MARIE BRIZARD
WINE & SPIRITS

UNIVERSAL REGISTRATION DOCUMENT 2021

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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

2021 UNIVERSAL REGISTRATION DOCUMENT & ANNUAL FINANCIAL REPORT



The Universal Registration Document was filed on 20 April 2022 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 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 Universal Registration Document filed on 2 June 2020 under number D.20-0509 (https://en.mbws.com/sites/default/files/mbws_document_de_reference_2019_version_en-rev.vf_.pdf).

- the consolidated financial statements included in Section 4.1 of the 2020 Universal Registration Document, the Statutory Auditors' report on the consolidated financial statements included in Section 4.2 of the 2020 Universal Registration Document, the Statutory Auditors' special report on regulated agreements and commitments included in Section 6.8 of the 2020 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 Universal Registration Document filed on 30 April 2021 under number D.21-0411 (https://en.mbws.com/sites/default/files/mbws_universal_registration_document_2020_uk_online.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. 8 blended Scotch whisky brand worldwide[(1)], in 2021 **WILLIAM PEEL** consolidated its leadership on the Scotch whisky market in France with a market share of 23.4%[(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 (e.g. Rioja wines: Marques del Puerto; Bulgarian wines: Tcherga, Menada).

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) IRI 2021
(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.

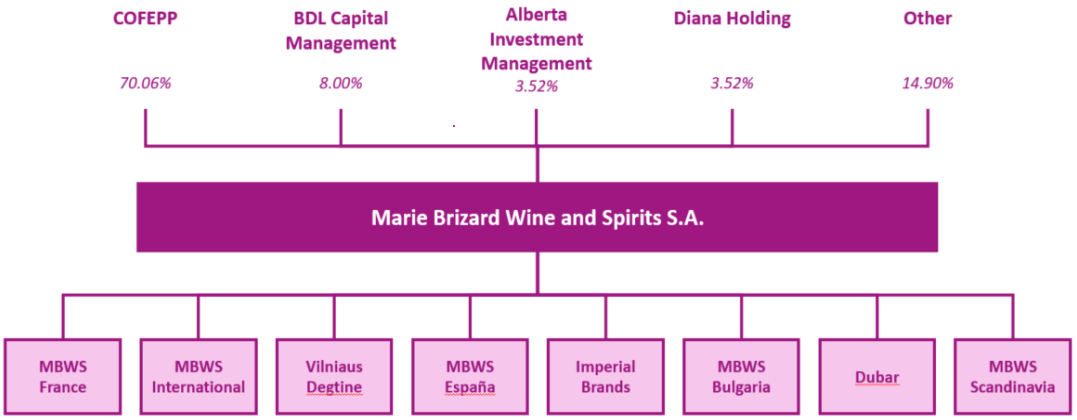
At the General Meeting held on 30 June 2015, the Company's shareholders decided to adopt "Marie Brizard Wine & Spirits" as the new company name.

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 (including €17.4 million in cash), COFEPP now holds 70.06% of the Company's share capital and 67.99% of the voting rights.

Other highlights of 2021 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 two clusters:

- France
- International

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.

1.4 BUSINESS ACTIVITIES

Marie Brizard Wine & Spirits is an established player mainly operating in the international alcoholic beverage and soft drinks market. The Group markets and distributes wine and spirits, primarily in France, the United States and Europe.

The Group's business activities are divided between the two clusters mentioned above.

The business activities are as follows:

- "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

The main goal of the 2019-2022 strategic plan is 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 in order to achieve strong positive EBITDA by the end of 2022.

In 2020 and early 2021, in accordance with its roadmap, the Group sold the non-strategic businesses comprising the Polish subsidiaries and Moncigale wine business, thereby allowing the MBWS Group to revert to positive net earnings in 2021.

In 2021, the second phase of the strategic plan was rolled out in an effort to organise the Group's international footprint, continue developing value-creating partnerships and prioritise value-seeking business activities to spur EBITDA growth and bring about a return to positive earnings.

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

1.5.1 Two clusters and several key development regions

FRANCE CLUSTER: PRIORITISING VALUE STRATEGY BALANCED WITH VOLUME GROWTH, STRENGTHENING THE BRAND PORTFOLIO AND INCREASING PROFITABILITY

In a year of continued disruption to the French economy, the Group managed to consolidate its strategy of prioritising value over volume while optimising its sales policy for each distribution network, against a backdrop of intense promotional activity, through structural flexibility, adaptation of the commercial offering to major retail customer requirements and responsiveness with regard to the out-of-home consumption network.

A strong brand presence, quality of service and offer availability were determining factors that consolidated the Group's sales policy.

INTERNATIONAL CLUSTER: BOOSTING THE MARKET DEVELOPMENT STRATEGY BY LEVERAGING MBWS'S DISTRIBUTION STRENGTHS AND THE POOLED STRENGTHS OF THE COFEPP GROUP ACROSS THE ENTIRE MBWS BRAND PORTFOLIO

The gradual reopening of the on-trade business in the second half of 2021 had a generally positive impact on international business.

Western Europe, the Middle East and Africa continued to implement the "value over volume" strategy, driven by a strengthened portfolio of distributed brands and the goal of increasing the overall profitability of distribution networks. In Western Europe, where the Group mainly operates in the on-trade network, as the year progressed, business was significantly impacted by the varying restrictions imposed on different economic operators due to the health crisis.

In Central and Eastern Europe, the focus lies on developing profitable brands in a highly competitive market in the face of significant increases in local taxes on spirits

The commercial strategy in this region primarily focused on the search for value creation amid a health context that proved favourable for some of our businesses and a more challenging local market still marked by strong competition.

After a first half hit by the ongoing health crisis and the sharp decline in the Lithuanian bulk sales market, the lifting of health restrictions towards the end of the year led to a strong recovery in the value-creating brand businesses on both domestic and export markets.

Bulgaria also enjoyed strong growth in 2021 among the Group's international spirits brands, coupled with an increase in sales of the main national wine brands, a significant increase in export volumes, particularly to Greece and Turkey, and the quality subcontracting business with Romania.

The Polish market posted buoyant brand sales in 2021, particularly William Peel and Cognac Gautier.

The aim for the American continent was to strengthen the exclusive partnership and distribution model, expand geographical coverage and step up the establishment of local brands.

After 2020 business in the United States was bolstered by the new commercial partnership and initial stockbuilding for the distribution networks, 2021 revenues fell short. The end of the year was marked by a slowdown in Sobieski sales due to aggressive promotional strategies pursued by competitors in the vodka category, along with logistical constraints (particularly affecting sea freight). These adverse effects were partly offset by the strong performance from Cognac Gautier. While Canada posted a steady performance year on year, sales were hit by the implementation of COVID restrictions during the first and fourth quarters.

Brazil experienced strong business growth in 2021, despite the challenging health situation and cancellation of major events, such as the Carnival at the beginning of the year. This momentum was driven by growth in local and imported brand sales (Cutty Sark and Sobieski), although a slowdown was noted towards the end of the year.

Lastly, in Asia Pacific, focus was placed on finding opportunities for profitable growth.

In 2021, the Group's modest business in Asia Pacific was boosted by sales resilience in Australia and South Korea, making up for the difficulties in Japan (following the state of emergency and lockdown, the Olympic Games did not have the expected positive impact) and despite lower sales towards the end of the year (particularly in Australia).

1.5.2 Our 4 strategic brands

MARIE BRIZARD



Founded in 1755 in Bordeaux, with boldness and innovation in mind, **MARIE BRIZARD** is the oldest liqueur manufacturer in France.

MARIE BRIZARD often wins international awards for its unique expertise in liqueurs, dating back over 260 years. Renowned for its skilful blending, MARIE BRIZARD is now present in over 100 countries.

Further bolstered by its syrup expertise, MARIE BRIZARD has become a powerful brand capable of meeting all types of cocktail requirements, particularly the growing demand for low-alcohol and non-alcoholic beverages.

COGNAC GAUTIER



Created in 1755, **COGNAC GAUTIER** is one of the longest standing producers of cognac.

Located on the river Osme at Aigre, in the Charente region, their cellars' humid climate give GAUTIER cognacs a unique fullness and richness of flavour.

The GAUTIER brand continues to thrive in its primary market, Canada, where it is ranked third.

Since the year 2000, GAUTIER has been "Best Cognac" ten times at a number of prestigious international awards.

WILLIAM PEEL



WILLIAM PEEL is a leading brand of blended Scotch whisky in France, both in its own segment and within the overall whisky market.

It is in the top 10 (in terms of revenues) of French CPG references thanks to its two flagship formats, the 70 cl and one-litre bottles.

Created in 1972, WILLIAM PEEL has become a go-to brand in France due to its affordable price and acclaimed fullness of flavour.

SOBIESKI



SOBIESKI, an authentic, traditional Polish vodka, is distilled in Poland and made exclusively from rye, giving the beverage a unique, delicately balanced taste.

The brand is named after the last great king of Poland, King John III Sobieski, who ruled until the end of the 17th century.

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 €101.7 million at 31 December 2021, recognised under property, plant and equipment (vs €105.5 million at 31 December 2020).

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);
- 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, which was sold at the end of February 2022;
- The Stara Zagora facility in Bulgaria, where the Group owns and runs several vineyards (on a long-term land lease). 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 2019 and 2021 major investments totalling nearly €12 million were incurred (excluding discontinued operations), focusing on:

- increasing productivity and production capacity at a number of industrial plants (mainly in Lithuania, France and Spain);
- improving production quality and ensuring the compliance of specific equipment with environmental, safety and other standards;
- implementing a new ERP system, whose development has since been staggered due to its cost; it is gradually being deployed across the Group, most recently at the US subsidiary in early 2022.

1.7 MAJOR CONTRACTS

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

2

2021 MANAGEMENT REPORT

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2.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2021 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 2021 consolidated financial statements (Chapter 4 of this Universal Registration Document).

2.1.2 2021 consolidated income statement

The parent company and consolidated financial statements for the year ended 31 December 2021 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 2021 consolidated income statement

(€000)	2021	2020	Change 2021/2020
Revenues	214,395	220,774	-2.9%
Revenues excluding excise duties	**166,684**	**169,083**	**-1.4%**
EBITDA	12,575	10,614	18.5%
EBITDA margin	*7.5%*	*6.3%*	
Underlying operating profit	**5,692**	**1,046**	**444.2%**
Operating profit/(loss)	5,584	(5,671)	198.5%
Cost of debt	(334)	(2,845)	88.3%
Net financial income	250	1,649	-84.8%
NET PROFIT/(LOSS), GROUP SHARE	**5,564**	**(38,465)**	**114.5%**

The Group uses revenues, gross margin and EBITDA as its main performance indicators, as defined in Note 1.31 to the 2021 consolidated financial statements (Chapter 4 of this Universal Registration Document).

Revenues for the 2021 financial year, excluding excise duties, amounted to €166.7 million, down 1% (excluding currency impact) from 2020. Sales excluding non-recurring effects are up 3.6% after restatement for the temporary impact of bulk ethyl alcohol sales in Lithuania in 2020 and the initial impacts of the implementation of a new distribution model in the United States on 1 January 2020.

The gross margin ratio was 41.1% in 2021, compared with 42.4% in 2020. This decrease is mainly due to the drop in bulk sales prices in the Baltic countries, which have become extremely competitive, and to a negative price effect in France due to both commercial negotiations and promotional investments to support the growth of the Sobieski and Paddy brands.

Marketing expenditure fell by €0.7 million compared to 2020.

For 2021, the Group posted EBITDA of €12.6 million, compared to EBITDA of €10.6 million the previous year.

Net non-recurring operating expenses and other non-recurring operating income for 2021 amounted to €(0.1)m, mainly due to the positive outcome of the Group's financial restructuring plan.

The net financial income of €0.25m at the end of 2021 was lower than in 2020 due to non-recurring income for Trinidad recorded in June 2020, but the cost of debt has fallen considerably following the change in the Group's financial structure in 2021, following the capital increase completed in February 2021.

At 31 December 2021, the net profit, Group share was at €5.6 million, compared with a net loss at 31 December 2020 of €38.5 million.

Analysis of revenues by region•

Net revenues (€m)	31.12.2020	*Like-for-like change*	*Currency impact*	31.12.2021	*Like-for-like change (excl. currency impact)*	*Change (incl. currency impact)*
FRANCE CLUSTER	**75.9**	**2.7**	**-**	**78.6**	3.5%	3.5%
INTERNATIONAL CLUSTER	**93.2**	**-4.5**	**-0.6**	**88.1**	-4.8%	-5.4%
TOTAL MBWS	**169.1**	**-1.8**	**-0.6**	**166.7**	**-1.0%**	**-1.4%**

EBITDA (€m)	31.12.2020	*Like-for-like change*	Currency impact	31.12.2021	*Like-for-like change (excl. currency impact)*	Change (incl. currency impact)
FRANCE CLUSTER	**10.7**	**1.7**	**-**	**12.4**	15.9%	15.9%
INTERNATIONAL CLUSTER	**8.4**	**0.3**	**-0.1**	**8.6**	2.3%	1.1%
HOLDING COMPANY	**-8.5**	**0.1**	**-**	**-8.4**	-1.7%	-1.7%
TOTAL MBWS	**10.6**	**2.1**	**-0.1**	**12.6**	**19.2%**	**18.2%**

As a reminder, Group revenues and EBITDA are now presented in two clusters, France and International, in line with the Group's new managerial structure introduced on 1 January 2021 in order to reflect changes in business operations following the various disposals carried out since 2019 (particularly the Polish businesses sold on 21 October 2020 and Moncigale sold on 16 February 2021).

GROUP

In 2021, the Group generated sales of €166.7m (after application of IFRS 5), down 1% compared to the previous year (excluding currency impact), but up 3.6% excluding non-recurring items[(5)]. 2021 was marked by a recovery in sales driven by the France cluster despite a slowdown in the major retail spirits market, in particular during the second half, in favour of out-of-home consumption. International business was impacted by multiple and successive changes in measures and the lifting of health restrictions in Europe and major Asian markets.

Overall business in the USA was encouraging thanks to the new distribution model but fell short of 2020 sales fuelled by initial stock building at our new distributor, Sazerac.

The various structural measures are bearing fruit and all entities except Dubar in Brazil posted positive EBITDA in 2021.

FRANCE CLUSTER: BUSINESS PICKS UP DESPITE STRONG COMPETITION

France continued to implement its "value over volume" strategy, posting 2021 revenues of €78.6m, up 3.5% versus 2020.

Following the reopening of hotels, bars and restaurants in the second half and in spite of the COVID Certificate requirement, the out-of-home consumption network increased by 12% over the last two quarters at the expense of sales among major retailers, which nevertheless grew year-on-year.

The under-12-year blended whisky market recorded a 0.9% decline over the period, significantly impacting William Peel volumes and sales among major retailers against a backdrop of intense promotional activity.

The Group's main brands followed the spirits market trend and confirmed their performance in the fourth quarter, driven by leading brands Marie Brizard (Manzanita) and San José. Apart from the slowdown in William Peel volumes, other brands such as Sobieski in the vodka segment gained market share thanks to extensive targeted promotional initiatives.

In 2021, the France cluster also benefited from full-year sales of Paddy Irish whiskey, for which the Group took over distribution in the second half of 2020.

Thanks to tight control of overheads and the recognition of an exceptional non-recurring credit note issued by a whisky supplier under a new contract signed in January 2021, the region's EBITDA increased by 15.9% in 2021 to €12.4m.

- *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.*

(5) Restatement of the impact of the new sales structure in the USA in early 2020 and the impact of bulk sales for hand sanitisers in Lithuania, overall estimated revenues of €7.8m for the first half of 2020.

INTERNATIONAL CLUSTER: REVENUES DOWN €4.4M FROM 2020, EXCLUDING CURRENCY IMPACT

The International Custer posted 2021 revenues of €88.1 million, limiting its decrease to 4.8% from the previous year. However, it increased by €3.4 million, or 3.6% compared to the previous year, if the non-recurring items recognised in 2020 through the initial stock building at our customer in the USA and the strong bulk sales in the Baltic Countries are restated.

EBITDA for the International Cluster rose 2.3% in 2021 to €8.6 million.

The activity of the International Cluster is organised into four main regions.

- Western Europe (excluding France), where revenues fell by 1.7% in 2021 to €30.8 million;
- the CEE region, whose 2021 revenues were €38 million after IFRS 5, down 4.8% from the previous year;
- the Americas, with 2021 revenues of €17 million, down 8.0% from the previous year excluding currency impact;
- the Asia Pacific region, with revenues of €2.3 million, down 17.2% from the previous year.

The region's sales are broken down among the legal entities within the International cluster.

MBWS International

Revenues amounted to €14.6m, up €4.5m due to (i) business development in Europe, Africa and Asia Pacific, (ii) recovery in the UK and (iii) the addition of the Canada (revenues up €2.8 million) and Poland (€1.3 million in revenues from William Peel sales) markets served by Imperial Brands and MBWS Polska respectively in 2020.

In Western Europe, as the year progressed, business was significantly impacted by the varying restrictions imposed on different economic operators due to the health crisis.

In Benelux, the "value over volume" policy led to a slight erosion of revenues. These factors were partly offset, mainly during the second half, by the reopening of the on-trade business in the UK, a major market for the Marie Brizard brand.

Under these circumstances, the Italian market improved in 2021, including towards the end of the year.

The French overseas territories and departments (DOM-TOM) witnessed significant growth in business marked by successive changes in health measures similar to those in mainland France. The Africa export markets also performed well, posting strong sales growth throughout the year.

In Poland, sales of our brands (in particular William Peel and Cognac Gautier) to the former MBWS subsidiary now called Premium Distillers increased steadily during 2021.

Asia Pacific business in 2021 was driven by overall sales resilience throughout the year in Australia and Korea, making up for the difficulties in Japan (following the state of emergency and lockdown, the Olympic Games did not have the expected positive impact). In Australia and Korea, compared to a buoyant Q4 2020, the end of 2021 witnessed a significant decline (inventory rundown in Australia).

MBWS Spain

Revenues amounted to €20.0m, down €1.7m.

Working through the health crisis, Spain was one of the first countries to reopen the on-trade business, which particularly benefited Marie Brizard brand and border sales. As a result, brand sales rose 2% versus 2020.

This recovery was curtailed by the Pulco subcontracting business, which saw a year-on-year decline in volumes resulting in an 11% decrease in revenues.

However, growth in brand sales had a positive impact on our margin that outweighed this decline. The subsidiary continued to keep overheads under control, particularly through external cost savings.

MBWS Scandinavia

Revenues increased by €0.6m to €2.7m, up 25.8% excluding currency impact, thanks to the recovery of the on-trade market in Denmark as confirmed in the fourth quarter. The off-trade market is also subject to growing competition with premium brands available at affordable prices. It is worth noting the positive impact of the takeover of Kidibul brand distribution, which accounted for 25% of revenue growth.

MBWS Baltics

Baltic state revenues are still impacted by the sharp contraction of the bulk sales market. In the fourth quarter, following the lifting of health restrictions and expectations of an increase in excise duties at the beginning of 2022, domestic market revenues edged up, boosted towards the end of the year by a stronger recovery than that of the brand business in the Eastern Europe export markets.

Revenues fell €7.2m versus 2020 mainly due to the €5.4m loss in bulk sales (mainly hydroalcoholic gel). Following restatement, pro forma sales decreased by €1.8m versus the previous year due to lower sales prices in the recurring bulk business, despite the gradual easing of COVID restrictions and price increases for our brands.

MBWS Bulgaria

Bulgaria also enjoyed strong growth in 2021 among the Group's international spirits brands (Marie Brizard, Sobieski, Gautier, William Peel) coupled with an increase in sales of the main national wine brands, a significant increase in export volumes, particularly to Greece and Turkey, and the subcontracting business to Romania.

The subsidiary posted revenues of €14.0m, up €3.9m compared to 2020.

Imperial Brands

In the United States, 2021 revenues fell 8% versus 2020, impacted by the distribution model changes in the first half of 2020.

Revenues thus came in at €10.7m, down €5.4m excluding restatement and currency impact. After restatement, pro forma sales decreased by €3.0m compared to the previous year, with the positive effect of the initial stock building at our customer Sazerac valued at €2.4m. Changes in the US dollar exchange rate had an adverse impact of €0.4m on the company's revenues.

The end of the year was marked by a slowdown in Sobieski sales due to aggressive promotional strategies pursued by competitors in the vodka category (leading to a decline in value) and postponement of sales to 2022 due to logistical constraints (particularly affecting sea freight). These adverse effects were partly offset by the strong performance from Cognac Gautier.

Dubar

Brazil experienced strong business growth in 2021, despite the challenging health situation and cancellation of major events, such as the Carnival at the beginning of the year. This momentum was driven by growth in local and imported brand sales (Cutty Sark and Sobieski), although a slowdown was noted in the fourth quarter.

Revenues increased by a sharp 40% compared to the previous year, up €3.0m. The depreciation of the Brazilian real curbed the region's revenues by €0.3m.

Despite the intensification of the new strategy, overall performance was curtailed by the year-end slowdown in sales.

HOLDING COMPANY: CONTINUED REDUCTION OF STRUCTURAL COSTS

The holding company posted an EBITDA loss of €8.4m for 2021 compared to an €8.5m loss in 2020, impacted by two contrasting trends:

- a significant decrease in the holding company's operating expenses, downsizing of core teams in line with the Group's new critical mass and the operational organisational system implemented in early 2021, plus tight control of operating budgets,
- a significant reduction in re-invoicing of headquarters expenses to subsidiaries following the Group downsizing operation.

Thus, excluding re-invoicing, holding company operating expenses decreased by 16% from 2020 to 2021.

2.1.3 2021 consolidated balance sheet

(€000)	31.12.2021	31.12.2020	Change 2021/2020	
Goodwill	14,704	14,704		0%
Intangible assets	79,361	83,167	(3,806)	-5%
Property, plant and equipment	27,181	28,111	(930)	-3%
Financial assets	4,001	5,639	(1,638)	-29%
Deferred tax assets	452	1,225	(773)	-63%
Total non-current assets	**125,699**	**132,846**	**(7,147)**	**-5%**
Inventory and work-in-progress	35,094	37,811	(2,717)	-7%
Trade receivables	35,891	20,813	15,078	72%
Tax receivables	4,125	554	3,571	645%
Other current assets	9,714	22,123	(12,409)	-56%
Current derivatives	281	70	211	301%
Cash and cash equivalents	54,169	42,075	12,094	29%
Assets held for sale	3,058	12,900	(9,842)	
Total current assets	**142,332**	**136,346**	**18,886**	**15%**
TOTAL ASSETS	**268,031**	**269,192**	**(1,161)**	**0%**

(€000)	31.12.2021	31.12.2020	Change 2021/2020	
Shareholders' equity	**173,932**	**66,348**	**107,584**	**162%**
Employee benefits	2,214	3,150	(936)	-30%
Non-current provisions	4,116	3,926	190	5%
Long-term borrowings – due in > 1 year	2,546	65,352	(62,806)	-96%
Other non-current liabilities	1,735	1,751	(16)	-1%
Deferred tax liabilities	15,965	17,879	(1,914)	-11%
Total non-current liabilities	**26,576**	**92,058**	**(65,482)**	**-71%**
Current provisions	2,546	7,049	(4,503)	-64%
Long-term borrowings – due in < 1 year	888	15,023	(14,135)	-94%
Short-term borrowings	2,542	5,287	(2,745)	-52%
Trade and other payables	31,113	34,777	(3,664)	-11%
Tax liabilities	135	5,667	(5,532)	-98%
Other current liabilities	29,942	32,584	(2,642)	-8%
Current derivatives	198	98	100	102%
Liabilities held for sale	159	10,301	(10,142)	
Total current liabilities	**67,523**	**100,486**	**(32,962)**	**-33%**
TOTAL EQUITY AND LIABILITIES	**268,031**	**269,192**	**(1,161)**	**0%**

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 2021. The main trademarks valued were the Marie Brizard trademarks acquired by the Group in 2006.

At 31 December 2021, Group property, plant and equipment amounted to €27.2 million, compared with €28.1 million at 31 December 2020. This reduction in the property, plant and equipment item is primarily linked to the outflows of equipment and tools.

The valuation of Group assets was reviewed as at 31 December 2021, in accordance with IAS 36.

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

No impairments were recognised on brands in 2021.

WORKING CAPITAL

Working capital 1 (inventory + trade receivables – trade payables) amounted to €39.9 million at 31 December 2021, down from €23.8 million at 31 December 2020. This €16 million increase corresponds mainly to an increase in trade receivables due to the phasing out of factoring agreements in the first half of 2021.

Working capital 2 (non-operating working capital) mainly includes excise duties and VAT collected, 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 €173.9 million, compared with €66.9 million in 2020. This change is mainly due to the capital increase at MBWS SA in February 2021:

. through the incorporation of all bank debts purchased by COFEPP and the COFEPP advances granted to MBWS in 2020:

. through proceeds from cash subscriptions amounting to €17.4 million.

Group borrowings amounted to €6 million as at 31 December 2021, down €79.7 million from 31 December 2020.

At the end of December 2021, the financial debt consisted mainly of lease liabilities recognised in the financial statements under IFRS 16 and short-term loans.

At the end of December 2021, cash and cash equivalents amounted to €54.2 million, an increase of €12.1 million compared to 2020, mainly due to proceeds from cash subscriptions paid by shareholders other than COFEPP amounting to €17.4 million.

(€000)	31.12.2021	2020 restated
Borrowings	3,434	80,375
Short-term borrowings	2,542	5,287
Gross debt	**5,976**	**85,662**
Cash and cash equivalents	**(54,169)**	(42,075)
Net borrowings	**(48,193)**	**43,587**
SHAREHOLDERS' EQUITY	**173,932**	**66,912**

2.1.4 Discontinued operations

On 16 February 2021, MBWS France sold all shares in Moncigale to the Boisset Group. Due to the high probability of this sale on 31 December 2020, the Moncigale activity was reclassified as a discontinued operation under IFRS 5. In the financial statements for the 2021 financial year, its contribution to consolidated net profit/(loss) for the period, as well as the capital loss on disposal, is presented on the line "discontinued operations".

In addition, the sale of the wine activity under the Marquès del Puerto brand and of the Fuenmayor site in Spain belonging to the MBWS Spain subsidiary was finalised at the beginning of 2022. Given the highly probable nature of the sale of this loss-making activity on 31 December 2021 (and its low materiality), the Group opted to reclassify only the Spanish assets affected by this sale of the "wine" activity as "assets/liabilities held for sale" in the consolidated financial statements for the 2021 financial year.

All required information is presented in the notes (Chapter 4 / Note 1.24).

At 31 December 2021, Group management considered that there were no assets or activities meeting the criteria for application of IFRS 5.

2.1.5 Product innovations

WILLIAM PEEL

The brand offers many different formats and varieties of flavoured and cask finish whisky.

MARIE BRIZARD

The redesign of the liqueur products to contain natural flavours and less sugar and alcohol, as well as the launch of new recipes (including Cold Brew Coffee and Passion Fruit in 2021), constitute a major growth driver for the coming years.

In 2021, the MARIE BRIZARD range of syrups was further expanded with the launch of the 25cl format and new flavours (Hibiscus, Rhubarb, Salted Caramel, Ginger, Pineapple, Cocoa, Cherry and Banana).

SOBIESKI

The brand offers a wide range of products suitable for all drinking occasions as well as many flavoured vodkas.

COGNAC GAUTIER

Building on the momentum of its growing reputation and its organoleptic excellence, the brand continues to develop in new markets such as the United States, French overseas departments and territories and Europe.

In 2021, innovations included tasting kits and a unique virtual master class tool for continued training of bar and gastronomy professionals despite the COVID-19 pandemic.

