 31/12/2018		
	Number of shares	% of capital	% ofvoting rights	Number of shares	% of capital	% ofvoting rights	Number of shares	% of capital	% ofvoting rights
COFEPP (1)	22,779,967	50.96%	47.35%	22,779,967	50.96%	50.86%	8,352,943	29.48%	29.28%
Diana Holding (3)	3,940,000	8.81%	14.84%	3,940,000	8.81%	8.80%	3,940,000	13.90%	13.81%
BDL Capital Management	2,886,968	6.46%	6.00%	2,886,968	6.46%	6.45%	1,985,524	7.01%	6.96%
Other shareholders	15,091,519	33.76%	31.80%	15,090,969	33.76%	33.90%	14,060,187	49.61%	49.94%
TOTAL	**44,698,844**	**100.00%**	**100.00%**	**44,697,904**	**100.00%**	**100.00%**	**28,338,654**	**100.00%**	**100.00%**
Theoretical voting rights according to monthly declaration			*48,105,465*			*44,903,229*			*28,523,904*

[1] Compagnie Financière Européenne de Prises de Participations, a French société anonyme with a Management Board and Supervisory Board, is registered with the Créteil Trade and Companies Registry under number 572 056 331 and is controlled by the Cayard family group.

[2] BDL Capital Management, a French société par actions simplifiée (simplified joint stock company), is registered with the Paris Trade and Companies Registry under number 481 094 480 and is 50% owned by Hugues Beuzelin and Thierry Dupont respectively. The Chairman of BDL Capital Management is Hugues Beuzelin.

[3] Diana Holding, a limited company under Moroccan law, is controlled by the Zniber family. The chairman and managing director of Diana Holding is Rita Maria Zniber. Diana Holding acts as a management and holding company.

7.3.2 Recent events relating to the breakdown of share capital and voting rights

Capital increase of 4 February 2021:

This capital increase with shareholders' preferential subscription rights was carried out on 4 February 2021.

The gross amount of the capital increase (including issue premium) came to €100,872,775.50, resulting in the issuance of 67,248,517 new shares at a price of €1.50 each.

The Company's share capital following the capital increase is therefore €156,726,305.40, made up of 111,947,361 shares with a par value of €1.40 each. Following the capital increase, COFEPP holds 78,433,683 shares representing 70.06% of the Company's share capital and 68.02% of the voting rights[1].

This capital increase has led to the capitalisation of (i) all the bank debts acquired by COFEPP from the Company's lending banks, totalling €46.097 million, (ii) all of COFEPP's current account advances to the Company and its subsidiary MBWS France under Bridge 1 and Bridge 2, totalling €32 million in principal, and (iii) the first tranche of the Poland Advance granted to the Company by COFEPP, amounting to €3 million.

1: Based on a number of 115,313,609 theoretical voting rights post-capital increase.

Threshold crossing disclosure: Diana Holding (13 November 2020)

In a letter received on 10 November 2020, followed by letters received on 12 November 2020, Diana Holding, a limited company under Moroccan law (Domaine Zniber, Ait Harzallah, Province of El Hajeb, Wilaya de Meknes Tafilalet, Morocco) stated that on 11 October 2020 it had exceeded the threshold of 10% of the voting rights of Marie Brizard Wine & Spirits and that, on 5 November 2020[1], it held 3,940,000 Marie Brizard Wine & Spirits shares representing 7,140,000 voting rights, i.e. 8.81% of the Company's share capital and 14.81% of the voting rights[2].

Crossing this threshold results from the grant of double voting rights to Diana Holding.

1: Diana Holding has stated that this is the date on which Marie Brizard Wine & Spirits updated the number of voting rights attaching to shares.

2: On the basis of share capital consisting of 44,698,844 shares, representing 48,203,844 voting rights pursuant to paragraph 2 of Article 223-11 of the AMF General Regulation (issuer's publication dated 5 November 2020).

Threshold crossing disclosure: COFEPP (25 November 2020)

In a letter received on 25 November 2020, Compagnie Financière Européenne de Prise de Participation[1] (COFEPP), a French limited company (85 Rue de l'Hérault, 94220 Charenton-le-Pont) stated by way of rectification that on 5 November 2020 it had crossed below the threshold of 50% of Marie Brizard Wine & Spirits voting rights and that it held, at that date and currently, 22,779,967 Marie Brizard Wine & Spirits shares[2]representing as many voting rights, i.e. 50.96% of the Company's share capital and 47.26% of the voting rights[3] .