2.1.6 Compliance with Sustainable Taxonomy principles

To promote sustainable investments, the Taxonomy Regulation (Regulation (EU) 2020/852 of 12 July 2020) establishes a common EU classification system to identify economic activities considered to be sustainable. According to Article 8 of the regulation, companies that are eligible for this new status will have to publish three sustainability indicators starting 1 January 2022:

- Net Sales: Sustainable business revenues / total revenues
- Investments (Capex): Sustainable Investment / Total Investment
- Operational expenditure (Opex): Sustainable Opex / Total Opex

This new EU taxonomy therefore provides a classification system for companies and investors to determine whether an economic activity is "green" (sustainable) or not, especially in the following target dimensions and criteria:

- Climate change mitigation
- Adaptation to climate change

The regulatory timetable that has been put in place appears to be quite demanding, thus forcing accelerated compliance, with effective dates that are nevertheless staggered depending on the nature of the activities and their impacts on the main environmental objectives.

The concept of eligibility of activities is determined using a compliance flowchart that identifies activity. In the case of the MBWS Group, there were two kinds of environmental objectives for 2021:

- The prevention and reduction of pollution, especially through industrial installations
- The protection and restoration of biodiversity and ecosystems, especially through wastewater treatment.

To date, the activity of production and distribution of wines and spirits is not yet eligible for this quantitative exercise; in other words, 0% of revenues are eligible, 0% of the operating expenditure is eligible and 0% of the investment expenditure (CAPEX) is eligible for the current financial year (the investments for 2021 are in fact focused on industrial activities, which are not eligible)

2.1.7 Outlook

Following publication of the MBWS 2019-2022 Strategic Plan, 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 to the 2020 URD – Key events).

Furthermore, for all Group companies and markets, close attention has been paid to value versus volume in negotiations and commercial transactions with clients, wherever possible (particularly in France, the United States 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. Thanks to the proceeds from the February 2021 capital increase, the MBWS Group is now working to step up organic growth initiatives and projects as well as complementary developments in order to boost financial performance.

2021 full-year earnings confirm the positive trends observed in 2020, in an economic environment largely dependent on developments in the pandemic during H1 2021, with a disruptive impact on the business depending on distribution channels (on-trade / off-trade) and against a still-volatile health situation at the end of the year.

At the beginning of 2022, in connection with the ongoing resolution of the health crisis and given (i) the supply risks relating to the regular unavailability of raw and dry materials, (ii) the sharp increases in costs (which are well above the capacities for passing them on downstream to the distribution chain and customers), the Group has adopted a conservative position on its annual performance for 2022.

This situation is strongly aggravated by the recent, unforeseeable and dramatic news at the end of February of the conflict in Ukraine (combined with new exceptional inflationary pressure) and its repercussions, which are not yet fully measurable on all the markets in which MBWS operates (in France and Europe in particular). For the time being, therefore, the Group is remaining very cautious with regard to its short- and medium-term prospects in view of these operational downgrades, which are forcing the Group to adapt its commercial policies accordingly.

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

2.2 PARENT COMPANY FINANCIAL STATEMENTS FOR THE 2021 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)	2021	2020	Change 2021/2020
Revenues excluding excise duties	**3,166**	**7,717**	**-59.0%**
Operating profit/(loss)	(10,430)	(12,572)	17.0%
Net financial income		84,376	-100.0%
Underlying profit/(loss) before tax	**(10,429)**	**71,804**	**114.5%**
Net non-recurring income/(expense)	(547)	(102,459)	99.5%
Profit/(loss) before tax	**(10,977)**	**(30,654)**	**64.2%**
Income tax	3,343	(3,981)	-184.0%
NET PROFIT/(LOSS)	**(7,633)**	**(34,635)**	**78.0%**

The Company posted an operating loss of €10.4 million, mainly consisting of fees and personnel expense.

Net financial income is at the break-even point. There was a net non-recurring expense of €0.5 million.

Recognition of tax paid by subsidiaries belonging to the tax group allowed the Company to post tax income of €3.5 million. The Group tax charge amounted to €0.1 million.

Finally, the Company posted a net loss of €7.6 million for 2021.

At the next General Meeting, the shareholders will be asked to approve the following appropriation of the loss for the period amounting to €7.6 million:

- to retained earnings, thereby bringing the balance of this account from retained losses of €37.4 million to retained losses of €45.1 million.

Following this appropriation, the Company's shareholders' equity will amount to €189.8 million.

2.2.3 Parent company balance sheet

(€000)	31/12/2021	31/12/2020
Net intangible assets	5,661	7,542
Net property, plant and equipment	15	14
Net financial assets	116,119	118,145
Non-current assets	**121,796**	**125,701**
Inventory and work-in-progress	-	-
Trade receivables	88,542	105,612
Current assets	**88,542**	**105,612**
Unrealised foreign exchange losses	530	754
TOTAL ASSETS	**210,867**	**232,067**

	31/12/2021	31/12/2020
Total shareholders' equity	**189,787**	**97,064**
Provisions for contingencies and charges	**4,986**	**6,532**
Borrowings	2	309
Other payables	15,966	128,162
Loans and borrowings	**15,968**	**128,471**
Unrealised foreign exchange gains	127	1
TOTAL EQUITY AND LIABILITIES	**210,867**	**232,067**

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 decrease in net financial assets of €2.0 million is mainly due to the collection of the 2021 instalments of the Lancut debt for €1.7 million.

Net assets amounted to €189.8 million, up from 2020 due to the February 2021 capital increase.

Borrowings are now virtually nil.

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 €26,621 during the 2021 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 days overdue	> 60 days overdue
2021	1,317	1,241	64	12
2020	2,835	2,605	164	66

Trade receivables ageing schedule

(€000)	Balance at 31 December	Not due	< 60 days overdue	> 60 days overdue
2021	540	30	31	538
2020	1,170	646	(57)	581

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

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 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 balance on the Poland Advance granted by COFEPP to the Company and, (ii) with the remaining amount, to finance the MBWS Group's operations.

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

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, 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.

COVID-19 pandemic

As in 2020, restrictions imposed to curb the spread of the virus still had a limited impact on MBWS's business in some markets throughout 2021, again particularly in out-of-home consumption networks to which the Group as a whole is partly exposed.

The uncertainty of developments in the COVID-19 pandemic lasted until the end of the year and now seems to be fading in the medium term.

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

Proposed streamlining of the Major Retailers Sales Department and pooling with other Group distribution entities

At the beginning of February 2022, the MBWS Group announced that its subsidiary Marie Brizard Wine & Spirits France is considering a proposal to streamline its major retailers sales department in France, pooling it with other Group distribution entities. This project aims to safeguard the competitiveness of the Group's business sector and is part of the voluntary plan for strict cost control undertaken since 2019 to restore its profitability in the long term.

With the end of the pandemic more or less at hand, sales to major retailers had improved during certain periods, but the market should resume its downward trend.

The pooling of the commercial sales force dedicated to Hypermarkets is being planned against a backdrop of strong pressure from steeper demands in commercial negotiations with major retailers, which is being heightened by changes in regulations and a strong increase in the cost of raw materials, which cannot be fully passed on in the selling prices.

This project is part of the existing partnership with the other entities of the Group, in which MBWS France will retain full control over annual negotiations with central purchasing agencies and the management of its sales and marketing strategy and the development of its brands.

This proposal will also result in the elimination of 29 positions in the French Major Retailers Sales Department, in addition to the creation of two positions. The Group promised to do everything in its power to minimise the impact of the plan on jobs and to support affected employees through the measures that will be taken in this regard. In this spirit, a majority agreement was signed on 6 April by the representative trade unions and management. It is currently awaiting approval by the Regional Directorate for the Economy, Employment, Labour and Solidarity (DREETS).

Sale of Marques del Puerto wine activity in Spain

The sale of the wine activity under the Marques del Puerto brand and the Fuenmayor site in Spain belonging to MBWS Spain was completed in early 2022.

This activity has been loss-making for several years, with a critical size that is utterly inadequate considering the Spanish wine industry in Rioja. Despite numerous investment efforts and attempts to revive it, at the end of 2021, in light of the goals of the 2019 strategic plan, the Group had to sell these assets and the related production site. The Spanish company has therefore been working on a valuation process for its assets by external experts and contacting potential prospects pending receipt of confirmations of interest and non-binding offers from potential buyers. The sale process was conducted in accordance with best practices for mergers and acquisitions, despite the small size of this transaction, and particular care has been taken to maintain objectivity.

In the absence of any responses, expressions of interest or offers (non-binding or otherwise) from third-party buyers to the Group, a proposal was received by a subsidiary of Bardinet Spain, which was accepted by the Board of Directors of MBWS at its meeting of 16 February 2022.

The sale was signed on 28 February and was accompanied by the transfer of all Bodega employees. The transaction is considered by the MBWS Group to be an attractive one for a permanently loss-making asset.

The funds obtained from the sale will enable the Group to invest in opportunities to develop profitable activities with the necessary assets to become sustainable drivers of growth, which is a priority for the Group. These assets have also been restated in accordance with IFRS 5 in the consolidated financial statements at 31 December 2021.

Crisis situation following the Russia-Ukraine conflict

The growing tensions between the two countries, which escalated in early 2022, culminated at the end of February in Russia's declaration of war on Ukraine and the military aggression that followed.

At this stage, it is very premature to estimate the final outcome of the conflict and the consequences for the region and even more so for Ukraine's own territory and its economic and industrial activity.

However, from the standpoint of the Group's activity in the two belligerent countries, the consequences that can be noted to date could affect the following items:

- risks of supply of dry materials (bottles) produced by glass factories in Ukraine, which stopped very soon after the conflict began due to the mobilisation of adult Ukrainian men;
- risks of non-payment/transfer via the banking system (even if concerns appear to be limited) by Ukrainian and Russian customers, related in particular to the sanctions put in place by the international community against Russia.

Thus the development of the Group's activities (sales only) for the coming months in these two countries (Ukraine and Russia) is highly unpredictable, in an area which represented a total of less than 2% of the MBWS Group's consolidated net revenues in 2021.

The MBWS Group remains particularly vigilant as to the direct or indirect impact that this conflict could have on its activities and is preparing for any eventuality; however, in the current state of the conflict, MBWS cannot at this time assess the indirect consequences of the crisis in Ukraine on its activities.

Change of Governance at MBWS SA

- Aymeric de Beauvillé succeeded Georges Graux as member of the Board of Directors and Chairman of MBWS SA starting 30 March 2022
- Following Georges Graux's decision to retire and his resignation from his duties as Chairman and member of the Board of Directors of MBWS SA, the Board of Directors decided, after consultation with the Appointments and Remuneration Committee, to co-opt Aymeric de Beauvillé as director to replace Georges Graux for the remainder of his term of office (i.e., until the end of the Ordinary General Meeting to be held in 2025 to approve the financial statements for the financial year ending 31 December 2024).
- The cooptation of Aymeric de Beauvillé will be submitted for ratification by the Company's shareholders at the next General Meeting on 30 June 2022. The directors also unanimously decided to appoint Aymeric de Beauvillé as Chairman of the Board of Directors of the Company.

2.2.8 Change in investments and controlling interests

On 16 February 2021, MBWS France sold all shares in Moncigale to the Boisset Group. Due to the high probability of this sale on 31 December 2020, the Moncigale activity was reclassified as a discontinued operation under IFRS 5 (see Note 1.24 / Section 4) in the 2020 consolidated financial statements.

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)	2017	2018	2019	2020	2021
I. Financial position at year-end					
Share capital	56,673,030	56,677,308	89,395,808	62,578,382	156,729,301
Number of shares outstanding	28,336,515	28,338,654	44,697,904	44,698,844	111,949,501
II. Comprehensive income from continuing operations					
Revenues excluding tax	5,645,415	6,560,417	7,457,588	7,716,959	3,165,877
Profit/(loss) before tax, depreciation, amortisation and provisions	(15,689,946)	(35,331,352)	11,013,862	(140,878,003)	(10,296,497)
Income tax	(6,789,082)	(127,608)	(5,021)	3,980,967	(3,343,427)
Profit/(loss) after tax, depreciation, amortisation and provisions	(97,238,164)	(89,701,613)	(29,799,788)	(34,635,411)	(7,633,300)
Amount of profit paid out					
III. Earnings per share					
Profit/(loss) after tax and before depreciation, amortisation and provisions	(0.31)	(1.24)	0.25	(3.24)	(0.06)
Profit/(loss) after tax, depreciation, amortisation and provisions	(3.43)	(3.17)	(0.67)	(0.77)	(0.07)
Dividend per share					
IV. Staff					
Headcount	52	46	34	30	24
Payroll expense	5,722,218	7,042,825	5,000,803	3,953,001	4,079,783
AMOUNTS PAID FOR EMPLOYEE BENEFITS (SOCIAL SECURITY, SOCIAL WELFARE ORGANISATIONS, ETC.)	**3,663,191**	**10,932,512**	**2,376,914**	**2,154,037**	**1,522,234**

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 in late 2019. 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. This process was supplemented in 2021 by an update to the risk factors.

At the date of the filing of this document, nine risk factors were considered to be specific, material, probable and liable 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	Moderate
Geopolitical risks	Risk related to the Russia-Ukraine conflict	Moderate
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
Business-related risks	Risk related to access to and prices of raw, dry, liquid and energy materials	High
Operational risks	Information system risks	High
Legal and regulatory risks	Risk related to changing regulations in the wine and spirits market and antitrust regulations	Moderate

** 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 3.2.8 "Our mapping of 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

Looking back on the past nearly 24 months, the Group is of the opinion that to date, overall, the COVID-19 pandemic has not had a very significant adverse impact on its consolidated business for the 2021 financial year, with sales results at the end of 2021 of Group net revenues of €166.7 million (up 3.6% excluding one-off effects compared to 2020) being in line with the Group's estimates. These results can be explained by:

- sales driven by the France cluster before a slowdown in the major retailer spirits market, especially in the second half of the year, to the benefit of out-of-home consumption, following its gradual reopening,
- international business impacted by multiple and successive changes in health restrictions, particularly in Europe and major Asian markets.

Based on this experience, the Group has implemented the necessary actions to adapt its level of activity and its offerings to these significant and sequential episodes of the pandemic.

However, for 2022 (at least the first half of the year), the uncertainty of changes in the situation and its duration, in particular with the more or less strict sanitary measures taken by the countries affected subsequently or successively (new lockdowns, curfews, travel restrictions, varied measures within populations, etc.) implemented domestically and in most other countries around the world (and in Europe in particular) and the contrasting impacts of these measures on distribution channels (in particular the potential effects of successive interactions between out-of-home consumption and Major Retailers and vice versa, especially in France) and finally the volatility of the global economic situation in relation to the COVID-19 crisis, do not make it possible for MBWS to assess the impact of the prolongation of the pandemic precisely on its projected activity for 2022.

As a result, at this point, the Group will still put on hold its 2022 EBITDA target set out within the framework of its strategic plan.

Risk management measures

Maintenance of a crisis committee at Group level that meets on an ad hoc basis when required with the key priority of ensuring the health and safety of employees and partners.

Maintenance of ad hoc crisis committees also in the subsidiaries to tailor responses to legislative changes and/or local constraints.

Secure access to premises and teleworking have been established and maintained to be able to adapt to changes in the various health directives.

The Group maintains rigorous cash management to finance the development of its activities and achieve its operational objectives in its various markets. In addition, the Group continues to adapt its fixed costs and overheads to the potential impact of COVID-19 on activity.

The Group is continuing to monitor the situation in order to adapt its actions depending on how the pandemic unfolds and what its after-effects might be. Nevertheless, restrictions imposed to curb the spread of the virus have impacted MBWS's business in some markets in 2021, particularly in out-of-home consumption networks, to which the Group's exposure is very limited however in global terms.

2.3.2 Geopolitical risks

Risk related to the Russia-Ukraine conflict

DESCRIPTION OF THE RISK

The Russia-Ukraine armed conflict, which started in early 2022, could have an adverse impact on the MBWS Group's revenues and earnings, depending on its duration in particular.

The combination of the conflict and the sanctions/restrictions imposed on Russia may temporarily affect our ability to meet market demand.

This is mainly due to the following:

- economic activity has come to a halt due to international sanctions and fighting,
- external, logistical or manufacturing tensions have resulted in higher raw material and energy prices, supply difficulties for certain components (notably glassware) and the supply of finished products due to external tensions.

As of the date of publication of the 2021 URD, these effects are starting to:

- potentially be felt in some of the geographic markets in which the Group operates, in particular those related to the two current warring parties and their close neighbours;

- temporarily affect supply from certain categories of suppliers and the actual availability of certain products to our customers.

If this conflict were to continue, these strong effects could last into 2022.

Marie Brizard Wine & Spirits is closely tracking developments in the conflict, the absolute priority being the health and safety of its employees, partners and assets and the continuity of its business. To date, no Group entity is located in the conflict zone and under threat of combat.

It is too early to assess the impact of the current conflict on the 2022 financial year.

RISK MANAGEMENT MEASURES

At the beginning of the crisis, the Company set up a crisis unit within the Executive Committee, which extended as necessary to the management of the areas affected.

All of the Company's stakeholders met to

- draw up an initial assessment of the impact of the conflict on the activity in each of the entities that comprise the Group,
- identify and target alternative supply and possibly production solutions,
- identify and target other geographical areas of growth for short- and medium-term support.

The definition of additional measures and their implementation timetable will depend on developments in the Russia-Ukraine conflict.

2.3.3 Business-related risks

Risk of dependence on specific brands

DESCRIPTION OF THE RISK

MBWS retains a broad portfolio of brands, including the four brands WILLIAM PEEL, MARIE BRIZARD, SOBIESKI and COGNAC GAUTIER.

These four brands represent approximately 62.6% of the Group's pro-forma 2021 consolidated revenues.

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. This risk is tempered by the historical ownership of strong local brands, which are also distributed locally, especially for the subsidiaries in Bulgaria, Brazil and to a lesser extent Lithuania.

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

- Regular analysis of 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 (marketing now carried out by the Sazerac Group's US distribution entities) and in Spain will enable the Group to return to a level of performance that will limit its dependence on the French market in the long term. In addition, the implementation in certain countries (including France) of distribution agreements for Sazerac Group brands by MBWS subsidiaries will enable the MBWS Group to broaden the portfolio of brands distributed.
- A commercial strategy of negotiation and execution based on increasing the value margin in a category of products primarily based on a volume approach.
- Takeover of the distribution of some of the main shareholder's brands in certain territories covered by the Group (e.g. Brazil, Lithuania, Bulgaria, Denmark) to diversify the brand portfolio distributed by the Group's subsidiaries.

In financial year 2021, the Company continued to:

- deploy some brands on markets currently underserved or not served at all by the Group;
- implement distribution agreements for third-party brands (known as agent brands), for example, in France for certain Sazerac Group brands;
- brainstorm regarding 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 France, the mass retail (supermarket) sector accounted for 95.40% of 2021 revenues.
- In 2020, 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. However, it should be noted (as indicated above with regard to the risk of dependence on specific brands) that the collaborative links forged between the two Groups objectively temper this commercial risk.
- 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.

It should be noted that these risks are significantly reduced if these distribution entities are part of the Group's shareholding structure.

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.

NB:

In line with the Group's strategy of developing value-creating actions, especially through partnerships, MBWS has chosen to pool the sales forces deployed in certain countries where it does not have distribution subsidiaries.

As part of this agreement, since January 2021, the La Martiniquaise or Bardinet sales teams represent the Group's brands in Western Europe (excluding the UK), Scandinavia (excluding Denmark), Africa, the Middle East, Latin America and also Asia (since May 2021).

Risk of dependence on one supplier of Scotch Whisky

DESCRIPTION OF THE RISK

In order to meet its supply needs for its whisky brands, the MBWS Group entered into a new agreement with its main bulk supplier of Scotch Whisky on 12 January 2021.

This long-term agreement defines the minimum annual purchase volume commitments for the MBWS Group, which are expected to decrease slightly over the term of the agreement.

These purchase commitments currently represent almost all of the Group's Scotch whisky supply requirements for the MBWS Group.

Given the minimum contractual purchase commitments listed in the new contract, 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 has been included.

RISK MANAGEMENT MEASURES

The development of the Group's activities in this area makes it possible to foresee a gradual relaxation of the current constraints linked to the minimum annual purchasing commitments.

This could have a positive impact on overall profitability.

The implementation of synergies within the Group as well as the possibility of resorting to other actors and players in this sector makes it possible to ensure additional supply under commercial market conditions.

Risk related to the competition

DESCRIPTION OF THE RISK

The Group operates in competitive markets.

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 our promotional expenditure;
- Inability to retain market share;
- Difficulties increasing or maintaining margins and, therefore, profitability.

RISK MANAGEMENT MEASURES

The MBWS 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 is strengthening its policy of differentiation and innovation.

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

Risk related to access to and prices of raw, dry, liquid and energy materials

DESCRIPTION OF THE RISK

Purchases of raw materials constitute a significant expense for the business of MBWS and its subsidiaries. In particular, purchases of:

- liquids,
- glass,
- capsules, labels, etc.

In addition, accessibility to them and control of supplies are key.

1. The Group's exposure to raw material price volatility relates to a significant increase in purchase prices which is likely to affect the Group's profitability, given the possible difficulty in passing on the increase in its costs to its customers.

2. The unavailability of raw materials may impact the Group's ability to promote MBWS's commercial offering and meet its customers' demand.

Raw material price volatility has been heightened since, during and after the COVID-19 crisis. Although it is not currently known how long this inflation will last, the inability of the Group to pass on all or part of the price increases or to meet customer demand could have a significant and adverse impact on the Group's sales, margins and profitability.

This risk is currently heightened by the geopolitical risk resulting from the Russia-Ukraine conflict (see risk analysis above).

RISK MANAGEMENT MEASURES

Changes in the prices of major raw materials may have an impact on the costs of our products and therefore on the profitability of the Group.

In a context of volatile raw material prices, the Group is taking the following actions:

- Each of the Group's subsidiaries is committed to optimising the use of its raw materials (reducing material losses, lighter packaging, etc.),
- Centralisation of certain major purchases at Group level and by the main shareholder, providing greater purchasing volumes and therefore an increased capacity for the Group to influence negotiations with our suppliers (especially for strategic purchases),
- Review of initiatives, especially with regard to downstream, to maintain a sufficient level of profitability to compensate for exogenous, sudden and exceptional cost increases.

In addition, in situations where our subsidiaries are dependent on a limited number of suppliers, the Group and its subsidiaries are trying to find alternative solutions (in duplication especially) to secure sources of supply.

2.3.4 Operational risks

Information system risks

DESCRIPTION OF THE RISK

The MBWS Group's activities rely heavily on its information and communication systems. IT tools are used in the Group's various processes (in particular the management of purchases, sales, production, risk management, financial preparation and reporting).

Despite the preventive measures and safeguards implemented by the MBWS Group, it cannot be fully guaranteed that:

- tools will not be rendered inoperative
- the databases will not be destroyed or damaged

In addition, the Group could be subject to targeted attacks on its communication tools or information systems. It could, in this eventuality, have to cope with IT deficiencies that could result in interruptions in operational activities (production/marketing), loss or damage to databases, and ultimately to a long-term loss of business.

Any failure of the information systems or intrusion could therefore have a significant adverse impact on the operational and financial position reflected in the results of the MBWS Group.

RISK MANAGEMENT MEASURES

The MBWS Group pays particular attention to the issue of backup and security of its information systems. The missions of the Information Systems Department include identifying and preventing any risk (service provider failure, cyber attacks, etc.) that could affect the information systems and ensuring the continuity of operational processes.

Since 2020, the Group's IT strategy has been to reduce risk and ensure the resilience of the Group's business. This strategy is expressed through:

- the application of strict rules for the security of information systems,
- hosting of major/sensitive IT infrastructures with specialists;
- raising user awareness through internal communication;
- regular updating of information systems (upgrades, benchmarks, best practices, etc.);
- verifying the security of employee IT tools.

2.3.5 Legal and regulatory risks

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

DESCRIPTION OF THE RISK

Since 1 January 2021, the Group's new organisational structure is now based on two clusters (France and International). Through these two clusters, the Group makes sales in the following geographical areas: France, Europe-Africa, Americas and Asia-Pacific.

In each of these clusters, the production and sale of wines and spirits are governed by complex, tight and increasingly strict regulations.

Potential changes in the regulations could:

- Restrict our promotional operations
- Increase production costs
- limit our ability to market our products;
- increase taxes and duties on certain products;

And, accordingly, 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 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.

RISK MANAGEMENT MEASURES

- Ongoing regulatory monitoring by the Group's legal departments and area managers assisted by law firms or external advisors.
- The Research and Development team provides regulatory monitoring for all of the Group's markets.
- The marketing departments within the Group manage matters related to innovation in order to anticipate the main consumer trends and facilitate the development of new products in line with regulatory changes.

2.3.6 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 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 2021, the priority measures aimed at strengthening the internal control system were as follows:

- enhancing senior management awareness of specific risks;
- The dissemination of Group rules and procedures to all subsidiaries
- 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 two "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 the "Sharepoint" application as a replacement for Workplace. The Group uses the tool to improve information sharing. In addition, internal communication has been strengthened and made more fluid through the establishment of Teams within the MBWS Group.
- **Encouraging employees to speak their minds**, by fostering a Group-wide culture of dialogue and sharing.

IT system organisation and security

The security of the Group's information systems and those of its subsidiaries is based on a secure architecture, mainly in the Oracle Cloud, on constantly evolving means of prevention (new tools to limit the vulnerability of all components of the information system, constant information campaigns among users, mobilisation of management), and lastly on means of resilience (through such processes as restoration of databases and applications in the event of encryption).

The goal is to keep data loss to a minimum and thus ensure business continuity.

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.

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 are 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, 28 February 2019 and 30 June 2021.
- 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 reports to the Company's Chief Financial Officer and is involved in all Group entities. 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 2021 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.

2021 internal control and risk management projects

A) CODE OF ETHICS AND CONDUCT

Internal Audit initiated 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) UPDATING OF RISK FACTORS

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.

At the end of the 2021 financial year, Internal Audit has initiated an update of the risk factors with the Senior Management and its Executive Committee.

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

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

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 3.2.8 "Non-financial risks and opportunities" of this Universal Registration Document.

Furthermore, measures launched in previous financial years were continued in 2021.

A) INTRODUCTION OF BUSINESS REPORTS AND SCORECARDS

The Finance Division continued its task of centralising the following reports in 2021:

- scorecard tracking legal risks at each entity;
- scorecard tracking contractual and off-balance-sheet commitments made at each entity;
- 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 08 March 2022 other than those listed below.

Shareholders as at 8 March 2022

Shareholders	Number of shares	% of share capital held	Number of theoretical voting rights	% of voting rights held
COFEPP[1]	78,433,683	70.06%	85,465,244	69.74%
BDL Capital Management[2]	8,957,610	8.00%	8,957,610	7.31%
Alberta Investment Management[3]	3,942,668	3.52%	3,942,668	3.22%
Diana Holding[4]	3,940,000	3.52%	7,140,000	5.83%
Other	16,675,996	14.90%	17,038,846	13.90%
TOTAL	**111,949,957**	**100.00%**	**122,544,368**	**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) Alberta Investment Management Company (AIMCo) is a Canadian Crown corporation and institutional investor established to manage several public funds and pension plans headquartered in Edmonton, Alberta.

(4) 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 2021, 1,659,772 2023 redeemable warrants were still in circulation.

2022 SHARE WARRANTS

After the Group and COFEPP reached a firm agreement on 21 December 2018, at the MBWS Annual General Meeting held on 31 January 2021 the shareholders approved by an 89% majority a capital increase, with waiver of preferential subscription rights, 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 28 February 2022, 45,816 2022 warrants were exercised, resulting in the issuance of 19,946 shares for a total amount of €59,771.39.

There were 37,716,496 2022 warrants in circulation as at 28 February 2022.

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

Information relating to potential share capital

	31.12.2019	31.03.2021	28.02.2022
Number of shares comprising the share capital	**44,697,904**	**111,948,968**	**111,949,957**
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	0	0	0
Potential number of shares arising from 2015 stock options	73,000	0	0
Potential number of shares arising from the 2023 warrants	1,659,772	1,676,369(1)	1,676,369
Potential number of shares arising from the 2016 bonus shares	0	0	0
Potential number of shares arising from the 2016 bonus preference shares	0	0	0
Potential number of shares arising from the 2022 warrants	16,401,987	16,514,252(1)	16,513,265
Potential number of shares	**62,832,663**	**130,139,589**	**130,139,591**
Total dilution	**40.57%**	**16.25%**	**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.

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 2021 financial year:

- 323,523 shares were purchased at an average price of €1.386 under the liquidity agreement;
- 303,579 shares were sold at an average price of €1.420 under the liquidity agreement;
- no other transactions were carried out under the share buyback programme.

At 31 December 2021, the Company held 147,381 treasury shares representing 0.13% of the share capital, including:

- 107,215 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.

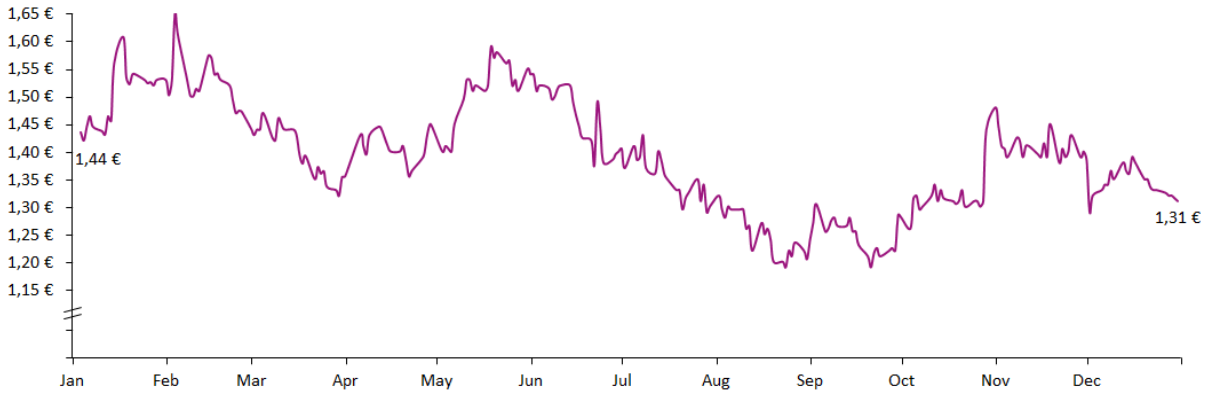
The value of all treasury shares held at 31 December 2021 was estimated at €193,069.11 on the basis of the closing share price.

2.5.5 Share price movements

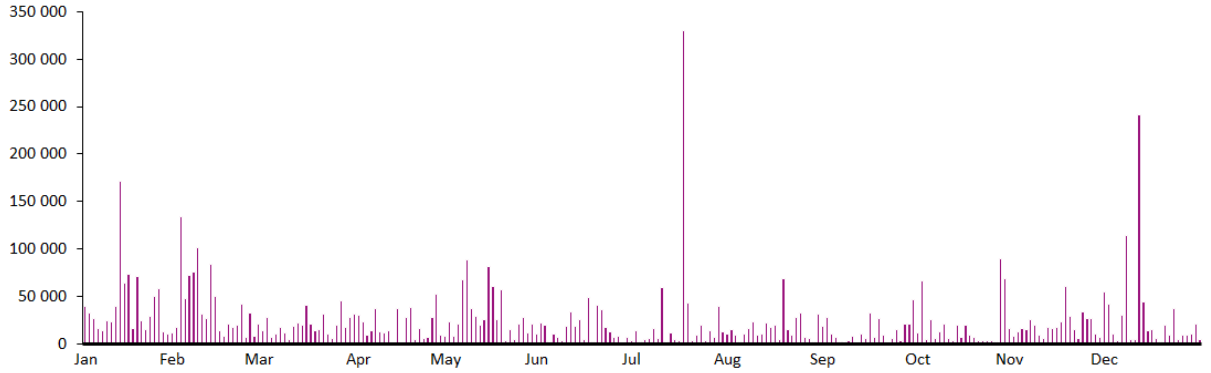
The stock market data for the Marie Brizard Wine & Spirits share for the 2021 financial year is as follows:

- Opening price on 4 January 2021: €1.435 – Number of shares as at 1 January 2021: 44,698,844;
- Closing price on 31 December 2021: €1.310 – Number of shares as at 31 December 2021: 111,949,501;
- High: €1.678 on 03 February 2021;
- Low: €1.185 on 24 August 2021.

Marie Brizard Wine & Spirits share performance in 2021



Marie Brizard Wine & Spirits daily share trading volumes in 2021



3

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Article 225 of the French "Grenelle 2" Law of 12 July 2010 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 disclosure of non-financial information (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.

MBWS prepares its non-financial reporting in accordance with the requirements of European Directive 2014/95/EU on the disclosure of non-financial information (Non-Financial Reporting Directive or NFRD).

The Directive seeks to improve the relevance, consistency and comparability of non-financial information published in Europe and introduces a more comprehensive material approach to non-financial *reporting*.

MBWS publishes a cross-reference table, presented below, in order to show the correlation between the requirements of Directive 2014/95/EU and the contents of its 2021 statement of non-financial performance.

Non-financial reporting is also based on the Taxonomy Regulation (EU) 2020/852 published in the Official Journal of the European Union in June 2020.

The MBWS Group analysed its activities in light of the Regulation's requirements and found that they are not eligible, meaning that 0% of revenues, 0% of capital expenditure (CAPEX) and 0% of operating expenses (OPEX) are eligible for the financial year ended.

Information required by the NFRD	Information required by Article L. 225-102-1 (French Commercial Code)	MBWS URD section
General information about the Company	Business model (IIRC reporting framework)	3.1 Marie Brizard Wine & Spirits: Our business
	Risk analysis including mitigation policies, action plans and associated KPIs	3.2.8 Mapping of non-financial risks and opportunities 3.2.10 Key performance indicators
Section on employment and social information	Employment	3.4.2 Maintaining employee welfare and commitment 3.4.3 Consolidating the restructuring operation in keeping with the Group's social responsibility 3.9 Non-financial indicators
	Training	3.4.2 Maintaining employee welfare and commitment
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	Social commitments in favour of sustainable development	3.6.1 Regional economic and social impact 3.6.2 Stakeholder relations within the framework of community and social action

Information required by the NFRD	Information required by Article L. 225-102-1 (French Commercial Code)	MBWS URD section
Section on human rights information	Promotion of and compliance with the fundamental conventions of the International Labour Organization	3.3.3 Compliance with ILO fundamental conventions and respect for human rights
	Other action in defence of human rights	3.6.2 Stakeholder relations within the framework of community and social action
Section on environmental information	Overall environmental policy	3.5.1 Overall environmental policy and employee awareness
	Climate change	3.5.12 MBWS carbon footprint 3.5.7 Energy consumption 3.9 Non-financial indicators
	Pollution	3.5.2 Preventing pollution 3.5.3 Measures to prevent water pollution
	Circular economy	3.5.5 Preventing and managing waste generated by our activities 3.5.8 Developing the circular economy
	Protection of biodiversity	3.5.13 Biodiversity initiatives
	Responsible food and sustainable commercial relationships with the food industry	3.5.11 Preventing food waste
	Respect for animal welfare	Issue not considered material by the Group and not directly addressed in this report
	Food insecurity	Issue not considered material by the Group and not directly addressed in this report
Section on anti-corruption information	Anti-corruption information: steps taken to prevent corruption	3.3.1 Disseminating the Code of Ethics and Conduct - preventing tax evasion and corruption
Section containing information on combating tax evasion	Information on combating tax evasion: steps taken to prevent tax evasion	3.3.1 Disseminating the Code of Ethics and Conduct - preventing tax evasion and corruption

3.1 MARIE BRIZARD WINE & SPIRITS: OUR BUSINESS

The Marie Brizard Wine & Spirits Group is a long-standing operator in the wine and spirits market with a broad international footprint. The Group operates primarily 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 2 regional clusters in 2021

Marie Brizard Wine & Spirits is an international group with distribution and/or production operations in eight countries.



Since 1 January 2021, to take into account the MBWS Group's new critical mass following the sale of the Polish businesses and Moncigale, Group management has been organised into two clusters, "France" and "International & Wines", under the overall management of the holding company, MBWS SA.

3.1.2 Key figures

The Group posted revenues excluding excise duties of €166.7 million for the 2021 financial year.
All costs and expenses incurred in generating these revenues were distributed among the Group's various stakeholders: to a large extent for purchases from suppliers, followed by salaries and other payroll expenses, national and local taxes and other levies, as well as other stakeholders such as financing partners.

€166.7m
2021 Group revenues excluding excise duties

618
Group headcount at 31 December 2021

€30.6m
2021 Group salaries and payroll expenses

€98.1m
2021 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 leading Scotch whisky brand in France;
- Marie Brizard, a brand of recognised expertise since 1755, on the liqueur market;
- Cognac Gautier, frequently recognised 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 CSR STRATEGY AND APPROACH

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 its employees.

3.2.1 Mission statement

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

3.2.2 Governance

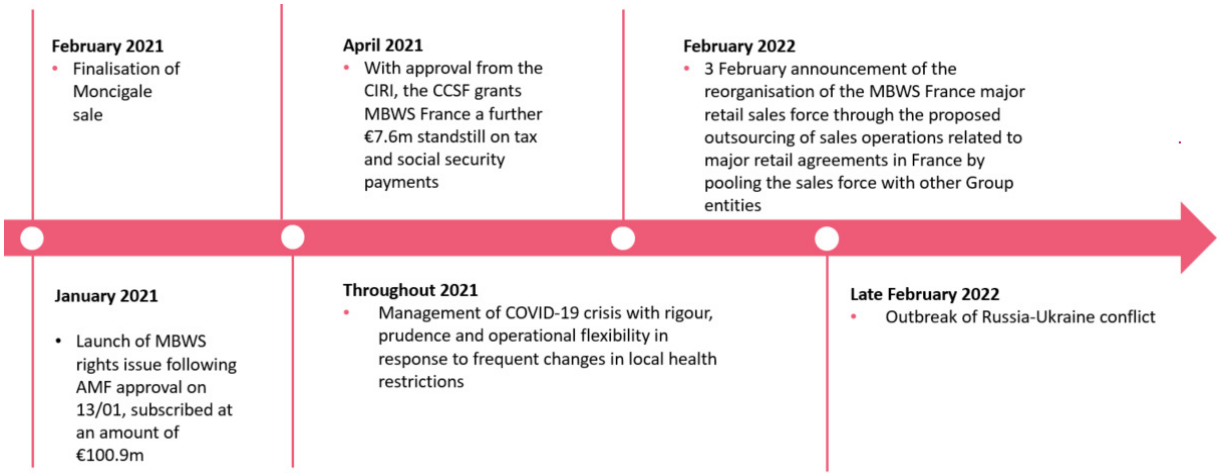
The Board of Directors, which has been chaired by Aymeric de Beauvillé since 30 March 2022 (see Chapter 2, Note 2.2.7), is composed of 12 Directors (including five women), including representatives of COFEPP and Diana Holding as well as two independent members.

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 the French bank pool and the conversion of all its current account advances at the end of January 2021.

3.2.3 Recent highlights



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 implement the corresponding roadmap and create the conditions for profitable development of its brand portfolios and markets (subsidiaries and/or sales networks, direct export) (see Chapter 2, Note 2.2.6 - Key events).

In particular, the Group has proved flexible, adaptable and resilient in responding to the significant and volatile impacts of the frequent and often unpredictable developments in the COVID-19 pandemic over the last two years.

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

Since 1 January 2021, Group management has been organised into two clusters, "France" and "International & Wines", under the overall management of the holding company, MBWS SA.

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

While a return to stability in most markets and distribution networks was confirmed towards the end of 2021, the effects and consequences of the past two years in terms of the global economy, customer behaviour and consumer habits call for vigilance and adaptability with regard to the MBWS business model.

Despite the encouraging organic operating results achieved in 2021, the Group remains cautious about the 2022 roadmap in view of the aforementioned factors.

3.2.5 Our values

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

Effectiveness	Entrepreneurship	Team spirit
Deliver the **best quality** with **optimized operations and control costs**.	**Act professionally** in his field, always interested in **innovations and improvements**	Even as an individual, work for **mutual success** by being **positive, respectful and open-minded**
Honor the commitments in terms of budget, resources, timing	**Decide** and **execute like owners**	Is an **agent of the change** via his behavior
Results are measured and **add value** to the company both in the short term and in the long term	**Take risks, able to learn from his mistakes**	**Share experience and knowledge** with his colleagues

3.2.6 Industry trends

Consumer needs have changed and were heavily impacted by the global COVID-19 pandemic. MBWS has identified several major sector trends that could impact its business model. First, consumers are increasingly attentive to the environmental and social impact of the brands they consume. Companies must meet these new expectations by offering greater product traceability through increased sourcing of sustainable raw materials or by reducing the volume of packaging and waste. Second, home consumption increased with the COVID-19 crisis, together with the creation of communities and online gatherings. Consumer homes have become major venues for alcohol consumption. This new trend is forcing suppliers to adapt to new consumer patterns such as home delivery. In a post-lockdown environment, this new trend is coupled with a desire among consumers to re-establish physical contact and forge social ties outside the home. Furthermore, responsible alcohol consumption has become a major sector trend driven by consumers' desire for more moderate consumption. As a result, companies are required to extend their product ranges to include drinks with lower alcoholic content, soft drinks and low-sugar, low-calorie alternatives. Consumption of organic products is also a significant trend.

3.2.7 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 Group languages 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 and a better world for all.

MBWS's CSR policy has been established in accordance with CSR issues identified in 2018, based on four main pillars:

THE 4 CORNERSTONES OF THE GROUP:



These issues are in line with the main CSR issues relevant to the industry, namely managing energy consumption, water management, product quality and safety, selling and labelling practices, product impact throughout the life cycle, managing the value chain and sourcing of raw materials (source: SASB materiality map for the "Alcoholic Beverages" sector).

The concerns felt by consumers, who are an important stakeholder category for the Group, have been taken into account in defining this CSR policy. MBWS has also identified other stakeholder groups impacted by the Company and its business activities:

- Employees
- Shareholders and investors
- Suppliers
- Producers
- The planet
- Local communities

3.2.8 Mapping of 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 of the European Non-Financial Reporting Directive into French law) 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. The process was approved by the Executive Committee.

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

- EMPLOYMENT
  - 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 sections: 3.3 "Ethical and compliance issues", 3.4 "Employment issues", 3.5 "Environmental issues" and 3.6 "Social issues".

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.

In accordance with non-financial reporting requirements, MBWS has drawn up below a cross-reference table of non-financial risks, issues, policies, measures (to be identified via the sections) and key performance indicators:

Area	Risk identified	Associated issues	Section	Key performance indicator
Business model			3.1 Marie Brizard Wine & Spirits: Our business	
Employment	Tackling the health crisis	Health, safety and welfare	3.4.1 Tackling the ongoing health crisis 3.4.6 Ensuring health and safety at work	Qualitative information
	Developing and retaining talent	Attachment to the company Internal mobility	3.4.2 Maintaining employee welfare and commitment 3.9 Non-financial indicators	Year-end headcount and breakdown by gender and age No. of hires Number of departures Number of lay-offs
	Developing skills	Job skills	3.4.2 Maintaining employee welfare and commitment	Number of training hours per employee
	Helping employees with changes	Job skills	3.4.2 Maintaining employee welfare and commitment	Qualitative information
	Health and safety at work	Health, safety and welfare	3.4.6 Ensuring health and safety at work	Severity rate (employees) Frequency rate (employees)
Environment	Use of water, raw materials, energy, waste management	Renewable energies Preservation of resources: materials and water Waste reduction Sustainable packaging	3.5.5 Preventing and managing waste generated by our activities 3.5.6 Consumption of raw materials 3.5.7 Energy consumption 3.5.8 Developing the circular economy 3.5.9 Optimising water consumption 3.5.11 Preventing food waste	Non-renewable energy consumption per litre of product Water consumption (total, source and mains) per litre of product Hazardous waste Non-hazardous waste
	Air, soil and water pollution	Climate change	3.5.3 Measures to prevent water pollution	Greenhouse gas emissions (Scope 1 and 2)
	Long-term climate change	Climate change	3.5.12 MBWS carbon footprint	Greenhouse gas emissions (Scope 1 and 2)
Social	Responsible alcohol consumption	Responsible consumption Innovative products	3.3.4 Meeting the challenges of alcohol in our society	Qualitative information
	Responsible purchasing policy	Food safety Sustainable ingredients Suppliers	3.5.6 Consumption of raw materials 3.6.3 Management of subcontracting and supplier relations	Qualitative information
	Consumer health	Food safety Sustainable ingredients	3.5.6 Consumption of raw materials 3.6.4 Guaranteeing consumer health	% of ISO 9001 certified MBWS facilities % of facilities holding GFSI-recognised certification in food safety

3.2.9 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.

3.2.10 Key performance indicators

The Fuenmayor facility is excluded from the 2021 non-financial reporting scope.

Data regarding the non-hazardous waste indicator published in the 2020 statement of non-financial performance has been modified due to a reporting error at one facility.

The increase in 2021 Scope 1 emissions is due to the inclusion of biogas consumption this year at Obeliai.

The 2021 increase in lay-offs is due to the Group's economic situation and the implementation of a PSE job protection plan.

The increase in training hours per employee is due to the post-COVID resumption of training plans.

Area	Key performance indicator	Unit	2017	2018	2019	2020	2021
Employment	Total year-end headcount		2,019	1,938	1,265	665	618
	Men		1,319	1,262	786	383	350
	Women		700	659	488	282	268
	Under 35 years		594	533	301	165	136
	35 to 44 years		603	567	363	180	177
	45 to 54 years		498	494	356	181	176
	Aged 55 and over		324	327	253	139	129
	Total hires		678	555	392	123	134
	Total departures		838	625	457	157	187
	Number of training hours completed per employee				9.5	7.6	14
	Industrial accident severity rate (employees)		0.75	0.28	0.32	0.12	0.26
	Industrial accident frequency rate (employees)		12.57	7.35	10.5	4.73	3.79
Environment	Total non-renewable energy consumption	kWh/l			0.4	0.21	0.18
	Total water consumption per litre of product (including formulation)	l/l			3.9	3.48	3.22
	Hazardous waste	t			19	16	19
	Non-hazardous waste	t			4,164	1,945	1,686
	Greenhouse gas emissions (Scope 1 and 2)	tCO2e	19,360	17,621	19,960	4,428	5,394
Social	% of ISO 9001 certified MBWS facilities	%			70	85	83
	% of facilities holding GFSI-recognised certification in food safety	%			50	57	67

3.3 ETHICAL AND COMPLIANCE ISSUES

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 Disseminating the 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 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.

In 2021, the Group launched a drive to update its anti-corruption policy, ethics code and key documents on the whistleblowing system for circulation in 2022.

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 2021, 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 Ensuring compliance with applicable laws and regulations

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 2021, MBWS received no complaints or alerts regarding non-compliance with laws and regulations in effect.

3.3.3 Compliance with 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 Meeting the challenges of alcohol in our 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.

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.

In this regard, the MBWS Group is in compliance with good label management practices and with the French "Evin Law". Moreover, MBWS applies a policy that is stricter than the regulations; the Group decided, from 2020 onwards, to include at least energy values on all bottle labels, as well as the list of ingredients in the case of the main brands (on websites). MBWS makes sure that advertising is not directed at persons aged under 18.

Furthermore, 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.

Towards the end of 2021, MBWS CEO Andrew Highcock circulated an awareness guide on responsible alcohol consumption by email to all Group employees.

INTERNAL AWARENESS ON RESPONSIBLE ALCOHOL CONSUMPTION

"A number of surveys presented in the Brazilian newspapers have shown that home consumption of alcoholic beverages increased due to the total closure of the hotel and catering sector in Brazil. We therefore decided to see whether we were exposed to the risk of excessive alcohol consumption within our team and whether consumption had increased during the COVID-19 pandemic.
As a result, we developed a questionnaire and asked all employees to complete it anonymously. We obtained a response rate of 100% and the main finding was that there was a minor increase in alcohol consumption during the lockdown period.
After consolidating the responses, we presented the results to all employees and developed awareness posters about the danger of excessive alcohol consumption, which we displayed all over the plant."

Rodrigo Pereira, Chief Executive Officer MBWS Brazil - Dubar

3.4 EMPLOYMENT ISSUES

3.4.1 Tackling the ongoing health crisis

The Company had to continue to adapt in response to the ongoing unprecedented health situation.

By capitalising on the far-reaching measures implemented by the Group in 2020, the management teams in each country organised their operations in line with developments in the pandemic, applicable regulations and the roll-out of national vaccination campaigns.

The Group sought to tailor measures to local conditions while maintaining the same level of exigency and equity for all employees to ensure team cohesion.

As regards health matters, the following measures continued to be implemented at Group level:

- Continued teleworking for subsidiary employees whose work could be entirely or partly performed remotely, adapted depending on varying developments in the pandemic;
- Upholding of the good hygiene practices guide for preventing pandemic risks and rules on wearing masks;
- Upholding of the good practices guide on teleworking in exceptional situations.

In terms of crisis management, the Company continued to operate the Group crisis management unit, albeit with less frequent intervention than in 2020. Each country has integrated crisis management locally at management committee level into the coordination of its business continuity plan, communications with employees and the system for monitoring changes in the country's situation.

In terms of work organisation, a significant capacity for adaptation is required of each employee:

- Adaptation of teleworking arrangements in line with developments in the pandemic,
- Continuity of operations at all production facilities, including responsiveness in adapting production line requirements to on-site workforce availability;

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 Jundiai, in the state of São Paulo. It has about thirty employees, half of whom work in operations.

"In managing the COVID crisis in 2021, we strengthened certain health procedures, particularly with regard to disinfection, compulsory mask-wearing, the recommendation to continue teleworking for administrative positions, temperature-taking at the plant entrance and the installation of gel sanitisers in all workplaces.

The sales team reduced the number of physical visits to customers, particularly with key accounts where meetings were not permitted. As a result, the team was able to manage its KPIs better and give distributors a clearer view of sales and inventory rates.

Despite the restrictions, the on-trade (Botecos) network continued to operate (especially in the busiest areas), so that Dubar volumes suffered little decline.

Weekly meetings were held remotely in accordance with business line and operational requirements.

As a result, very few face-to-face meetings were required."

Rodrigo Pereira, Chief Executive Officer MBWS Brazil - Dubar

3.4.2 Maintaining employee welfare and commitment

SPECIAL ATTENTION GIVEN TO WORKING CONDITIONS

Continuing attention was paid to guaranteeing the health of all employees at work and to minimising COVID-19 cases in the professional environment.

Regular communications to employees were continued in order to inform them of enforcement measures implemented in accordance with local directives.

Hybrid work arrangements remained a watchpoint for managers, in order to achieve a fair work-life balance during teleworking days, fluctuating between periods of full teleworking and one day per week. For this reason, the Group's annual review support applicable to all MBWS entities now includes a questionnaire on perception of workload, work-life balance and the feedback and takeaways from remote working with colleagues. Although this discussion is not necessarily a formal requirement for employees outside France, it was important for each manager to discuss these issues with each member of their team.

"We continue to work mainly remotely for the second year running, but thanks to good technical and communications preparation, operations have continued without interruption. Although remote working is impossible in the production facilities and vineyards, the company has provided employees with all the required protective equipment and working conditions to avoid being contaminated by COVID-19. To date, we have not had to place any units in quarantine. Everyone is hoping that the pandemic will soon be over and that we will once again be able to organise meetings and friendly gatherings."

Tomislava Cherneva, HR Manager MBWS Bulgaria

Likewise, as the working environment is of crucial importance, several facilities took the opportunity to carry out repairs or renovation, thereby allowing employees to work in a refurbished or renovated working environment, an important sign of recognition for our employees.

For example, MBWS Bulgaria renovated some cellars, toilets and the changing room and set up an outdoor rest area for employees.

MBWS Brazil in Dubar renovated the production area toilets and installed fans in the dining area.

Lastly, the Charenton facility, which houses three MBWS entities, converted an unused space into a collaborative workspace by transferring equipment from the previous workplace.

Meanwhile, all MBWS entities continue to pay close attention to employee needs and implement any measures required.

For example, France continued to operate the 24/7 helpline set up to listen and provide psychological support to employees and their families.

A joint working group also began to develop an approach to psychosocial risks.

Information meetings on retirement were held with our health insurance and personal protection partner for employees wishing to prepare for this important stage of their lives.

In Lithuania, an engagement and satisfaction survey was conducted among all employees to identify ways of improving work organisation and employee satisfaction.

MBWS LITHUANIA EMPLOYEE ENGAGEMENT SURVEY - VILNIUS DEGTINE

Vilnius Degtine is a production and marketing company whose origin goes back to 1897. The offices and one of the production facilities are located in Vilnius, while the other production facility is located at Obeliai, about 20 km from Rokiskis.

"The idea of the employee engagement survey was to find out what drives our culture, give employees a voice in building company culture and help managers engage better with their staff.
The survey was aimed at all employees and conducted via a dual questionnaire, online for employees equipped with individual PCs and on paper for non-equipped production line employees. The response rate was 72% and the employee satisfaction level was 82%, 8% above the market benchmark of 76%.
The next step involves working on areas for improvement by department. Managers are already working on this and the Management Committee will set the related targets for 2022 and decide how we are going to measure them."

Svetlana Buivydiene, HR Manager MBWS Lithuania

Regardless of the country, legal entity or facility, communication and support by the management teams were vital in reducing uncertainty, providing hands-on support to employees and meeting their needs.

CONTINUING TO DEVELOP AND TRAIN STAFF

With support to employees being ever more crucial in this second year of the health crisis, it was necessary to identify and formally define personal development plans for each employee and implement skills development initiatives.

As such, on the basis of remote management experience and fully online training courses in 2020, in 2021 the Group was able to build a skills development plan similar to the pre-crisis plan but with more digital content. Depending on the phase of the pandemic, training was sometimes held in face-to-face sessions, in strict compliance with preventive measures. In 2021, the average number of training hours per employee was 14.

In France, the policy applied was to offer all employees training in project management and cross-functional technical skills. The mixture of people from different departments enhanced the practical content of the training courses and helped to improve understanding of the activities and projects in which each department was involved.

Emphasis was also placed on developing the HR and related community in order to support human resources issues. This led to various interventions and training modules, with a focus on recognition, provided by an external firm. The scheme was rolled out in two stages: the first involved sharing recognition-related theoretical and practical applications in the various countries, while the second involved a workshop in which each of the market HR managers shared information on the mapping of their existing practices and priority areas of actions.

In Bulgaria, emphasis was placed on developing employee skills in line with their business priorities.

As such, the sales team and key employees received training in wine and whisky tasting, including tasting competitors' products, in order to enhance their knowledge of our best-selling products. In addition, the sales management teams received advanced training in negotiation techniques based on Scotwork methodology.

"I really appreciated the Scotwork training and I think that what I learned has boosted my self-confidence and expertise, as well as the Group's sales performance in Bulgaria. All the materials I was given were very useful, as were the techniques presented, including active listening and asking questions in order to understand the real needs of our customers. The "SALAMI" technique is also a tool I use on a daily basis."

Georgi Ignatov, Key Accounts Manager

"Scotwork techniques are key to the preparation and success of negotiations. I implemented them right from day one in my daily assignments, at meetings with customers, as well as in discussions with the colleagues I work with on a daily basis. The "seeking signals from the other party" technique is certainly my favourite and is helping me a lot in the negotiation process."

Asen Todorov, Regional Manager - East Bulgaria

"Scotwork methodologies create a structured whole and a plan for the negotiator, besides providing a clear perspective on how to continue improving negotiating skills. The entire training process prompted me to reassess my communication, analysis and negotiation methods. I use the knowledge and skills I've acquired in my daily life and work, and they play a strategic role in my plan to achieve the company's KPIs. I feel more confident, in control of the situation and more creative."

Svetla Prodanova, Regional Manager - West Bulgaria

Training in health, safety and quality also remains a priority for the Group. In 2021, 2,734 hours of health and safety training were provided to employees.

In general, the Group offered several training topics in 2021 including health and safety, quality, personal development, finance, IT, HR, sales, digital marketing and management.