This threshold crossing results from an increase in the total number of voting rights in the Company.

1: Controlled by the Cayard family group.

2: On 5 November 2020, Marie Brizard Wine & Spirits held 138,165 treasury shares representing 0.31% of its capital.

3: On the basis of share capital consisting of 44,698,844 shares, representing 48,203,844 voting rights pursuant to paragraph 2 of Article 223-11 of the AMF General Regulation (see Marie Brizard Wine & Spirits press release dated 5 November 2020).

Threshold crossing disclosure: Diana Holding (5 February):

In a letter received on 4 February 2021, Diana Holding, a limited company under Moroccan law (Domaine Zniber, Ait Harzallah, Province of El Hajeb, Wilaya de Meknes Tafilalet, Morocco) stated that on 4 February 2021 it had crossed below the 10% thresholds of the voting rights and 5% of the share capital of Marie Brizard Wine & Spirits and held 3,940,000 Marie Brizard Wine & Spirits shares representing 7,140,000 voting rights, i.e. 3.52% of the Company's share capital and 6.19% of the voting rights[1].

Crossing of this threshold is the result of a capital increase in Marie Brizard Wine & Spirits[2].

1 On the basis of share capital consisting of 111,947,361 shares, representing 115,353,775 voting rights pursuant to paragraph 2 of Article 223-11 of the AMF General Regulation.

2 See prospectus approved by the AMF on 13 January 2021 under number 21-013 and Marie Brizard Wine & Spirits press release dated 2 February 2021.

Threshold crossing disclosure: COFEPP (8 February 2021)

In a letter received on 4 February 2021, Compagnie Financière Européenne de Prise de Participation[1] (COFEPP), a French limited company (85 Rue de l'Hérault, 94220 Charenton-le-Pont) stated that on 2 February 2021 it had exceeded the thresholds of 50% of the share capital and 2/3 of share capital and voting rights in Marie Brizard Wine & Spirits and that it held 78,433,683 Marie Brizard Wine & Spirits shares[2] representing as many voting rights, i.e. 70.06% of the Company's share capital and 67.99% of the voting rights[3].

Crossing of this threshold is the result of subscription to a capital increase in Marie Brizard Wine & Spirits.

COFEPP was granted an exemption from the requirement to file a mandatory offer pursuant to AMF decision D&I 220C5344 of 9 December 2020 in respect of the increase in its voting rights, initially between 30% and 50%, by more than 1% in less than 12 consecutive months.

1 Controlled by the Cayard family group.

2 Marie Brizard Wine & Spirits holds 134,982 treasury shares representing 0.12% of its capital.

3 On the basis of share capital consisting of 111,947,361 shares, representing 115,353,775 voting rights pursuant to paragraph 2 of Article 223-11 of the AMF General Regulation.

4 See prospectus approved by the AMF on 13 January 2021 under number 21-013 and Marie Brizard Wine & Spirits press release dated 2 February 2021

7.3.3 Nature of control and measures taken to ensure that it is not exercised in an abusive manner

The Company is controlled by COFEPP within the meaning of Article L. 233-3 of the French Commercial Code. COFEPP now holds a majority of positions on the Company's Board of Directors. The Company has adopted various corporate governance measures, including the creation of an ad hoc committee of the Board, designed to ensure that control over the Company is not exercised in an abusive manner, as explained in further detail in Chapter 6.

No agreement between the Group companies and companies belonging to the majority shareholder has been entered into to date, other than those entered into in the ordinary course of business.

Regulated agreements are listed in the Statutory Auditors' special report on regulated agreements.

The Group is not currently aware of any potential conflicts of interests between the duties of any of the corporate officers towards the issuer and their private interests and/or any other duties.

7.3.4 Change of control

To the Company's knowledge, there are no agreements which, if implemented, could result in a change of control over the Company.

7.3.5 Identifiable bearer share survey

A survey on identifiable bearer shares performed by Euroclear on 19 February 2021 enabled a total of 111,936,107 shares to be identified, i.e. 99.86% of the shares that make up the Company's share capital.

Institutional investors hold 12.91% of the shares that make up the share capital, private investors hold 8.16% and 74.83% of the share capital is held by strategic investors (Diana Holding and COFEPP).

7.4 DIVIDENDS

7.4.1 Reminder regarding the Articles of Association

Concerning the appropriation of earnings, Article 33 of the Articles of Association provides that: "Distributable profit consists of the profit for the year less previous losses and amounts transferred to reserves, pursuant to the law and the Articles of Association, plus retained earnings brought forward.