3.4.3 Consolidating the restructuring operation in keeping with the Group's social responsibility

In keeping with its goal of refocusing on profitable growth, the Group continued its restructuring initiatives by reorganising the holding company, in order to re-establish certain responsibilities at local level, and refocusing the international marketing team on supporting core brands and developing international cluster markets.

CAPITALISING ON HYBRID WORK ARRANGEMENTS

In order to capitalise on 18 months of forced teleworking due to the health crisis, a questionnaire was sent round the market HR managers to ascertain their findings and recommendations regarding the continuation of teleworking outside the context of the health crisis.

All of these HR managers recommended continuing the hybrid on-site and remote working arrangements, while maintaining a balance between production employees unable to work from home and the importance of staying in contact with the rest of the workforce.

Accordingly, in France negotiations were initiated on the subject of teleworking, following which a teleworking agreement was signed with the MBWS France trade unions and extended to the other Group entities based in Charenton in the form of a charter.

FOCUS ON PREVENTION

After months of pandemic and uncertainty, special attention needs to be paid at both collective and individual level. The role of managers and HR staff has been essential in identifying a deterioration in the condition of one or more team members.

In France, MBWS France management and staff representatives decided to set up a joint initiative to tackle psychosocial risks. A joint working group was set up comprising four members of the Social and Economic Committee and four non-member employees.

The entire working group and France senior management team, which is sponsoring the initiative, were trained in prevention and management of psychosocial risks with a view to establishing a common foundation and framework.

The working group selected the firm tasked with supporting the initiative through four objectives:

- measuring the impact of psychosocial risk factors on the Company and its employees,
- boosting the safety policy,
- identifying indicators according to the various working units and adapting the psychosocial risk prevention policy to different environments,
- drawing up specific action plans tailored to the Company's needs.

The initiative will continue in 2022 via the introduction of a questionnaire for all MBWS France employees. The entire management line will also receive awareness training on psychosocial risks.

Special attention is also being paid to the quality of industrial relations in Lithuania and Spain, where staff representative bodies exist.

3.4.4 Our teams remained focused

Despite the health crisis, our teams remained focused in order to bring priority projects to completion. This has helped strengthen employees' attachment to the Company, improve working conditions and boost performance.

THE PRIDE OF BEING PART OF THE COMPANY

The Gautier store

The opening of the Cognac Gautier store on 1 December 2020 is the culmination of a project that started in 2018. Maison Gautier, founded in 1755, thus opened its doors to the public. Henceforth, this project contributes to the development of wine tourism in the Charente region while offering an ideal backdrop for hosting events and discovery masterclasses for customers. The next step of this project consists in organising a tour of the Cognac wine cellars.

Long-service awards at Lormont

The William Peel brand activation caravan tour of major retail customers stopped off at the Lormont facility, where William Peel is produced, to hand out long-service awards and celebrate employee retirements at a friendly outdoor ceremony.

COLLABORATIVE WORK TOOLS

The development of remote working forced the Group to rethink the IT and collaborative tools in place at each of the MBWS entities. The objective remained to continue to seek cost-cutting opportunities while helping employees to improve fluidity and facilitate discussions and information sharing.

For example, just after the outbreak of the health crisis, the IT teams intensively tested an alternative collaborative video-conference platform. Given the team's overall commitment, an in-depth study was carried out with a view to migrating to an all-inclusive office software solution, thereby implementing a digital transformation.

The initial need has therefore evolved to include migration of the email service, a chat service, a friendly video-conference system and collaborative tools.

After one-month deployment of basic features (email, chat and video-conference) across all markets, pilot projects for international brand distribution have been launched in the form of an extranet.

The tool has been assimilated with impressive speed by all employees in all Group countries, thus demonstrating its ability to meet the Group's remote communication requirements hitherto underserved by existing tools.

"The challenge for IT tools is not to build walls between departments and entities, whether or not they belong to the same IT network. We have therefore succeeded in bridging business communities and increasing cross-fertilisation, thereby enhancing employee attachment to the department and the Company. These new tools have also allowed us to review our environmental footprint by printing less, sending attachments and prioritising file sharing.
As the collaborative platforms are scalable, we know that many collaborative opportunities will arise and facilitate sharing even further."

Stéphane Jourdain, Group Chief Information Officer

3.4.5 Guaranteeing equal treatment and promoting diversity

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.

On average (all countries), 50% 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.

In 2021, 42% of the Directors, 67% of Remuneration and Appointments Committee (REMCO) members and 50% of Strategic and Commercial Committee members were women.

Every year, MBWS France calculates its professional gender equality index, which is a statutory requirement in France for all companies with at least 50 employees.

In 2021, this index amounted to 76/100. Calculated out of 100 points, the index comprises indicators expressing the gender pay gap, discrepancies in individual pay rises and promotions, the number of employees receiving a pay rise on return from maternity leave and gender balance among the ten highest paid employees.

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.

ANTI-DISCRIMINATION

In addition to the Code of Ethics and Conduct, some years ago the Group set up a whistleblowing system and circulated a user guide. The system allows employees to report cases of internal discrimination and harassment.

In France, a sexual harassment officer was also appointed and trained on the subject.

3.4.6 Ensuring 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 among 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 rounds and a workstation-specific risk assessment,
- Recording and investigation of accidents with and without time off,
- Recording and review of near misses and hazardous situations,
- Implementation of action plans following accidents and near-misses,
- Daily meetings starting with a safety review,
- One danger reported per month,
- Personal protective equipment catalogues per workstation in several facilities.
- Compliance audits
- Anti-addiction measures (e.g. alcohol)

A vast majority of facilities have also updated their risk maps by involving the employees concerned in defining preventive measures. A number of training and awareness courses were provided in health and safety at work, first aid, movements and postures, managing chemicals, managing psychosocial risks 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.

Training and awareness sessions were also provided in the area of health and safety at many facilities, including training in first aid, movements and postures, managing chemicals, specific job regulations (use of forklifts, electrical work, etc.) and awareness-raising on psychosocial risks.

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.

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 ENVIRONMENTAL ISSUES

3.5.1 Overall environmental policy and employee awareness

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 Lormont facility is also currently reviewing its analysis of environmental risks and hazards.

The subsidiaries have also 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-raising initiatives are carried out each year through internal sustainable development training and communications. For example, in Zizurkil, Spain, awareness-raising initiatives were implemented in 2021 by displaying new posters on the premises. In Brazil, employees were given a presentation on sustainable development strategy and waste reduction. The Brazil facilities also take part in general meetings to discuss environmental protection. In addition, at Aigre, France, awareness campaigns are regularly rolled out on the subject of energy consumption.

3.5.2 Preventing 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 Measures to prevent 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. In 2021, no cases of excess pollution loads treated were recorded.

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. MBWS also forwards a quarterly report to the local water board.

In addition, Aigre has installed tank retention areas to prevent accidental spillage into the river. The facility has also taken steps to reduce water pollution by managing processing losses more efficiently and discontinuing the most polluting products (liqueurs).

Lastly, 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 Preventing and managing waste generated by our activities

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.

A large number of waste management initiatives are being carried out at facility level. For example, the Zizurkil plant in Spain reuses metal casks and a certain percentage of recycled glass is used for bottle manufacture. Cardboard is 100% recycled at this facility. Brazil is also working on its waste policy in conjunction with a Brazilian association called Abrabe. Facilities are actively involved in the "Glass is good" glass recycling project. Abrabe also provides support to the facilities in relation to the national policy on solid waste and as part of the "Ecogesto" project to help them remain in compliance with the national solid waste policy.

At Stara Zagora, Bulgaria, employee training sessions are organised to raise awareness of waste sorting at the facility.

Indicators are used to monitor the development of appropriate recycling solutions and reduce the amount of waste generated. In 2021, the Group sorted around 1,545 tonnes of non-hazardous waste, including 571 tonnes of paper and cardboard, 258 tonnes of glass, 131 tonnes of metal, 133 tonnes of plastic and 165 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.

In addition, many facilities use organic products in their production processes, including the Zizurkil facility in Spain which uses natural fruit flavours. Furthermore, the Vilnius facility in Lithuania has obtained BIO certification awarded by EKOagros.

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 consumed by the Group in 2021 was 66,764,034 kWh, up 39% from 2020 mainly due to the increase in LPG consumption.

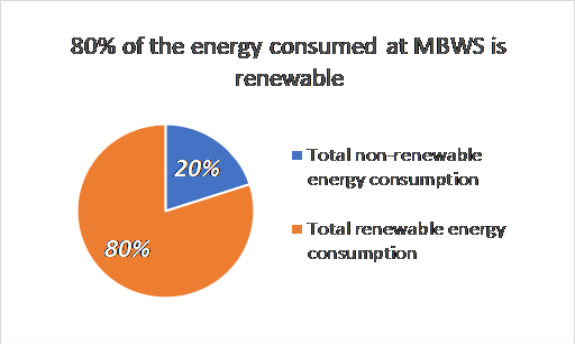
The main types of non-renewable energy consumed by the Group are natural gas (50%) and electricity (28%).

Other non-renewable energies consumed are:

- domestic fuel oil, 17.6 m3 consumed in 2021
- heavy fuel oil, 168.4 m3 consumed in 2021
- LPG, non-road diesel, with an increase in LPG consumption due to increased production of distillate in Brazil
- petrol and diesel

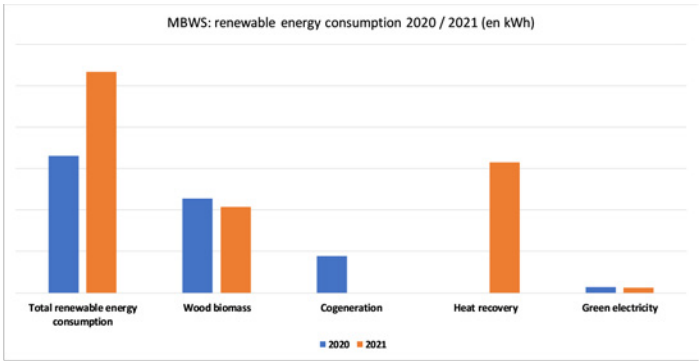
Nevertheless, 80% of the total energy used by the Group is renewable, comprising:

- wood biomass (39%)
- biogas (59%)
- green power (2%)



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 inclusion of biogas consumption in reporting, renewable energy consumption increased in 2021.



	Total renewable energy consumption	Wood biomass	Cogeneration	Heat recovery	Green electricity
2020	33 086 279	22 779 000	8 884 440		1 422 839
2021	53 402 915	20 700 000		31 464 817	1 238 098
Change %	61%	-9%			-13%

In 2021, 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 power.

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, including Bulgaria since 2018 and, more recently, Zizurkil (Spain) and Brazil. In Brazil, energy efficiency criteria are also taken into account when purchasing new equipment. In addition, Lormont carried out its energy audit in 2021 and trained two employees in energy management. Lastly, this year Aigre continued its transition to low-energy LED lighting and shut down the domestic fuel oil boiler.

3.5.8 Developing the 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.

For example, Lormont (France) is committed to a circular economy approach by reducing the weight of bottles and cardboard boxes. The company also sends waste electrical and electronic equipment (WEEE) and used office furniture to recycling firms, including some work-based support establishments. This waste is then treated by these eco-friendly organisations.

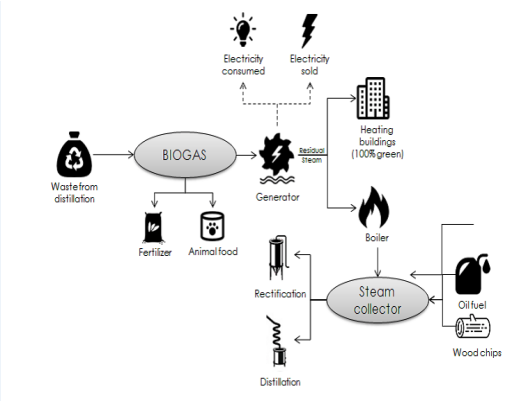
Furthermore, since 2019 the Bulgarian facilities have been taking steps to reduce packaging, particularly bottle packaging, and the number of bottle caps. These facilities also use recycled pallets and materials.

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 Optimising water consumption

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

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. Around 71% of the 234,583 m3 of water consumed by the Group in 2021 came from our own sources: the vast majority of our production facilities draw water from their own wells.

Water consumption indicators are regularly monitored at all production facilities, which track and analyse water consumption in order to avoid deviation and take steps to reduce their 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.

In Bulgaria, old piping systems at the production facilities were replaced in 2021 and the Group plans to introduce more efficient meters to effectively and regularly track water consumption at these facilities. At Lormont, weekly consumption tracking has been set up to identify potential problems such as leaks as soon as possible.

3.5.10 Land use

In 2021, the Group implemented no projects that had 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 Preventing 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.

To 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 MBWS carbon footprint

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.

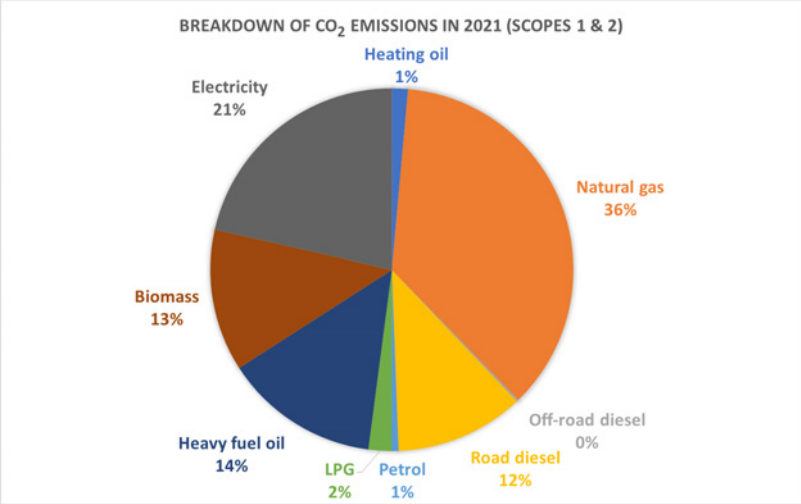
For example, to prevent flood risk, the Zizurkil facility in Spain, which is located in a flood area subject to 100 and 500-year recurrence intervals, the facility has built a 2.5 m high flood barrier. To further protect the facility against flood water, a tarmac cycle path has been built between the flood barrier and the banks of the Oria.

SCOPE 1 AND 2 EMISSIONS

Companies are responsible for adapting their operations in order to limit climate change. For this reason, in 2017 the Group decided to calculate its direct and indirect greenhouse gas $_{emissions}$ every year. This practice has enabled it to identify major sources of greenhouse gas emissions and the most appropriate levers of action.

Scope 1 and 2 CO2 emissions in 2021 totalled 5394 tonnes of CO2 equivalent, accounting for 1% of all emissions generated by the Group. The major impact is due to emissions from the use of natural gas (36% of total Scope 1 and 2 emissions) and electricity consumption (21%). In 2021, Scope 1 emissions increased due to the inclusion of biogas consumption in the Obeliai plant reporting scope.

Scope 1 and 2 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 power 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. Since 2020 and the health crisis, the Group has taken steps to limit travel to the strict minimum and promote teleworking in all countries. In this regard, an agreement on teleworking was signed in 2021 and will take effect in 2022.

3.5.13 Biodiversity initiatives

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.

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.

3.6 SOCIAL ISSUES

The Marie Brizard Wine & Spirits Group is aware of its impact on 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 2021, 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. The Group also continues to support community and philanthropic schemes in some countries by donating to charities and taking part in charity events.

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. Maison Gautier is also involved in local wine tourism and has forged strong ties with the North Charente tourist office.

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. In view of the health situation, a gift pack was offered to each employee to celebrate St. Trifon Zarezan's Day in 2021.

3.6.2 Stakeholder relations within the framework of community and social action

For many years, the Group has pursued community and philanthropic initiatives alongside its stakeholders.

RELATIONS WITH ORGANISATIONS PROVIDING ASSISTANCE TO DISABLED PERSONS

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.

In addition, the Lormont facility (France) works with 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 in September by the Stara Zagora vineyards: employees picked grapes on a non-working Saturday morning during the harvest period.

A sum of money was donated based on the number of hours spent by the participants, supplemented by employees who could not participate and by the Group.

A total of 52 employees, members of their families and MBWS took part in this initiative, which raised €8,845 for the Stara Zagora oncology centre. Since July 2021, the centre has been looking to raise around €50,000 to purchase a more up-to-date medical device to enable faster and more accurate diagnosis for cancer treatment.

CHARITY COLLECTION AND BLOOD DONATION IN SPAIN

Since 2018, MBWS Spain has been working every year with the Guipuzcoa food bank.

The subsidiary decided to continue this partnership in 2021 during the Christmas period. As a result of the pandemic, the need to provide food aid to families in Spain remained significant in 2021. Again, the food collection initiative organised by MBWS Spain was a great success.

Over the course of these years, over 400 kg of food has been collected that will go to families most in need.

It should be noted that, since the beginning of the pandemic, the number of families struggling to fill their food basket has increased by 20%.

Since 2019, the Zizurkil plant in the Spanish Basque Country has organised two blood donation days a year, in June and November. A medical team from the Basque Country's public health system visits the facility bringing all the necessary equipment. With four armchairs installed, organisation is streamlined to minimise waiting time for employee volunteers. The daily participation rate in the plant is around 50% of the workforce, a high percentage that demonstrates our employees' awareness of this vital need: every 5 minutes, one patient needs blood in the Spanish Basque Country.

OTHER COMMUNITY INITIATIVES

In France, MBWS employees took part in the La Charentonnaise des Entreprises footrace to raise funds for a local charity that aims to combat poverty and social exclusion. MBWS also sponsors sports teams at the Obeliai facility in Lithuania.

3.6.3 Management of subcontracting and supplier relations

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.

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. For 2021, this assessment will be carried out in April 2022 with the aim of measuring at least 80% of direct purchasing expenditure (ingredients for product manufacture) from strategic suppliers. In 2020, 84% of direct purchases 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, for several years MBWS has partnered with an ESAT work-based support establishment for the packaging of certain products at Lormont. In 2021, the services of this ESAT were requested on an ad hoc basis.

MBWS also seeks to prioritise local purchasing. For example, in 2021 the Jundiai facility in Brazil started sourcing raw materials for Marie Brizard liqueur formulations from local suppliers instead of importing them as before. Stara Zagora in Bulgaria also sources packaging and labels from local suppliers.

3.6.4 Guaranteeing consumer health

The Marie Brizard Wine & Spirits Group develops its products with a view to increasingly exceeding customer expectations. Our aim is to offer 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.

Furthermore, to improve our product labelling practices, 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, flavoured wine-based beverage and soft drink bottles. Its application is monitored and approved by the R&D and legal departments.

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.

A new quality policy was circulated in September 2021 applicable to continuous improvement projects in health and food safety. In this regard, the food safety good practice guide will be reviewed in early January 2022.

In 2021, 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.

The Group has launched a drive to reduce the sugar content of MBWS brand liqueurs and syrups. These initiatives reflect MBWS's desire to rethink its products as part of its commitment to continuous improvement of consumer health.

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

In terms of quality management, the MBWS Group 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 2021, 83% of MBWS facilities were ISO 9001 certified and 67% had also obtained GFSI-recognised certification in 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.

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.

Lastly, quality management software available to all France teams (302 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 Group crisis management policy

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, pandemic, 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.

The Group has rolled out major initiatives since the outbreak of the health crisis, including frequent Group crisis committee meetings, setting up crisis committees among the subsidiaries, circulating pandemic good practice guides and introducing teleworking for Group employees.

In summer 2021, the COVID-19 crisis management unit was discontinued. Nevertheless, MBWS continued to organise ad hoc crisis committee meetings at Group and local level while continuing with teleworking arrangements. In this regard, an agreement on teleworking was signed in 2021 and will take effect in 2022.

Moreover, MBWS has reinstated business travel while remaining vigilant with regard to destinations and ensuring that travel takes place under the best possible conditions.

3.7 NON-FINANCIAL REPORTING: SCOPE, PROCESS AND METHOD

3.7.1 Non-financial reporting scope

The information presented in our statement of non-financial performance ("Statement") covers the period from 1 January to 31 December 2021.

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 2021, 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.

Accordingly, the Fuenmayor facility is excluded from the 2021 non-financial reporting scope.

Otherwise, the only exception is Miami (United States, for all staff and health & safety data except year-end headcount), which represents 0.5% 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 Non-financial reporting protocol

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 non-financial reporting protocol, which is used in conjunction with the non-financial information-gathering software. 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 non-financial reporting scope are set out in section 3.7.1. 2021 environmental data covers only the production facilities.

3.7.3 Non-financial data collection and reliability

In 2016, the Marie Brizard Wine & Spirits Group invested in non-financial reporting software dedicated to gathering and analysing non-financial data. This software has now been deployed at all facilities.

3.8 DEFINITIONS OF MAIN NON-FINANCIAL INDICATORS

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.

"Number of training hours per employee" is the ratio between the total number of training hours and total headcount at the end of the reporting period.

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.

Percentage of ISO 9001 certified MBWS facilities

As part of its quality policy, MBWS has introduced an ISO 9001 certification process for its facilities. ISO 9001 is certifiable and defines the requirements for establishing a quality management system. The following production facilities are included in the calculation of this indicator: Lormont (France), Gautier (France), Zizurkil (Spain), Vilnius Degtine/Obeliai (Lithuania), Dubar (Brazil) and the Bulgarian facility. The percentage of ISO 9001 certified MBWS facilities is the ratio between the number of ISO 9001 certified facilities during the year ended and the number of the aforementioned production facilities.

Percentage of facilities holding GFSI-recognised certification in food safety

The Global Food Safety Initiative (GFSI) was established to ensure the independence, mutual understanding and credibility of the various food safety standards enacted to improve health preservation, compliance with legal requirements and quality, and to promote trade. Many standards are recognized by the GFSI.

MBWS has obtained certification under two standards recognized by the GFSI: BRC and IFS. The following production facilities are included in the calculation of this indicator: Lormont (France), Gautier (France), Zizurkil (Spain), Vilnius Degtine/Obeliai (Lithuania), Dubar (Brazil) and the Bulgarian facility. The percentage of MBWS facilities holding GFSI-recognised certification is the ratio between the number of BRC and/or IFS certified facilities during the year ended and the number of the aforementioned production facilities.

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.).

The conversion factors are taken from the ADEME carbon database and were updated in 2021.

3.9 NON-FINANCIAL INDICATORS

Social data

The Fuenmayor facility (Spain) is excluded from the 2021 non-financial reporting scope.

	2019	2020	2021
% of ISO 9001 certified MBWS facilities	70	85	83
% of facilities holding GFSI-recognised certification in food safety	50	57	67

Employment data

The Fuenmayor facility (Spain) is excluded from the 2021 non-financial reporting scope.

The 2021 increase in lay-offs is due to the Group's economic situation and the implementation of a PSE job protection plan.

The increase in training hours per employee in 2021 is due to the post-COVID resumption of training plans.

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	1,938	
Total year-end headcount - 2019	29	142		9	48	414	6	199	418		1,265	-35
Total year-end headcount - 2020	26	159		9	51	241	2	174		3	665	-47
Total year-end headcount - 2021	23	170		9	49	198	1	165		3	618	-7

Breakdown of headcount by age	2017	2018	2019	2020	2021	Change 2020/ 2021 (%)
Under 35 years	594	533	301	165	136	-18
35 to 44 years	603	567	363	180	177	-2
45 to 54 years	498	494	356	181	176	-3
Aged 55 and over	324	327	253	139	129	-7

Breakdown of headcount by gender	2017	2018	2019	2020	2021	Change 2020/ 2021 (%)
Women	700	659	488	282	268	-5
Men	1,319	1,262	786	383	350	-9

Non-financial indicators

Headcount	2017	2018	2019	2020	2021	Change 2020/ 2021 (%)
Total number of new hires	678	555	392	123	134	+9
Total number of departures	838	625	457	157	187	+15
of which lay-offs	93	76	44	52	62	+10

Remuneration	Unit	
Payroll 2018	€000	66,251
Payroll 2019	€000	56,259
Payroll 2020	€000	44,877
Payroll 2021	€000	30,328
Change (%)	%	-32

Organisation of working hours	Unit	2017	2018	2019	2020	2021	Change 2020/2021 (%)
Total employee overtime (paid and unpaid)	Hours	69,436.6	51,544.5	30,619	12,414	16,149	+30
Total actual employee hours worked	Hours	3,434,812	3,263,826	2,761,446	1,050,540	1,055,133	+0.4
Number of industrial accidents with time off work recorded over the year (incl. 4 “employee” accidents in 2021 and zero “temporary worker” accidents)	Number	45	26	32	5	4	-20
Number of industrial accidents without time off work recorded over the year (incl. 4 “employee” accidents in 2020 and zero “temporary worker” accidents)	Number	21	9	7	4	7	+75
Number of occupational illnesses recorded over the year	Number	2	3	2	0	0	
Industrial accident severity rate (employees and temporary workers)	Rate	0.8	0.26	0.42	0.1	0.23	+130
Industrial accident severity rate (employees)	Rate	0.75	0.28	0.32	0.12	0.26	+117
Industrial accident frequency rate (employees and temporary workers)	Rate	13.1	7.48	14.21	4.21	3.34	-21
Industrial accident frequency rate (employees)	Rate	12.57	7.35	10.5	4.73	3.77	-20
Number of training hours completed	Hours	22,105	15,508	11,979	5,062	8,667	+71
Number of training hours completed per employee	Hours/ employees			9.5	7.6	14	+84

Other employment indicators	Unit	2017	2018	2019	2020	2021	Change 2020/2021 (%)
Disabled persons employed	Number	37	32.69	28.51	25	30.5	+22
Number of collective agreements signed during the year	Number	16	19	20	9	15	+66
Number of workplace safety/health agreements signed during the year	Number	1	1	0	1	2	+100

Environmental data

The Fuenmayor facility is excluded from the 2021 non-financial reporting scope.

Data regarding the non-hazardous waste indicator published in the 2020 statement of non-financial performance has been modified due to a reporting error at one facility.

The increase in 2021 Scope 1 emissions is due to the inclusion of biogas consumption this year at Obeliai.

Non-renewable energy consumption	Unit	2017	2018	2019	2020	2021	Change 2020/2021 (%)
Electricity	kWh	13,019,493	12,077,762	16,800,948	4,199,797	3,675,285	-12
Heating oil	kWh	3,520,703	168,739	199,614	249,768	176,543	-29
Natural gas	kWh	45,855,107	44,381,255	41,594,874	6,693,772	5,963,276	-11
LPG	kWh	411,967	281,403	319,073	122,782	301,659	+146
Propane	kWh	28,627	1,329	0	0	0	
Road diesel	kWh	2,143,577	2,022,157	1,419,764	1,482,264	1,454,648	-2
Petrol	kWh	59,855	49,429	31,172	64,899	61,341	-5
Non-road diesel	kWh	1,273,785	308,289	322,938	30,993	23,111	-25
Heavy fuel oil	kWh	1,644,049	2,991,866	540,693	1,958,585	1,705,254	-13
Total non-renewable energy consumption	kWh NCV	67,957,164	62,282,231	61,229,077	14,802,861	13,361,119	-10
Total non-renewable energy consumption	kWh/l			0.4	0.21	0.18	-14

Renewable energy consumption	Unit	2017	2018	2019	2020	2021	Change 2020/2021 (%)
Consumption by cogeneration	kWh	3,406,532	7,908,184	6,964,568	8,884,440		
Biogas	kWh					31,464,817	
Wood biomass energy	kWh	24,903,840	26,612,860	22,392,000	22,779,000	20,700,000	-9
Consumption by heat recovery	kWh	6,818,517	7,355,066	7,534,966	0	0	
Green power	kWh	306,491	713,717	675,966	1,422,839	1,238,098	-13
Total renewable energy consumption	kWh NCV	35,435,380	42,589,827	37,567,500	33,086,279	53,402,915	+61
Total energy consumption	kWh NCV	103,392,544	104,872,058	98,796,577	47,889,140	66,764,034	+39

Greenhouse gas emissions (Scope 1 and 2)	Unit	2017	2018	2019	2020	2021	Change 2020/2021 (%)
Scope 1 CO2 emissions	tCO2e	14,674	13,311	11,563	3,437	4,536	+32
Scope 2 CO2 emissions	tCO2e	4,686	4,310	8,398	991	858	-13
Scopes 1 and 2 CO2 emissions	tCO2e	19,360	17,621	19,960	4,428	5,394	+21

Water consumption	Unit	2017	2018	2019	2020	2021	Change 2020/2021 (%)
Spring water	m3	424,421	408,107	525,402	169,273	166,672	-2
Mains water	m3	79,374	72,421	77,029	77,410	67,911	-12
Total water consumption	m3	503,795	480,528	602,431	246,683	234,583	-5
Total water consumption per litre of product (including formulation)	l/l			3.9	3.48	3.22	-7

Consumption of raw materials	Unit	2017	2018	2019	2020	2021	Change 2020/2021 (%)
Sugar	t	5,787	5,867	5,704	525	4,385	+735
Neutral alcohol	LPA	29,904,436	35,591,422	33,409,503	18,552,083	15,425,686	-17
Wine	hl	629,092	586,616	386,515	114,437	94,624	-17
Cereal grain	t	30,797	29177	22,756	28,634	24,874	-13

Waste	Unit	2019	2020	2021	Change 2020/2021 (%)
Hazardous waste	t	19	16	19	+20
Non-hazardous waste	t	4,164	1,945	1,686	-13

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 Statutory Auditor of your Company (hereinafter the "entity") designated as the independent third-party body accredited by COFRAC under number 3–1049[1], we carried out procedures with a view to formulating a reasoned opinion drawing a conclusion expressing limited assurance regarding the historical information (identified or extrapolated) (the "Information") contained in the consolidated statement of non-financial performance (the "Statement") prepared in accordance with the entity's procedures ("Guidelines") in respect of the financial year ended 31 December 2021, which is presented in the entity's management report in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225–105–1 of the French Commercial Code.

CONCLUSION

Based on the procedures we implemented, as described in the section entitled "Nature and scope of work", and the information we gathered, we have identified no material misstatements that could call into question the fact that the Statement complies with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Guidelines.

Preparation of the statement of non-financial performance

Given the absence of a generally accepted and commonly used reference framework or established practices to assess and measure the Information, it is possible to use different but acceptable measurement techniques that may affect comparability between entities and over time.

Accordingly, the Information should be read and construed with reference to the Guidelines, the key points of which are presented in the Statement and may be consulted upon request at the entity's registered office.

RESPONSIBILITY OF THE ENTITY

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement in accordance with statutory and regulatory provisions, including presentation of the business model, a description of the main non-financial risks, presentation of the policies applied in respect of these risks and the effects of these policies, including key performance indicators, as well as the information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy); and
- implementing such internal control procedures as it deems necessary for the purposes of preparing Information free of material misstatements, whether due to fraud or error.

The Statement has been prepared by applying the entity's Guidelines as referred to above.

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 historical information (identified or extrapolated) provided pursuant to Article R. 225-105 (I)(3) and (II) of the French Commercial Code, namely the effects of policies, including key performance indicators, and measures relating to the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of said Information, as this could compromise our independence.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable statutory and regulatory provisions (in particular with regard to the information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy), anti-corruption and tax evasion);
- the accuracy of the information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- compliance of the products and services with the applicable regulations.

Report by one of the Statutory Auditors, designated as the independent third-party body, on the statement of non-financial performance

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL STANDARDS

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 serving as a verification programme and international standard ISAE 3000[2].

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 applicable statutory and regulatory provisions, corporate conduct rules and the professional standards issued by the French National Institute of Auditors regarding this engagement.

MEANS AND RESOURCES

Our review was conducted by four people over a total period of three weeks between November 2021 and April 2022.

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.

NATURE AND SCOPE OF THE WORK

We planned and carried out our work taking into account the risk of material misstatements in the Information.

We believe that the procedures we conducted in exercise of our professional judgement enable us to draw a limited assurance conclusion:

- 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) of the French Commercial Code 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) of said Code, 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) of said Code;
- 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;
- 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; and
  - corroborate the qualitative information (measures and results) we considered to be most relevant, as presented in the Appendix. For some risks[3], we conducted our audit at the level of the consolidating entity, while for other risks, we completed our work at the level of the consolidating entity and a selection of entities[4];
- 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 of the French Commercial Code, 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 other quantitative results that we considered the most significant, as presented in the Appendix, 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 or other selection techniques 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[4] and covers between 19% and 100% 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.

Report by one of the Statutory Auditors, designated as the independent third-party body, on the statement of non-financial performance

The procedures implemented as part of a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional standards issued by the French National Institute of Auditors; a higher level of assurance would have required more extensive verification work.

Paris-La Défense, 20 April 2022
KPMG S.A.

Anne Garans
Partner
Sustainability Services

Adrien Johner
Partner

[1] COFRAC Inspection Accreditation no. 3-1049, the scope of which may be consulted on www.cofrac.fr

[2] ISAE 3000 (revised) – *Assurance engagements other than audits or reviews of historical financial information*

[3] 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.

[4] MBWS France (France); Obeliai (Lithuania); Stara Zagora (Bulgaria).

4

CONSOLIDATED FINANCIAL STATEMENTS

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4.1 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE 2021 FINANCIAL YEAR

Annual consolidated income statement

(€000)	Note	2021	2020
Revenues		**214,395**	**220,774**
Excise duties		(47,711)	(51,691)
Net revenues excluding excise duties	**4**	**166,684**	**169,083**
Cost of goods sold		(98,124)	(97,474)
External expenses	5.1	(26,713)	(24,795)
Personnel expense	5.2	(31,177)	(32,028)
Taxes and levies		(1,688)	(1,989)
Depreciation and amortisation charges		(6,616)	(9,700)
Other operating income	5.3	7,155	4,127
Other operating expenses	5.3	(3,829)	(6,178)
Underlying operating profit		**5,692**	**1,046**
Non-recurring operating income	5.4	5,226	8,587
Non-recurring operating expenses	5.4	(5,334)	(15,304)
Operating profit/(loss)		**5,584**	**(5,671)**
Income from cash and cash equivalents	5.5	120	89
Gross cost of debt	5.5	(454)	(2,934)
Net cost of debt		**(334)**	**(2,845)**
Other financial income	5.5	730	6,364
Other financial expenses	5.5	(146)	(1,870)
Net financial income		**250**	**1,649**
Profit/(loss) before tax		**5,834**	**(4,022)**
Income tax	5.6	751	(1,511)
Net profit/(loss) from continuing operations		6,585	(5,533)
Net profit/(loss) from discontinued operations		(1,017)	(32,912)
NET PROFIT/(LOSS)		**5,568**	**(38,445)**
Group share		5,564	(38,465)
of which Net profit/(loss) from continuing operations		6,581	(5,553)
of which Net profit/(loss) from discontinued operations		(1,017)	(32,912)
Non-controlling interests		4	20
of which Net profit/(loss) from continuing operations		4	20
of which Net profit/(loss) from discontinued operations		0	0
Earnings per share from continuing operations, Group share (€)	5.7	0.06	(0.12)
Diluted earnings per share from continuing operations, Group share (€)	5.7	0.06	(0.12)
Earnings per share, Group share (€)	5.7	0.05	(0.86)
Diluted earnings per share, Group share (€)	5.7	0.05	(0.86)
Weighted average number of shares outstanding		105,889,482	44,571,246
Diluted weighted average number of shares outstanding		105,889,482	44,571,246

Annual statement of comprehensive income

(€000)	2021	2020
Net profit/(loss) for the financial year	**5,568**	**(38,445)**
Items reclassifiable through profit & loss		
Cash flow hedges, net of tax	-	(86)
Translation differences	914	(2,333)
Items not reclassifiable through profit & loss		
Revaluation of defined benefit plan liabilities, net of tax	372	(175)
Items of other comprehensive income for the financial year, net of tax	**1,286**	**(2,594)**
COMPREHENSIVE INCOME/(LOSS)	**6,854**	**(41,039)**
Of which:		
Group share	6,850	(41,059)
Share attributable to non-controlling interests	4	20

Consolidated statement of financial position

ASSETS

Assets			
(€000)	**Note**	**31/12/2021**	**31/12/2020**
Non-current assets			
Goodwill	6.1	14,704	14,704
Intangible assets	6.1	79,361	83,167
Property, plant and equipment	6.2	27,181	28,111
Financial assets	6.3	4,001	5,639
Non-current derivatives	6.12	0	0
Deferred tax assets	5.6	452	1,225
Total non-current assets		**125,699**	**132,846**
Current assets			
Inventory and work-in-progress	6.4	35,094	37,811
Trade receivables	6.5	35,891	20,813
Tax receivables		4,125	554
Other current assets	6.6	9,714	22,123
Current derivatives	6.12	281	70
Cash and cash equivalents	6.7	54,169	42,075
Assets held for sale	1.25	3,058	12,900
Total current assets		**142,332**	**136,346**
TOTAL ASSETS		**268,031**	**269,192**
Equity & Liabilities			
(€000)	**Note**	**31/12/2021**	**31/12/2020**
Shareholders' equity			
Share capital	6.8	156,729	62,578
Additional paid-in capital		72,751	66,711
Consolidated and other reserves		(51,638)	(14,083)
Translation reserves		(9,806)	(10,720)
Consolidated net profit/(loss)		5,564	(38,465)
Shareholders' equity (Group share)		173,600	66,021
Non-controlling interests		332	328
Total shareholders' equity		**173,932**	**66,348**
Non-current liabilities			
Employee benefits	6.10	2,214	3,150
Non-current provisions	6.10	4,116	3,926
Long-term borrowings – due in > 1 year	6.11	2,546	65,352
Other non-current liabilities	6.13	1,735	1,751
Non-current derivatives	6.12	0	0
Deferred tax liabilities	5.6	15,965	17,879
Total non-current liabilities		**26,576**	**92,058**
Current liabilities			
Current provisions	6.10	2,546	7,049
Long-term borrowings – due in < 1 year	6.11	888	15,023
Short-term borrowings	6.11	2,542	5,287
Trade and other payables		31,113	34,777
Tax liabilities		135	5,667
Other current liabilities	6.13	29,942	32,584
Current derivatives	6.12	198	98
Liabilities held for sale		159	10,301
Total current liabilities		**67,523**	**110,786**
TOTAL EQUITY AND LIABILITIES		**268,031**	**269,193**

Annual consolidated cash flow statement

(€000)	2021	2020
Total consolidated net profit/(loss)	5,568	**(38,445)**
Depreciation and provisions	1,927	5143
Fair value revaluation gains/losses	0	2,953
Gains/(losses) on disposals and dilution	579	20,840
Operating cash flow after net cost of debt and tax	8,074	(9,508)
Income tax charge/(income)	(751)	8,776
Net cost of debt	315	4,100
Operating cash flow before net cost of debt and tax	7,638	3,368
Change in working capital 1 (inventories, trade receivables/payables)	(13,111)	2,290
Change in working capital 2 (other items)	5,693	(898)
Tax paid	(9,341)	(335)
Cash flow from operating activities	(9,121)	4,425
Purchase of minority interests	0	0
Purchase of PP&E and intangible assets	(3,276)	(5,025)
Purchase of financial assets	0	0
Increase in loans and advances granted	(45)	(3,421)
Decrease in loans and advances granted	1,841	6,823
Disposal of PP&E and intangible assets	283	1,039
Impact of change in consolidation scope	1,859	1,733
Cash flow from investment activities	662	1,148
Capital increase	16,710	0
Purchase of treasury shares	0	0
New borrowings	7,209	29,371
Borrowings repaid	(1,485)	(12,356)
Net interest paid	(315)	(702)
Net change in short-term debt	(2,752)	(4,791)
Cash flow from financing activities	19,367	11,521
Impact of exchange rate fluctuations	1,186	(1,212)
Cash flow from discontinued operations and proceeds from disposals		
Change in cash and cash equivalents	12,094	15,882
Opening cash and cash equivalents	42,075	26,193
Closing cash and cash equivalents	54,169	42,075
Change in cash and cash equivalents	12,094	15,882

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	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		0	(38,465)					(38,465)	20	(38,445)
Translation differences		0				(2,333)		(2,333)		(2,333)
Items of other comprehensive income		0		(175)	(86)			(261)		(261)
Comprehensive income/(loss) for the period		0	(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										0
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
REPORTED CLOSING POSITION AT 31/12/2020	**62,578**	**66,711**	**(42,674)**	**(152)**	**-**	**(10,721)**	**(9,721)**	**66,021**	**327**	**66,348**
IFRIC/IAS 19 adjustment			564					564		564
AMENDED OPENING POSITION AT 01/01/2021	**62,578**	**66,711**	**(42,110)**	**(152)**	**-**	**(10,721)**	**(9,721)**	**66,585**	**327**	**66,912**
Profit/(loss) for the period			5,564					5,564	4	5,568
Translation differences						914		914		914
Items of other comprehensive income				372				372		372
Comprehensive income/(loss) for the period	0	0	5,564	372	-	914	0	6,850	4	6,854
Capital increase	94,151	6,040						100,191	0	100,191
Treasury shares							(21)	(21)		(21)
Stock option plan expenses								-		-
Change in consolidation scope			(206)	206				-		-
Other changes			(5)					(5)		(5)
Transactions with shareholders	94,151	6,040	(212)	206	-	0	(21)	100,164	1	100,165
CLOSING POSITION AT 31/12/2021	**156,729**	**72,751**	**(36,757)**	**426**	**-**	**(9,807)**	**(9,742)**	**173,600**	**332**	**173,932**

NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS – CONTENTS

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 2021 were approved by the Board of Directors on 13 April 2022.

Amounts are stated in thousands of euros, unless specified otherwise.

Note 1: Accounting rules and policies

Note 1.1: Accounting principles and policies applied

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the Group's consolidated financial statements were prepared in accordance with international accounting standards as adopted by the European Union at the closing date of these financial statements and compulsory from that date, and presented with comparative figures for 2020, prepared in accordance with the same standards.

The accounting principles and policies applied to the consolidated financial statements for the year ended 31 December 2021 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 2021:

- Amendments to IFRS 4: Insurance policies – provisional exemption from IFRS 9 applicable for accounting periods beginning on or after 1 January 2020;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in connection with the reform of interbank rates ("benchmark rates") - phase 2, applicable for accounting periods beginning on or after 1 January 2021;
- Amendments to IAS 38 "Intangible assets" on recognition of the costs of setting up and customising software made available in the cloud as part of a Software as a Service contract;
- Amendments to IAS 19 "Employee benefits" regarding the allocation of employee benefits to periods of service. This decision clarifies the time period for awarding employee benefits in order to allocate the IAS 19 expense.

The Group applies IFRS as published by the IASB.

PRINCIPAL STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION BUT NOT REQUIRING COMPULSORY APPLICATION AS OF 1 JANUARY 2021

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 2021:

- 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 4 "Extension of the Temporary Exemption from Applying IFRS 9".

Note 1.2: Changes in accounting policies

The MBWS Group has applied changes in accounting methods relating to IFRIC decisions regarding IAS 19 and IAS 38 to its consolidated financial statements for the year ended 31 December 2021 (see Notes 1.10 and 1.19).

Note 1.3: Going concern

The Group 2021 annual financial statements have been prepared on a going concern basis, taking into account the known situation at the reporting date, the latest cash requirement estimates made in a post-COVID-19 health crisis environment and the Group's business forecasts (which do not yet include the possible consequences of the conflict between Russia and Ukraine, which are still not measurable).

It should be noted that, following the agreement of public creditors (CCSF) in April 2021 on a standstill on part of the Group's tax and social security liabilities amounting to €7.6 million, cash flow forecasts include repayments to the CCSF spread over a 24-month period as well as the settlement of deferred social security payments as part of the government aid package granted in the first half of 2020 in response to the COVID-19 pandemic.

In addition, despite the changing and uncertain economic context, operational monitoring and execution of the Group's activities in accordance with the management targets included in the strategic plan have allowed the Group to maintain an overall upward trend in profitability in 2021 (restated for non-recurring items).

Main developments in 2021

Following:

- the late 2020/early 2021 disposals of the Group's loss-making businesses (Polish businesses and Moncigale),
- the funds contributed in 2020 and early 2021 by COFEPP to the MBWS Group and
- the €100.9 million capital increase mainly resulting from:
  - the capitalisation of all receivables and advances held by COFEPP,
  - cash subscriptions totalling €17.4 million paid by shareholders other than COFEPP,

COFEPP no longer holds any financial claims on the MBWS Group.

As a result, business and financing requirement forecasts beyond one year confirm a positive cash position over the next 12 months following the publication date of this URD.

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.

In 2021, other changes included €1.1 million in costs of configuring and adapting the EPM (Enterprise Performance Management) tool in SaaS mode. The net book value of configuration costs previously capitalised as intangible assets and amortised over the useful life of the asset is now recognised under external expenses over the remaining term of the lease in accordance with the application of the IFRIC decision on IAS 38 - Intangible assets.

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

If the recoverable amount of property, plant and equipment is lower than its carrying amount, its carrying amount is written down accordingly.

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 2022 budget and a performance plan approved by the Board of Directors. 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 IFRS 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 1.19: 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.

IFRS IC (Interpretations Committee) decision**regarding the allocation of rights to years of service under a defined benefit plan (IAS 19)**. The MBWS Group previously recognised pension commitments on a straight-line basis from the employee's date of employment. In April 2021, the Committee finalised its decision: rights are now recognised on the basis of years of service preceding the date of retirement and are capped at a certain number of consecutive years of service. An independent actuary analysed all of the commitments to which this decision might apply and was able to quantify the corresponding impacts (which mainly concern the French entities). The impact of this change in accounting method for 2020 is included in amended opening shareholders' equity for 2021 with a €564,000 reduction in pension commitments. The Company waived the principle of retrospective application of this decision due to the non-materiality of the impact on the opening 2020 balance sheet.

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 1.20: 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 1.21: 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 1.22: 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 1.23: 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 1.24: 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. The asset must be available for immediate sale and its sale must be highly probable. 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.

On 16 February 2021, MBWS France sold all shares of Moncigale SAS to Grands Vins JC BOISSET.

As this disposal was considered highly probable without any prior transaction within one year at the time of the 2020 annual closing, Moncigale was considered as a legal entity available for sale and, as such, was treated as a discontinued operation, giving rise to a restatement in the 2020 consolidated financial statements: its assets and liabilities were presented under “Assets/liabilities held for sale” in the income statement, while its contribution to consolidated net profit/loss is presented under “Net profit/(loss) from discontinued operations” for the years 2020 and 2021. This line also includes the capital loss on disposal recognised in the year ended 31 December 2021.

In addition, the sale of the wine activity under the Marquès del Puerto brand and of the Fuenmayor site in Spain belonging to the MBWS Spain subsidiary was finalised at the beginning of 2022. Given the highly probable nature of the sale of this loss-making activity on 31 December 2021 (and its low materiality), the Group opted to reclassify only the Spanish assets affected by this sale of the “wine” activity as “assets/liabilities held for sale” in the consolidated financial statements for the 2021 financial year. These assets amounted to €3 million at 31 December 2021, including €1.2 million in property, plant and equipment and €1.8 million in finished goods inventories.

NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

(€000)		2021	2020
Net revenues excluding excise duties		**2,809**	**86,455**
	Poland		*32,215*
	Moncigale	*2,809*	*54,240*
Underlying operating profit		**(468)**	**2,695**
	Poland		*4,177*
	Moncigale	*(468)*	(1,482)
Operating profit/(loss) excluding gains or losses on disposal and impairment of assets held for sale		**(468)**	**(3,321)**
	Poland		*(3,657)*
	Moncigale	(468)	336
Net cost of debt		**(8)**	**(1,255)**
	Poland		*(1,158)*
	Moncigale	*(8)*	(97)
Net financial income		**(8)**	**(1,707)**
	Poland		*(1,612)*
	Moncigale	*(8)*	(95)
Profit/(loss) before tax		**(1,017)**	**(25,647)**
	Poland		*(21,453)*
	Moncigale	*(1,017)*	*(4,194)*
Income tax			**(7,265)**
Capital gains or losses on disposals		**(541)**	**(20,361)**
	Poland		*(20,361)*
	Moncigale	*(541)*	
Impairment of assets held for sale			**(2,953)**
	Moncigale		*(2,953)*
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS		**(1,017)**	**(32,912)**
	Poland		*(28,718)*
	Moncigale	*(1,017)*	*(4,194)*

CASH FLOW FROM/(USED BY) DISCONTINUED OPERATIONS

(€000)	2021	2020
Cash flow from operating activities	787	3,507
Cash flow from investment activities	(696)	(3,913)
Cash flow from financing activities	(92)	(5,993)
NET CASH FLOW FOR THE YEAR	**(1)**	**(6,399)**

Note 1.25: 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 1.26: 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 1.27: Net financial income

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 1.28: 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 1.29: 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 1.30: 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)	2021	2020	
UNDERLYING OPERATING PROFIT/(LOSS)	**5,692**	**1,046**	**Consolidated income statement**
Items to be added back:			
- Depreciation and amortisation charges	6,616	9,699	Consolidated income statement
- Retirement provision	(2)	112	Note 5.2
- Additions to provisions	2,593	2,602	Note 5.3
Items to be excluded:			
- Provision reversals	(2,324)	(2,846)	Note 5.3
= EBITDA	**12,575**	**10,614**	

Note 2: Main highlights

Note 2.1: 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, 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.

Note 2.2: 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 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 balance on the Poland Advance granted by COFEPP to the Company and, (ii) with the remaining amount, to finance the MBWS Group's operations.

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

Note 2.3: Finalisation of the sale of Moncigale to the Boisset Group

On 16 February 2021, MBWS finalised the sale of all shares in Moncigale SAS (owner of the Fruits and Wine 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 (see Note 1.6 - Discontinued operations.)

Note 2.4: 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 2020, on 1 April 2021 the Committee of Chief Financial Officers (CCSF) for the Val de Marne region approved an amount of €7.6 million in favour of MBWS France, by way of a staggered debt repayment plan including a schedule of regular monthly payments of €316,000 over a two-year period running until the end of March 2023.

A first-tier mortgage on the Lormont facility (belonging to MBWS France) and a trademark pledge are currently 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 Group subsidiary MBWS France.

Note 2.5: COVID-19 pandemic

As in 2020, restrictions imposed to curb the spread of the virus still had a limited impact on MBWS's business in some markets throughout 2021, again particularly in out-of-home consumption networks to which the Group as a whole is partly exposed.

The uncertainty of developments in the COVID-19 pandemic lasted until the end of the year and now seems to be fading in the medium term.

Note 3: Change in consolidation scope

On 16 February 2021, MBWS France sold all shares in Moncigale to the Boisset Group. Due to the high probability of this sale as estimated at 31 December 2020, the Moncigale business was reclassified as a discontinued operation under IFRS 5: in the income statement, its contribution to consolidated net profit/loss for the period, as well as the capital loss on disposal, are presented under "Net profit/(loss) from discontinued operations", while the comparative period is also restated in the income statement and the required information presented in the notes (Note 1.6). There was no other material change in consolidation scope having an impact on the 2021 consolidated financial statements.

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. Following several disposals carried out since 2019 (in particular the Polish businesses and Moncigale), with effect from 1 January 2021 the Group restructured its management into two clusters (France cluster and International & wines cluster) under the overall management of the holding company. Pursuant to IFRS 8, the Group's businesses are now presented according to the two clusters, France and International.

(€000)	France	International	Holding company	31/12/2021
Revenues	**78,609**	**135,786**		**214,395**
Excise duties	(40)	(47,671)		(47,711)
Net revenues excluding excise duties	**78,569**	**88,115**		**166,684**
UNDERLYING OPERATING PROFIT/(LOSS)	**11,348**	**5,698**	**(11,354)**	**5,692**
Goodwill	14,704			**14,704**
Intangible assets	72,976	6,532	(147)	**79,361**
Property, plant and equipment	8,393	17,869	919	**27,181**
NON-CURRENT ASSETS	**96,073**	**24,401**	**772**	**121,246**

(€000)	France	International	Holding company	31/12/2020
Revenues	**75,959**	**144,815**		**220,774**
Excise duties	(61)	(51,630)		**(51,691)**
Net revenues excluding excise duties	**75,898**	**93,185**		**169,083**
UNDERLYING OPERATING PROFIT/(LOSS)	**7,752**	**3,430**	**(10,136)**	**1,046**
Goodwill	14,704			**14,704**
Intangible assets	72,960	1,069	9,138	**83,167**
Property, plant and equipment	7,965	20,109	37	**28,111**
NON-CURRENT ASSETS	**95,629**	**21,178**	**9,175**	**125,982**

Note 5: Notes to the income statement

Note 5.1: External expenses

(€000)	2021	2020
Marketing and promotion	(4,580)	(5,322)
Rent and maintenance	(2,068)	(1,182)
Transport	(5,171)	(4,161)
Other external services	(14,894)	(14,129)
EXTERNAL EXPENSES	**(26,713)**	**(24,795)**

Note 5.2: Personnel expense

(€000)	2021	2020
Payroll	(24,024)	(23,853)
Social security and personal insurance charges	(7,154)	(8,063)
Retirement provisions	2	(112)
PERSONNEL EXPENSE	**(31,177)**	**(32,028)**

(

	31/12/2021	31/12/2020
AVERAGE HEADCOUNT DURING THE YEAR	**621**	**1,187**

Besides the disposal of the Polish entities in 2020, the 2021 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	2021	2020
Provisions and reversals	2,324	(2,593)	(269)	245
Total other operating income and expenses	4,831	(1,236)	3,595	(2,296)
TOTAL OTHER OPERATING INCOME AND EXPENSES	**7,155**	**(3,829)**	**3,326**	**(2,051)**

In 2021, part of an exceptional non-recurring discount granted to MBWS France as part of the renegotiation of the whisky supply contract finalised in early 2021 was recorded in an amount of €3 million under other operating income.

Note 5.4: Non-recurring operating income and expenses

(€000)	Income	Expense	2021
Value gain of goodwill, PP&E and intangible assets	532		532
Restructuring income and expenses	4,436	(3,961)	475
Gains/losses on asset disposals, acquisition costs	258	(266)	(8)
Provision for contingencies		(815)	(815)
Other		(292)	(292)
NON-RECURRING OPERATING INCOME AND EXPENSES	**5,226**	**(5,334)**	**(108)**

(€000)	Income	Expense	2020
NON-RECURRING OPERATING INCOME AND EXPENSES	**8,587**	**(15,303)**	**(6,716)**

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).

The appreciation of goodwill, property, plant and equipment and intangible assets mainly includes a reversal of impairment charges on the Spanish assets (see Note 6.1).

MBWS SA underwent a tax audit in respect of financial years 2016 and 2017. A €0.8 million provision for tax contingencies was recognised at 31 December 2021. Negotiations are underway with the tax authorities.

Note 5.5: Net financial income

(€000)	Income	Expense	2021	2020
Income from cash and cash equivalents	120		120	89
Interest and similar charges		(454)	(454)	(2,934)
Net cost of debt	**120**	**(454)**	**(334)**	**(2,845)**
Provisions and reversals	76		76	6,340
Exchange gains/losses	649	(3)	646	(2,008)
Total other financial income and expenses		(138)	(138)	162
Total other financial income and expenses	**725**	**(142)**	**584**	**4,494**
NET FINANCIAL INCOME/(EXPENSE)	**845**	**(595)**	**250**	**1,649**

In 2021, net cost of debt was down €2.5 million from 2020 due to the significant reduction in Group debt (see Note 6.11). The positive impact of provisions and reversals is primarily related to the recovery of an additional portion of the Trinidad and Tobago receivable, in the amount of approximately €6.7 million.