This profit is distributed among the shareholders in proportion to the number of shares held by each one.

Notwithstanding, after deduction of the amounts transferred to reserves as required by law, the General Meeting may deduct any amounts it deems appropriate in order to allocate them to any optional, ordinary or extraordinary reserve or to retained earnings carried forward.

Dividends are deducted from the profit for the year as a priority. Furthermore, the General Meeting may resolve to distribute available amounts taken from reserves, provided that it expressly specifies the reserve accounts from which such amounts are taken.

Except in the case of a capital reduction, no distribution may be made to the shareholders when the amount of shareholders' equity, either before or after such distribution, falls or would fall below the amount of share capital plus reserves which the Company is prohibited by law or by the Articles of Association from distributing. The revaluation surplus is not available for distribution. It may be partly or fully incorporated into the share capital.

Any losses are posted to retained earnings, after the General Meeting has approved the financial statements, to be offset against future profits until they are eliminated."

With regard to the payment of dividends or interim dividends, Article 34 of the Articles of Association provides that: "I- In respect of all or part of a dividend or interim dividend payment, the General Meeting may grant each shareholder the option of choosing between payment of the dividend or interim dividend in cash or payment in the form of shares, in accordance with statutory provisions.

II – The procedure for cash payment of dividends is defined by the General Meeting or, otherwise, by the Board of Directors.

The payment of dividends in cash must take place within nine months following the year-end date, unless this period is extended via court authorisation.

However, where a balance sheet drawn up during or at the end of the financial year, and certified by a Statutory Auditor, shows that the Company has made a profit since the close of the previous financial year, after recording the required depreciation, amortisation and provision charges, and after deducting any prior losses as well as the amounts to be transferred to reserves pursuant to the law and the Articles of Association, an interim dividend may be paid, prior to the approval of the financial statements for the year. The amount of these interim dividends shall not exceed the amount of profit determined in this manner.

No reimbursement of the dividend may be requested from the shareholders unless the distribution was made in breach of statutory provisions and the Company can demonstrate that the beneficiaries knew that the distribution was unlawful at the time it was made or could not have been unaware of this fact given the circumstances. Where applicable, claims for reimbursement of dividends shall be barred under the statute of limitations three years after the dividend payment has been made. Dividends that are not claimed within five years of their payment date shall lapse."

7.4.2 Dividend in respect of the 2020 financial year

In view of its financial situation, the Company has not decided on any dividend distribution policy. It is specified that no dividend has been distributed in respect of the years ended 31 December 2017, 2018 and 2019.

Nor is there any provision for dividend distribution in respect of the year 2020.

7.5 FINANCIAL SERVICES

The Company's financial services company as at 31 December 2020 was CACEIS, 14 Rue Rouget de Lisle, 92130 Issy-les-Moulineaux, France.

Marie Brizard Wine & Spirits SA. FR0000060873

Listing markets: Euronext Paris and Warsaw Stock Exchange

Market: Euronext Compartment B

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PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND INFORMATION POLICY

8.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT 200

8.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT 200

8.3 DOCUMENTS ACCESSIBLE TO THE PUBLIC 200

8.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Andrew Highcock, Chief Executive Officer of the Marie Brizard Wine & Spirits Group.

8.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"I hereby declare that the information contained in this Universal Registration Document is, to my knowledge, a reflection of the true situation and contains no omission of such a nature as to alter the scope thereof.

I hereby certify that, to the best of my knowledge, the financial statements for 2020 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and earnings of the Company and of all the companies included in the consolidation scope and that the management report presented on page 11 provides a true and fair view of the development of the business, earnings and financial position of the Company and of all the companies included in the consolidation scope and describes the main risks and uncertainties which they face."

30 April 2021
Andrew Highcock

8.3 DOCUMENTS ACCESSIBLE TO THE PUBLIC

The Company's founding and updated Articles of Association, all reports, letters and other documents, evaluations and statements prepared by an expert at the Company's request, some of which are included or referred to in this Universal Registration Document, can be consulted during the period of validity of the Universal Registration Document at the Company's registered office, 10-12 avenue du Général de Gaulle, 94220 Charenton-Le-Pont, France.

These documents are available under the section entitled "Regulatory Information" on the Company's website (https://en.mbws.com/).

This space contains the regulatory information published by the Company in application of the provisions of Articles 221-1 et seq. of the AMF General Regulation.

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None

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Not applicable

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Not applicable

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Not applicable

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