Note 5.6: Income tax

BREAKDOWN OF THE TAX CHARGE

(€000)	2021	2020
Current tax	**(305)**	(627)
Tax income or expense related to the consolidated tax group	**41**	
Deferred tax	**1,015**	(884)
INCOME TAX (CHARGE)/CREDIT	**751**	**(1,511)**

RECONCILIATION OF THE TAX CHARGE

(€000)	2021	2020
Total consolidated net profit/(loss)	**5,567**	**(38,445)**
Deduction of profit/(loss) from discontinued operations	(1,017)	(32,912)
Income tax (charge)/credit	751	(1,511)
Pre-tax net profit/(loss)	**5,833**	**(4,023)**
Current tax rate applicable to the parent company	*26.5%*	*28.0%*
Theoretical tax (charge)/credit at the statutory rate	**(1,546)**	**1,126**
Impact of permanent differences	1,500	(1,947)
Impact of use of tax losses not previously recognised	864	342
Recognition/derecognition of tax-loss carryforwards not previously recognised		-
Impact of unrecognised tax losses for the year	(868)	(2,118)
Impact of differences between foreign and French tax rates	94	472
Impact of changes in deferred tax rates		-
Impact of unrecognised taxes	(49)	(590)
Impact of tax credits	756	1,204
Other impacts		
EFFECTIVE TAX (CHARGE)/CREDIT	**751**	**(1,511)**

Note 5.7: Earnings per share

NET EARNINGS, GROUP SHARE AND NET EARNINGS FROM CONTINUING OPERATIONS, PER SHARE

(€000 unless specified otherwise)	2021	2020
Numerator *(€000)*		
Net profit/(loss), Group share	5,563	(38,465)
Net profit/(loss) from continuing operations, Group share	6,580	(5,553)
Denominator *(number of shares)*		
Number of shares outstanding	105,889,482	44,571,246
Number of shares outstanding after dilution	105,889,482	44,571,246
Earnings per share *(€)*		
Net profit/(loss), Group share, per share	€0.05	€-0.86
Diluted net profit/(loss), Group share, per share	€0.05	€-0.86
Net profit/(loss), Group share, on continuing operations per share	€0.06	(€0.12)
Diluted net profit/(loss), Group share, on continuing operations per share	€0.06	(€0.12)

Note 6: Notes to the balance sheet

Note 6.1: Intangible assets and goodwill

(€000)	31/12/2020	Acquisitions	Disposals	Net amort./ impairment	Other changes	Change in consolidation	Translation differences	31/12/2021
Goodwill	143,255							143,255
Concessions and patents	1,632	11			(73)	1		1,571
Usage rights on concessions and patents	973							973
Trademarks	131,535		(3)				5	131,537
Other intangible assets	19,368	396	(1,839)		(2,694)	(2)		15,228
Right-of-use assets – other intangible assets								
Gross value	**296,762**	**407**	**(1,842)**		**(2,767)**	**(1)**	**5**	**292,564**
Goodwill	(128,550)							(128,550)
Concessions and patents	(1,298)			(18)	78			(1,238)
Usage rights on concessions and patents	(390)			(195)				(585)
Trademarks	(57,296)			2				(57,294)
Other intangible assets	(11,357)		1,590	(1,701)	636			(10,832)
Right-of-use assets – other intangible assets	(1)							(1)
Amortisation and provisions	**(198,892)**		**1,590**	**(1,912)**	**714**			**(198,499)**
NET VALUE	**97,871**	**407**	**(252)**	**(1,912)**	**(2,053)**	**(1)**	**5**	**94,065**

In 2021, other changes included €1.1 million in costs of configuring and adapting the EPM tool in SaaS mode. The net book value of configuration costs previously capitalised as intangible assets and amortised over the useful life of the asset is now recognised under external expenses over the remaining term of the lease in accordance with the application of the IFRIC decision on IAS 38 intangible assets.

(€000)	31/12/2019	Acquisitions	Disposals	Net amort./ 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)
Amortisation 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**

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 2021, the carrying amount of trademarks was €74.2 million. The principal trademarks valued were the Marie Brizard trademarks acquired by the Group in 2006.

IMPAIRMENT OF NON-CURRENT ASSETS

Pursuant to IAS 36, impairment tests were carried out as at 31 December 2021 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 2022 budget and a performance plan approved by the Board of Directors. 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 2021, as a result of which no impairment charge was recognised in the financial statements at 31 December 2021.

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 31/12/2021	Carrying amount of trademarks at 31/12/2021	2021 discount rate	Perpetual growth rate
France	Value in use	14,704	74,243	8.6%	1%
Lithuania	Value in use	-	-	8.9%	1%
Bulgaria	Fair value	-	-	9.2%	1%
Spain	Fair value	-	-	9.1%	1%
Brazil	Fair value	-	-	10.6%	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	(5,764)	(5,067)	(4,420)
Lithuania	(2,644)	(2,310)	(1,406)
Changes in CGU value in use	**(8,409)**	**(7,377)**	**(5,826)**

(€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	**(9,558)**	**(10,258)**	**(4,310)**

Note 6.2: Property, plant and equipment

(€000)	31/12/2020	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	31/12/2021
Land	5,907				(372)		6	5,541
Right-of-use assets – land	848				27			875
Buildings	35,956	150			(2,018)		5	34,092
Right-of-use assets – buildings	2,276	534			(68)		5	2,747
Plant, machinery and equipment	48,956	1,218	(1,202)		(2,082)	159	7	47,056
Right-of-use assets – plant, machinery and equipment	828	74			(410)	112		604
Other PP&E	(1,923)	207	(265)		9,153		(1)	7,171
Right-of-use assets – other PP&E	2,461	494	(1)		(1,058)		1	1,897
PP&E in progress	10,153	1,200	(2)		(9,649)			1,702
Gross value	**105,461**	**3,878**	**(1,470)**		**(6,478)**	**271**	**22**	**101,684**
Land	(805)			(41)				(846)
Right-of-use assets – land	(126)			(67)				(194)
Buildings	(26,970)			(925)	2,208		(2)	(25,689)
Right-of-use assets – buildings	(566)			(341)	4		(5)	(908)
Plant, machinery and equipment	(40,931)		1,192	(1,621)	2,169	(159)	(5)	(39,355)
Right-of-use assets – plant, machinery and equipment	(455)			(217)	325	(64)		(410)
Other PP&E	(5,499)		260	(353)	532		(1)	(5,060)
Right-of-use assets – other PP&E	(1,525)			(592)	561			(1,557)
PP&E in progress	(474)		2	(12)				(484)
Depreciation and provisions	**(77,350)**		**1,454**	**(4,171)**	**5,799**	**(223)**	**(13)**	**(74,503)**
NET VALUE	**28,111**	**3,878**	**(16)**	**(4,171)**	**(678)**	**48**	**9**	**27,181**

(€000)	31/12/2019	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**

Note 6.3: Financial assets

(€000)	31/12/2020	Acquisitions/ increases	Disposals/ decreases	Net charges	Other changes	Change in consolidation	Translation differences	31/12/2021
Equity investments	7,190		(30)		(1)			7,159
Other long-term securities	10							10
Other financial assets	12,870	45	(1,690)		4		1	11,230
Other receivables	6,250							6,250
Gross value	**26,321**	**45**	**(1,720)**		**3**		**1**	**24,650**
Equity investments	(7,191)		32					(7,159)
Other financial assets	(7,241)							(7,241)
Other receivables	(6,250)							(6,250)
Impairment charges	**(20,681)**		**32**					**(20,649)**
NET VALUE	**5,640**	**45**	**(1,688)**		**3**		**1**	**4,001**

(€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**

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)	31/12/2021	31/12/2020
Raw materials	20,061	20,380
Work-in-progress	3,883	5,732
Semi-finished and finished goods	7,304	8,596
Traded goods	4,957	4,300
Gross value	**36,205**	**39,009**
Raw materials	(621)	(415)
Work-in-progress	(6)	-
Semi-finished and finished goods	(201)	(392)
Traded goods	(283)	(390)
Impairment charges	**(1,111)**	**(1,197)**
NET VALUE	**35,094**	**37,811**

Note 6.5: Trade receivables

(€000)	31/12/2021	31/12/2020
Trade receivables	37,005	22,199
Impairment of trade receivables	(1,113)	(1,386)
NET TRADE RECEIVABLES	**35,891**	**20,813**

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 at 31 December 2021 in consideration for assigned receivables not due was €1 million, compared to €20.5 million at 31 December 2020.

The Group decided not to renew the French and Spanish factoring agreements which expired on 19 September 2021.

Note 6.6: Other current assets

(€000)	31/12/2021	31/12/2020
Advances and payments on account	2,039	7,051
Payroll and tax receivables	2,013	3,245
Short-term deposits		146
Other receivables	8,683	14,750
Gross value	**12,735**	**25,192**
Other receivables	(3,021)	(3,069)
Impairment charges	**(3,021)**	**(3,069)**
NET VALUE	**9,714**	**22,123**

Note 6.7: Cash and cash equivalents

(€000)	31/12/2021	31/12/2020
Cash equivalents	73	513
Cash	54,095	41,562
CASH AND CASH EQUIVALENTS	**54,169**	**42,075**
of which unavailable cash under bank covenants or local regulations, or not convertible in the short term (e.g. deposit denominated in TTD)	*11,810*	*9,999*

Note 6.8: Shareholders' equity

Breakdown of share capital and dilutive instruments

	31/12/2021	31/12/2020
Share capital *(€)*	156,729,301	62,578,382
Number of shares	111,949,501	44,698,844
Par value *(€)*	1.4	1.4
Treasury shares		
Number of shares	147,381	127,437

Shares held at the end of 2021 are shares held in registered accounts. The treasury shares held by the Group have no voting or dividend rights.

POTENTIAL DILUTION

	31/12/2021	31/12/2020
Number of shares comprising the share capital	111,949,501	44,698,844
Potential dilution from exercise of warrants	-	
Potential dilution from bonus shares		
Potential dilution from bonus performance shares		
Potential dilution from exercise of stock options	-	
Potential number of shares	**111,949,501**	**44,698,844**
SHARE CAPITAL IN EUROS *(PAR VALUE OF €1.4)*	**156,729,301**	**62,578,382**

There was no potential dilution from share warrants as at 31 December 2021, as the exercise price was higher than the average share price for the 2020 financial year.

SHARE WARRANTS AS AT 31 DECEMBER 2021

	Conversion ratio	Subscription price per share	Exercise price per warrant	Final exercise date	31/12/2021	31/12/2020
2022 share warrants	0.43	3.00	1.30	30/09/2022	37,717,531	37,722,407
2023 share warrants	1.00	25.00	25.00	31/12/2023	1,659,772	1,659,772
NUMBER OF SHARE WARRANTS OUTSTANDING					**39,377,303**	**39,382,179**

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 at 31/12/2021	**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

Note 6.9: Employee benefits

The Group's commitments comprise end-of-career benefits and long-service awards at the French companies. These defined benefit plans are accounted for in accordance with IAS 19 revised.
At 31 December 2021, the commitments amounted to €2.2 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 2021 and 2020 break down as follows for each region:

	31/12/2021	31/12/2020
	France	France
Discount rate	0.80%	0.35%
Inflation rate	2.0%	2.0%
Wage inflation	2.5%	2.5%
Staff turnover and mortality	INSEE 2015-2017	INSEE 2014-2016

CHANGE IN ACTUARIAL LIABILITY

(€000)	31/12/2021	31/12/2020
Opening actuarial liability	**3,370**	**5,730**
Current service cost	312	392
Interest on actuarial liability	9	31
Plan settlement/curtailment	(95)	(40)
Actuarial (gains) and losses	(441)	125
Benefits paid	(145)	(152)
Change in consolidation scope	5	(2,715)
Other changes (impact of IFRS IC decision published in April 2021)	(565)	
Translation differences		
Closing actuarial liability	**2,451**	**3,370**
Fair value of plan assets at beginning of period	**220**	**197**
Contributions paid by the Group	157	159
Benefits paid	(141)	(135)
Interest income		
Plan settlement/curtailment		
Actuarial (gains) and losses		
Fair value of plan assets at end of period	**236**	**220**
PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS	**2,214**	**3,150**

Other changes of €0.6 million correspond to the impact of the IFRIC IC decision published in April 2021 on IAS 19 "Employee benefits" relating to the allocation of employee benefits to periods of service. The counter-entry was posted to shareholders' equity.

(€000)	31/12/2021	31/12/2020
Current service cost	312	392
Actuarial (gains) and losses on other long-term benefits	(6,488)	(48)
Plan settlement/curtailment	(95)	(40)
Interest on actuarial liability	9	31
Expected return on plan assets	(1)	(1)
CHARGE FOR THE YEAR	**(6,261)**	**333**

Note 6.10: Provisions

(€000)	31/12/2020	Charges	Reversal (prov. used)	Reversal (prov. not used)	Other changes	Change in consolidation	Translation differences	31/12/2021
Provisions for pensions and employee benefits (see Note 6.9)	**3,150**	**107**	**(108)**		**(935)**			**2,214**
Social security provisions	706	1,115	(1,155)	(505)	1,320			1,481
Other non-current provisions	3,219	816	(1,400)					2,635
Other non-current provisions	**3,925**	**1,931**	**(2,555)**	**(505)**	**1,320**			**4,116**
Social security provisions – due in < 1 year	5,877	504	(3,348)		(1,320)			1,712
Other provisions – due in < 1 year	1,171	168	(240)	(30)	(246)		11	834
Current provisions	**7,048**	**671**	**(3,589)**	**(30)**	**(1,566)**		**11**	**2,546**

(€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**

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 €1.5 million at 31 December 2021, down €3.8 million from 31 December 2020. This reduction is a result of the expenses incurred in the execution of this plan.

Note 6.11: Borrowings

Group borrowings amounted to €6 million at 31 December 2021, including €3.4 million of lease liabilities, down €79.7 million from 31 December 2020.

This sharp fall is mainly due to the capitalisation of:

- all bank debts (excluding factoring) purchased by COFEPP from the Company's lending banks, for a principal amount of €45 million, and the overdraft facilities drawn for a principal amount of €1.1 million;
- all current account advances paid or payable by COFEPP to the Company and its subsidiary MBWS France for a total principal amount of €32 million;
- the first tranche of the Poland advance granted by COFEPP to the Company in the amount of €3 million.

BREAKDOWN OF BORROWINGS BY TYPE AND MATURITY

(€000)	31/12/2021	Current	Non-current	31/12/2020	Current	Non-current
Other medium to long-term borrowings	2	1	1	76,359	13,802	62,557
Lease liabilities	3,432	887	2,545	4,016	1,221	2,795
Short-term financing and overdrafts	2,542	2,542		5,287	5,287	-
GROSS DEBT	**5,976**	**3,430**	**2,546**	**85,662**	**20,310**	**65,352**

BREAKDOWN OF BORROWINGS BY CURRENCY

(€000)	31/12/2021	31/12/2020
Euro	2,632	82,264
Other currencies	3,344	3,398
TOTAL BORROWINGS	**5,976**	**85,662**

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	Book value 31/12/2021
Assets:						
Non-consolidated equity investments	Level 3					**0**
Other financial assets				4,001		**4,001**
Trade receivables				35,872		**35,872**
Other current assets				9,714		**9,714**
Asset derivatives	Level 2		281			**281**
Cash & cash equivalents				54,169		**54,169**
Liabilities:						
Long-term borrowings					3,434	**3,434**
Short-term borrowings					2,542	**2,542**
Liability derivatives	Level 2		198			**198**

		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**

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 2021, Group cash and cash equivalents amounted to €54.2 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 31/12/2021	< 1 year	2 years	3 years	4 years	5 years +
Other medium to long-term borrowings	2	1	1			
Finance leases	3,432	887	998	157	592	799
Short-term financing and overdrafts	2,542	2,542				
TOTAL GROSS DEBT	**5,976**	**3,430**	**999**	**157**	**592**	**799**

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 to stop hedging its exposure to currency risk and no longer held any derivative instruments at 31 December 2021.

(€000 unless specified otherwise)		Nominal value		Fair value – assets	Fair value – liabilities	Net value 31/12/2021	Net value 31/12/2020
Forward currency purchases / Options	6	£m		281	(198)	83	(28)
Other							
TOTAL FOREIGN EXCHANGE DERIVATIVES				**281**	**(198)**	**83**	**(28)**

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 2021 and 2020 was as follows:

(€000)	31/12/2021	Not due	< 90 days overdue	90-180 days overdue	> 180 days overdue
Trade receivables	36,985	27,385	7,943	500	1,157
Impairment charges	(1,113)				(1,113)
NET TRADE RECEIVABLES	**35,872**	**27,385**	**7,943**	**500**	**43**

(€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)**

Note 6.13: Other liabilities

OTHER NON-CURRENT LIABILITIES

(€000)	31/12/2021	31/12/2020
Investment subsidies	1,367	1,471
Other	368	280
OTHER NON-CURRENT LIABILITIES	**1,735**	**1,751**

OTHER CURRENT LIABILITIES

(€000)	31/12/2021	31/12/2020
Advances and down payments received	1,158	1,516
Tax and social security payables (incl. excise duty)	24,494	26,800
Deferred income	246	61
Other payables	4,044	4,207
OTHER CURRENT LIABILITIES	**29,942**	**32,584**

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 31/12/2021 *(€000)*
France	Bank loan	Inventory	1,684
	CCSF standstill on employer SS charges and VAT	Real estate, warehouse	7,591
Bulgaria	Credit facility	Real estate	6,627
Lithuania	Loans and credit facilities	Real estate, warehouse, inventories, operating receivables, current account deposit, right to use the Sobieski trademark in Vilnius	2,194
Denmark	Credit facility	Inventory	410

OFF-BALANCE SHEET COMMITMENTS

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.

(€000)	31/12/2021	< 1 year	1 to 3 years	> 3 years
Commitments relating to the issuer's operating activities				
Commitment to purchase raw materials	244,072	24,843	44,919	174,310

Note 7.2: Litigation and contingent liabilities

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.

The current conflict in the region undoubtedly means that this dispute is unlikely to be resolved in the short term.

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) COFEPP and 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.

MBWS SA is undergoing a tax audit in respect of financial years 2016 and 2017. Amicable discussions and appeals took place in 2021 with the tax authorities, which did not allow for a precise and quantified response from them by the end of 2021. However, following the last discussions held in the first quarter of 2022, a possible convergence of the positions of the tax authorities and the Company was mooted in principle on the basis of a quantified settlement proposal issued by the Company. As a result, the current status of the proceedings prompted MBWS to record a contingency provision in the MBWS SA parent company and consolidated financial statements for the year ended 31 December 2021, reflecting the potential impact of these tax audits on earnings and on MBWS Group tax-loss carry-forwards, pending final settlement of this tax audit.

Note 7.3: Related parties

Material transactions with related parties mainly include transactions with subsidiaries of the COFEPP group. In 2021, they comprised:

- raw material purchases (€5.8 million in 2021 versus €4.7 million in 2020);
- sales of finished goods (€10.1 million in 2021 versus €8.7 million in 2020).

Note 7.4: List of consolidated companies as at 31 December 2021

					MARIE BRIZARD WINE & SPIRITS
FRANCE	Method	Interest	**UNITED STATES**	Method	Interest
MBWS France	FC	100.00%	Imperial Brands	FC	100.00%
Cognac Gautier	FC	100.00%			
Moncigale	Not consolidated	-	**DENMARK**	Method	Interest
			MBWS Scandinavia	FC	100.00%
SPAIN	Method	Interest			
MBWS España SA	FC	99.45%	**BRAZIL**	Method	Interest
			Dubar	FC	100.00%
BULGARIA	Method	Interest	**OTHER REGIONS**	Method	Interest
MBWS Bulgaria	FC	100.00%	Sobieski Trading Shanghai (China)	FC	100.00%
Domain Menada Distribution	FC	100.00%	Sobieski Sarl (France)	FC	100.00%
			SVI (France)	FC	0%
Domain Menada	FC	100.00%	MBWS HK Ltd. (Hong Kong)	Not consolidated	-
Domain Menada Vineyards	FC	100.00%	GAIA I (France)	FC	100.00%
Sakar Vineyards	FC	100.00%	GAIA II (France)	FC	100.00%
			OMEGA I (France)	FC	100.00%
LITHUANIA	Method	Interest	MBWS International (France)	FC	100.00%
Prekyba Alkoholiniais Gėrimai Uab	FC	100.00%	MBWS Ltd (Trinidad and Tobago)	FC	100.00%
Vilniaus Degtiné AB	FC	98.91%			
LATVIA					
MBWS Distribution SIA	FC	100.00%			

Note 7.5: Post-balance sheet events

PROPOSED STREAMLINING OF THE MAJOR RETAILERS SALES DEPARTMENT AND POOLING WITH OTHER GROUP DISTRIBUTION ENTITIES

At the beginning of February 2022, the MBWS Group announced that its subsidiary Marie Brizard Wine & Spirits France is considering a proposal to streamline its major retailers sales department in France, pooling it with other Group distribution entities. This project aims to safeguard the competitiveness of the Group's business sector and is part of the voluntary plan for strict cost control undertaken since 2019 to restore its profitability in the long term.

With the end of the pandemic more or less at hand, sales to major retailers had improved during certain periods, but the market should resume its downward trend.

The pooling of the commercial sales force dedicated to Hypermarkets is being planned against a backdrop of strong pressure from steeper demands in commercial negotiations with major retailers, which is being heightened by changes in regulations and a strong increase in the cost of raw materials, which cannot be fully passed on in the selling prices.

This project is part of the existing partnership with the other entities of the Group, in which MBWS France will retain full control over annual negotiations with central purchasing agencies and the management of its sales and marketing strategy and the development of its brands.

This proposal will also result in the elimination of 29 positions in the French Major Retailers Sales Department, in addition to the creation of two positions. The Group promised to do everything in its power to minimise the impact of the plan on jobs and to support affected employees through the measures that will be taken in this regard. In this spirit, a majority agreement was signed on 6 April by the representative trade unions and management. It is currently awaiting approval by the Regional Directorate for the Economy, Employment, Labour and Solidarity (DREETS).

SALE OF MARQUES DEL PUERTO WINE ACTIVITY IN SPAIN

The sale of the wine activity under the Marques del Puerto brand and the Fuenmayor site in Spain belonging to MBWS Spain was completed in early 2022.

This activity has been loss-making for several years, with a critical size that is utterly inadequate considering the Spanish wine industry in Rioja. Despite numerous investment efforts and attempts to revive it, in light of the goals of the 2019 strategic plan, the Group had to sell these assets and the related production site. The Spanish company has therefore been working on a valuation process for its assets by external experts and contacting potential prospects pending receipt of confirmations of interest and non-binding offers from potential buyers. The sale process was conducted in accordance with M&A best practices, despite the size of this transaction, and particular care has been taken to maintain objectivity.

In the absence of any responses, expressions of interest or offers (non-binding or otherwise) from third-party buyers to the Group, a proposal was received by a subsidiary of Bardinet Spain, which was accepted by the Board of Directors on 16 February 2022. The sale was signed on 28 February and was accompanied by the transfer of all Bodega employees. The transaction is considered by the MBWS Group to be an attractive one for a permanently loss-making asset.

The funds obtained from the sale will enable the Group to invest in opportunities to develop profitable activities with the necessary assets to become sustainable drivers of growth, which is a priority for the Group.

CRISIS SITUATION FOLLOWING THE RUSSIA-UKRAINE CONFLICT

The growing tensions between the two countries, which escalated in early 2022, culminated at the end of February in Russia's declaration of war on Ukraine and the military aggression that followed.

At this stage, it is too early to estimate the final outcome of the conflict and the consequences for the region, even more so for Ukraine's own territory and economic and industrial activity.

However, from the standpoint of the Group's activity in the two belligerent countries, the consequences that can be noted to date could affect the following items:

- risks affecting the supply of dry materials (bottles) produced by glass factories in Ukraine, which stopped production very soon after the conflict began due to the mobilisation of adult Ukrainians

- risks of non-payment/transfer via the banking system (even if concerns appear to be limited) by Ukrainian and Russian customers, related in particular to the sanctions put in place by the international community against Russia.

Thus the development of the Group's activities (sales only) for the coming months in these two countries (Ukraine and Russia) is highly unpredictable, in an area which represented a total of less than 2% of the MBWS Group's consolidated net revenues in 2021.

The MBWS Group remains particularly vigilant as to the direct or indirect impact that this conflict could have on its activities and is preparing for any eventuality; however, in the current state of the conflict, MBWS cannot at this time assess the indirect consequences of the crisis in Ukraine on its activities.

CHANGE OF GOVERNANCE AT MBWS SA

Aymeric de Beauvillé succeeded Georges Graux as member of the Board of Directors and Chairman of MBWS SA starting 30 March 2022

Following Georges Graux's decision to retire and his resignation from his duties as Chairman and member of the Board of Directors of MBWS SA, the Board of Directors decided, after consultation with the Appointments and Remuneration Committee, to co-opt Aymeric de Beauvillé as director to replace Georges Graux for the remainder of his term of office (i.e., until the end of the Ordinary General Meeting to be held in 2025 to approve the financial statements for the financial year ending 31 December 2024).

The co-option of Aymeric de Beauvillé will be submitted for ratification by the Company's shareholders at the next General Meeting on 30 June 2022. The directors also unanimously decided to appoint Aymeric de Beauvillé as Chairman of the Board of Directors of the Company.

Note 7.6: Statutory Auditors' fees

	31/12/2021				31/12/2020			
(€000)	**Mazars**	**%**	**KPMG**	**%**	Mazars	%	KPMG	%
Statutory auditors	**345**	**100%**	**251**	**94%**	**488**	**86%**	**396**	**79%**
of which MBWS SA	195	57%	172	64%	260	46%	238	48%
of which subsidiaries	150	43%	79	29%	228	40%	159	32%
Non-audit services*	**-**	**0%**	**17**	**6%**	**81**	**14%**	**102**	**21%**
of which MBWS SA	-	0%	17	6%	81	14%	102	21%
of which subsidiaries	-	0%	-	0%	-	0%	-	0%
Other services	**-**	**0%**	**-**	**0%**	**-**	**0%**	**-**	**0%**
TOTAL	**345**	**100%**	**268**	**100%**	**569**	**100%**	**498**	**100%**

** work carried out in relation to the CSR*

4.2 STATUTORY AUDITORS' REPORT ON THE 2021 CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditors' report on the consolidated financial statements

Financial year ended 31 December 2021

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 consolidated financial statements of Marie Brizard Wine & Spirits SA for the year ended 31 December 2021, 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 2021 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.

Observation

Without calling into question the opinion expressed above, we draw your attention to the following points set out in Notes 1.19 and 6.1 to the consolidated financial statements regarding the change in accounting estimates relating to the IFRIC decision on IAS 19 and the change in accounting method relating to the IFRIC decision on IAS 38.

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 manner 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.

Measurement of goodwill and trademarks

Risk identified

As at 31 December 2021, 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 to the consolidated financial statements, these goodwill impairment tests are based on future cash flow projections calculated on the basis of the 2022 budget and a performance plan approved by the Board of Directors. 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 budget and performance plan 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 2021 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.

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

Furthermore, in accordance with the professional practice standard on the procedures to be followed by statutory auditors in relation to parent company and consolidated financial statements presented under the European single electronic reporting format, we have verified compliance with this format as defined by European Delegated Regulation 2019/815 of 17 December 2018 in the presentation of the parent company 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, which were prepared under the responsibility of the Chief Executive Officer. In the case of consolidated financial statements, our work includes verifying that the marking of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the parent company consolidated financial statements to be included in the annual financial report complies with the European single electronic reporting format in all material respects.

It is not our responsibility to verify that the consolidated financial statements actually included by your Company in the annual financial report filed with the AMF correspond to those on which we performed our audit.

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 2021, Mazars was in the 14th consecutive year of its appointment and KPMG was in its 7th 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 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 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, 20 April 2022
KPMG Audit
KPMG SA department

Adrien Johner
Partner

Paris-La Défense, 20 April 2022
Mazars

Erwan Candau
Partner

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PARENT COMPANY FINANCIAL STATEMENTS

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5.1 PARENT COMPANY FINANCIAL STATEMENTS AND NOTES FOR THE 2021 FINANCIAL YEAR

Balance sheet assets

		31/12/2021			31/12/2020
(€000)	Note	Gross	Amort. & depr.	Net	
Concessions, licences and patents		9,571	4,752	4,819	6,819
Goodwill		136,289	136,289		
Other intangible assets		957	115	842	724
Total intangible assets	**3.1**	**146,817**	**141,156**	**5,661**	**7,542**
Buildings		8		8	
Technical facilities, equipment & industrial tooling		13	5	7	8
Other PP&E		246	246		5
PP&E in progress					
Advances and prepayments					
Total property, plant & equipment	**3.1**	**267**	**251**	**15**	**14**
Other equity investments		261,089	146,748	114,341	114,711
Receivables related to equity investments		21,545	21,545		1
Loans		7		7	7
Other		9,012	7,240	1,772	3,426
Total financial assets	**3.1**	**291,653**	**175,533**	**116,119**	**118,145**
TOTAL NON-CURRENT ASSETS		**438,736**	**316,940**	**121,796**	**125,701**
Traded goods					
Inventory & work-in-progress	**3.2**				
Advances and payments on account	3.2	1		1	425
Trade receivables	3.2	540	161	379	907
Other receivables	3.2	97,023	33,465	63,557	84,548
Investment securities	3.3	328	135	193	179
Cash	3.3	24,114		24,114	18,624
Prepaid expenses	3.4	297		297	930
Trade receivables		**122,303**	**33,761**	**88,542**	**105,612**
TOTAL CURRENT ASSETS		**122,303**	**33,761**	**88,542**	**105,612**
Deferred charges					
Unrealised foreign exchange losses	3.4	530		530	754
TOTAL		**561,569**	**350,702**	**210,867**	**232,067**

Balance sheet equity & liabilities

(€000)	Note	31/12/2021	31/12/2020
Share capital		156,729	62,578
Issue, merger and contribution premiums		73,955	67,916
Legal reserve		4,185	4,185
Retained earnings/(losses)		(37,450)	(2,980)
Profit/(loss) for the financial year		(7,633)	(34,635)
TOTAL SHAREHOLDERS' EQUITY	**4.2**	**189,787**	**97,064**
Provisions for contingencies		4,889	6,188
Provisions for charges		97	344
TOTAL PROVISIONS FOR CONTINGENCIES & CHARGES	**4.3**	**4,986**	**6,532**
Other bonds			
Loans & borrowings – credit institutions	4.4	2	309
Other loans & borrowings	4.4		
Trade payables	4.4	1,317	2,835
Tax and social security payables	4.4	3,174	8,652
Fixed asset liabilities & related accounts	4.4	1,851	1,945
Other payables	4.4	8,546	112,919
Deferred income	4.5	1,078	1,811
TOTAL LOANS & BORROWINGS		**15,968**	**128,471**
Unrealised foreign exchange gains	4.5	127	1
TOTAL		**210,867**	**232,067**

Income statement

(€000)	Note	2021	2020
Sales of traded goods			
Sales of goods & services		3,166	7,717
Net revenues	5.1	3,166	7,717
Capitalised production		14	30
Reversals of provisions and D/A charges, expense transfers		243	267
Other income		808	854
OPERATING INCOME		**4,230**	**8,869**
Purchase of traded goods			
Change in inventory			
Other external purchases	5.1	(6,362)	(12,077)
Taxes, levies and similar charges		(188)	(330)
Wages and salaries		(4,080)	(3,953)
Social security contributions		(1,522)	(2,154)
Depreciation, amortisation & provisions on fixed assets		(1,955)	(2,352)
Provisions on current assets			
Provisions for contingencies & charges			
Other expenses		(552)	(574)
OPERATING EXPENSES		**(14,660)**	**(21,441)**
OPERATING PROFIT/(LOSS)		**(10,430)**	**(12,572)**
Income from investments		1,138	1,356
Other securities & receivables on fixed assets			
Other interest & similar income		19	16
Provision reversals & expense transfers		1,275	170,306
Positive foreign exchange differences		774	970
Net proceeds from the disposal of financial securities			
FINANCIAL INCOME	**5.2**	**3,206**	**172,648**
Depreciation, amortisation & provisions		(1,339)	(57,499)
Interest and similar charges		(606)	(7,804)
Negative foreign exchange differences		(1,261)	(3,935)
Net expenses relating to the disposal of financial securities			(19,033)
FINANCIAL EXPENSE	**5.2**	**(3,206)**	**(88,271)**
NET FINANCIAL INCOME/(EXPENSE)	**5.2**		**84,376**
UNDERLYING PROFIT/(LOSS) BEFORE TAX		**(10,429)**	**71,804**
On operating transactions			
On capital transactions		84	18,201
Provision reversals and expense transfers		3,357	2,428
NON-RECURRING INCOME	**5.3**	**3,441**	**20,629**
On operating transactions		(1,499)	(9,090)
On capital transactions		(288)	(111,253)
Depreciation, amortisation & provisions		(2,201)	(2,745)
NON-RECURRING EXPENSE	**5.3**	**(3,988)**	**(123,087)**
NET NON-RECURRING INCOME/(EXPENSE)	**5.3**	**(547)**	**(102,459)**
PROFIT/(LOSS) BEFORE TAX	**5.3**	**(10,977)**	**(30,654)**
Income tax	5.4	3,343	(3,981)
Employee profit-sharing			
NET PROFIT/(LOSS)		**(7,633)**	**(34,635)**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS - SUMMARY

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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 2021, which cover a period of 12 months. These financial statements were approved by the Board of Directors on 13 April 2022 and will be submitted to the next General Meeting for approval.

The balance sheet total before appropriation of earnings amounts to €210,867,159.48 and the Company posted a net loss of €7,633,300.17.

The Company prepares consolidated financial statements.

Note 1: Main highlights

Note 1.1: 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 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 balance on the Poland Advance granted by COFEPP to the Company and, (ii) with the remaining amount, to finance the MBWS Group's operations.

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

Note 1.2: 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, 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.

Note 1.3: COVID-19 pandemic

As in 2020, restrictions imposed to curb the spread of the virus still had a limited impact on MBWS's business in some markets throughout 2021, again particularly in out-of-home consumption networks to which the Group as a whole is partly exposed.

The uncertainty of developments in the COVID-19 pandemic lasted until the end of the year and now seems to be fading in the medium term.

Note 2: Accounting principles and policies

The parent company financial statements for the year ended 31 December 2021 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 MBWS SA 2021 annual financial statements have been prepared on a going concern basis, taking into account the known situation at the reporting date, the latest cash requirement estimates made in a post-COVID-19 health crisis environment and the Group's business forecasts (which do not yet include the possible consequences of the conflict between Russia and Ukraine, which are still not measurable).

It should be noted that, following the agreement of public creditors (CCSF) in April 2021 on a standstill on part of the Group's tax and social security liabilities amounting to €7.6 million, cash flow forecasts include repayments to the CCSF spread over a 24-month period as well as the settlement of deferred social security payments as part of the government aid package granted in the first half of 2020 in response to the COVID-19 pandemic.

In addition, despite the changing and uncertain economic context, operational monitoring and execution of the Group's activities in accordance with the management targets included in the strategic plan have allowed the Group to maintain an overall upward trend in profitability in 2021 (restated for non-recurring items).

MAIN DEVELOPMENTS IN 2021

Following:

- the late 2020/early 2021 disposals of the Group's loss-making businesses (Polish businesses and Moncigale),
- the funds contributed in 2020 and early 2021 by COFEPP to the MBWS Group and
- the €100.9 million capital increase mainly resulting from:
  - the capitalisation of all receivables and advances held by COFEPP,
  - cash subscriptions totalling €17.4 million paid by shareholders other than COFEPP,

COFEPP no longer holds any financial claims on the MBWS Group.

As a result, business and financing requirement forecasts beyond one year confirm a positive cash position over the next 12 months following the publication date of this URD.

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 2022 budget and a performance plan approved by the Board of Directors. 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 8.6% and 9.2% respectively for MBWS France and MBWS Bulgaria and a long-term growth rate of 1% for the 2021 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

The Company has chosen to apply ANC Recommendation 2013-02 regarding pension commitments and similar benefits. Its purpose is to converge as much as possible with IAS 19 (revised), with the exception of actuarial gains and losses and the asset ceiling.

MBWS SA previously recognised pension commitments on a straight-line basis from the employee's date of employment. With effect from 1 January 2021, the Company changed its accounting policy, with the result that rights are now recognised on the basis of years of service preceding the date of retirement and are capped at a certain number of consecutive years of service.

An independent actuary analysed all of the commitments to which this decision might apply and was able to quantify the corresponding impacts. The 2020 impact of this change in accounting policy is a €166,000 decrease in the commitment, which was recognised under retained earnings on the opening 2021 balance sheet.

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 2021

(€000)	31/12/2020	Increase	Decrease	31/12/2021
Patents, licences and trademarks	833			833
Software	11,168	197	1,792	9,573
Goodwill	136,289			136,289
PP&E in progress	6	116		122
TOTAL INTANGIBLE ASSETS	**148,296**	**313**	**1,792**	**146,817**

(€000)	31/12/2020	Increase	Decrease	31/12/2021
Buildings		8		8
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	**259**	**8**		**267**

(€000)	31/12/2020	Increase	Decrease	31/12/2021
Equity investments	261,119		30	261,089
Receivables related to equity investments	21,543	2		21,545
Deposits & guarantees	7,384			7,384
Other capitalised financial receivables	3,290	4	1,658	1,635
TOTAL NON-CURRENT FINANCIAL ASSETS	**293,336**	**6**	**1,688**	**291,653**

Intangible assets:

Intangible assets with a gross value of €146,817,000 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 €9,573,000: 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.

There were no acquisitions during the year.

Decreases during the year totalled €30,000 and correspond to:

- the liquidation of the MBWS Hong Kong subsidiary;
- the bankruptcy of a long dormant former Ukrainian subsidiary (€2,000);
- legal winding-up of a long dormant former Lebanese subsidiary (€28,000).

Receivables related to equity investments:

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)	31/12/2020	Increase	Decrease	31/12/2021
Patents, licences and trademarks	115			115
Software	4,349	1,949	1,547	4,752
Goodwill	136,289			136,289
TOTAL INTANGIBLE ASSETS	**140,753**	**1,949**	**1,547**	**141,156**

(€000)	31/12/2020	Increase	Decrease	31/12/2021
Buildings				
Equipment and tools	4	1		5
Transportation equipment				
Computer equipment and furniture	241	5		246
Advances and prepayments				
TOTAL PROPERTY, PLANT AND EQUIPMENT	**245**	**6**		**251**

(€000)	31/12/2020	Increase	Decrease	31/12/2021
Equity investments	146,408	370	30	146,748
Deposits & guarantees	7,240			7,240
Receivables related to equity investments	21,541	3		21,545
TOTAL NON-CURRENT FINANCIAL ASSETS	**175,190**	**373**	**30**	**175,533**

Impairment charges and reversals on non-current financial assets for the year ended result from the application of the policy described in Note 2.4 and primarily concern the following subsidiaries:

- Impairment charges on equity investments in Dubar (€204,000), Gaia I (€119,000) and MBWS Scandinavia (€47,000);
- Impairment reversal on equity investments in liquidated subsidiaries (€30,000).

Note 3.2: Statement of receivables and current assets

RECEIVABLES AND CURRENT ASSETS

(€000)	Gross amount 31/12/2021	< 1 year	> 1 year
Non-current assets			
Receivables related to equity investments	21,545		21,545
Loans	7		7
Other financial assets *	9,012		9,012
Current assets & prepaid expenses			
Trade receivables	540	540	
Of which Group receivables	*482*	*482*	
Of which non-Group receivables	*58*	*58*	
Other receivables	97,023	97,023	
*Of which Group receivables ****	*91,892*	*91,892*	
*Of which non-Group receivables ***	*5,131*	*5,131*	
Prepaid expenses	297	297	
TOTAL RECEIVABLES AND CURRENT ASSETS	**128,424**	**97,860**	**30,564**

(*) Other financial receivables correspond to the receivable against Polmos Lancut;

(**) Other non-Group receivables primarily correspond to corporation tax and VAT receivables against the Government, advances to staff and miscellaneous debtors;

(***) Mainly comprising the current accounts of Sobieski SARL (€23,523,000), MBWS France (€21,476,000), Cognac Gautier (€14,233,000), MBWS Bulgaria (€11,533,000), Gaia I (€7,663,000) and MBWS Ltd Trinidad (€5,718,000).

CHANGE IN IMPAIRMENT OF CURRENT ASSETS

(€000)	31/12/2020	Increase	Decrease	31/12/2021
Impairment of subsidiaries' current accounts	33,611	330	475	33,465
Impairment of other current accounts				
Impairment of treasury shares and redeemable warrants held	125	135	125	135
Impairment of other receivables				
Impairment of SOP treasury shares				
Impairment of trade receivables	264		102	161
Impairment of inventory				
TOTAL IMPAIRMENT OF CURRENT ASSETS	**34,000**	**464**	**703**	**33,761**

The decrease in impairment on subsidiary current accounts (€475,000) corresponds to MBWS Shanghai (€305,000, written off), MBWS Bulgaria (€122,000) and Lebanese subsidiary Alcomust (€48,000).

The €330,000 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 at 31/12/2021 (€)	Market value	Gross value	Impairment/ provision
Category				
Treasury shares	1.310	140	143	2
Treasury shares held for stock options	1.310	53	185	132

At 31 December 2021, Marie Brizard Wine & Spirits SA held 147,381 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 €24,114,000 corresponds mainly to bank account balances.

Note 3.4: Accrued income and prepaid expenses

(€000)	31/12/2021	31/12/2020
Prepaid expenses	297	930
Unrealised foreign exchange losses	530	754
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	**827**	**1,684**

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 - 31/12/2020	44,698,844	1.40
Shares issued	67,250,657	1.40
Shares redeemed or cancelled		
CLOSING NUMBER OF SHARES - 31/12/2021	**111,949,501**	**1.40**

- The exercise of short and long-term warrants resulted in the issuance of 1,857 shares with a non-material impact on shareholders' equity.
- The February 2021 capital increase resulted in the issuance of:
  - 55,653,716 new shares subscribed by COFEPP via conversion of debt, leading to a €83.5 million increase in equity;
  - 11,594,801 new shares subscribed by minority shareholders, leading to a €17.4 million increase in equity.

Note 4.2: Appropriation of 2020 earnings

The General Meeting resolved to allocate the €34,635,000 net loss recorded in 2020 to retained earnings/(losses), thereby reducing this account from (€2,980,000) to (€37,615,000).

(€000)	31/12/2020	Appropriation of earnings	Dividend distribution	Other changes	31/12/2021
Share capital	62,578			94,151	156,729
Issue, merger and contribution premiums	(25,246)			6,039	(19,206)
2020 profit/(loss)	(34,635)	34,635			
Retained earnings/(losses)	(2,980)	(34,635)		166	(37,450)
Legal reserve	4,185				4,185
SB share warrants	93,162				93,162
2021 profit/(loss)				(7,633)	(7,633)
TOTAL SHAREHOLDERS' EQUITY	**97,064**			**92,723**	**189,787**

The Company's shareholders' equity amounted to €189,787,000 as at 31 December 2021, including share capital of €156,729,000. 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)	31/12/2020	Reclassification	Increase	Reversals used	Reversals not used	31/12/2021
Provisions for litigation	5,296	(49)	1,115	2,555	505	3,302
Provisions for exercisable SOPs						
Provisions for foreign exchange losses	770		636	770		636
Provisions for pension commitments	344				247	97
Other provisions for contingencies	122	49	951		171	951
of which provisions relating to equity investments	*122*	*49*	*135*		*171*	*135*
of which other provisions			*816*			*816*
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	**6,532**		**2,702**	**3,325**	**923**	**4,986**

Provisions for contingencies and charges amounted to €4,986,000 at the end of 2021, compared to €6,532,000 at the end of 2020, and primarily consisted of:

- a €1,241,000 provision relating to employment disputes;
- a one-off provision of €240,000;
- a €816,000 provision for tax contingencies;
- a €1,760,000 provision relating to an alcohol purchase dispute.

Note 4.4: Liabilities

(€000)	Gross amount 31/12/2021	< 1 year	1 to 5 years	> 5 years
Banks	2	2		
Trade payables	1,317	1,317		
Tax and social security payables	3,174	3,174		
Cash instruments - Liabilities	131	131		
Other payables	11,342	11,342		
TOTAL LIABILITIES	**15,968**	**15,968**		

Other payables amounting to €11,342,000 are mainly related to current accounts included in the cash management scheme set up in 2016: MBWS España (€4,231,000) and MBWS International (€3,737,000).

NOTE 4.4.1 LIABILITIES REPRESENTED BY BILLS OF EXCHANGE

None

NOTE 4.4.2 ACCRUED EXPENSES INCLUDED IN BALANCE SHEET ITEMS

(€000)	Gross amount 31/12/2021
Loans and borrowings – Credit institutions:	**2**
• *Accrued bank interest*:	*2*
Trade payables:	**633**
• *Miscellaneous supplier invoices pending:*	*633*
Tax and social security liabilities:	**1,951**
• *Provisions for paid leave*:	*481*
• *Provisions for other payroll expenses*:	*719*
• *Social security organisations and paid leave charges*:	*751*

Note 4.5: Accrued expenses and deferred income

(€000)	31/12/2021	31/12/2020
Deferred income	1,078	1,811
Unrealised foreign exchange gains	127	1
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	**1,204**	**1,812**

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)	2021
France	2,451
Exports	715
TOTAL REVENUES	**3,166**

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 €6,362,000 mainly comprise the following:

- fees: €3,326,000,
- intra-group services: €1,452,000.

Note 5.2: Net financial income

Net financial income of €0 breaks down as follows:

Expenses (€000):	3,206
Interest on Group current and term accounts:	*116*
COFEPP interest*:*	*136*
Bank interest:	*1*
Loss on receivables related to equity investments:	*48*
Foreign exchange losses:	*1,261*
Other financial expenses:	*305*
Additions to provisions for impairment of financial assets:	*373*
Additions to provisions for impairment of current accounts:	*330*
Additions to provisions for financial contingencies and charges:	*636*

Income (€000):	3,206
Interest on Group current and term accounts:	*1,136*
Income from related receivables:	*2*
Foreign exchange gains:	*774*
Other financial income:	*19*
Reversals of provisions for impairment of financial assets:	30
Reversals of provisions for impairment of current accounts:	475
Reversals of provisions for financial contingencies and charges:	*770*

The net financial provision charge for the financial year amounted to €64,000, primarily related to the following items:

- Equity investments in Dubar (€204,000) and Gaia I (€119,000);
- The current accounts of Sobieski SARL (€325,000), MBWS Shanghai (-€305,000) and MBWS Bulgaria (-€122,000);

No dividends were received in 2021, as was the case in 2020.

Note 5.3: Net non-recurring income/(expense)

The Company posted a net non-recurring expense of €547,000, broken down as follows (€000):

Expenses (€000):	3,988
Other expenses relating to operating transactions:	*1,499*
Net value of assets sold:	*245*
Disposal of equity investments:*	*30*
Loss on treasury shares:	*13*
Additions to non-recurring provisions:	*2,201*

Income (€000):	3,441
Gains on treasury shares:	*19*
Miscellaneous non-recurring income:	*65*
Reversal of provisions for non-recurring impairment charges:	*3,357*

** These disposals concern the liquidation of MBWS Hong Kong, Hetman and Alcomust (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)	(10,429)	3,343	(7,086)
Net non-recurring income/(expense)	(547)	-	(547)
TOTAL	**(10,976)**	**3,343**	**(7,633)**

The tax consolidation arrangements are explained in Note 7 "Other information".

Note 5.5: Impact of exceptional tax assessments (€000)

(€000)	2021
Net profit/(loss) for the financial year:	**(7,633)**
- Income tax income:	3,343
PROFIT/(LOSS) BEFORE TAX:	**(10,976)**

Tax income for the 2021 financial year amounted to €3.3 million after taking tax consolidation income into account.

INCREASES AND DECREASES IN FUTURE TAX LIABILITIES:

(€000)	Base amount	Tax
Increase:		
Unrealised foreign exchange losses	2,978	789
Decrease:		
Provisions not deductible in year of recognition	1,587	421
Unrealised foreign exchange gains	2,189	580

TAX LOSS CARRYFORWARDS

At 31 December 2021, tax loss carryforwards under the tax consolidation arrangements amounted to €273.4million, down €1.4 million from 31 December 2020.

Note 6: Derivatives

CASH MANAGEMENT SCHEME

	local currency millions					€000	
	GBP	PLN	USD	USD/PLN	Other currencies	NBV	Fair value
Derivatives contracted with bank counterparties	**4**					**75**	**75**
Purchase	3					75	75
Sale	1					0	0
Derivatives contracted with Group companies	**2**	**0**	**0**	**0**	**2**	**(80)**	**(80)**
Purchase	2					(129)	(129)
Sale					2	49	49
TOTAL	**6**	**0**	**0**	**0**	**2**	**(5)**	**(5)**

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

	2021 average headcount
Non-executives	1
Supervisory staff	1
Executives	22
AVERAGE HEADCOUNT DURING THE YEAR	**24**

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, MBWS International, Omega I, Gaia I and Gaia II.

Moncigale, which was sold in February 2021, was removed from the scope of consolidation.

The tax consolidation arrangements resulted in tax income of €3,343,000.

Affiliated companies and equity investments

	AMOUNT RELATING TO THE COMPANIES	
(€000)	Affiliates	Other equity-related companies
Items		
Equity investments	261,089	
Provisions on equity investments	(146,748)	
Receivables related to equity investments	21,545	
Provisions on related receivables	(21,545)	
Trade receivables	482	
Provisions on trade receivables	(154)	
Other receivables (current and term accounts)	91,892	
Provisions on other receivables	(33,465)	
Trade payables	(332)	
Payables to customers		
Other payables (current and term accounts)	(8,368)	
Income from equity investments		
Other financial income	1,140	
Financial expense	(606)	

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

Crisis situation resulting from the Russia-Ukraine conflict

The growing tensions between the two countries, which escalated in early 2022, culminated at the end of February in Russia's declaration of war on Ukraine and the military aggression that followed.

At this stage, it is too early to estimate the final outcome of the conflict and the consequences for the region, even more so for Ukraine's own territory and economic and industrial activity.

However, from the standpoint of the Group's operations in the two countries at war, the following consequences can be identified at the current stage:

- risks affecting the supply of dry materials (bottles) produced by glass factories in Ukraine, which stopped production very soon after the conflict began due to the mobilisation of adult Ukrainians,
- risks of non-payment/transfer via the banking system (even if concerns appear to be limited) by Ukrainian and Russian customers, related in particular to the sanctions put in place by the international community against Russia.

Thus the development of the Group's activities (sales only) for the coming months in these two countries is highly unpredictable, in a region that accounted in total for less than 2% of the MBWS Group's consolidated net revenues in 2021.

The MBWS Group remains particularly vigilant as to the direct or indirect impact that this conflict could have on its operations and is preparing for any eventuality; however, at the current stage of the conflict, MBWS cannot assess the indirect consequences of the crisis in Ukraine on its operations.

Change of governance at MBWS SA

Aymeric de Beauvillé succeeded Georges Graux as member of the Board of Directors and Chairman of MBWS SA with effect from 30 March 2022.

Following Georges Graux's decision to retire and step down as Chairman and member of the Board of Directors of MBWS SA, the Board of Directors decided, after consultation with the Remuneration and Appointments Committee, to co-opt Aymeric de Beauvillé as director to replace Georges Graux for the remainder of his term of office (i.e. until the end of the Ordinary General Meeting to be held in 2025 to approve the financial statements for the financial year ending 31 December 2024).

The cooptation of Aymeric de Beauvillé will be submitted for ratification by the Company's shareholders at the next General Meeting on 30 June 2022. The directors also unanimously decided to appoint Aymeric de Beauvillé Chairman of the Company's Board of Directors.

Note 9: List of subsidiaries and equity investments

31/12/2021 (€000)	Country	Share capital	Other shareholders' equity	% held	Book value of shares held: Gross	Book value of shares held: Net	Revenues	Profit/ (loss)	Gross value of loans and advances	Endorsements and guarantees (granted)/ received	Dividends received
MBWS Bulgaria	Bulgaria	12,525	(12,340)	100%	12,525			(53)	26,671		
Dubar	Brazil	2,192	206	100%	5,281	2,398	3,022	(226)			
Sobieski Trading China	China	948	(932)	100%	800		1	543			
MBWS Scandinavia	Denmark	350	386	100%	3,031	736	2,712	(38)	131		
MBWS Hong Kong	Hong Kong			100%							
MBWS France	France	17,477	33,558	100%	169,493	82,408	94,697	9,141	21,476		
MBWS España	Spain	15,926	(1,198)	99%	13,557	13,557	24,684	27			
Sobieski SARL	France	8	(23,526)	100%	8			(462)	23,523		
Gaia I	France	3,331	(235)	100%	3,331	3,096		(119)	7,663		
Gaia II	France	1	(17)		1			(4)	21		
MBWS International	France	1,224	2,320		1,224	1,224	14,632	1,414	242		
Prekyba Alkoholiniais Gerimai UAB	Lithuania	1,922	2,382	100%	1,886	1,886	10,461	820			
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	5,718		
Sobieski USA	United States	n/a	n/a	100%	1		n/a	n/a	2,898		
Imperial Brands	United States	45,912	(32,133)	100%	43,636	9,036	10,651	4,124			
Other									20,037		
TOTAL					**261,089**	**114,341**			**113,437**		

5.2 STATUTORY AUDITORS' REPORT ON THE 2021 COMPANY FINANCIAL STATEMENTS

Financial year ended 31 December 2021

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 2021, 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.

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 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 2021 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) 537/2014.

OBSERVATION

Without calling into question the opinion expressed above, we draw your attention to the following matter set out in Note 2.9 to the Company financial statements concerning amended ANC Recommendation 2013-02 relating to pension commitments and similar benefits.

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 manner in which audits are conducted. 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 2021 was €114.3 million, amounting to 54% 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 a 2022 budget and a performance plan approved by the Board of Directors and are calculated on the basis of a number of key assumptions and assessments aimed at determining trends in the markets in which the Group operates.

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 audited 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.

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

Furthermore, in accordance with the professional practice standard on the procedures to be followed by statutory auditors in relation to parent company and consolidated financial statements presented under the European single electronic reporting format, we have verified compliance with this format as defined by European Delegated Regulation 2019/815 of 17 December 2018 in the presentation of the parent company 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, which were prepared under the responsibility of the Chief Executive Officer.

Based on our work, we conclude that the presentation of the parent company financial statements to be included in the annual financial report complies with the European single electronic reporting format in all material respects.

It is not our responsibility to verify that the financial statements actually included by your Company in the annual financial report filed with the AMF correspond to those on which we performed our audit.

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 2021, Mazars was in the 14th consecutive year of its appointment and KPMG was in its 7th 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, 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 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) 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, 20 April 2022
KPMG Audit
KPMG SA department
Adrien Johner

Partner

Paris-La Défense, 20 April 2022
Mazars

Erwan Candau

Partner

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On the recommendation of the Remuneration and Appointments Committee, at its meeting on 13 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 2021.

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 2022 and information regarding remuneration and benefits paid or granted to corporate officers in respect of 2021;
- 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 the Board now provide for a three-year training plan, tailored to the specific needs of the company, for its members. Each year, the Board shall review progress with the training plan and report on it in the report on corporate governance.	R5 *(New recommendation)*	Any Director may, if he/she deems necessary, and at the Company's expense, receive training on the Company, its business lines and sectors of activity, as well as on the role of a Director. The Board noted this new recommendation and plans to implement the suggested training plan and monitor progress starting in the second half of 2022.
It is recommended that the chairmanship of the special committees be entrusted to independent "members of the Board", except in very special cases for which reasons must be given. The Remuneration and Appointments Committee must be chaired by an independent member. From now on, no executive corporate officer can be a member.	R7 *(New recommendation)*	The Board noted this new recommendation and plans to implement changes in the chairmanship of certain special committees starting in the second half of 2022. However, it should be noted that the Audit Committee is already chaired by an independent member of the Board of Directors.
Each Board must have a special CSR committee chaired by an independent member, which may be assisted by qualified persons as required.	R8 *(New recommendation)*	The Board noted this new recommendation and plans to establish a CSR committee starting in the second half of 2022

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 R11 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, who resigned on 30 March 2022 and was replaced by Aymeric de Beauvillé (co-option subject to ratification by the Company's shareholders at the next General Meeting).

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.

The Company does not have an employee representative Director.

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

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 directly, 3,940,000 shares via Diana Holding;
- Serge Héringer: 500 shares;
- Guillaume de Belair: 11,000 shares;

- Hachem Belghiti: 2,300 shares;
- Pascale Anquetil: no shares;
- Anna Luc: no shares;
- Cyril Cahart: no shares;
- Georges Graux: no shares;
- Aymeric de Beauvillé: no shares.

The members of the Board of Directors are periodically informed of the provisions introduced by Article 19 of Regulation (EU) 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 10 times during the 2021 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 2021 financial year were as follows:

08 January 2021

- Authorisation to enter into a supply agreement;
- Authorisation for the Chief Executive Officer to carry out a capital increase, subject to conditions.
- Attendance rate: 92%.

10 February 2021

- Approval of the terms of the supplementary report on the rights issue;
- 2021 negotiations;
- 2020 budget review;
- Investment review;
- Other business.
- Attendance rate: 92%.

27 April 2021

- Revenues review;
- Approval of press release;
- Review of Audit Committee report;
- Review and approval of the parent company financial statements for the year ended 31 December 2020;
- Approval of the forward-looking management documents;
- Regulated agreements and commitments referred to in Articles L. 225-38 et seq. of the French Commercial Code;
- 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. 225-37-1 of the French Commercial Code, on the advice of the Remuneration and Appointments Committee;
- Annual review of the functioning and preparation of the work of the Board in accordance with Recommendation 13 (formerly Recommendation 11) of the Middlenext Code;

- Setting of the agenda of the Annual General Meeting, approval of the draft resolutions, approval of the draft report of the Board of Directors to the General Meeting, setting of the date of the General Meeting, convening of the General Meeting;
- Recording of the completion of a capital increase following the exercise of Long-Term Warrants.
- Attendance rate: 83%.

28 May 2021

- Presentation *of the* 2021 forecast.
- Attendance rate: 75%.

28 June 2021

- Update on YTD results at the end of May 2021;
- Replies to written questions submitted by shareholders;
- Other business.
- Attendance rate: 75%.

30 June 2021

- Approval of minutes and other business;
- Removal of the obligation to hold shares in the Company as provided for in Article 2 of the Board of Directors internal rules of procedure.
- Attendance rate: 75%.

27 July 2021

- Approval of minutes;
- Approval of the press release on net sales for the first half of 2021;
- Budget review;
- Report on cash flow.
- Attendance rate: 67%.

28 September 2021

- Approval of minutes;
- Review and approval of the first half 2021 financial statements;
- Review and approval of the half-yearly business report;
- Review and approval of the forward-looking management documents;
- Other business.
- Attendance rate: 75%.

25 November 2021

- Approval of minutes;
- 2021 budget review and 2022 budget:
- Other business.
- Attendance rate: 91%.

15 December 2021

- Approval of minutes;
- 2022 budget review;
- Other business.
- 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 business lines and sectors of activity, as well as on 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 2021.

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 2021 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 certain 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 upcoming meeting at which the minutes of the previous meeting will be 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. 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 2021 financial year, on 26 April, 27 September and 14 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 three meetings during the 2021 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 issue an opinion on transactions 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.

The Strategic and Commercial Committee held one meeting during the 2021 financial year.

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 a contribution of over 5% of the Company's consolidated revenues (at each annual closing date) 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, participated in discussions and shared opinions during the meetings of the Board of Directors dealing with subjects within its remit.

As part of its assignment, the ad hoc committee may review the work and analysis of tax and legal experts other than the Company's usual legal experts. Following its assignment, the ad hoc committee determines whether the proposals submitted to it are in line with the strategic plan objectives aimed primarily at refocusing the Group's operations on core profitable businesses, issuing favourable or unfavourable opinions on them.

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 30 June 2021, Serge Héringer, Guillaume de Belair, Jean-Pierre Cayard, COFEPP and Tierny Financial Advisory were reappointed as Directors for a six-year term ending at the close of the Ordinary General Meeting of shareholders to be held in 2027 to approve the financial statements for the year ended 31 December 2026.

Therefore, following the General Meetings of 27 June 2017, 31 January 2019, 31 July 2020 and 30 June 2021, the 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 and CEO 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 • Chairman of HUQOOL JZ • Chairman of the Board of Directors of Découvertes & Loisirs • Director of Société Nouvelle de Volailles • Director of SES Warren • Chairman of the Board of Directors of ASAT • Chairman of the Board of Directors of Dakhla Blueland • 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 • Managing Partner of Milk Juba • Managing Partner of Terre d'Amandes • Managing Partner of Avocador • Managing Partner of Citruland • Managing Partner of Berkane Juice Processing **Offices held over the past five years:** • *None*

** Companies listed in France*

*** Companies listed outside France*

Hachem Belghiti	Current offices
Independent director No **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	• Director of Diana Holding • Chief Executive Officer of Roslane Wine & Spirits • Chief Executive Officer of Celliers de Meknes • Chief Executive Officer of Ebertec • Chief Executive Officer of Les Domaines Viticoles • Chief Executive Officer of Beverage Corporation **Offices held over the past five years:** • *None*

Serge Héringer	Current offices
Independent director No **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 2026 **Position** Director of Diana Holding	• None **Offices held over the past five years:** • None

Guillaume de Belair	Current offices
Independent director Yes **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 2026 **Position** Member of the Audit Committee	• Chairman of Panda Equity Research, France **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 **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 2026 **Position** Member of the Audit Committee	• Director of Albioma Saint-Pierre, France • Director of Bruggeman, Belgium • Director of EABP, France • Director of EAMP, France • Director of Gardel, France • Director of Gedesa, Spain • Director of Martinho, Portugal • Director of Mascarin Développement, France • Director of RABMG, France • Director of SPC Litte, France • Director of SPCRG, France • Director of SRMG, France • Partner of Albioma Galion, France • Partner of Héritier Guyot, France • CEO of Ducastaing, France • CEO of Peureux, France • Managing Partner of Bercy Reflets, France • Managing Partner of Gran Cruz, Portugal • Managing Partner of Gran Cruz Turismo, Portugal • Managing Partner of Héritier Guyot, France • Managing Partner of Opteam Spirit, France • Managing Partner of Repaire de Bacchus, France • Managing Partner of Uniao, Portugal • Member of the Executive Committee of Distillerie de la Tour, France • Member of the Executive Committee of Sucrière des Antilles, France • Member of the Executive Board of Glenlivet, United Kingdom • Member of the Executive Board of Glen Moray, United Kingdom • Member of the Executive Board of Glen Turner, United Kingdom • Member of the Executive Board of L5 First, United Kingdom • Chairman of Avèze, France • Chairman of Bardinet, France • Chairman of Bourdouil, France • Chairman of Busnel, France • Chairman of Casanis, France • Chairman of CFHS, France • Chairman of Da Silva, Portugal • Chairman of Duval, France • Chairman of Justino Henriques, Portugal • Chairman of NSCR (formerly Socori), France • Chairman of Quinta de Ventozelo, Portugal • Chairman of Rhumerie du Verso (formerly QFS), France • Chairman of Rivière du Mat, France • Chairman of RMSJ, France • Chairman of Saint Benoît Energies Vertes, France • Chairman of Saint Raphael, France • Chairman of SBANA, France • Chairman of SVS LM, France • Chairman of the Board of Directors of Dilmoor, Italy • Chairman of the Board of Directors of Mixer, Italy

Jean-Pierre Cayard	Current offices
	• Chairman of the Board of Directors of Perlino, Italy • Chairman of the Executive Committee of Banchereau Gastro, France • Chairman of the Executive Committee of Dillon, France • Chairman of the Executive Committee of Slaur-Sardet, France • Chairman of the Executive Board of COFEPP, France • Vice-Chairman of BSA, Spain
	Offices held over the past five years:
	• Partner of DRM 2014 • Partner of DRM 2014 • Partner of DRM 2015 • Partner of DRM 2015 • Partner of Gardel Invest 2013.1 • Partner of Gardel Invest 2013.1 • Partner of Gardel Invest 2013.2 • Partner of Gardel Invest 2013.2 • Partner of LM Invest 2013 • Partner of LM Invest 2013 • Member of the Executive Committee of Financière Mascarin • Member of the Executive Board of VDNM • Chairman of SEDRA • Chairman of SOGIM • Chairman of SVS LM • Chairman of the Board of Directors of Celebrity • Chairman of the Board of Directors of SIS

Edith Cayard	Current offices
Independent director No **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	• Director of BSA, Spain • Director of Dilmoor, Italy • Director of EABP, France • Director of EAMP, France • Member of the Executive Committee of Bardinet, France • Member of the Executive Committee of Dillon, France • Member of the Executive Committee of Slaur-Sardet, France • Chairman of Ducastaing, France • Chairman and Chief Executive Officer of SIS, France • Vice-Chairman of the Supervisory Board of COFEPP, France
	Offices held over the past five years:
	• Director of SIS

COFEPP, represented by Sylvia Bernard	Current offices
Independent director No **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	• Director of Bruggeman, Belgium • Director of BSA, Spain • Director of SIS, France • Member of the Executive Committee of Dillon, France • Member of the Executive Committee of Slaur-Sardet, France • Member of the Executive Board of COFEPP, France • Chairman of Préaux, France • Chairman of the Executive Committee of Bardinet, France **Offices held over the past five years:** • None

Tierny Financial Advisory, represented by Jacques Tierny	Current offices
Independent director Yes **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 2026 **Position** Chairman of the Audit Committee as of 12 June 2018 Member of the Remuneration and Appointments Committee as of 1 March 2019	• Chairman of Bio Santé, Switzerland • Chairman of the Audit Committee of Berger Levrault, France **Offices held over the past five years:** • Director of LCL Obligations Euro bond fund (Amundi Group)

Georges Graux	Current offices
Independent director No **Date of appointment** Appointed at the General Meeting of 31 January 2019, effective as of 1 March 2019 Chairman as of 1 March 2019 Resigned 30 March 2022 **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	• Director of Albioma Galion, France • Director of Dilmoor, Italy • Director of Gedesa, Spain • Director of Mascarin Développement, France • Director of Perlino, Italy • Managing Partner of Vergers de Normandie, France • Chairman of Préaux, France • Chairman of the Executive Committee of Bardinet, France **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, Belgium **Offices held over the past five years:** • None

Aymeric de Beauvillé	Current offices
Independent director No **Date of appointment** Co-opted on 30 March 2022 to replace Georges Graux, who has resigned. Appointment to be ratified at the General Meeting on 30 June 2022 Chairman since 30 March 2022 **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 30 March 2022	• None **Offices held over the past five years:** • Chairman and CEO of Compagnie Française des Grands Vins SA • Chairman of Veuve Amiot SAS

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 São Paulo and NYU International Programme, Jacques Tierny previously served as CFO at Michelin and Group CFO and Deputy CEO at Casino before joining KPMG as head of Valuation and Strategic Finance. From 2007 to 2018 he was Vice-Chairman and CFO of Gemalto.

Georges Graux (resigned 30 March 2022): 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.

Aymeric de Beauvillé (co-opted on 30 March 2022 to replace Georges Graux): Aymeric de Beauvillé has extensive experience in management positions at leading companies, first with the Martini Group and then with Compagnie Française des Grands Vins, the leading operator in France in the sparkling wine sector, where he was Chief Executive Officer for 17 years after having held various operational positions. He was concurrently Chairman of the FFVA (French federation of aperitif wines), which markets flavoured wines, major brands of port and sparkling wines. He is currently a judge at the Commercial Court of Melun.

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).

In the course of its work, the ad hoc committee ensured strict compliance with the competitive bidding process for the proposed sale of the Marques del Puerto wine business in Spain and monitored the selection of the best offer, thereby protecting the interests of the Company and the Group.

In addition, as part of the execution of its strategic plan and to reduce its operating cost base, the Company has put in place various production subcontracting agreements. In addition, an agreement to subcontract part of the Group's export sales business has also been put in place to benefit from COFEPP's extended geographical reach. These agreements 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.

To the Company's knowledge, there is no other risk of 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

None.

Trading in the Company's shares by corporate officers, equivalent persons and related persons

As part of the rights issue 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 2022 financial year

Pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy for 2022 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 2021 (*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 2022 remuneration policy remains unchanged compared to 2021, with the exception of performance criteria applicable to the Chief Executive Officer's annual variable remuneration. As mentioned previously, the 30 June 2021 Combined General Meeting of the Company's shareholders approved the resolution on the remuneration policy applicable to executive corporate officers for 2021 by an 98.09% majority and the resolution on disclosures referred to in Article 22-10-9 of the French Commercial Code by a 98.21% majority.

Remuneration policy for the 2022 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.

Aymeric de Beauvillé has performed the duties of Chairman of the Board of Directors since 30 March 2022. Given his appointment to replace the outgoing Chairman of the Board of Directors, Georges Graux, who has resigned, the new Chairman will serve for the remainder of his predecessor's term of office (i.e. until the end of the Ordinary General Meeting to be held in 2025 to approve the financial statements for the year ended 31 December 2024). The Chairman of the Board of Directors may be removed from office at any time by the Board of Directors.

Annual fixed remuneration

For his appointment, the Chairman of the Board of Directors would receive gross annual remuneration of €74,000.

The Chairman of the Board of Directors would also be entitled to the reimbursement of costs and expenses incurred in the course of his duties.

No other remuneration or benefits would be provided in respect of his appointment.

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 13 April 2022 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 2022 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 two portions based on predefined qualitative and quantitative 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 maximum 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 2022 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 2022 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 2022 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 2022:

- 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 2022 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 remuneration (formerly 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 and 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 13 April 2022, the Board of Directors decided to renew the 2020 remuneration policy also applied in 2021 whereby only independent directors 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 2021 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 2021

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 2021 is presented below.

The remuneration and other benefits paid or granted to corporate officers in 2021 were in compliance with the remuneration policy approved by the Board of Directors and ratified by the Company's Annual General Meeting on 30 June 2021.

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 2021 (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 2021 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 in respect of the year ended 31 December 2021, as presented in detail below.

The total remuneration awarded to Andrew Highcock for 2021 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 2021 has been made.

Table 1: Summary of remuneration, stock options and shares granted to the Chief Executive Officer

	2020	2021
Andrew Highcock		
Chief Executive Officer		
Remuneration payable in respect of the financial year *(details in Table 2)*	€882,283	€846,835
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 compensation plans	-	
TOTAL	**€882,283**	**€846,835**

As stated earlier, in application of the remuneration policy approved by the Board of Directors on 27 April 2021, on the recommendation of the Remuneration and Appointments Committee, and ratified by the Ordinary General Meeting on 30 June 2021, the remuneration awarded to the Chief Executive Officer for 2021 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	2020 (€)		2021 (€)	
Chief Executive Officer	**Remuneration payable**	**Remuneration paid**	**Remuneration payable**	**Remuneration paid**
Fixed remuneration [6]	530,720	530,720	530,720	530,720
Annual variable remuneration	259,000	259,000	259,000*	259,000**
Deferred variable remuneration				
Exceptional remuneration				
Remuneration for appointment as a Director				
Benefits in kind	92,563	92,563	57,115	57,121
TOTAL	**882,283**	**882,283**	**846,835**	**846,841**

** Annual variable remuneration to be paid in 2022 in respect of the 2021 financial year.*

*** Annual variable remuneration paid in 2021 in respect of the 2020 financial year.*

Fixed remuneration/impatriation bonus

Under the 2021 remuneration policy, fixed remuneration in respect of the 2021 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 between €160,000 and €240,000 divided into 12 monthly instalments.

In accordance with the approved remuneration policy for 2021, Andrew Highcock received fixed remuneration amounting to €370,000 and an impatriation bonus of €160,720 in respect of the 2021 financial year.

Variable remuneration

Under the 2021 remuneration policy, variable remuneration awarded to the Chief Executive Officer for 2021 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 2021, 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 2021 financial year.

Exceptional remuneration

Under the 2021 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 2021 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 2021 financial year.

Attendance fees

Not applicable

Benefits in kind

The Chief Executive Officer received various benefits in kind in respect of 2021 (company car, unemployment insurance, housing benefits, tax assistance, personal protection and top-up health insurance). These benefits in kind represent €57,121.

Table 4 - Stock options granted to the Chief Executive Officer by the Company and all Group companies during the 2020 and 2021 financial years

Not applicable: the Chief Executive Officer was granted no stock options during the 2020 and 2021 financial years.

Table 5 - Stock options exercised by the Chief Executive Officer during the 2020 and 2021 financial years

Not applicable

Table 6 - Bonus shares granted to the Chief Executive Officer during the 2020 and 2021 financial years

Not applicable: the Chief Executive Officer was granted no bonus shares during the 2020 and 2021 financial years.

(6) Including impatriation bonus for the year

Table 7 - Bonus shares granted to the Chief Executive Officer that became available for sale during the 2020 and 2021 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)	2020	2021
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

	2020	2021
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	2020		2021	
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

	2020	2021
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 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 2021 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	4,732 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	2017	2018	2019	2020	2021
Methodology			Amounts paid during the year		
Headcount sample	50	53	29	30	17
Corporate officer	Jean-Noël Reynaud	Jean-Noël Reynaud	Andrew Highcock	Andrew Highcock	Andrew Highcock
Corporate officer gross annual (€)	464,534	308,000	517,327	530,720	530,720
Employee average gross annual (€)	94,421	93,738	106,508	92,850	105,340
Corporate officer gross annual / employee average gross annual	4.92	3.29	4.86	5.72	5.04
Employee median gross annual (€)	103,000	95,917	106,851	95,000	92,981
Corporate officer gross annual/ employee median gross annual	4.51	3.21	4.86	5.59	5.71

Headcount selected:

- *Present (12 months);*
- *Arrivals during the year, annualised;*
- *Part-time converted to full-time basis;*
- *Departures during the year are excluded.*

	2017	2018	2019	2020	2021
Andrew Highcock					
Chief Executive Officer since 29 October 2018					
Remuneration (€)		530,724	789,720[7]	789,720	789,720
Ratio over average remuneration		5.00	7.40	7.96	7.50
Ratio over median remuneration		5.70	7.40	7.92	8.49
Corporate officer	Benoît Hérault	Benoît Hérault	Benoît Hérault	Georges Graux	Georges Graux
Remuneration (€)[8]	100,000	64,500	65,500	-	-
Average remuneration paid to Company employees (€)	94,421	93,738	106,508	99,196	105,340
Median remuneration paid to Company employees (€)	103,000	95,917	106,851	99,760	92,981
EBITDA (€000)	(11,947)	(27,173)	(12,090)	10,614	12,575

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: 2017 to 2021.
- 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).

(7) This amount includes fixed remuneration for corporate office (€370,000), the "impatriation" bonus (€160,720) and variable remuneration (€259,000 paid in April 2021).

(8) *This amount includes attendance fees and additional remuneration related to his consultancy assignment.*

6.4 DESCRIPTION OF 2021 REGULATED AGREEMENTS

6.4.1 List of regulated agreements authorised and entered into during the year ended 31 December 2021:

None.

6.4.2 List of regulated agreements entered into during the year ended 31 December 2021 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 2021 and not yet entered into:

None.

6.4.4 Regulated agreements authorised by the Board of Directors after the year ended 31 December 2021:

None.

6.4.5 List of previously approved regulated agreements that remained in effect during the financial year ended 31 December 2021:

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 €15 million current account advance from COFEPP (bearing compounded interest at an annual rate of EURIBOR 3 month + 425 bps), to be paid by 17 January 2020 ("**Bridge 1**");
- an initial €17 million current account advance from COFEPP (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;
- subscription by COFEPP to a rights issue for a total maximum amount of €105.3 million (including issue premium), underwritten up to 75% (i.e. €79 million including issue premium). This agreement provides that COFEPP's investment 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 France 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[9]		Second-rank pledge of 100% of Gaïa I shares
	06/08/2020	€4m[10]	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[11]	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 "*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), Anna Luc, Pascale Anquetil, Georges Graux, Cyril Cahart.

(9) 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

(10) 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

(11) 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), Anna Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

Signing of an €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 was 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 would 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 of €105.3 million (including issue premium), via the issuance 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 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 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. 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.

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.

The continuation of the aforementioned advance and all related guarantees ended on 4 February 2021, the date of completion of the €100.9 million rights issue.

Persons concerned: COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Anna 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 COFEPP in order to take into account the failure to lift certain conditions precedent relating to Bridge 2 and the resulting postponement to the end of 2020 of the timetable for 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 (including issue premium), via the issuance 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**"). The aforementioned amendment had 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.

The performance of the aforementioned amendment ended on 4 February 2021, the date of completion of the €100.9 million rights issue.

Persons concerned: COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Anna Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

Signing of an amendment to the investment agreement signed on 20 December 2019 between the Company and COFEPP (the "Agreement") for the purpose of extending the validity of the said agreement

This amendment was signed on 22 December 2020 between the Company and COFEPP in order to take into account the failure at that date to lift or waive the last condition precedent relating to Bridge 2 (formalisation of an agreement in principle on an amendment to a bulk Scotch whisky supply contract between the Company and one of its suppliers) and the resulting postponement to the end of 2020 of the timetable for the launch of the capital increase announced by the Company on 20 December 2019. The aforementioned amendment had 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.

The performance of the aforementioned amendment ended on 4 February 2021, the date of completion of the €100.9 million rights issue.

Persons concerned: COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Anna 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. This agreement ended on 4 February 2021, the date of completion of the €100.9 million rights issue.

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 8 March 2022, 85,465,244 voting rights, i.e. 70.06% of the Company's share capital and 69.74% 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 of €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 of 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 (4th 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 (5th 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 (6th 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 (7th 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 (8th 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 (9th 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 be charged against the global ceiling provided for in the second resolution	26 months	None
30 November 2020 (10th 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 SA ("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

We have not been notified of any agreement or commitment authorised and signed during the year ended that must be submitted to the General Meeting for approval in application of the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

A) AGREEMENTS THAT CONTINUED TO BE PERFORMED DURING THE YEAR ENDED

In application of Article L. 225-40 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.

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), Anna 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).

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.

Signing of an amendment to the investment agreement signed on 20 December 2019 between the Company and COFEPP (the "Agreement") for the purpose of extending the validity of the said agreement

Persons concerned:

COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Anna 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 took into account the failure to lift certain conditions precedent relating to the payment of the €17 million "Bridge 2" current account advance and the resulting postponement to the end of 2020 of the timetable for 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 (including issue premium), via the issuance 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"). The remaining terms of the Agreement are unchanged.

The performance of the aforementioned amendment ended on 4 February 2021, the date of completion of the €100.9 million rights issue.

Signing of an amendment to the investment agreement signed on 20 December 2019 between the Company and COFEPP (the "Agreement") for the purpose of extending the validity of the said agreement

Persons concerned:

COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Anna 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 failure at that date to lift or waive the final condition precedent for the payment of the €17 million "Bridge 2" current account advance (formalisation of an agreement in principle on an amendment to a bulk Scotch whisky supply contract between the Company and one of its suppliers) and the resulting delay in the launch of the Company's Capital Increase, which the Company announced on 20 December 2019.

This amendment had 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.

The performance of the aforementioned amendment ended on 4 February 2021, the date of completion of the €100.9 million rights issue.

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), Anna Luc (Director), Pascale Anquetil (Director), Georges Graux (Director), Cyril Cahart (Director).

Type, terms and purpose:

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 was 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 would 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 of €105.3 million (including issue premium), via the issuance 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 capitalised, 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 authorised by the Board of Directors on 20 October 2020 and signed on 22 October 2020.

The disbursement of the Poland Advance enabled the Company to continue operating as a going concern.

The continuation of the aforementioned advance and all related guarantees ended on 4 February 2021, the date of completion of the €100.9 million rights issue.

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)")

Persons concerned:

COFEPP (represented by Sylvia Bernard, Director), Jean-Pierre Cayard (Director), Edith Cayard (Director), Anna 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.

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, 20 April 2022

Erwan Candau
Partner

KPMG
Paris La Défense, 20 April 2022

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 Adrien Johner

First appointed on: 30 June 2015
Appointment expires on: 31 December 2026

6.9.2 Alternate Statutory Auditor

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
At the General Meeting of 30 June 2021 (resolution 15), it was decided not to reappoint or replace the alternate statutory auditor.

7

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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 located 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 company objects 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 private 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 up to five Deputy Chief Executive Officers, who must be individuals chosen from among the Directors or outside of their number.

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 paragraph 7of Article L 228-1 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.

The meeting shall pass resolutions via a 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 decide on capital decrease for any reasons and via any means, subject to any creditors' rights. However, a capital decrease may not jeopardise the equal rights of shareholders under any circumstances.

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 8 March 2022

Shareholders	Number of shares	% of share capital held	Number of theoretical voting rights	% of voting rights held
COFEPP[1]	78,433,683	70.06%	85,465,244	69.74%
BDL Capital Management[2]	8,957,610	8.00%	8,957,610	7.31%
Alberta Investment Management[3]	3,942,668	3.52%	3,942,668	3.22%
Diana Holding[4]	3,940,000	3.52%	7,140,000	5.83%
Other	16,675,996	14.90%	17,038,846	13.90%
TOTAL	**111,949,957**	**100.00%**	**122,544,368**	**100%**

Breakdown of share capital and voting rights for the past three financial years

	Closing position at 31/12/2021			Closing position at 31/12/2020			Closing position at 31/12/2019		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
COFEPP[1]	78,433,683	70.06%	69.74%	22,779,967	50.96%	47.35%	22,779,967	50.96%	50.86%
BDL Capital Management[2]	7,423,610	6.63%	6.06%	2,886,968	6.46%	6.00%	2,886,968	6.46%	6.45%
Alberta Investment Management[3]	3,942,668	3.52%	3.22%	1,068,641	2.39%	2.22%	1,068,641	2.39%	2.38%
Diana Holding[4]	3,940,000	3.52%	5.83%	3,940,000	8.81%	14.84%	3,940,000	8.81%	8.80%
Other shareholders	18,209,540	16.27%	15.16%	14,022,328	31.37%	29.59%	14,022,328	31.37%	31.50%
TOTAL	**111,949,501**	**100.00%**	**100.00%**	**44,698,844**	**100.00%**	**100.00%**	**44,697,904**	**100.00%**	**100.00%**
Theoretical voting rights according to monthly declaration			*122,528,032*			*48,105,465*			*44,903,229*

[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] Alberta Investment Management Company (AIMCo) is a Canadian Crown corporation and institutional investment manager handling different public funds and pension plans, with registered office located in Edmonton, Alberta.

[4] 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.

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 (5 February 2021)

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 thresholds of 10% 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].

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 the 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[4] 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

Threshold crossing disclosure: BDL (18 January 2022)

In a letter received on 20 January 2022, BDL, a French limited company, stated that on 18 January 2022 it had exceeded the thresholds of 7.5% of the voting rights and 7.5% of the share capital of Marie Brizard Wine & Spirits and held 8,957,610 Marie Brizard Wine & Spirits shares representing 8.00% of the Company's share capital and 7.31% of the voting rights[1].

1 On the basis of share capital consisting of 111,948,968 shares, representing 122,543,379 voting rights pursuant to paragraph 2 of Article 223-11 of the AMF General Regulation.

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 SRD2 survey

A survey on SRD2 identifiable bearer shares performed by Orient Capital on 8 March 2022 enabled a total of 111,911,267 shares to be identified, i.e. 99.97% of the shares comprising the Company's share capital.

Institutional investors hold 13.96% of the shares comprising the share capital, private investors hold 12.38% and 73.58% 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 by 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 2021 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 2018, 2019 and 2020.

Nor is there any provision for dividend distribution in respect of the year 2021.

7.5 FINANCIAL SERVICES

The Company's financial services company as at 31 December 2021 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

Eligible for share savings schemes: Yes / Eligible for deferred settlement service: Yes

8

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 2021 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."

20 April 2022
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 located at 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.

APPENDIX 1

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Not applicable

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Not applicable

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Not applicable

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